

# **Management Report**

to

**the Consolidated Financial Statements of the Erste Bank Hungary banking group for 2024  
prepared in accordance with International Financial Reporting Standards  
adopted by the European Union**

**Budapest, 4 April 2025**

The consolidated financial statements and management report of ERSTE Bank Hungary Zrt. for the year 2024 include a summary of the activities of the Bank and its subsidiaries (hereinafter Erste Hungary), together with information that has had an impact on Erste Hungary's operations from the aspect of assessment of business activities.

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# Business environment, goals and strategy of Erste Hungary

After an annual decline of 0.9% in 2023, the Hungarian economy pulled off an annual growth of 0.5% in 2024 on the whole. The economy entered a technical recession in the second and third quarters, from which it only recovered in the last quarter. The continued unfavourable external environment played a major role in the lower-than-expected growth, which held back export performance. Among the domestic demand components, investment performance remained subdued in 2024. Weak external markets, an uncertain outlook, low inflows of EU funds and low business sector confidence indices curbed private investment, while government-related investments worth of HUF 675 billion were postponed due to the need for fiscal adjustment. However, household consumption managed to climb in 2024. The recovery in consumption were helped by slowly unwinding household caution and rising real wages as inflation was moderating. Among the productive sectors, services were the only main growth driver, with industry - most notably vehicle and battery manufacturing - hit by a lack of external demand and agriculture by extreme weather.

The growth outlook for this year is overshadowed by the general uncertainty caused by the intended US tariffs. However, household consumption, a modest pick-up in investment and an expected improvement in agricultural performance should, on balance, support a continued gradual recovery this year. Our forecast is for 2% annual GDP growth in 2025, but the projection is subject to downside risks due to the still uncertain external environment.

The unemployment rate averaged 4.4% in 2024, up slightly from 4.1% in 2023, due to the still unfavourable economic situation. In the medium term, the indicator is most likely to hover between 3.5% and 4.5%, with the Hungarian labour market likely to remain structurally tight, mainly due to deteriorating demographic trends.

In 2024, the annual inflation rate was in the central bank's target range of 2% to 4% for most of the year. Behind the favourable inflation figures were food-inflation, which remained moderate until the autumn, and continued disinflation in industrial goods and market services. By December, however, the pace of year-on-year consumer price inflation accelerated to 4.6%, reflecting the resumption of global commodity and energy price increases in the second half of the year, while the forint also weakened significantly in the last quarter of the year. Annual average inflation in 2024 was 3.7%. However, the annual index is expected to remain above the central bank's target range of 2-4% for the year as a whole.

For most of 2024, the Hungarian central bank continued the cycle of interest rate cuts that started in 2023. The base rate was cut from 10.75% at the beginning of the year to 6.50% by the end of September. The base rate has been unchanged since then, and the Hungarian central bank responded to the deterioration in global risk perceptions, the expected upward shift in the interest rate path of the Fed, which is the US central bank, and the weakening of the forint by pausing interest rate cuts. And in January 2025, in response to rising inflation risks, the central bank's forward guidance also became tighter: instead of pausing interest rate cuts, the Monetary Council now communicates the rationale for maintaining persistently tight monetary conditions in view of the uncertain international environment and inflation outlook.

In 2024, the forint weakened slightly until the autumn and then relatively rapidly in the fourth quarter, ending the year at 410.09 against the euro. The forint depreciated by 3.5% against the euro on average over the year. The increasingly uncertain international environment, geopolitical tensions and a higher priced US interest rate environment undermined risk appetite in global markets, which was reflected in the rapid strengthening of the US dollar and the weakening of emerging market currencies. In an already lower domestic interest rate environment, the forint again proved vulnerable to these adverse effects. On the domestic front, the gradual deterioration in the growth outlook in 2024 did not support the forint, while the high surplus external and current account balances protected the exchange rate from further depreciation. In a still uncertain international environment, the expected continued positive real interest rate level and the external imbalance surplus should remain the most important fundamental support for the forint.

The general government balance showed a cash deficit of HUF 4 096 billion in 2024, which was finally in line with the deficit target revised during the year. The deficit on an accrual basis was reduced to 4.8% of GDP from 6.7% in 2023. Several fiscal adjustment packages were announced by the government during the year, resulting in an improvement in the primary balance by around 2% of GDP compared to 2023. Government debt-to-GDP ratio increased slightly to 73.4%.

In 2024, Standard & Poor's left Hungary's sovereign debt rating at BBB minus with a stable outlook. In November, Moody's also kept the rating unchanged at Baa2, but lowered its outlook from stable to negative. However, in December, Fitch kept

Hungary's debt rating unchanged at BBB but upgraded its outlook from negative to stable. Overall, Hungary's debt rating by Fitch and Moody's is by two notches and by Standard & Poor's by one notch from non-investment grade.

The Hungarian banking sector was also performing in 2024. The sector's balance sheet total expanded by around 7%. While loans increased by 8%, deposits grew by 6%, bringing the loan-to-deposit ratio to 89% at sector level. The non-performing loan ratio declined to 2.3%.

Operating revenues in the sector are 11% higher than the previous year. Revenue growth was driven by net fee and commission income, up 17% to HUF 1,064 billion in nominal terms, while other income increased by 64% to HUF 864 billion in nominal terms. In 2024, net interest receipts were 4% below the 2023 level, at HUF 2,150 billion on the revenue side.

Operating expenses rose by 9% in 2024, bringing them to HUF 1,880 billion, with an operating profit of HUF 2,198 billion. The sector's profit after tax in 2024 was HUF 1,632 billion, up 13% year-on-year. The sector's cost/revenue ratio improved by 54 basis points to 46.11%, while the return on equity decreased from 19% to 18.7%.

In 2024, the banking sector continued to actively participate in government programmes such as the Baby Loan, the Family Home Loan and its sub-programmes, the Széchenyi Programme and the relevant chapters of the Baross Gábor Re-industrialisation Loan Programme. Several schemes were announced during the year, such as the Family Home Loan Plus, Home Renovation Subsidy and the Worker's Loan, which will maintain the stable supportive role of the banking sector in the coming year. Further changes will allow the use of voluntary pension funds and SZÉP cards for housing purposes. In September, the domestically developed Qvik electronic payment system was launched, adding fast, secure and simple payment options.

Factors affecting the performance of the banking sector have increased in both number and impact. The transaction fee rate has been increased to 0.9% for cash withdrawals, 0.45% for bank transfers and the maximum ceiling to HUF 20,000. Conversion transactions were also subjected to 0.45% tax by the regulation with a maximum levy of HUF 20,000. The extra profit tax has been reduced from 13% and 30% to 7% and 18% respectively, and operators in the sector have the possibility to further reduce the amount to be paid by purchasing government securities.

In 2024, the Hungarian banking sector did not undergo any drastic changes in terms of its players. The only transaction during the year was related to MBH Bank, which increased its existing majority stake in Fundamenta Housing Fund by 14.9%. MBH Bank now holds a total of 91.23% of the Fundamenta housing fund. And in the last quarter, Granit Bank issued its shares on the Budapest Stock Exchange, from which it is planning to use the proceeds to increase its corporate and retail business.

Erste's strategic goal is to continue its balanced operations as a dominant player in the Hungarian banking market, both in its retail and corporate business, with strengthened risk management, increasingly efficient operations, continuously improving services and innovative banking solutions. Erste will maintain its strategic ambition to become the market leader in customer satisfaction.

Erste Bank and all its subsidiaries are committed to providing its customers with a wide range of financial solutions and services: deposits, investment products, loans and advisory services throughout their financial lifecycle. In support of this, it is continuously developing, among other things, its George platform, the Bank's digital mobile and web-based internet banking platform. Through this platform, it offers new products and services with easy access to basic information.

# Change in the legal form of Erste Hungary

The operating form and ownership structure of Erste Hungary did not change in the financial year of 2024. Erste Group Bank AG bought back the EBRD and Corvinus Zrt.'s 30% share in Erste Bank Hungary Zrt. in 2023. The transaction was concluded with Corvinus Zrt. in November and with the EBRD in December. The Bank's current form of operation is a private limited company (Zrt.), which was registered with the Court of Registration on 3 January 2011. The full name of the Bank is Erste Hungary Zártkörűen Működő Részvénytársaság.

The ownership structure of Erste Bank Hungary Zrt. is as of 31.12.2024 as follows:

Owner	Number of shares	Share of ownership
Erste Group Bank AG	146,000,000,000	100%
<b>Total</b>	<b>146,000,000,000</b>	<b>100%</b>

## Product range, cooperation agreements - strategic alliances

In a heavily challenging environment, Erste Hungary remains focused on providing customers with safe, high-quality, personalised service. Its strategic objective is to further strengthen its presence as a dominant player in the Hungarian banking market, as a universal bank in both retail and corporate segments, with an expanding service and product portfolio, strengthened risk management, more efficient operations and continuously rising service quality. The Bank, together with its subsidiaries, offers its current and prospective customers a wide range of financial solutions and services throughout their financial lifecycle: deposits, investment products, loans and other advisory services.

In retail lending, we continue to target an increase in unsecured lending, housing loans and state-subsidised loans. We continue to improve our lending processes and channels to ensure growth and customer satisfaction, with a particular focus on meeting digital needs.

The corporate business continues to offer full banking services to all segments, with the aim of developing transaction services and maintaining a national presence. Customers have access to most of the state-subsidised credit facilities, which are of paramount importance in the corporate strategy. In addition, the Bank places a strong emphasis on financing the agricultural sector.

In addition to core banking activities, Erste Hungary also plays an important role in the market for high-growth potential products such as investment and savings products, which are cornerstones of Financial Health. In this respect, the Erste Future Program stands out, in the frames of which we crossed the 90,000 regular investment customers mark in 2024.

Erste Hungary aims to expand its existing customer base by improving service quality and developing innovative banking solutions. To this end, it gives priority to existing electronic channels, including the George platform, which was launched in 2021 in line with its business strategy. The George makes available to retail customers an ever-expanding range of digital products and services. As a result, customers use George much more frequently than they used to do with netbanking and mobile banking. The number of digitally active customers has continued to grow, from 71% at the end of 2023 to 73% today. The George is regularly updated with continuous upgrades, with identified customer service calls now available from George, and the PIN for the bank card can be securely verified. 2022 saw the launch of Moneyback, a new cashback discount programme on the George App, which offers personalised offers based on shopping habits. Account opening with selfie and full online credit card and personal loan applications are now available, as well as secure screen sharing to enable customers to quickly access advisory help.

In addition to digital channels, the Bank continues to attach great importance to personal service and therefore places great emphasis on branch network development, constantly renewing our branches based on its innovative concept. In addition to the branches, planning has started for the complete renovation of the Europe Tower. In the planning phase, Erste Bank Hungary's

long-term perspectives and needs will be comprehensively assessed to ensure that upon the completion of the renovation work the banking centre of the future will be available to employees and customers for decades to come.

## The main resources and risks of Erste Hungary, related changes and uncertainties

### Asset and liability management (interest rate risk management)

To measure the interest rate risk on the bank's books, Erste Hungary uses a simulation process that is one of the most methodologically advanced solutions, which takes into account both traditionally used approaches, i.e. net interest income simulation (income perspective) and cash flow valuation, i.e. economic value simulation (economic perspective). The Asset and Liability Committee (ALCO) is the main strategic decision-making body for asset and liability management, including interest rate risk management. In line with its mandate, it regularly reviews Erste Hungary's interest rate risk positions and the development of its positions. In addition to monitoring the position, it is entitled to assess and rate Erste Hungary's interest rate risk position. Its powers include approving and changing the relevant internal policies, in particular the applicable limits, assumptions, procedures and methodologies. Other departments involved in the management of interest rate risk: (1) Liquidity and Market Risk Management, which measures Erste Hungary's exposure to interest rate risk, examines and analyses the reasons for changes in the risk profile and supports the decision-making process by considering the limit levels; (2) Asset and Liability Management (ALM), which performs operational decision-making functions related to ALCO's activities; (3) Money and Capital Markets, which is the operational executor of ALCO's strategic decisions and ALM's market transactions. Erste Hungary's management receives regular reports on the development of the interest rate risk exposure in the bank's books. These reports allow the management to:

- evaluate the level and trend of Erste Hungary's aggregate exposure to interest rate risk;
- check compliance with the defined risk tolerance levels;
- identify any excessive risk-taking above the level set out in the policy;
- determines whether Erste Hungary has sufficient capital to take a given amount of interest rate risk;
- make decisions regarding interest rate risk.

### Liquidity risk management

Erste Hungary uses a *Survival Period Analysis (SPA)* based on stress scenarios to measure its shorter-term liquidity risk. The analysis shows the level to which Erste Hungary's liquidity buffer would decrease in different liquidity stress scenarios subject to the given assumptions. The ALM's task is to reconcile the maturity structure of balance sheet and off-balance sheet items in such a way that the cumulative net cash flow is positive up to the time period defined as the limit. In addition to the survival period analysis based on stress scenarios, the liquidity risk management will take into account the compliance with the liquidity ratios (currency matching ratio, currency balance ratio) introduced by the Hungarian regulators and the compliance with the expected level of the liquidity ratios (LCR, NSFR) introduced by the Basel Committee on Banking Supervision. Liquidity and Market Risk Management regularly monitors and reports to ALCO the current values of the liquidity indicators.

### Interest rate risk management

Erste Hungary uses two analytical approaches to quantify the magnitude of interest rate risk: a) net interest income and b) simulation of the economic value of equity.

Both types of risk indicators revealed low to medium interest rate risk exposure, with both internal and external limits being met during the year.

*The sensitivity of the economic value of equity:*

The change in the economic value of capital under the six stress scenarios defined by the European Banking Authority, relative to the value of capital calculated in a no-change scenario.

The economic value of equity is the sum of the values of the change in the value of equity due to positive and negative interest rate movements, calculated by currency, compared to the value of equity calculated in a constant interest rate scenario. The worst-case scenarios of rising and falling interest rates are summarised on a currency-by-currency basis. This methodology takes the value of credit spreads to be zero (ignored) both when generating the cash flows and when calculating the present value, and applies a 0% interest rate floor value to the points on the yield curve shocked by historical interest rate changes.

*12-month simulated net interest income sensitivity:*

The aggregate of the 1-year change in net interest income per currency due to the assumed interest rate movements in the EBA scenarios, compared to the net interest income calculated in the no-change scenario as a proportion of Tier 1 capital.

	31.12.2023	31.12.2024
Market sensitivity of equity	5,95%	6,60%
Economic sensitivity of equity	6,39%	5,70%
12-month simulated net interest income sensitivity*	11,99%	2,95%

\* Net interest income modelled for 12 months, based on EBA scenarios

## Financial data

At the end of the year Erste Hungary's balance sheet total was HUF 5,010.6 billion, up 4.6% year-on-year. Profit after tax amounted to HUF 131.8 billion, HUF 16.9 billion higher than in the previous year.

At the end of 2024, the structure of Erste Hungary's asset portfolio changed only slightly compared to the previous year. The nominal amount of net receivables from customers increased by HUF 89.6 billion, largely due to the growth of the retail business (HUF 126.0 billion, up 10.6% on annual level). In contrast, the net receivables from corporate customers dropped (by HUF 32.8 billion, down 3.15% on an annual basis), mainly driven by loans to large corporates (down by HUF -56.0 billion), the impact of which was offset by an increase in receivables from real estate financing (up by HUF 32.8 billion on an annual basis).

Held-to-maturity securities decreased significantly, by HUF 72 billion in total, thus their share in the balance sheet total shrank to 21.3%. Receivables from credit institutions decreased significantly by HUF 31.8 billion, bringing their share in the balance sheet total down to 5.1%.

The share of deposits in the liability structure slightly declined (by 1.4% to 83.5% of total liabilities). Deposits from monetary financial institutions increased by HUF 185.9 billion while debt securities increased by HUF 198.7 billion to 11.0%.

Customer deposits increased by HUF 108.4 billion after HUF 341 billion decrease in 2023, and the share of customer deposits in the balance sheet total was slightly below last year's level at 65.1%. The Bank has a 10.1% market share of retail deposits, up 41 basis points from last year. On the other hand, the market share of corporate deposits decreased by 56 basis points to mature at 7.1%.

Erste Hungary's operating income increased by HUF 45.7 billion, while its operating expenses increased by HUF 15.9 billion compared to the previous year, resulting in an overall operating profit of HUF 234.3 billion (14.5% increase compared to 2023).

In terms of operating income, net interest income is 26.8% (HUF 40.5 billion) higher than at the end of last year. As a result of the changes in the market interest rate environment interest income and other similar income dropped (by HUF 208.5 billion) and interest expense and other similar expense fell (by HUF 196.3 billion) in 2024.

The rate of decline in interest income (-42.8% year-on-year) is lower than the rate of decline in interest expenditure (-62.7%), due to the lower short-term yield spread available on free liquidity compared to last year.

The HUF 196.3 billion drop in expenses is partly accounted for by n interest expenses for institutional customers and interbank deposits, mainly due to the decline in overnight interest rates.

Erste Hungary's commission and fee income increased by HUF 23.4 billion compared to last year (HUF 97.3 billion in 2023) and reached HUF 120.7 billion in 2024. The revenue side improved by HUF 27.5 billion, while fee and commission expenses increased by HUF 4.1 billion. The changes were mainly due to the improvement in investment services and insurance revenues, as well as in the result from card and payment services.

The result from Financial operations increased by HUF 17.2 billion year-on-year to HUF 29.6 billion in 2024. The increase was mainly driven by declining short-term and rising long-term market yield curves, the impact of which was mitigated by higher profits on interbank swaps.

The result from profit (or loss) from financial assets measured at fair value through profit or loss, decreased significantly (by HUF 35.8 billion) due to the change in market yields and reached HUF 7.2 billion in 2024. Again, the main reason for the decline was a fall in short-term market yields, while long yields rose, resulting in an overall decline of HUF 26.5 billion, while a change in the risk model reduced the result by further HUF 4.9 billion in October.

In 2024, annual operating costs amounted to HUF 18.9 billion, an increase of 15.5% compared to last year. The higher costs were driven in part by an increase in personnel costs, which rose by 14.7% to HUF 55 billion mainly due to wage increases. Other administrative expenses (material costs) increased by 19.2% to HUF 49.8 billion, mainly due to IT costs. Depreciation and amortisation totalled over HUF 14.1 billion which was higher than the previous year's level. The premium paid to the National Deposit Insurance Fund (OBA) rose significantly by HUF 1 billion in 2024, partly due to the reimbursement of the OBA premium linked to Sberbank in 2023 (HUF 3.2 billion), while in 2024 the premium paid to the OBA (and BEVA) decreased by HUF 2.2 billion due to the decrease in the contribution rate.

The result from other operating activities was worse compared to the previous year, mainly due to higher levels of bank and extra profit tax (HUF -2.5 billion) and financial transaction tax (HUF -9.0 billion), mainly caused by changes in the regulatory environment.

The cost/income ratio shifted from 33.5% (2023 Q4) to 33.7% (2024 Q4), driven by higher operating expenses growth.

At the end of December 2024, the provision for impairment and risk provisions was HUF 8 billion, mainly due to the reversal of provisions for the corporate portfolio.

## Operation of subsidiaries

Erste Hungary, Erste Bank Hungary Zrt. and its subsidiaries, are major players in the Hungarian financial market. In addition to the credit institution activities of Erste Bank, Erste Hungary's operations include investment services, leasing and factoring activities, as well as asset and real estate management carried out by its subsidiaries. In order to operate more efficiently and with more risk awareness, Erste Hungary is streamlining its group structure, which will result in the consolidation of its activities into fewer independent legal entities. The tables presenting the financial information of the subsidiaries include the individual unaudited figures prepared in accordance with IFRS in respect of the mortgage bank and the housing savings bank, and in accordance with Hungarian accounting law in respect of the other companies.

### **Erste Befektetési Zrt. [Erste Investment Private Limited Company]**

The company is an investment service provider; its main activity is other financial intermediation.

The company was founded in 1998 and has been a market leader ever since. Constantly expanding its product range, it offers its customers the full range of products sold by investment companies.

Its aim is to provide its customers with high-quality, fast and simple services. Erste Hungary's network of branches offers an online trading system to ensure fast and accurate execution of customers' orders on the stock exchange and government securities market anywhere in the country.



Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	219 148 799	281 806 635	29%
Total equity	45 561 636	47 118 981	3%
Share capital	2 000 000	2 000 000	0%
Result for the year	23 105 246	20 557 345	-11%

### Erste Ingatlan Kft. [Erste Real Estate Ltd.]

Real estate marketing, real estate leasing, real estate management and real estate development are the activities of Erste Real Estate Ltd.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	28 169 638	33 698 948	20%
Total equity	27 079 511	32 605 876	20%
Share capital	141 181	141 181	0%
Result for the year	168 527	5 526 364	3179%

### Erste Lakástakarék Zrt. [Erste Housing Savings Private Limited Company]

Erste Lakástakarék Zrt. is a specialised credit institution selling housing savings products, which received its operating licence from the Supervisory Authority on 29 September 2011 and started its sales activities on 17 October 2011.

In Act LXIII of 2018, the Parliament amended Act CXIII of 1996 on Housing Savings Banks. Under the law which entered into force on 17 October 2018, savings contracts were no longer eligible for state aid from that date. The subsidy used to be 30% of the savings, up to a maximum of HUF 72,000 per year per contract. Contracts concluded previously are still eligible for subsidy. The company plans to introduce new schemes.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	139 875 483	114 467 909	-18%
Total equity	8 760 645	8 183 457	-7%
Share capital	2 000 000	2 000 000	0%
Result for the year	3 480 606	2 204 811	-37%

### Collat-real Ltd.

The Company was founded on 10 March 2014 by Erste Bank Hungary Zrt. as the sole owner. The main activity of the Company is the sale of real estate owned by the Company.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	2 364 604	2 384 173	1%
Total equity	1 466 310	1 504 545	3%
Share capital	3 000	3 000	0%
Result for the year	-12 368	38 235	-409%

## Erste Jelzálogbank Zrt. [Erste Mortgage Bank Private Limited Company]

The Company was founded on 11 December 2015 by Erste Bank Hungary Zrt. as sole owner. The Company's main profile is refinancing.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	232 694 905	246 484 269	6%
Total equity	11 015 444	15 488 671	41%
Share capital	3 015 000	3 015 000	0%
Result for the year	-4 854 728	4 171 222	-186%

## RND Solutions IT Development and Services Ltd.

The Company was acquired by Erste Befektetési Zrt on 1 September 2021 and was consolidated from 31 December 2021 together with Random Capital Zrt. RND as an independently owned company provided the IT infrastructure for Random. After the successful integration of Random and RND in Erste Befektetési Zrt. including IT solution, it was concluded to write off the related software in RND Solutions Zrt. in 2022. In December 2022 Erste Befektetési Zrt. as a sole owner decided about the liquidation of RND. The liquidation process started on 1 January 2023 and finished on 31 March 2023.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	0	0	n/a
Total equity	0	0	n/a
Share capital	0	0	n/a
Result for the year	3 015	0	-100%

## Commerzbank Zrt. "v.a."

On 17 December 2021, the Bank signed a sale and purchase agreement with Commerzbank AG for the acquisition of 100% (306 016 shares) of the shares of Commerzbank Zrt., its Hungarian subsidiary. Commerzbank Zrt. is a full-service banking institution active in the corporate market. Following the receipt of regulatory approvals and the completion of the contractual administrative procedures, the transaction was closed on 30 November 2022, as a result of which Erste became the sole shareholder of Commerzbank Zrt. as of 1 December.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	9 554 449	9 772 228	2%
Total equity	5 962 875	5 999 944	1%
Share capital	2 466 916	2 466 916	0%
Result for the year	-1 448 747	37 068	-103%

## Z3 Ingatlanhasznosító Kft.

The Company was founded by Commerzbank Zrt. on 14 December 2022 and acquired on the same day by Erste Ingatlan Zrt. The real estate used as the headquarters of Commerzbank Zrt. was transferred to the Company and thus its main activity is real estate management.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	2 698 944	0	-100%
Total equity	2 674 673	0	-100%
Share capital	4 303 000	0	-100%
Result for the year	-1 650 519	1 603 357	-197%

## Erste Tower Kft.

The Company was founded by Erste Bank Hungary Zrt. in November 2024. The Company acquired the headquarters leased by Erste Bank Hungary Zrt. from Erste Open-ended Real Estate Investment Fund.

Key financial data:

in thousands of forints	2023	2024	Change %
Total assets	0	42 116 812	na
Total equity	0	42 050 599	na
Share capital	0	28 350 000	na
Result for the year	0	50 599	na

## Quantitative and qualitative indicators and ratios of process performance

The Bank also measures the quality of its internal operations through the performance of its main customer service channels (branch network, telephone customer service, electronic channels) and the main customer processes that take place there. The definition of the expected performance of the customer service channels and customer processes is preceded by understanding, monitoring customer needs. We carry out regular recurring research: mystery shopping and customer satisfaction surveys in branches, as well as on branch advisory, central customer service and electronic channel (GeorgeApp and GeorgeWeb). Based on customer feedback we compose metrics and measurable parameters: Channel Satisfaction, Customer Experience Index (CXI) and Net Promoter Score (NPS) surveys.

We build a measurement system primarily focussed on business processes and channels in Erste Hungary and perform measurements to map customer perceptions and determine process performance. We examine our processes from the point where the customer need emerges to the point of satisfaction of the need. The key performance indicators that describe process performance are lead time, error rate, service levels such as waiting time measurement, and availability of electronic channels. For these indicators, targets are set and the results of regular measurements are compared to the desired value.

If process performance is below target, we will carry out a detailed process analysis to identify the reasons compliance and develop recommendations for improvement. This is done on a weekly and monthly basis, involving the areas concerned in the process. If necessary, a process improvement project is launched, where we develop an action plan using process improvement methodologies to improve process efficiency.

## Employment policy

A detailed description of the topic can be found in the Own Workforce section of the Sustainability Report.

## Presentation of sites

Since 1 September 2006, the Bank's registered seat has been located at 24-26 Népfürdő Street, 1138 Budapest. The modern office building houses the central organisation units of Erste Hungary and its subsidiaries. We have a nationwide network of branches, which are professionally managed at a regional level (Budapest 1, Budapest 2, Northeast Hungary, Southeast Hungary, Midwest Hungary, West and East Hungary). The branch network is listed in Annex 1.

# Education policy

A detailed description of the topic can be found in the Own Workforce section of the Sustainability Report.

# Social mission and sponsorship

## Social responsibility

In the firm belief that all people deserve dignity and respect, our founders created Erste 200 years ago to ensure prosperity for all, regardless of status, nationality, religion, gender, age or any other factor. Our aim has always been to make it widely available. An important message of our mission is that "in addition to our banking and investment services, we demonstrate our commitment to our customers and to Hungary through our social responsibility".

Our Social Banking and Social Responsibility thematic pages can be found here:

<https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/vallalati-tarsadalmi-felelossegvallalas>

## Social banking

There are many reasons why many people lack access to the basic necessities of everyday life, live in poverty or lack financial stability. Erste Group is committed to supporting those in whom people have little faith, and to helping these people achieve economic development and access to financial services.

The aim of social impact banking in Hungary is to ensure equal access to financial services in both the private and civil sectors. Since 2017, we have integrated a wide range of activities under the umbrella of social responsibility. The Bank has created and institutionalised a value proposition for NGOs by developing the best-priced NGO account package and a special loan product guaranteed by the European Investment Fund (EIF) and Erste's foundation in Vienna.

In addition to financial instruments, Social Banking has also developed additional value propositions for specific disadvantaged groups. For details see the chapter of the Sustainability Report on Consumer and end-users.

## Financial awareness

For details see the Consumer and end-users section of the Sustainability Report.

## Social Housing Programme

The Social Housing programme addresses the issue of housing poverty. The Bank is involved in the implementation of three projects by two NGOs (Habitat for Humanity, Street to Housing Association) and provides financial support. The target groups of these programmes are people who are homeless or in a state of near homelessness, families without basic housing needs, and families without access to public renovation assistance.

In 2024, 28 families, 114 people in total, benefited from the three programmes, and since the start of the Bank's Social Housing programme, we managed to substantially improve the housing conditions of 576 people.

## SEEDS Programme

The Bank launched the SEEDS programme in 2017 thanks to the support of the Vienna-based Erste Foundation (Stiftung). IFUA Non-Profit Partner and SIMPACT Non-Profit Partner are also present as implementing partners in this programme for the complex development of NGOs and social enterprises. So far, more than 170 NPOs have received support. In SEEDS6 we helped the development of applicants through with volunteer support (liquidity management, daily efficiency) or customized advice (project management, financial planning, organizational change). ERSTE Bank also relied heavily on its 24 external partners for volunteers with whom 41 volunteers were involved in the program. Altogether 40 organizations received custom-made development in SEEDS6.

## MARC program

For details see the Consumer and end-users section of the Sustainability Report.

## +1 action - Community teamwork



The +1 action programme was launched in 2015 with the aim of encouraging Erste Hungary employees to participate in community programmes that go beyond simple team building and show colleagues how easy and fun it is to lend a helping hand. The goal of the +1 action programme is to give more space to community building and grassroots initiatives. Since 2018, we have been jointly recommending NGOs and communities to our employees with the support of Social Banking. The Bank also provides financial support to applications for community work. Since the start of the programme, 3779 colleagues dedicated a day for a good cause and 179 projects have been completed.

### Community involvement

The Bank remains highly committed to contributing to alleviating society's most pressing problems.

Bank donations supported projects of 89 non-profit organisations with a real social impact, worth nearly HUF 90 million, helping many people in need.

From 2021, Erste Bank Hungary became the main sponsor of the Civil Award, Hungary's most prestigious civil awards event. Regular sponsorship of GoodImpact, a unique marketplace for civil society services to the for-profit sector, has been ongoing since 2019.

Erste Bank is a gold-level member of the Social Impact Investors Association (THBE), Hungary's only social impact investor group.

During the year, we have given around 40 NGO partners the opportunity again to get involved in the Bank's life and processes. In many cases, we counted on them as contributors to professional programmes, but we were often able to integrate their products and services into the Bank's events (branch accessibility audits, sign language translation in branches, +1 Action, Santa Claus chocolate donation, "Be a child's angel at Christmas" campaign, Bake Sale, ErsteWoman, ErsteColours and ErsteGreen events, the Diversity month).

During the spring and autumn charity bake sales, colleagues collected donations of HUF 2.5 million for the Hungarian Food Bank Association.

In total 675 of our colleagues did volunteering for our partners and customers.

News about the community programmes are regularly published on the Erste Bank Hungary's Facebook page.

## Other cooperation agreements

### Margo Award sponsorship and Margo x Erste #higgymagadban special prize

In 2023, we joined the Margó Prize as a sponsor, which is awarded every year to a first fiction author who is judged worthy by a professional jury. From 2023, Erste presents the Margó x Erste #higgymagadban Special Prize to the first-time author who embodies what we at Erste call the #higgymagadban factor through their writing journey and/or the story they create.

We chose this sponsorship because it is closely linked in spirit to the #higgymagadban narrative, as budding writers create without knowing if anyone will ever read their work. On the other hand, Erste's brand and brand message can reach a wide audience, as almost everyone can relate to reading. And the Margo Festival in the autumn where the awards are presented, is attended by people aged between 18 and 65, typically of higher status and open to culture.

### Hungarian Ice Hockey Federation

For the seventh year, since September 2017, Erste Bank has been supporting the Hungarian first-class adult men's ice hockey championship, the Erste League.

Our aim is to support teams in the domestic league with our business knowledge and sponsorship activities, thereby contributing to the success of hockey in Hungary.

### Christmas charity: "Be a child's angel at Christmas" campaign

For a quarter in the life of Erste Bank Hungary, a special format Christmas charity campaign was organised by the Social Banking area. Colleagues could anonymously participate in fulfilling the wishes of disadvantaged children. As a result of the action, gifts were donated to 142 disadvantaged children reached by 5 Social Banking partner organisations (Habitat for Humanity, Anyák az Anyákért [Mothers for Mothers], Age of Hope, SütniJó [GoodToBake] and InDaHouse).

### Erste Green



Erste Hungary continually endeavours to demonstrate its commitment to protecting the environment through its actions, and in addition to complying with the parent company's standards (reducing carbon emissions, paper consumption, electricity consumption and heating energy), it takes further steps to make our organisational culture and operations more environmentally friendly, thereby broadening our social responsibility.

In early 2016, Erste Green was launched as an initiative of an internally organised volunteer group with the primary aim of raising awareness, education and commitment to sustainability among our colleagues. The main activities of the team include organising environmental community programmes, "green" everyday life, sensitising and promoting eco-consciousness, being present in Erste's corporate life, liaising with other employee clubs and achieving a positive social impact. Since its inception, the team has 400+ supporters, grouped around 10 active organizers.

Green education is becoming increasingly important. In 2021, Erste Green launched a Facebook channel for environmentally conscious colleagues to share their thoughts on environmental topics, news, articles and debates. Thanks to Erste Green's initiative, the Erste Live staff events in the last couple of years became completely plastic-free, and the Christmas tree in the Erste Tower was replaced by a wooden installation that can be re-installed and re-decorated every year without cutting down another tree. In 2023, each quarter focused its programmes on a specific theme (Energy Consumption, Ecosystem, Plastic Free, Over-consumption). At the intersection of health and environmental awareness, plogging (running litter picking) and morning bike events were organised every six months. They participated in the fourth Bodrog PET Cup event, where colleagues collected more than 300 bags, i.e. 1323 kg of rubbish and came 3rd in the competition.

In 2024, Erste Bank competed in the V PET Cup with 40 colleagues and came 4th in the competition. In the spring, they joined the Save the Frogs campaign and the national PickYourSelf campaign. On the open day of the Budapest Waterworks, a trip was organized to visit the Kőbánya Reservoir. On World Water Day, water tasting and tap water consumption were promoted. There are regular Breakfast For Bikers, a film club organised and they take care of the donations in the charity boxes.

Erste Green is actively linked to other employee clubs, including a joint programme with the Book Club (reading books about nature) and a joint promotion of selective waste collection during May Club Week. At the invitation of Employer branding, they joined the Kids in Towers/Across Branches days, where they taught the basic concepts of sustainability in a playful way.

## ErsteWoman



ErsteWoman plays an important role in the Bank's diversity actions, and is actively linked to HR and Social Banking in its programme.

In 2024, ErsteWoman discussed and brought into the bank topics that we tend to shy away and are not considered appropriate for public discussion. Renowned speakers were invited on the topics of menopause, psychological coping with divorce, body-conscious parenting and building women's self-confidence. They continued their usual programmes of fundraising for children living in extreme poverty, self-defence training, CPR courses, and promoted the importance of cervical cancer screening with a creative craft session and a presentation by experts.

The ErsteWoman initiative aims to work in closer coordination with the activities of the other 16 clubs, as there are more connection points to be joint advocates on issues and create value for colleagues.

## ErsteColours



ErsteColours plays a key role in Erste's diversity actions. The primary goal of the club is to empower LGBTQIA employees. By raising the visibility of its members and organising support programmes, they have raised awareness that Erste is an inclusive and accepting environment where no one should fear discrimination and everyone can be who they are without fear. The club has also helped to raise awareness of the issue among non-affected colleagues through sensitisation presentations, which further strengthens the acceptance of the community.

In 2024, two major themes in mental health were addressed: minority and diversity, and the stress of feeling inferior. They also pursue an important mission to build community, which is why they organised board game evenings, picnics, yoga and city walks throughout the year. They were present at all major LGBTQ workshops and events: LMBT Historic month, Family is family conference, Budapest Pride, Vienna Pride. The team members have also been approached by colleagues for advice, so the advocacy role has also set off, further increasing the sense of a safe environment among employees.

## Physical and information communication accessibility in the branch network

The aim of social impact banking is to promote equal access to banking services and to express the views of bank customers and potential employees. In this context, we continuously review our service channels and employment strategy, and liaise with expert NGOs and the Bank.

Erste Hungary continues to remove barriers to accessibility in retail branches to make everyday banking as convenient as possible for customers with disabilities.

As a result of the programme, the bank has modified 65 of its branch network in Hungary comprising 98 units following the refurbishment of the branch network, providing full access to entrance for people with reduced mobility and larger interiors. Going forward, all branch investments will be made with easy access in mind, unless physical or other barriers arise. To facilitate this, Erste Hungary has engaged a professional auditor who has already certified 26 of our branches as accessible based on their inspection. The auditor's mapping has helped to develop new actions around branch investments: 54 branches have been equipped with devices (induction loops), all branches have installed a CONTACT sign language translation service, and staff have been trained to support the hearing impaired. Tactile lanes have been installed in 16 branches and others are being mapped. Mobile ramps are available in the 12 branches most frequented by wheelchair users. The entrances and glass surfaces have contrasting stickers and pictograms at the entrances help you find your way around. The menu system of the branch call centres has been renewed and simplified, with a number display that follows the WCAG standard. All new and renewed branches in the network follow the "new concept" methodology, which takes into account the opinions of accessibility engineers in the design.

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

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

Our ATM modernisation programme, which will run until the end of 2025, will aim to ensure accessibility and usability for both existing and new ATMs. Currently, 56% of Erste's ATM network is accessible without barriers and 62% is usable without barriers. In 2023 the entire branch ATM network was renewed. In 2024 non-branch ATMs started to be replaced for more modern ones. The new type of ATMs also offers the possibility to set contrast, further increasing the satisfaction of blind and partially sighted customers when using ATMs. Contrast can be adjusted in the top right corner of the screen or with the grey button on the keyboard after the transaction has been initiated.

The George-based site and applications follow WCAG 2.1 guidelines, including contrast, resizing settings, page read-aloud options and more. From 2024 the Bank is also actively preparing to comply with the European Union's accessibility directive, which will come into force in 2025.

## Erste Hungary's support for employees with special needs in the Erste Tower

- The tower is barrier-free and accessible by wheelchair on all floors and wings. Thresholds are removed or replaced by floor separators, making crossing for wheelchairs smooth. (The only exception is the garage entrance, but this is not feasible with fire doors due to the fire compartment boundary.)
- Our lifts are also threshold-free, and there is a special call button for the visually and mobility impaired, which makes the lifts wait longer to assist in getting in and out.
- The height of the light switches and lift panels were designed to be wheelchair accessible throughout the building.
- We have 3 handicapped parking spaces.
- 2 disabled toilets are located in the Tower.
- In the parking lot outside the building, we provide 1 dedicated disabled parking space for our guests (for guests who have registered in advance).
- Disabled access to the lobby is made barrier-free through the opening door next to the turnstiles.
- The buffet and canteen are also accessible.
- Kitchens on all floors of the building are also accessible.
- In toilets, lights switch on automatically with the help of motion sensors.



# Customer Satisfaction Index

The Customer Experience Index (CXI) is determined by Group Customer Experience, which is part of Group Brand Management & Communications, which in turn reports to the CEO. This entity-specific disclosure (regarding Erste Hungary) helps illustrate the effectiveness of our actions in increasing the positive impacts on our customer base. The CXI is of great relevance for Erste Hungary, as it is also used as input in the evaluation of members of the management board of Erste Hungary and all employees.

In the retail segment, a representative survey called 'Banking Market Monitor' is carried out on a quarterly basis. 2,400 telephone interviews (with customers and non-customers) are conducted annually across Erste Group's markets. In the corporate customer segment, an extensive survey with at least 1,500 Hungarian companies is carried out once a year.

	% Dissatisfied Satisfaction 0-4	% Not engaged Satisfaction 5-6	% Simply satisfied Satisfaction 7-10	% Loyal Simply satisfied and Repurchase 8-10 Bank change 0-1	% Advocates Loyal and Recommendation 10 Effort 10
Vs. competition	Clear competitive disadvantage	Competitive disadvantage	No advantage or disadvantage	Clear competitive advantage	Clear competitive advantage
Likely behavior	Likely to change bank as soon as they can	Likely to look for better offers and change bank	Leave easily even for slightly better offer	Likely to repurchase even pays some price premium	Likely to recommend to friends and family
Target	Optimize		Neutral	Maximize	

These analyses are conducted by an external market research institute and provide data for a performance comparison both within Erste Group and with its most important competitors. Based on these surveys, our customer relations are rated in five categories (advocate, loyal, simply satisfied, non-engaged and dissatisfied) and successful improvement of customer service is measured using the CXI (Customer Experience Index).

Based on these categories we calculate the CXI as follows: % advocates + % loyal customers + 0.5\*%simply satisfied -% non-engaged - % dissatisfied. The CXI rating therefore ranges on a scale from -100 to +100. This value is put in relation to the top three competitors in each country and in each segment and is then used to identify the strengths and weaknesses of the local banks as compared to the market leaders.

The process of target definition is the same for every CXI target and every segment. Our long-term goal is to become the leader in CXI in the country, while our short-term goal is to achieve significant yearly improvements. This target is relative compared to the top 3 competitors in the market.

Measurement and calculation are conducted by Group Customer Experience, and Erste Hungary Customer Experience is only responsible for the measurement, not for any measures. The results from the previous year are used for setting the targets for the next year, a process that is carried out annually. The source of data is market research, with telephone interviews conducted for all three segments (Private: quarterly / Micro & SME: yearly). The limitation of the measurement is the standard deviation, and the target is always in relation to the actual Top 3 of the markets. This is achieved through market research among all main clients of all banks in the markets, with Erste Hungary always comparing itself to the Top 3 banks in each segment. The Top 3 values are weighted by the size of the banks. Ultimately, Erste Hungary is responsible only for the measurement and target definition. The methodology is established internally using mathematic models to determine the views and opinions of our customer base.

	PI		Micro		SME		Total	
	Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors		Difference in relation to the top 3 competitors	
	2024	2023	2024	2023	2024	2023	2024	2023
Erste Bank Hungary	1,5	6,4*	2,2	-1,5	0,0	0,6	1,3	4,5

### CXI Privates

In the segment of private customers Erste Bank Hungary consistently holds the second place behind K&H. \*Competitive landscape changed from 2023 to 2024. CIB was taken into account as competitor in 2024, but was not in 2023. If we calculate with CIB in 2023, the difference to the top3 competitors was -1,6 in 2023. Thus EBH achieved +3,1 p.p. development in 2024 in PI segment.

### CXI Micro Segment

In this segment, we are also in second place behind K&H. We have stopped the decline that started in 2021 and have improved in 2024. This result is a statistically stable development.

### CXI SME Segment

In the SME segment, we finished in third place. Unfortunately, there was negative development in 2024. None of the competitors were able to achieve positive development.

## Erste Hungary's energy management

The Bank places a strong emphasis on increasing energy efficiency in both its headquarters and its branch network to protect and sustain our environment.

The Bank's headquarters building is classified as an "A" class office building, equipped with high technical content, modern cooling and heating technologies, and a building surveillance system, in line with the technical and energy efficiency requirements of the time. In 2022, our headquarters, the Europe Tower, was awarded outstanding Breeam certification. Motion and position sensors were installed in many areas and in order to reduce energy consumption the installation of energy-saving LED lights were fitted throughout the tower. The heating and air conditioning systems operate in energy-saving mode at night and on weekends, taking into account real comfort needs and holidays. All workstations in the building have natural lighting, which is an important factor in maintaining the health of workers and reducing energy consumption. We ensure reduced energy consumption during off-peak periods by changing the operating mode according to opening and working hours, which also allows our entire branch network to operate more energy efficiently.

Through continuous improvements, we are replacing the equipment that supplies energy to the building with more efficient equipment that serves the needs with better efficiency, while keeping in mind the need for comfort and the principle of minimal environmental impact.



In the spirit of environmental awareness, we have been carrying out separate waste collection in our head office, in the warehouse in Törökbálint and currently in 10 branches for years, collecting plastic, paper, metal and glass and municipal waste separately. We are planning to expand separate waste collection in the branch network.

From 2016, we purchase green energy every year, not only directly reducing our CO<sub>2</sub> emissions, but also indirectly supporting the deployment of innovative renewable energy systems. We feel obliged to continue this activity and have purchased another 7,300 MWh of green energy to power the Bank's headquarters building and branch network in 2024, which we will continue in 2025. This will cover 100% of Erste Hungary's electricity needs from green power.

In order to continuously maintain and improve the efficiency of energy management, we implemented an ISO50001 compliant energy management system at the end of 2017. Also at the end of 2017, in addition to our internal demand and the support of the Group, we expanded our ISO activities and introduced our ISO14001 environmental management system, further strengthening our commitment to protecting our environment.

The development and renewal of our branch network are ensured by the innovative operation of our continuously improving standards and ISO systems. Artificial lighting is provided by energy-efficient fluorescent and LED luminaires. 89 branches are now lit by state-of-the-art LED light sources. The lighting of logos and illuminated signs is time program controlled, and night lighting is limited or kept to the minimum necessary in most areas.

When selecting newly installed air conditioning systems, we give preference to VRV (heat pump) and inverter systems that promote energy efficiency.

To reduce paper consumption, the Bank has introduced the possibility of paper-free cash withdrawals at its ATMs and uses recyclable, environmentally friendly paper not only in its ATMs but also in its daily operations.

For internal mail, Erste Hungary uses 24 times addressable envelopes, envelopes made from recycled paper for external mail, recycled paper and stamps. Scrapped but still usable computers and unused furniture are donated to educational institutions and foundations in need, and used copiers and ink cartridges are collected by suppliers.

In order to reduce the direct environmental impact of transport, the size of the company car fleet is continuously determined according to demand, and modern vehicles with energy-efficient engines are purchased. Special attention is paid to the regular monitoring of emissions and fuel consumption. We continually expand the number of stations for charging electric cars in the central building, which we will continue this year as well. In order to decarbonize employee mobility, we are increasing the share of electric vehicles in our fleet year by year, with the aim of having the entire company fleet electric by 2030.

We have a cooperation agreement with two car-sharing services (GreenGo and Wigo), which provide employees with electric cars for company trips with GreenGo in Budapest and Wigo nationwide, reducing emissions.

Erste Hungary provides a storage area for more than 180 bicycles simultaneously in its headquarters for colleagues who cycle to work, thus promoting health and environmentally friendly traffic. In the bicycle storage area, 6 free charging points for e-bikes and scooters have been provided, thus increasing the e-mobility awareness of employees within the bank.

# Sustainability Statement

## GENERAL INFORMATION

The Accounting Act requires Erste Hungary to prepare a consolidated business report in the electronic reporting format (XHTML) as defined in Article 3 of Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) and to mark it up in accordance with the electronic reporting format. Given that the ESEF taxonomy for sustainability reports has not yet been adopted, Erste Hungary was unable to mark up the disclosures.

## BASIS FOR PREPARATION

### BP-1 - GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENT

For 2024, Erste Hungary has integrated its sustainability statement into the management report. This report has been prepared on a consolidated basis, using the European Sustainability Reporting Standards (ESRS) as a framework, alongside the requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy).

The scope of consolidation of the sustainability statement follows the scope of consolidation of the financial statement, which is prepared according to the International Financial Accounting Standards (IFRS) and is shown in Note 50 of the 2024 consolidated financial statement. Information in this statement relates to the entities within this scope of consolidation as well as the Erste Hungary's upstream and downstream value chain. Where this is not the case, this is indicated in the text.

To ensure that all material sustainability matters are addressed, Erste Hungary conducted a value chain assessment, which was part of the double materiality assessment (DMA). This materiality assessment helped Erste Hungary to identify and assess impacts, risks and opportunities (IROs) across the value chain. The material IROs connected to the value chain are an integral part of the sustainability statement. For further information on the value chain and its assessment, please refer to the disclosure in chapter 'SBM-1 – Strategy, business model and value chain'.

Erste Hungary has not exercised the option to exclude information related to intellectual property, know-how, or innovation results, as there is no such information that requires disclosure.

In Hungary, the implementation of the Corporate Sustainability Reporting Directive (CSRD) into national law has been finalized. Therefore, the exemptions described in BP-1 5-e are not considered relevant for this report.

### BP-2 - DISCLOSURES IN RELATION TO SPECIFIC CIRCUMSTANCES, TIME HORIZONS AND DATA METHODOLOGY FOR REPORTING

#### Estimation uncertainty and assumptions

Certain disclosed metrics have been calculated using estimates and assumptions. Information on the estimates and data sources, including potential measurement uncertainties and assumptions, where applicable, is provided in the respective topical chapters. Erste Hungary discloses metrics that incorporate value chain information which has either been sourced directly from counterparties or derived indirectly through third-party data providers or industry-specific proxies.

A high level of measurement uncertainty due to limitations in data and methodologies relate to the disclosure of GHG emissions. In Erste Hungary's analysis and climate target-setting, estimates have been made using the recognised frameworks available at the time. Detailed descriptions of the methodological approaches can be found in sections E1-4 and E1-6.

The presentation of EU Taxonomy reporting is subject to uncertainty due to limitations to the availability of information and the use of third-party data. See the 'Reporting principles' section of this Sustainability Statement for a description of limitations in data and data quality for EU Taxonomy reporting.

The limitations in the availability of environmental data from our customers and other business relationships may also have impacted the results of our impact materiality assessment.

Climate-related target setting, alongside the respective actions and policies, require forward-looking parameters over a long-term horizon. Erste Hungary's parameters are based on expectations, projections and estimations, which inherently involve a degree of uncertainty and risk. This is due to factors such as evolving methodologies, fluctuating market conditions, technological advancements and challenges in data availability, accuracy, as well as potential regulatory changes. These assessments are subject to change and should not be considered reliable indicators of future performance.

This is the first report from Erste Hungary that provides information according to the CSRD/ESRS. As such, the structure as well as parts of the disclosure changed compared to previous periods to comply with regulatory requirements

In the preparation of this sustainability statement, no additional legislations or frameworks have been applied beyond those prescribed by ESRS. For a list of information that is incorporated by reference, please refer to the table in IRO-2. As Erste Hungary has more than 750 employees, the possible omissions described in BP-2 17 are not applicable.

### Transitional provisions and phase-in options

- Erste Hungary has used the phase-in option under ESRS 1 Appendix C with respect to anticipated financial effects of material risks and opportunities identified on Erste Hungary's financial position and financial performance in future years (SBM-3).
- Erste Hungary has set GHG intensity reduction targets and, correspondingly, reports progress against these relative targets. Erste Hungary does not report associated absolute values for the target years in accordance with ESRS 1.133 (transitional provision regarding value chain information).

### Comparative figures

In accordance with the ESRS transitional provision, no comparative figures are disclosed in 2024 as it is the first year of sustainability reporting under the ESRS.

### Time horizons

Erste Hungary defines 'short-, medium- and long-term time horizons' for reporting in accordance with ESRS. Where applicable, any deviations from these time horizons are noted (for example due to time horizons which were aligned with internal risk processes). The time horizons are:

- Short-term: Up to 1 year
- Medium-term: Up to 5 years
- Long-term: Over 5 years

## GOVERNANCE

### GOV-1 - THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

#### Organisational structure for sustainability topics

##### Management Board

The management board is responsible for managing the organization as required for the benefit of the company, considering the interests of the shareholders, the employees and the public and defining the sustainability strategy, framework, goals and priorities. The Management Board is also responsible for the process of identifying and managing impacts, risks and opportunities (IROs) and is periodically informed on the status and milestones achieved.

In 2024, the managing bodies were briefed quarterly on material environmental IROs (sustainable financing, climate change mitigation) in the context of Supervisory Board / Managing board meetings by experts from different divisions, such as strategy, risk management and business areas. For social topics, the diversity strategy was presented and discussed on the Nomination Committee meeting in September. The gender pay gap was presented to the Managing Board and the Remuneration Committee. The Managing Board is briefed quarterly on data privacy issues and receives regular reports. There are also ad-hoc meetings with other board members on these matters. On governance topics regarding whistleblowing, the participating members of the Managing Board and the Supervisory Board were informed in the Audit Committee. This also includes an overview of the cases from the last reporting period.

The Management Board, the audit committee and the Supervisory Board were informed about the status and results of the double materiality assessment (DMA) by Finance and Accounting. The DMA was then approved by the Management Board.

## Supervisory Board

The Supervisory Board is responsible for overseeing the implementation of the sustainability strategy and for approving fundamental decisions on strategy. The Supervisory Board and the Audit Committee are tasked with reviewing and approving the sustainability statement prepared by the Management Board. The Supervisory Board is regularly briefed on material IROs and are informed and consulted in the process of setting, reviewing and adapting targets towards material IROs.

## ESG Office

The ESG Office is responsible for developing the sustainability strategy and ensuring its integration throughout the organisation. It advises the Management Board on sustainability strategy and has direct access to the CEO as well as other members of the Management Board and the Supervisory Board. The ESG Office functions as a knowledge hub. It collects, synthesizes and redistributes information to the relevant stakeholders, secures in-house expertise on climate, environmental, social and governance objectives. It kickstarts ESG related activities but does not take part in the daily operation. The ESG Office also provides a comprehensive ESG view. Additionally, the ESG Office coordinates with various stakeholders including regulatory and public bodies.

## Composition of the bodies, skills & expertise

### Management Board

The management board of Erste Hungary consists of 6 executive members and 3 non-executive members. The average ratio of female to male management board members amounts to 11.11% (as of 31.12.2024 based on headcount).

#### Internal Members (Managing Board):

Radován Jelasity, Chairman of the Board, CEO

He has been Chairman-CEO at ERSTE BANK HUNGARY Zrt. since mid-2011. He is the president of the Hungarian Banking Association from May 2020. Previously he was the Governor of the National Bank of Serbia between 2004 and 2010, and earlier he was Deputy Governor at the Serbian central bank. As central banker, he played an important role in the consolidation of the Serbian banking sector and the insurance market, as well as in the strengthening of the regulatory and supervisory bodies; furthermore, he played a key role in Serbia's negotiations with international financial institutions. As Vice President of the Banking Rehabilitation Agency he participated in the reorganisation of the banking sector and in the launch of the privatisation process of several large banks. Before that, he participated, on behalf of McKinsey&Company in Frankfurt in banking projects in Germany, Poland and Bulgaria. He started his banking career at the Deutsche Bank in Frankfurt where he worked for four years as area manager responsible for Central-Eastern Europe. The Baja born Jelasity Radovan finished his secondary school in Budapest. He obtained an MBA at the Finance Faculty of Illinois University in Chicago, after having acquired a degree in economics at the Belgrade University.

László Harmati, Deputy CEO, Deputy Retail CEO

The professional economist started his career at the ITCB - Consulting and Training, then between 1998 and 1999 he was Head of Department of Entrepreneurship and Regulation in the Ministry of Finance. Between 1999 and 2002, as Head of Department of Regulation at the National Bank of Hungary, he played a leading role, amongst others, in the development and launching of the domestic trading book regulation and the implementation of the Basel capital rules in Hungary. From 2002 until early 2013, as Deputy CEO at FHB Mortgage Bank Nyrt, and as CEO from 2010 the supervision of the entire business area was his competence, thus he played a leading role in the management of the bank's business strategy. In 2006-2007 he undertook an active role in founding the FHB Kereskedelmi Bank Zrt where he fulfilled the position of the CEO. In 2010 and 2011, during the acquisition of Allianz Bank Zrt he was in charge of the merger, he is associated with the establishment of the new business model, managing the rationalisation project, and the intensive retail online developments (netbank, netbroker, lead generation via the Internet). In 2012 he led several state schemes (NET, fixed exchange rate). He was a leading actor in the cost rationalisation, the development of the new set of tools for housing subsidy, he is credited with the re-tuning of the collection protocols, and the increase of the branch and direct channels' cross-sale potential.

Krisztina Zsiga, Deputy CEO, CRO

She graduated in 1993 at the Manchester Metropolitan University. She has been working in risk management for more than 14 years, and her career advanced in this area. She obtained numerous experiences in various European countries. Between 1995 and 2007 she worked in the Inter-Európa Bank, in Citibank and in the CitiGroup in Budapest, Moscow, Norway, Prague, London. She joined Erste Group Bank AG in January 2008 where she has been working as Head of Retail Risk Management. She joined Erste Bank Hungary Zrt. in November 2016.



Manfred Schmid, Deputy CEO, CFO

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

András Kaliszky, Deputy CEO, COO

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

Róbert Cselovszki, Deputy CEO, Chief Corporates and Markets Officer

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

External members:

Rainer Hauser

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

Dr. János Rudnay

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

Attila Sánta

He started his professional career in Asset and Liability Management at Slovenska sporitelna, a.s., an Erste Group company, where he has been working for more than 20 years. In 2005 he joined the Group ALM team in Vienna, where he was mainly responsible for liquidity risk issues. Following his first successful management appointment and the challenges he faced in Group Balance Sheet Optimisation, he was invited to join Erste Bank Hungary Zrt. Asset and Liability

Management for a fixed term of 15 months. His position as Head of ALM Hungary was followed by group-wide management positions at Erste Group Bank AG. In addition to his broad experience in asset and liability management, financial markets and capital management, he is well versed in risk management and, thanks to close cooperation with other management units, in controlling and accounting processes.

### Supervisory Board

The supervisory board of Erste Hungary consists of 5 non-executive members. In accordance with their responsibility, the employees' council takes an active part in the employer's supervisory bodies. One third, i.e. 2 of the members of the supervisory board are employee representatives. The average ratio of female to male supervisory board members amounts to 40% (as of 31.12.2024). For further information on the board, please refer to Erste Hungary's corporate governance report.

The supervisory board is responsible for overseeing the implementation of the ESG strategy and for approving fundamental decisions on strategy. The supervisory board and the Audit Committee are tasked with reviewing the (consolidated) sustainability statement prepared by the management board.

The supervisory board members actively ensure that they have the necessary expertise and skills to engage with sustainability topics related to their field.

### Sustainability-related expertise

The Management Board and the Supervisory Board have access to various sources of specialist expertise from all the bank's specialist areas. The boards also have access to the relevant expertise through their representation in the risk committee. The individual members of the Management Board are briefed through direct reporting lines from senior management as well as through regular board meetings.

Due to the professional background and experience of the individual members, the Supervisory Board has in-depth knowledge of key sustainability issues such as sustainable investments, the legal framework and legal developments on sustainability issues, employee concerns, corporate governance and sustainability reporting. The Supervisory Board continually updates and expands its professional expertise in this area through ongoing further education and training as well as exchanges with experts.

For further details on how specific IROs are overseen and managed within the Group, please refer to chapter 'GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies'.

For more general information on the composition and working procedures of the corporate bodies and the expertise of the Supervisory Board members, please refer to the related chapters in the Corporate Governance Report.

### Gender diversity targets

Erste Hungary is committed to constantly progress towards a gender-balanced management on all levels. The Nomination Committee of Erste Group Bank AG has set a minimum target of 30% for the underrepresented gender for the Management Board and Supervisory Board of Erste Group Bank AG as the holding entity. While not falling below this minimum, the gender targets for local bank subsidiaries shall be adapted to local regulatory requirements and shall be approved by the respective Nomination Committee or Supervisory Board. Erste Hungary approved a harmonised target of 30% for the underrepresented gender until 2028 for the local management boards and the local supervisory boards.

## GOV-2 – INFORMATION AND SUSTAINABILITY ASPECTS DEALT WITH BY THE COMPANY'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

To ensure continuous progress and transparency in sustainability, Erste Group has developed an ESG KPI Dashboard that enables regular monthly performance monitoring of key sustainability metrics. Erste Hungary among the subgroups also uses this Dashboard. This includes sustainable financing volumes across various business lines, financing activities and GHG emissions and decarbonisation KPIs at a group level. The Managing Board is informed at least on a quarterly basis about environmental KPIs. For other IROs, such as those for Own Workforce, Consumers & End-users and Business Conduct, information is provided to the management promptly.

Key insights and findings are further reported through the Sustainable Financing Report, provided monthly via an online reporting platform to all bank internal ESG stakeholders including local board members. This reporting structure ensures



alignment with decarbonisation targets and supports decision-making at all organisational levels. Additionally, quarterly reviews and signoffs of decarbonisation figures are conducted. This framework demonstrates Erste Hungary's commitment to transparency, governance and sustainability.

All IROs that were categorised as material in the DMA were discussed with and approved by the Management Board. For a list of all material IROs, please refer to the list in chapter 'SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model'.

## Policy Governance

Group policies and procedures are established across various areas within the organisation, such as business, central functions, finance, IT, banking services, and risk management. The implementation of each specific group policy is overseen by the Management Board member responsible for that area. The CEO is responsible for central functions, including sustainability matters related to the Own Workforce. The CFO oversees finance, while the COO handles IT and banking services. Risk management, including environmental risks, falls under the CRO's responsibility. Although the group Management Board holds overall responsibility for a unified strategy and framework, each local management board is tasked with implementing these policies, taking into account their specific circumstances.

### Policy governance for the climate change mitigation IRO

The financed CO<sub>2</sub>e emissions of Erste Hungary contribute to climate change and global warming. Therefore, the calculation of its financed CO<sub>2</sub>e emissions supports Erste Hungary to comply with regulatory reporting requirements and the implementation of the overall sustainability strategy.

Erste Group's Enterprise wide & Operational Risk Management (ERM) is in the CRO division of Erste Group Bank AG and provides a framework and guidance to all entities within the scope of Carbon Footprint Calculation Policy, which was approved by the Group Management Board in February 2024 and was implemented by Erste Hungary in May 2024. The policy covers the processes and responsibilities in connection with financed emissions and includes specifications of group vs. local ownerships throughout the calculation process.

Erste Hungary's Strategic Risk Management (SRM) is responsible for the implementation of the policy on a local level and acts as focal point for topics related to the carbon footprint calculation of the Hungarian subsidiary and has the ownership of developing and implementing the Local Carbon Footprint Calculation Policy to reflect the group policy. Regular communication with Group ERM via a working group shall ensure that a mutual understanding of carbon footprint calculation related topics across Erste Group exists.

### Policy governance for the Diversity IRO

Fostering an inclusive corporate culture creates an open environment of acceptance and support for all people. Therefore, Erste Group's Group Diversity Management (GDM) supports the implementation of the overall strategy by developing a comprehensive communication strategy for Erste Group's diversity impact and by acting as a source of expertise for Erste Group's management as well as local Diversity Management (LDM). In addition, GDM provides partnership and guidance to diversity-related employee resource groups (e.g., Erste Women's Hub, ErsteColours).

GDM is organised as a Group function within the CEO division of Erste Group Bank AG. GDM provides a framework and guidance to all entities within the scope of the Group Diversity & Inclusion Policy. Embedded in the Group People & Culture division, GDM collects group-wide diversity data, identifies key focus areas and develops a diversity strategy in close collaboration with relevant stakeholders (such as local Diversity Management, Group Communications & Corporate Affairs, Group ESG Office). GDM develops diversity targets and provides diversity data for reports and communication on a Group level. The Management Board engages in active dialogue with GDM on Erste Group's diversity impact as well as to support and implement group-wide activities to promote diversity and inclusion.

Erste Hungary's LDM acts as a focal point for the diversity impact of the Hungarian subsidiary. While GDM defines the diversity strategy, LDM adapts measures, trainings and the Group Diversity & Inclusion Policy, to suit local circumstances. Regular communication between GDM and LDM shall ensure that a mutual understanding of the diversity impact across Erste Group exists.

The Group Management Board discusses the progress of diversity targets with the Hungarian and other local management boards on a regular basis, at least annually as well as monitoring the Group's diversity targets. The Hungarian Management Board is responsible for the implementation of the policy on a subsidiary level.

### GOV-3 - INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Erste Hungary is committed to a remuneration system that integrates sustainability matters. The principles of the remuneration policy are approved and reviewed by the Bank's Supervisory Board in accordance with Section 117 (5) of the Banking Act at necessary intervals, but at least annually. The Bank's Management Board is responsible for its implementation, which is audited at least annually by Erste Hungary's Internal Audit.

Remuneration policies and practices, as well as the procedures for determining them, must be clear, properly documented, and transparent. The appropriate documentation of the decision-making process (such as minutes of significant meetings, reports, and other relevant documents), as well as the submissions and background materials supporting the remuneration policy, must be retained for the period specified by the Accounting Act of 2000 (Act C of 2000) on the retention of records (eight years). The related documents are electronically archived by Human Resource Management.

The remuneration policy for the management board is consistent with the strategy of Erste Hungary and is designed to motivate management board members to promote a sustainable and positive development of the company. The remuneration of management board members of Erste Hungary consists of two components: fixed and variable remuneration.

Fixed remuneration is granted regardless of performance and comprises the basic salary as well as insurance benefits and other benefits in-kind. Variable remuneration is always performance-linked. Variable remuneration is granted and paid on the basis of specific, measurable performance criteria that are aligned with Erste Hungary's business strategy and long-term development. Both group and single-entity level targets and individual targets are taken into account. When defined minimum performance criteria are not met, variable remuneration is not granted or paid out.

Variable remuneration is partly paid out upfront and partly as deferred remuneration, spread out over several years. This way, variable remuneration is strongly aligned with shareholder interests and a long-term view. The performance is measured at Bank level based on the annual weighted achievement of performance targets. For amounts exceeding EUR 150,000, 60% of the variable remuneration is deferred, while for amounts below this threshold, 40% is deferred. At least half of the up-front and deferred remuneration is settled in the form of a non-cash instrument, the other portion is paid out in cash. It is awarded in the year following the performance period.

The remuneration policy also includes malus and clawback provisions in accordance with EBA guidelines.

#### Remuneration of board members

Type/component	Elements	Method of payment	Features
<b>Fixed remuneration</b>			
Base salary		Cash	<ul style="list-style-type: none"> <li>– takes into account area of responsibility of the respective board member</li> <li>– rewards cooperation within the board</li> </ul>
Other remuneration	Insurance	Contributions made by the company	<ul style="list-style-type: none"> <li>– accident insurance with permanent disability, accident-related death and accident-related surgery coverage</li> <li>– group life and health insurance with death, and critical illness coverage</li> </ul>
	Other	Miscellaneous	<ul style="list-style-type: none"> <li>– non-performance-linked one-off payments (e.g. sign-on bonus)</li> <li>– benefits in kind, e.g. company car, employee share programme</li> </ul>
<b>Variable remuneration</b>			
Upfront remuneration (40%)	Upfront cash payments (50% of upfront portion)	Cash payment in the subsequent fiscal year	<ul style="list-style-type: none"> <li>– linked to the fulfilment of specified verifiable performance criteria related to Erste Group's business strategy and long-term development</li> <li>– takes into account targets at group or single-entity level as well as individual targets</li> </ul>
	Upfront non-cash component (50% of upfront portion)	Share-based settlement in the second following fiscal year (1-year holding period)	
Deferrals (60%)	Deferred cash payments (50% of deferrals)	Cash payment from the second following fiscal year in 5 annual tranches	
	Deferred non-cash component (50% of deferral)	Share-based payment from the third following fiscal year in 5 annual tranches	

The key criterion determining the variable remuneration of management board members is the overall financial performance of Erste Group.

As regards the remuneration policy and whether environmental and social risks are included, the performance criteria and their impact on the variable remuneration (7.5-10%) of the management board of Erste Bank Hungary are determined by the Remuneration Committee of the Supervisory Board at the beginning of the financial year.

The individual strategic targets include ESG targets and are defined in detail in the scorecard of the respective board member, and the achievement of these is evaluated at the end of the performance period. ESG related targets are in line with the focus areas: Holistic ESG performance, Green Transition – Green financing & Net Zero transition and Equal Opportunities. ESG targets are cascaded in the organization (divisions and hierarchical level as appropriate).

In 2024, the ESG targets for Management Board members included two overarching targets, which are not directly linked to any specific sustainability matter:

- Maintaining a good ESG performance for Erste Group is shared by all board members and is assessed by external ESG ratings (MSCI, ISS ESG, SUSTAINALYTICS, CDP). Except for CDP, which focuses on climate impact, the other three ESG rating agencies measure the environmental, social as well as governance related performance of companies.
- Implementation of the ECB ESG Action Plan is assigned to the Chief Risk Officer.

Additional ESG targets are directly linked to climate change and will be explained in more detail in the relevant chapter. The following targets were assigned to Management Board members:

- Supporting the Portfolio Net Zero Transition (Net Zero target setting) is shared by CRO, CFO and CCMO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Sustainability strategy, transparent investor engagement on main ESG actions, measures and progress toward objectives is assigned to the CEO.
- Increasing sustainable retail mortgages (target volume of new sustainable retail mortgages) is assigned to the CRetO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Increasing sustainable corporate financing (target volume of new sustainable corporate financing) is assigned to the CCMO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Increasing zero-carbon electricity sourcing is assigned to the CFO (for more detailed information on this topic, please refer to chapter E1-4 – Targets related to climate change mitigation and adaption).
- Ensuring Erste Digital system support for ESG Data Management and the Green Asset Screening design and implementation is assigned to the COO.
- Supporting net zero transition by enabling the implementation of pilot products and services in Retail/George is assigned to the CPO.

Based on the remuneration policy, ESG targets proposed by the Group ESG office and approved by the remuneration committee of the supervisory board are an integral part of the scorecard of the management board and senior management.

The remuneration of management board members is set by the Supervisory Board. Remuneration consultants are not involved in determining remuneration. Leadership performance is assessed by the supervisory board annually, considering non-financial performance goals including specifically criteria concerning sustainable corporate governance and corporate social responsibility (ESG criteria). The Supervisory Board of Erste Hungary has set up an independent Remuneration Committee pursuant to legal requirements, which prepares the Supervisory Board's resolutions on remuneration. For further details on the remuneration governance process, please see the chapter on 'Procedure' in the remuneration policy of Erste Hungary. The work of the Remuneration Committee in 2024 is described in the section 'Supervisory Board Committees and their decision-making powers' in the (consolidated) corporate governance report.

## GOV-4 - STATEMENT ON DUE DILIGENCE

Erste Hungary has firmly embedded the concept of sustainability in our corporate business strategy and rely on sustainable, value-driven and responsible business practices that enable us to generate stable returns for all our stakeholders over the long term. In this chapter we wish to demonstrate how we are pursuing this ambition under our ESG strategy.

### Core elements of due diligence

CORE ELEMENTS OF DUE DILIGENCE	PARAGRAPHS IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	<p>ESRS 2 GOV-2: Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies;</p> <p>ESRS 2 GOV-3: Integration of sustainability-related performance in incentive schemes</p> <p>ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model</p>
b) Engaging with affected stakeholders in all key steps of the due diligence	<p>ESRS 2 GOV-2: Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies;</p> <p>ESRS 2 SBM-2: Interests and views of stakeholders</p> <p>ESRS 2 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities</p> <p>E1-2 – Policies related to climate change mitigation and adaptation</p> <p>S1-1 – Policies related to own workforce</p> <p>S1-2 – Processes for engaging with own workforce and workers' representatives about impacts</p> <p>S4-1 – Policies related to consumers and end-users</p> <p>S4-2 – Processes for engaging with consumers and end-users about impacts</p> <p>G1-1 – Business conduct policies and corporate culture</p>
c) Identifying and assessing adverse impacts	<p>ESRS 2 IRO-1– Description of the process to identify and assess material impacts, risks and opportunities</p>
d) Taking actions to address those adverse impacts	<p>E1-3 – Actions and resources in relation to climate change mitigation and adaptation</p> <p>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</p> <p>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</p>
e) Tracking the effectiveness of these efforts and communicating	<p>E1-4 – Targets related to climate change mitigation and adaption</p> <p>S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities</p> <p>S4-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities</p>

## GOV-5 - RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

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

The sustainability reporting process is integrated in the financial reporting process as outlined in the chapter 'Reporting on material characteristics of the internal control and risk management system with regard to the accounting process' of the management report. Therefore, the basic components of the ICS for the financial reporting within Erste Hungary are also used for the quantitative information in sustainability reporting. These include:

- systemic, automatic control systems and measures in the formal procedure and structure, e.g. programmed controls during data processing
- principles of functional separation and checks performed by a second person (the four-eye principle)
- highly automated data validation in the group consolidation process

Internal controls for the processing of qualitative data include the 4-eyes principle (which also applies to quantitative data). This process includes multiple internal feedback loops, management reviews and external consulting. Furthermore, evidence for important qualitative statements, such as minutes of meetings, contracts as well as board approvals is collected and documented to ensure the accuracy and relevance of qualitative data.

To mitigate the risks of including non-material information, or omitting relevant material information, a comprehensive double materiality assessment (DMA) was carried out in collaboration with an external consultant to ensure that the information presented is both relevant and material. This step helps in avoiding the reporting of irrelevant information and ensures that all significant sustainability-related aspects of Erste Hungary are covered. In addition, a datapoint analysis was conducted by to ensure that all relevant material information related to material topics is adequately disclosed.

Future considerations will include continuous improvement, whereby the results of the risk management process will be used to continuously improve the sustainability reporting process. This means refining internal controls, enhancing data validation procedures and conducting regular assessments to ensure the relevance and accuracy of reported information. Furthermore, feedback from internal reviews, external consultants and auditors will be incorporated into future reporting cycles to address any identified gaps or areas for improvement.

The Management Board and Audit Committee are informed of the findings of the risk assessment for sustainability reporting on an annual basis. The consolidated sustainability statement is reviewed by the Audit Committee and is also presented to the Supervisory Board for approval.

## STRATEGY

### SBM-1 - STRATEGY, BUSINESS MODEL AND VALUE CHAIN

#### Erste Hungary's business model

Within the Retail Business sector, Erste Hungary has consistently delivered a full spectrum of banking services over the past year. Erste Hungary's offerings, which include lending, deposit, and investment products, as well as current accounts and credit cards, have been integral in meeting the financial needs of our customers. The drive towards digitalization has been marked by significant strides, with platforms like George at the forefront, enhancing the digital banking experience for our customers. There are no products or services offered by Erste Hungary, which were banned in any sectors.

Erste Hungary is a key banking player in Hungary. While Erste Hungary's roots are in the retail small & medium sized enterprises (SME) business, Erste Hungary has taken account of its role and responsibility and has firmly embraced corporate and public sector lending as part of its business model.

For further information on the business segments of Erste Hungary refer to Note 1 in the consolidated financial statement. For further information on the headcount of employees of Erste Hungary refer to chapter S1-6. Erste Hungary only operates in Hungary therefore there is no need for disclosing any geographical breakdown of the employees.

### Erste Hungary's sustainability strategy

At Erste Hungary, sustainability is a cornerstone of the business strategy. Erste Hungary is committed to driving positive change by embedding ESG principles into all aspects of our operations.

Erste Hungary's sustainability strategy centres on two main pillars, leading the green transition and promoting social inclusion:

#### Leading the green transition

Erste Hungary's primary impact on the environment lies in its lending activities and more precisely, the resulting financed emissions. As a financial institution, it is therefore its role to contribute to the transition towards a low-carbon economy by engaging with its clients and supporting them along their decarbonisation pathway while facing evolving challenges, such as policy uncertainty on country level. Erste Hungary believes this to be the most important lever to help fostering a green transition.

Erste Hungary's strategic priorities relating to the environment include achieving:

- a net-zero status of Erste Hungary's portfolio by 2050,
- a net-zero status in banking operations by 2030 and
- strengthened leadership in sustainable financing by funding climate action and adaptation.

#### Promoting social inclusion

Erste Hungary's social impact involves its interactions with employees, customers and the broader community while establishing and maintaining good ethical compliance for building trust with stakeholders and ensuring long-term organisational stability.

For the Social and Governance aspects of ESG, Erste Group has established and Erste Hungary also implemented the following strategic priorities:

- boosting financial inclusion with social banking, bringing communities closer together and strengthening social cohesion,
- helping customers gain Financial Health and literacy,
- promoting diversity, including gender diversity and
- fostering good ethical conduct and compliance, e.g. through extensive corruption and bribery prevention and detection trainings.

### Significant markets and customer groups

#### Retail

Erste Hungary's business model centers around retail banking, encompassing a wide array of services from lending, deposits, and investments to current accounts and credit cards. The bank caters to various segments, including affluent private clients, trusts, and foundations through its private banking arm, providing tailored services to meet their specific needs.

For achieving the decarbonisation targets for the retail mortgage portfolio, Erste Hungary will adopt the following approach:

**Technological possibilities to decarbonise.** A significant part of the buildings stock in the Erste Hungary region is not yet 'climate-proof' due to old age of the buildings and poor insulation. An improvement can only be achieved through changes in customer behaviour, which can be influenced in the short-term by cost considerations and in the mid and long-term through regulations and availability of government subsidies, which will foster further investments and improvements.

**Product offering.** In retail lending, Erste Hungary's main target is to provide unsecured lending, an adequate home loan portfolio and a growing number of state-supported loans, while paying special attention to innovative solutions and the digital needs of users. The core of Erste Hungary's retail banking model lies in its ability to fund loans in local currencies primarily through deposits in the same currency. This approach ensures sustainable, deposit-funded growth,



particularly during challenging economic conditions. The deposits are the base input for Erste Hungary's business model. Erste Bank's diversified approach allows a sustainable gathering and security of its inputs.

For customers, Erste Hungary's engagement with sustainability brings tailored financing options that support their transition journeys, reducing energy costs and increasing property values through energy efficiency measures.

## Corporates

Erste Hungary's Corporate segment encompasses four business lines: SME, Large Corporates, Public Sector and Commercial Real Estate (CRE). Each covers a distinct customer type with unique needs and preferences and hence specific sales and service models.

**Planned approach for decarbonisation.** A cross-functional change initiative within Erste Group called 'Net Zero Business Steering', involving Risk Management, Corporate Steering and Group ESG Office defines the necessary measures to operationalise decarbonisation targets. The planned approach for corporate business, designed to support the achievement of Erste Hungary's strategic objectives of reaching net zero in 2050 consists of performing an initial client transition readiness assessment and starting an in-depth engagement process with identified clients while evaluating financing needs. Erste Hungary understands its diverse customer base and is determined to help customers find a tailored approach, fitting to their needs.

**Product offering.** In corporate lending Erste Hungary focuses on the lending to the agricultural sector. Erste Hungary leverages digital tools such as renovation calculators and transition readiness assessments for corporate clients. Resources are focused on sectors with the highest carbon emissions, including energy production and real estate. Distribution is managed with a focus on corporate, SME, and retail customer segments. Additionally, Erste Hungary offers support to our clients by linking to national subsidy programs e.g. to support energy-efficient home renovations.

## Main challenges for a green transition

The main challenges ahead for Erste Hungary and its key stakeholders involve transitioning high-emission sectors to a low-carbon economy while maintaining financial stability. This is also connected to uncertainties in the regulatory environment and transition risks connected to it, both for Erste Hungary and its customers.

Costs connected to a green transition can also pose additional challenges to Erste Hungary's clients. Erste Hungary partners with suppliers in the renewable energy industry, such as solar and wind energy providers, to offer comprehensive financing packages.

## Possible solutions

To address this, Erste Hungary has prioritized specific regions and sectors, focusing on energy production, real estate decarbonization and social housing. Our transition financing focuses on offering renewable energy solutions such as wind and solar projects. Additionally, Erste Hungary provides renovation calculators and financing to retail mortgage clients to improve energy efficiency in their homes. One critical solution is our client engagement toolkits, enabling our relationship managers to assess transition readiness of our clients in high emitting sectors (in particular clients under our decarbonisation target sectors) and align financing strategies with sustainability goals. For investors, our decarbonization strategy enhances long-term value by mitigating climate risks and aligning with international sustainability standards. Erste Hungary offers investment opportunities in green bonds and sustainable finance products, contributing to our 25% sustainable finance target for corporate loans by 2026. Stakeholders benefit from a transparent and strategic approach to climate change mitigation, with regular monitoring and updates provided on our progress toward net-zero targets.

## Erste Hungary's value chain composition

As a bank, Erste Hungary's value chain encompasses the inflow and outflow of money, facilitating payments and transactions. The bank transforms clients' savings and investments by making the cash available as loans while simultaneously managing the associated risks. Key business actors include Erste Hungary's clients, both private individuals and corporations, who benefit from Erste Hungary's services offered through digital and direct distribution channels.

For the value chain assessment, Erste Hungary aimed to reflect the interests and views of affected stakeholders, as well as users of sustainability statement which are further described in SBM-2. Moreover, for the identification and assessment of impacts, risks and opportunities (IROs), special consideration was given on the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, Erste Group analysed the flow of activities, processes and value creation within the organisation.

In the context of the double materiality assessment (DMA), Erste Hungary is currently limited in considering all aspects of the value chain due to data availability constraints. Therefore, the focus has been on the direct value chain. With the implementation of EU legislation (e.g., CSRD reporting, CSDDD), Erste Hungary expects these limitations to be addressed, leading to more detailed value chain information in the future.

### Upstream

This stage encompasses the goods and services procured by the bank, including IT services, office supplies, property and infrastructure, consultancy, and other external services that support the bank's operations. Erste Hungary conducted an in-depth review of the costs related to purchased goods and services in the year prior to the DMA. The total expenditures were categorised by sourcing categories from Erste Hungary's procurement system, with main expenditures considered for detailed assessment. These categories included IT services, infrastructure software, marketing, property management, consulting and personnel management. For each expenditure category, Erste Hungary assessed the potential sustainability matters and IROs. For example, IT services were included in the assessment for Climate Change (E1) due to their high energy consumption, while consulting services were considered in the assessment of Workers in the Value Chain (S2). The insights from these assessments were included in the overall evaluation.

### Own Operations

The assessment of Erste Hungary's own operational activities, including workforce management and office branches, was based on the full scope of consolidated entities under IFRS. All aspects of own operations were considered in the assessment. While environmental impacts from own operations were few, material IROs were identified in the areas of Own workforce (S1), Consumers and end-users (S4) and Business conduct (G1). To ensure completeness and accuracy of these impacts, Erste Hungary closely aligned with the responsible departments to reflect these effects adequately in the reporting.

### Downstream

Erste Hungary finances and invests in a diverse range of clients, including corporate and retail customers, institutional investors and stakeholders involved in its sustainability initiatives. Recognising that most of Erste Hungary's material impacts, especially regarding environmental topics, are related to its portfolio, Erste Hungary conducted an in-depth analysis of the portfolio. This analysis was based on the breakdown of credit exposure and the calculation of financed emissions. The IROs related to the financed sectors are directly reflected in the materiality assessment. For example, the highest individual sectoral exposure (real estate) is reflected in the identified material negative impact relating to financed CO<sub>2</sub> emissions of Erste Hungary.

## SBM-2 - INTERESTS AND VIEWS OF STAKEHOLDERS

Erste Hungary has gathered information to reflect the interests and views of stakeholders in the business processes, as well as in the DMA for the sustainability reporting. Erste Hungary has identified key stakeholder groups which can be classified into:

- affected stakeholders: customers (retail and corporate) and employees, as well as nature; and
- users of the sustainability statement: such as investors, analysts, rating agencies and supervisory and regulatory authorities, as well as NGOs, potential future employees and all other readers.

Knowledgeable internal experts for each of these stakeholder groups contributed to the definition of IROs in the DMA. For example, the IROs for S1 (Own workforce) have been established in close alignment with the workers' representatives and the HR Management department. For details on the type of engagement, its purpose and how engagement is considered, as well as the key topics discussed with the stakeholder groups, please refer to the table below.



## Key stakeholder engagement

Key Stakeholders	Why we engage	How we engage	Key topics	Actions / Results of Engagement
Customers	Strong engagement with customers enables Erste Hungary to understand their needs, anticipate market trends and consequently adjust services.	<ul style="list-style-type: none"> <li>- advisory sessions</li> <li>- conferences and seminars</li> <li>- website</li> <li>- customer experience program</li> </ul>	<ul style="list-style-type: none"> <li>- customer experience</li> <li>- challenges and needs</li> <li>- products and services</li> <li>- innovation and digitization</li> </ul>	Erste Hungary's engagement enables a regular assessment of how customer needs can be met through our product and services offering.
Employees	Erste Hungary engages with its employees to foster an environment of open dialogue and provide them with continuously improving opportunities for growth and development.	<ul style="list-style-type: none"> <li>- employee surveys</li> <li>- Intranet</li> <li>- training, coaching and mentorship</li> <li>- employee resource groups</li> <li>- annual feedback and professional development talks</li> </ul>	<ul style="list-style-type: none"> <li>- people development</li> <li>- diversity, equity and inclusion</li> <li>- employee health and work-life balance</li> <li>- employee involvement</li> </ul>	Erste Hungary's engagement enables the targeted adaptation of the people and culture strategy
Nature, represented by academic institutions, environmental and social NGOs	Erste Hungary conducts content-driven debates with academic institutions as well as environmental and social NGOs (non-government organisations).	<ul style="list-style-type: none"> <li>- conferences and events</li> <li>- bilateral meetings</li> </ul>	<ul style="list-style-type: none"> <li>- climate change</li> <li>- physical and transition risks</li> <li>- biodiversity</li> </ul>	Erste Hungary's engagement enables identification of current and future priorities from the academic society and reflect them early in the strategic planning.
Investors, analysts and rating agencies	Through engaging with investors and analysts Erste Hungary aims to foster a clear understanding of company performance and strategy.	<ul style="list-style-type: none"> <li>- investor presentations and webcasts</li> <li>- bilateral talks</li> <li>- roadshows</li> <li>- conferences</li> </ul>	<ul style="list-style-type: none"> <li>- performance and strategy</li> <li>- climate change</li> <li>- diversity, equity and inclusion</li> <li>- risk management</li> <li>- transparency</li> </ul>	Erste Hungary's engagement increases the level of transparency in external reporting to ensure a clear understanding of the company's performance and strategy
Supervisory and regulatory authorities	Erste Hungary conducts a permanent, proactive dialogue with national and European supervisory and regulatory authorities to understand supervisory expectations.	<ul style="list-style-type: none"> <li>- supervisory dialogues</li> </ul>	<ul style="list-style-type: none"> <li>- performance and strategy</li> <li>- climate change</li> <li>- diversity, equity and inclusion</li> <li>- risk management</li> <li>- transparency</li> </ul>	Erste Hungary's engagement enables it to adapt processes and increase the level of transparency to fulfill supervisory expectations.

While engagement with Erste Hungary's stakeholders drives the business model, it is often impossible to attribute amendments to the strategy exclusively to stakeholder views without considering other factors, such as business needs. Another example is the decarbonisation strategy, which is linked to nature as a silent stakeholder and considered through Erste Group's engagement with academic institutions and environmental NGOs.

Erste Hungary's employees are a key stakeholder that form the strategy and business model and are represented on the Supervisory Board through the workers council. A strategy for Human Resources is organised around three key priorities: Empowerment, Growth and Attractiveness. Erste Hungary empowers and supports targeted improvement measures in all areas and constantly grows with its employees. Erste Hungary is committed to strategic workforce planning to enable more targeted recruitment and further development measures as well as flexible skills development, talent promotion and leadership succession planning. Erste Hungary's principles of employee centricity drive its operations, enabling Erste Hungary to realise the potential of its employees. Erste Hungary attaches great importance to recruiting, retaining and engaging a highly qualified workforce to ensure its continuing success and strive to be the employer of choice in the region, by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organisation. Furthermore, Erste Hungary is committed to nurturing an inclusive work environment for all.

A key consideration for Erste Hungary's stakeholder engagement is the respect and promotion of human rights. Erste Hungary does not tolerate any form of discrimination, such as discrimination on the basis of gender, age, marital status, family obligations, religion, political conviction, sexual orientation, race, nationality, social or ethnic background, disability, physical appearance or any other aspects unrelated to the business.

The management board is responsible for managing the organisation as required for the benefit of the company, considering the interests of the shareholders and the employees as well as public interest. They are informed about the outcomes of the engagement with all stakeholder groups both informally in meetings with internal stakeholder representatives and formally in board meetings. This approach also holds true for the engagement with the supervisory board.

### SBM-3 - MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

This chapter gives an overview of Erste Hungary's material risks, opportunities and impacts, following the double materiality assessment (see IRO-1), and how they interact with the strategy and business model. In the table below, all material IROs are listed, based on the sustainability matter they relate to, the type of IRO, the position in the value chain and the time horizon the materiality has been detected in. Erste Hungary serves a diverse customer base, including retail customers, corporate clients, public sector entities, wealthy private clients, and institutional customers.

This was reflected in the assessment of the IROs.

Sustainability Matter	IRO Nr.	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	E1-IRO-1	Pot. pos. impact	By financing climate adaptation solutions, EBH has a positive impact on reducing vulnerability to the impacts of climate change, although currently a smaller proportion of the Bank's climate-related financing solutions relate to this sub-theme.	Portfolio	Long-term
	E1-IRO-2	Opportunity	Market opportunity: The demand for sustainable investment products – from businesses, institutional investors and individuals – continues to grow. We can leverage this trend to secure new revenue streams while making a valuable contribution to a sustainable future. Additional financial opportunities for EBH will come from financing and investing in companies providing climate change adaptation solutions, as well as from financing adaptation solutions in the real estate market (residential and commercial).	Portfolio	Medium-term
E1-Climate change mitigation	E1-IRO-1	Pot. pos. impact	Positive impact on both the environment and society by reducing GHG emissions from its own operations. Reducing our GHG emissions strengthens Erste Bank's profile as Hungary sustainable, full-service bank, contributes directly to ecological change and will have a positive impact on employer attractiveness	Own operations	Long-term
	E1-IRO-2	Pot. pos. impact	Climate change mitigation through funded companies. (e.g. financing renewable energies) Achieving NetZero by 2050 is an objective already set for all portfolios. Decarbonisation pathways are also being continuously developed, with the aim of covering the entire portfolio.	Portfolio	Medium-term
	E1-IRO-3	Pot. neg. impact	CO2 emissions generated along Erste Bank's own operations and upstream value chain Hungary contribute to climate change and global warming.	Upstream & Own operations	Long-term
	E1-IRO-4	Neg. impact	CO <sub>2</sub> emissions financed by Erste Bank Hungary contribute to global warming.	Portfolio	Long-term
E1-Energy	E1-IRO-5	Pot. pos. impact	The Bank primarily has a positive impact on the environment and society by reducing its own GHG emissions and increasing renewable energy sources.	Own operations	Long-term
	E1-IRO-6	Pos. impact	Financing renewable energy projects through the project finance portfolio.	Portfolio	Medium-term
	E1-IRO-7	Neg. impact	The energy mix used by Erste Bank Hungary (electricity, fuel and heating) generates CO <sub>2</sub> emissions and thus contributes to climate change.	Upstream & Own operations	Long-term

	<b>E1-IRO-8</b>	Neg. impact	Financing companies in energy-intensive industries contributes to higher CO <sub>2</sub> emissions and thus global warming;	Portfolio	Long-term
	<b>E1-IRO-9</b>	Risk	<p>Credit risk (arising from regulatory risk to the creditor): The energy sector is significantly affected by regulatory risks. Changes in energy policy or the implementation of stricter regulatory standards may lead to increased operating costs for companies, which may affect companies' financial stability, valuation and ability to repay loans, posing financial risk to the lending bank.</p> <p>Transition risk: The transition from fossil fuels to renewable energy poses a risk for companies operating in the carbon-intensive sector. Banks that heavily subsidize fossil fuel-dependent companies could face financial losses during this transition period if they do not diversify their portfolios towards clean energy in time.</p> <p>Market risk: Market prices of energy resources fluctuate based on supply and demand, geopolitical situations and other market factors. This volatility can affect the financial performance of energy companies and therefore pose a risk to banks lending to these companies.</p> <p>Reputational risk: A bank's relationship (e.g. through investment/lending exposure) with companies operating in a carbon-intensive sector that causes significant environmental pollution (e.g. air, water, soil, etc.) or contributes significantly to climate change may pose a reputational risk to the bank due to changes in public opinion, consumer (customer) behaviour and investor preferences.</p>	Own operations	Medium-term
	<b>E1-IRO-10</b>	Opportunity	<p>The bank's transition to a climate-neutral and more efficient operation will reduce its energy spending.</p> <p>Market opportunity: investment in renewable energy projects can contribute to increasing the Bank's financial results due to the increase in clean energy demand.</p>	Own operations	Long-term
E4- Soil sealing	<b>E4-IRO-1</b>	Pot. neg. impact	Financing polluting industries can have a negative impact on biodiversity and ecosystems.	Portfolio	Short-term
S1-Work-life balance	<b>S1-IRO-1</b>	Pos. impact	Promoting career and family reconciliation positively influences employees' quality of life, satisfaction and contributes to diversity.	Own operations	Short-term
S1-Health and safety	<b>S1-IRO-2</b>	Pos. impact	<p>Erste Bank Hungary ensures the well-being of its employees by focusing on preventive health care for the physical and mental health of its employees, continuously expanding its health benefit and providing extra free time (e.g. prevention of burnout).</p> <p>Ensuring employee mental health has a positive impact on employee productivity and helps reduce turnover.</p>	Own operations	Long-term
S1-Gender equality and equal pay for work of equal value	<b>S1-IRO-3</b>	Pot. pos. impact	The Bank can have a significant impact on diversity, equal opportunities and inclusion through its policies, actions and related practices. Its impact can manifest itself, for example, by introducing inclusive recruitment policies, and its equal opportunities policies can ensure that all workers have equal opportunities to get a job, advance and raise salaries.	Own operations	Long-term
	<b>S1-IRO-4</b>	Neg. impact	At Erste Hungary, the gender pay gap may adversely affect staff.	Own operations	Short-term

S1-Training and skills development	<b>S1-IRO-5</b>	Opportunity	Erste Hungary provides its employees with the necessary training for their daily work, it can increase customer satisfaction through proper service, which may lead to increased profitability. Employee training and development are vital for the Erste Hungary's competitiveness, profitability, and long-term success. Training and further education can enhance employee motivation, improve their professional skills and qualifications, and continuously increase employee loyalty and productivity.	Own operations	Long-term
S1-Diversity	<b>S1-IRO-6</b>	Pot. pos. impact	Management's visible commitment to promoting diversity, equal opportunities and inclusion can have a major impact on workplace culture and employee attitudes and have a positive impact on their wellbeing.	Own operations	Long-term
S4-Financial Health (entity specific)	<b>S4-IRO-1</b>	Pos. impact	Through educational programmes to disseminate financial literacy, the Bank reaches out to many social groups, which has a positive impact on raising society's financial awareness.	Own operations	Long-term
	<b>S4-IRO-2</b>	Opportunity	By increasing financial awareness, Erste Hungary can expand its customer base and positively influence their financial decision-making, which can also have a positive impact on Erste Hungary's business performance.	Portfolio	Short-term
S4-Privacy	<b>S4-IRO-3</b>	Pos. impact	A decisively positive effect prevails in this area, as proper operation and regulation provide security for internal workers.	Own operations	Long-term
	<b>S4-IRO-4</b>	Pos. impact	A decisively positive effect prevails in this area, as proper operation and regulation provide security not only for Erste Hungary's internal employees, but also for customers.	Portfolio	Long-term
	<b>S4-IRO-5</b>	Pot. neg. impact	Data breaches or cyberattacks can compromise individuals' sense of security and privacy, leaking the personal and financial data of affected customers.	Own operations	Short-term
	<b>S4-IRO-6</b>	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers, damage to reputation, and legal consequences (e.g., breach of GDPR). If Erste Hungary fails to exercise due diligence and adhere to regulations in the field of data protection and data security, potential cybercrime incidents may pose significant risks to the bank in various ways. Improper operations and data loss can result in legal risks. Additionally, a cyberattack could negatively impact the bank's operations, posing further risks. Moreover, the associated negative media backlash could create a reputational risk for Erste Hungary.	Own operations	Short-term
S4-Access to (quality) information	<b>S4-IRO-6</b>	Pos. impact	By making all its banking products and services accessible to socially vulnerable individuals (e.g., disabled and elderly), Erste Hungary promotes their autonomy, social and professional integration, and active participation in community life.	Own operations	Long-term
G1-Protection of whistle-blowers	<b>G1-IRO-1</b>	Pot. pos. impact	A well-functioning system ensures an appropriate complaint reporting process, which is accessible to employees, thereby enhancing Erste Hungary's reliability. Continuously ensuring the protection of whistle-blowers is a long-term process that helps build trust in the company. The protection of whistleblowers is always guaranteed, which has a positive impact on the whistleblowers and strengthens trust in the company.	Own operations	Long-term

	<b>G1-IRO-2</b>	Pot. pos. impact	The proper complaint process is ensured by a well-functioning system, which is available to both employees and external parties, thus increasing the reliability of Erste Hungary.	Portfolio	Long-term
G1-Prevention and detection including training	<b>G1-IRO-3</b>	Pot. pos. impact	Prevention training for all employees can effectively counteract potential corruption and bribery in the interests of consumers, workers, business partners and society, and promote a trusting and ethical business environment.	Own operations	Short-term
G1-Anti-money laundering	<b>G1-IRO-4</b>	Pot. pos. impact	Appropriate policies, processes and numerous monitoring systems ensure the fight against money laundering, preventing related negative events from occurring.	Own operations	Long-term
	<b>G1-IRO-5</b>	Pot. pos. impact	Appropriate policies, processes (customer due diligence), and numerous monitoring systems ensure the fight against money laundering, preventing related negative events from occurring. Erste Hungary continuously develops its anti-money laundering activities, ensuring long-term compliance with legal and ethical standards. Cases associated with money laundering can often occur across the entire customer base, which a well-functioning control system detects, monitors, and manages.	Portfolio	Long-term

As the underlying report is the first CSRD report, no changes to the previous material IROs can be depicted.

Following the materiality assessment, the material IROs were assessed to gain insights in their potential effects on or the necessity to adapt Erste Hungary's business model, value chain and strategy. Currently, no changes based on the material IROs were performed.

## IMPACT, RISK AND OPPORTUNITY MANAGEMENT

### IRO-1 - DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

For the compilation of this year's sustainability statement Erste Hungary performed a double materiality assessment in accordance with the requirements of ESRS 1 and 2. Consequently, the performed analysis covered the identification and assessment of impacts (impact materiality) as well as risks and opportunities (financial materiality) under the IFRS consolidation scope.

The assessment was centered around the list of sustainability topics, sub- and sub-subtopics as outlined in ESRS 1 AR 16, which was however enriched by entity specific topics (i.e. financial health) and reduced based on an initial relevance check to reflect Erste Hungary's business model, portfolio and strategic positioning appropriately. A detailed Impact, Risk and Opportunity (IRO) assessment was performed for the remaining items on the list.

In 2024, the DMA process was conducted for the first time according to the ESRS. As such, it deviates from the materiality assessment of prior periods by adhering to all requirements of ESRS 1 and 2 and especially by introducing financial materiality (outside-in perspective) as a second materiality perspective alongside the impact materiality (inside-out perspective). Additionally, connections between impacts and dependencies, as well as the risks and opportunities that may arise from them have been considered in the assessment. Erste Hungary will review the materiality assessment process annually.

#### Identification of impacts, risks and opportunities

The DMA was performed under the lead of the ESG Officer, considering inputs from Finance & Accounting, Strategic Management, HR Management, Procurement, Marketing and PR, Strategic Risk Management, Operations Support Legal and Data Protection, Compliance and Facility and Property Management. Subsequent impact evaluations were conducted under the lead of ESG Officer and Finance and Accounting engaging in expert interviews with in-house representatives of identified stakeholder groups, setting scores based on evidence and/or expert opinion.

## Double materiality assessment process

The process to identify the material impacts, risks and opportunities (IROs) was conducted in four steps. As a first step a relevance analysis of all sustainability matters listed in ESRS 1 Appendix A AR 16 was conducted. Additionally, this list was enriched with the entity specific topic of financial health. If a sustainability matter was assessed as relevant, the respective topic was subsequently subject to an impact and financial materiality assessment. The final step was to validate and approve the outcome of the DMA, where the final scoring per IRO was quality assured by a central expert jury. Subsequent to these steps the results were visualised in a matrix, summarised in an executive presentation and concluded by Erste Hungary's Management Board.

To gain a deep understanding of the circumstances Erste Group is operating in, various data was collected for the identification of IROs. Inputs for the DMA included:

- Sectoral standards, guidance documents and peer benchmarking
- Analysis of the group strategy and related business activities
- Engagement with affected stakeholder groups and expert interviews
- Erste Hungary Risk Materiality Assessment results
- Mapping of sectoral credit exposures and financed emissions (Portfolio)
- Spend for purchased goods and services (Upstream)
- Consultation with internal expert jury and attendance of expert jury of the subsidiaries

Throughout the DMA, a Top-Down approach was used to identify the material IROs. This was done by assessing the IROs centrally for the group with a subsequent validation against the DMA results from the subsidiaries consolidated under IFRS.

The outcome of the DMA is the list of material IROs that is shown in SBM-3 and lays the foundation for this report.

## Stakeholder Engagement

The DMA was informed by internal stakeholders from various business units. Erste Hungary had no other direct consultations with other affected communities in the DMA. The assessment of the IROs was conducted by their ESG Officer & Finance and Accounting based on internal stakeholder dialogues. Results were validated by the Expert Jury. The Expert Jury are individuals representing Finance and Accounting, Strategic Risk Management and ESG Office. For the purpose of the DMA, no direct consultations with affected communities or other stakeholder groups were conducted. However, Erste Hungary plans on further stakeholder engagements in future years.

## Value Chain Assessment

For the DMA, Erste Hungary aimed to reflect the interests and views of affected stakeholders as well as users of the sustainability statement as described in SBM-2. Moreover, for the identification and assessment of IROs, special consideration was given to the upstream and downstream value chain to ensure completeness of the relevant IROs. In this context, Erste Hungary analysed the flow of activities, processes and value creation within the organisation.

Further information on Erste Hungary's value chain composition and the respective implications on the DMA can be found in chapter SBM-1.

## Impact Materiality Assessment

The assessment was based on the following central assumptions:

- The value chain relevance and the time horizon of their assumed occurrence were identified per impact.
- Impacts were defined as either positive or negative. If multiple but deviating impacts (i.e. positive and negative) were identified towards a sustainability matter, each impact was evaluated separately.
- For a sustainability matter to be deemed as material, only one material impact is sufficient, regardless of the count of additional immaterial, its state as actual or potential, its allocated time horizon or value chain relevance.
- The severity and the likelihood were evaluated for each impact. For actual impacts the likelihood was consistently set to 100%. For potential impacts the likelihood was assessed on a scale from 0-5.
- The scoring of severity included the three parameters of scale, scope and irremediability. Each evaluation parameter was assessed individually on a scale from 0-5, weighted equally and multiplied by the likelihood.
- Subsequent impacts and human rights impacts were considered. For human rights impacts severity took precedence over likelihood with a weight of 100%.
- Impacts with a total score above 2.5 on a scale from 0 to 5 were considered material.



- Impact evaluations were conducted under the lead of ESG Officer and Finance & Accounting engaging in expert interviews with in-house representatives of identified stakeholder groups, setting scores based on evidence and/or expert opinion.
- The material impacts were aligned with the outcome of the financial materiality assessment for sustainability matters whereby financial materiality would be triggered by impact materiality.
- The final scoring per impact was quality assured by an expert jury.

The executed process did not comprise an explicit step of engaging with external stakeholders. Information concerning affected stakeholders was considered implicitly via the above-mentioned in-house experts and their regular exchanges with externals (i.e. customers, NGOs, rating agencies, investors). For more information on stakeholder groups and engagement, please refer to chapter SBM-2.

### Impacts relating to E1 Climate Change

The whole value chain was considered and assessed in the context of climate change. As described in section ‘SBM-1’, some sectors with high emissions, such as IT-services, are part of Erste Hungary’s upstream value chain. These were assessed alongside emissions from Erste Hungary’s own operations. Together, the impact was considered material, especially due to the high score considering the scope of CO<sub>2</sub> emissions, which were considered to have a global impact, as well as the irremediability, as CO<sub>2</sub> emissions are difficult to be reversed.

However, a major part of Erste Hungary’s overall emissions stem from the financed emissions in the portfolio, which are part of its downstream value chain. As such, these are closely monitored. During Erste Hungary’s DMA, the current total carbon footprint based on end of year 2023 values was used as input. Erste Hungary is calculating and reporting GHG emissions for both its banking operations (scope 1, 2 and 3) as well as its financed portfolio (financed scope 3 emissions). The used methodologies are in line with the GHG Protocol Corporate Accounting and Reporting Standard and the PCAF methodology. Details regarding the computations and calculation scope can be found in chapter E1-6 of this statement.

As for any other ESRS standards the respective AR 16 sub-topics, in particular concerning the climate change mitigation, climate change adaptation and energy were evaluated separately. All sub-topics were deemed as relevant to Erste Hungary, related either to the own operations, or upstream value chain or its financed portfolio.

For the subtopic of climate change mitigation as well as in the subtopic of energy, negative impacts were identified, which, due to their actual and global nature, received the highest notch evaluation and hence were deemed material. The negative impacts in the subtopic of energy are on the one hand driven by the energy mix consumed by Erste Hungary –please also refer to chapter E1-5 for details –, leading to CO<sub>2</sub> emissions, and, on the other hand, its financing of energy-intensive companies. As a bank, a major part of Erste Hungary’s overall emissions stem from the financed emissions in the portfolio. As such, these are closely monitored. From the own operations, other climate-related impacts are not material.

Erste Hungary already finances renewable energy projects supporting the transition to an economy system within the planetary boundaries. It does so based on the Responsible Financing Policy, which sets out financing exclusions for high emitting sectors, as well as the Sustainable Finance Guideline pursues targets in sustainable financing. Based on the actual and global nature – CO<sub>2</sub> emissions and their reduction are not limited by national borders – this positive portfolio related impact was assessed as material.

Lastly, concerning the sub-topic of climate change adaptation, the financing of adaptation solutions was assessed to be very likely in the focus of Erste Hungary’s future financing strategy.

As a bank, a major part of Erste Hungary’s overall emissions stem from the financed emissions in the portfolio. As such, these are closely monitored.

### Impacts relating to E4 Biodiversity and ecosystems

In the upstream value chain, no material impacts in connection to biodiversity and ecosystems were identified. Nevertheless, Erste Hungary is aware that biodiversity and ecosystems is a topic of increasing importance and is closely monitoring all parts of its value chain to ensure that potential impacts are adequately managed.

Concerning the subtopic of ‘Impacts on the extent and condition of ecosystems,’ IROs (Impacts, Risks, and Opportunities) were identified in relation to the financed portfolio. For risks, potential stricter regulations on land degradation and soil sealing (transition risk) were considered, impacting Erste Hungary’s mortgage and project developer portfolio due to



higher compliance costs and barriers to construction. No physical or systemic risks were identified. Regarding opportunities, the increased offering of mortgages that support the renovation and refurbishment of buildings instead of new construction was considered. However, none of the risks and opportunities exceeded the materiality threshold.

In light of these findings, the likelihood of negative impacts from already occurring financing projects was estimated to be high, while potential effects are seen to be hard to remedy. The size of Erste Hungary's related portfolio, paired with the nature of the impacts on ecosystems as potentially significant and the efforts related to restoring ecosystems, led to the assessment of the impact as material. The evaluation was based on expert judgement. The material potential impacts of biodiversity and ecosystem matters are restricted to the financed portfolio.

#### **Impacts relating to S1 Own Workforce**

Erste Hungary places great importance on the development and support of its own employees, as they are a key factor in the company's success. Topics such as work-life balance, health and safety, gender equality and equal pay for equal work, as well as training and skills development and diversity were identified as material for Erste Hungary. A comprehensive analysis was conducted, taking into account existing HR Management strategies and internal policies. The assessment was based on the evaluations of internal experts and the results of existing employee surveys. Health and safety, for example, was given high priority.

Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with Erste Hungary's strategy and business model'.

#### **Impacts relating to S4 Consumers and End Users**

As a financial services provider, Erste Hungary places great importance on its responsibility towards customers and end users. The assessment of potential impacts related to the topics in this chapter - consumers and end users - was therefore carried out with particular care. Topics such as financial health, privacy and social banking were identified as material to Erste. The assessment focused on the direct impact on customers and end users, with a strong emphasis on the overall customer experience and the protection of their interests. A detailed assessment was conducted, taking into account existing customer policies and data protection measures. This assessment was based on evaluations of internal experts and feedback from customer satisfaction surveys. For example, financial well-being was given high priority.

Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with Erste Hungary's strategy and business model'.

#### **Impacts relating to G1 – Business conduct**

Erste Hungary is operating in a highly regulated industry with an emphasis on business conduct. As such, the potential impacts connected to the topics regarding Business conduct were assessed with great care. The up- and downstream value chain was not considered in this context, as the topic is related to Erste Hungary's own business. An analysis was performed taking Erste Hungary's existing governance setup and compliance status as well as its role as a tightly supervised and regulated financial institution and financial services provider into account. This influenced the evaluation of the impacts. For example, the impact connected to the prevention and detection including training regarding corruption and bribery was deemed to have the highest likelihood, as Erste Hungary already has rigorous practices and trainings in place.

The evaluation, based on internal expert judgment, led to the identification of three positive impacts deemed material:

- The existence of a well-designed whistleblower system, which encourages the reporting of misconduct, thereby leading to a safer and compliant working environment.
- The preventive training of all employees in relation to anti-bribery and corruption matters, which effectively counteracts potential corruption and bribery, promoting a trusting and ethical business environment.
- The prevention of money laundering refers to the policies and measures aimed at stopping the practice of generating income through illegal activities and identifying and reporting suspicious transactions related to money laundering.

## Financial Materiality Assessment

The assessment was based on the following central assumptions:

- For the financial materiality, risks and opportunities related to future legislation, reputation and uncertainties connected to them are taken into account. The process is connected to already existing internal risk assessments, as well as the strategic position of Erste Hungary to capture future business opportunities.
- The identification and evaluation of risks of this year's DMA result, consider information stemming out of Erste Hungary's annual risk materiality assessment, in which ESG risks and risk drivers were already included and evaluated due to regulatory requirements.
- The value chain relevance and the time horizon of their assumed occurrence were identified per risk and opportunity.
- For a sustainability matter to be deemed as material, only one material risk or opportunity is sufficient, regardless of the count of additional immaterial risks or opportunities, its allocated time horizon or value chain relevance.
- Identified risks and opportunities were evaluated in terms of the magnitude of their financial effect on a scale from 0-3 and subsequently multiplied by the probability of occurrence on a scale from 0-5
- Risks and opportunities with a total score above 1.5 on a scale from 0 to 3 were considered material.
- Risks and opportunities were defined and evaluated separately under the lead of the ESG Officer and Finance & Accounting, engaging in expert interviews with in-house representatives (Strategic Management, HR Management, Procurement, Marketing and PR, Strategic Risk Management, Operations Support Legal and Data Protection, Compliance and Facility and Property Management), setting scores based on evidence and expert opinion.
- The final scoring per risk and opportunity was quality assured by a central expert jury.

## Risks and Opportunities relating to E1 Climate Change

### Physical Risks

For the means of the double materiality assessment physical risks are identified and assessed under the subtopic of climate change adaptation. Physical risks can arise at various locations throughout the value chain, such as:

- Erste Hungary's own fixed assets
- fixed assets of suppliers (e.g. data centers)
- fixed assets of customers and as a specific category thereof
- those customer fixed assets that serve as collateral

Due to its essential importance to Erste Hungary as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk. Acute risks can damage collateral and, together with chronic physical risks, can impact the viability of business models.

The assessment of the portfolio was informed by multiple inputs. The results of Erste Hungary's risk materiality assessment, considering the results of the comprehensive stress testing exercise, including a flood risk scenario, as well as the results of a portfolio screening based on MunichRe Location Risk Intelligence data were used as basis for the materiality assessment.

### Transition risks and opportunities

For the means of the double materiality assessment transition risks are identified and assessed under the subtopic of climate change mitigation and climate change adaptation. Due to its essential importance to Erste Hungary as a credit institution, the focus of the assessment was centered on the financed portfolio and the transmission channel of credit risk, as transition events such as policy changes can impact the viability and profitability of business models of our customers. While risks and opportunities can arise in the upstream value chain and Erste Group's own operations, they have been assessed to be minor compared with the financed portfolio.

For the double materiality assessment, the evaluation of the portfolio again was informed by multiple inputs. The results of Erste Hungary's risk materiality assessment is considering the current distribution of the portfolio based on its carbon-intensity and the Energy Performance Certificate (EPC) distribution across the Commercial and Residential Real Estate portfolio. The rationale applied in this case was that the higher the current GHG emissions, the more investments and costs are likely to be incurred for reducing emissions or improving energy efficiency, which can have a negative impact on credit quality.

The current portfolio state in relation to the above-mentioned indicators led to transition risks to be identified under the subtopics of climate change mitigation as well as energy – the latter focusing especially on potential decreased profitability and liquidity shortage due to increasing energy costs and related default risk.

Given the fact, that the decarbonization of the portfolio also for Erste Group as a member of the Net Zero Banking Alliance dedicated to the Paris Agreement and limiting global temperature increase to 1.5 degrees, will be a long-term exercise for Erste Hungary, transition risks resulting out of the financed portfolio were also assessed to be prominent over all time horizons (short, medium and long-term). We have not identified assets and business activities that are incompatible with a transition to a climate-neutral economy.

The evaluation of transition opportunities is taking into account the current distribution of the portfolio and the potential financial benefits of identified opportunities. This includes opportunities from financing companies investing into the decarbonisation of their own business models and clients offering climate change adaptation solutions, for example in the real estate sector.

## Non-material sustainability matters

Erste Hungary examined various topics, including pollution, water and marine resources, resource use and circular economy. In all these areas, no material IROs were identified. The assessment considered Erste Hungary's business model as a financial institution and its up- and downstream value chain. The assessments indicated that the potential IROs were considered minor and non-material due to Erste Hungary's non-manufacturing business model and the structure of its portfolio.

### E2 Pollution

The upstream value chain, such as IT-providers and infrastructure software, as well as Erste Hungary's own operations and downstream value chain were considered in the assessment of pollution matters. As Erste Hungary is not a manufacturing company and has no direct reference points to pollution, potential impacts were assessed not to be material. Concerning potential risks and opportunities regarding pollution were analysed based on the current business strategy and portfolio structure.

### E3 Water and marine resources

Similarly to pollution, potential impacts relating to water and marine resources in the upstream value chain, such as the water usage connected to IT services, as well as the downstream value chain were assessed. As Erste Hungary is not a manufacturing company and as there is direct water consumption only at the bank's office locations, impacts relating to Erste Hungary's own operations are deemed minor. Concerning potential risks and opportunities were assessed based on the current business strategy and portfolio structure in combination with the results of Erste Hungary's risk materiality assessment and underlying ESG sector risk heatmap.

### E5 Resource use and circular economy

Erste Hungary's own operations and upstream value chain were assessed together with impacts related to the financed portfolio. While Erste Hungary's investments in, and financing of companies that operate or manufacture machines that produce a lot of (hazardous) waste, or are resource in-tense, have a negative impact on the state of the environment, the effect was assessed not to be material based on the industry mix of Erste Hungary's portfolio. For risks and opportunities, the financed portfolio was considered.

## IRO-2- DISCLOSURE REQUIREMENTS IN ESRS COVERED BY THE UNDERTAKING'S SUSTAINABILITY STATEMENT

After the identification of material topics in the DMA, the EFRAG Guidance was used to map the material sustainability matters to the relevant disclosure requirements. Additionally, Erste Hungary discloses entity specific information following the policy, action and target structure. Metrics were disclosed where necessary.

The list of disclosure requirements and their location in the statement can be found below.

List of disclosure requirements	Page #
<b>General information</b>	
BP-1 General basis for preparation of sustainability statement	20
BP-2 Disclosures in relation to specific circumstances, Time Horizons and Data methodology for reporting	20
GOV-1 The role of the administrative, management and supervisory bodies	21
GOV-2 Information and sustainability aspects dealt with by the company's administrative, management and supervisory bodies	24
GOV-3 Integration of sustainability-related performance in incentive schemes	26
GOV-4 Statement on due diligence	28
GOV-5 Risk management and internal controls over sustainability Statement	29
SBM-1 Strategy, business model and value chain	29
SBM-2 Interests and views of stakeholders	32
SBM-3 Material impacts, risks and opportunities and their interaction with Erste Group's strategy and business model	34
IRO-1 Description of the process to identify and assess material impacts, risks and opportunities	37
IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	43
<b>Climate change</b>	
E1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	111
E1-2 Policies and transition measures for climate change mitigation and adaptation	112
E1-3 Actions and resources in relation to climate change mitigation and adaptation	118
E1-4 Targets related to climate change mitigation and adaptation	120
E1-5 Energy consumption and mix	127
E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions	128
<b>Biodiversity and ecosystems</b>	
E4 SBM-3 Material impact related to biodiversity and ecosystems	136
E4-1 Resilience of Erste Group's strategy and business model in relation to soil sealing	137
E4-2 Policies related to soil sealing	137
E4-3 Actions and resources related to soil sealing	137
E4-4 Targets related to soil sealing	138
E4-5 Impact metrics related to soil sealing	138
<b>Own workforce</b>	
S1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	139
S1-1 Policies related to own workforce	141
S1-2 Processes for engaging with own workforce and workers' representatives about impacts	145
S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	147
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	148
S1-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	152
S1-6 Characteristics of the undertaking's employees	154
S1-7 Characteristics of non-employees in the undertaking's own workforce	155
S1-9 Diversity metrics	155
S1-12 Persons with disabilities	156
S1-13 Training and skills development metrics	156
S1-14 Health and safety metrics	157
S1-15 Work-life balance metrics	157
S1-16 Remuneration metrics (pay gap and total remuneration)	158
S1-17 Incidents, complaints and severe human rights impacts	158
<b>Consumers and end-users</b>	
S4 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	159
S4-1 Policies related to consumers and end-users	160
S4-2 Processes for engaging with consumers and end-users about impacts	163
S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	163
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	164
S4-5 Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities	167
<b>Business conduct</b>	
G1 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	169
G1-1 Business conduct policies and corporate culture	170
G1-3 Prevention and detection of corruption and bribery	172
G1-4 Incidents of corruption or bribery	174

## List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page (and Paragraph) 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) 2020/1816 (27) , Annex II		Material	21
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Material	21
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				Material	28
		Article 449a Regulation (EU) No 575/2013;				
		Commission Implementing Regulation (EU) 2022/2453 (28) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk				
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material	111
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Material	111
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (29) , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Material	111
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Material	111
		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics				
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 6		Material	120
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				Material	127
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Material	127
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				Material	127
		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				
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	128

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page (and Paragraph) reference
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	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	128
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material	
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material	
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material	
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material	
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Material	136
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Material	136
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Material	136
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Material	137
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Material	137
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Material	137
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material	
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material	
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Material	139
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Material	139
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				Material	141
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		Material	141

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page (and Paragraph) reference
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Material	141
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				Material	141
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				Material	147
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		Material	157
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Material	157
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		Material	158
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Material	158
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				Material	158
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Material	158
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material	
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material	
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material	
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material	
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material	



Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Material / Not material	Page (and Paragraph) reference
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				Material	160
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)		Material	160
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Material	164
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				Material	170
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				Material	170
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)		Material	174
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				Material	174

## ENVIRONMENTAL INFORMATION

### EU TAXONOMY DISCLOSURES

#### LEGAL FRAMEWORK AT EU LEVEL

The European Union's Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment (further referred to as the EU Taxonomy Regulation) serves as a basis for redirecting capital flows towards sustainable economic activities and as a fundamental support for the transition to a sustainable European economy. On the one hand, this is ensured by the introduction of a uniform classification system for sustainable economic activities and on the other hand, through an introduction of specific reporting obligations for both financial and non-financial undertakings.

The EU Commission's Delegated Regulation (EU) 2021/2178 (further referred to as the EU Taxonomy Disclosures Regulation) addresses the requirement of the EU Taxonomy's Article 8 by specifying the content and presentation of information to be disclosed concerning environmentally sustainable economic activities and specifying the methodology to comply with that disclosure obligation. Additionally, in 2021 and 2023 respectively, two further delegated regulations have been issued, establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to each of the six environmental objectives defined by the EU Taxonomy Regulation, as well as for determining whether that economic activity causes no significant harm to any of the other environmental objectives.

Furthermore, the EU Commission's Delegated Regulation (EU) 2022/1214 provides for further disclosures as regards specific economic activities in the fossil gas and nuclear energy sectors, applicable to both non-financial undertakings directly involved in such economic activities as well as financial undertakings that fund such non-financial undertakings.

According to the EU Taxonomy Regulation, Erste Hungary doesn't disclose comparative data given the fact that 2024 is the first year of its sustainability reporting, including EU Taxonomy report.

#### APPLICABILITY TO CREDIT INSTITUTIONS

The regulated framework stipulates that to be considered environmentally sustainable (further referred to as taxonomy aligned), financings of economic activities by credit institutions (whether in the form of term lending or non-trading investments in securities) need to be further directed by the related banking clients or issuers towards revenue-generating activities or capital expenditure that meet three additional criteria. These activities must be assessed as simultaneously (a) making a substantial contribution (SC) to at least one of the 6 EU environmental objectives, (b) not significantly harming other environmental objectives (DNSH) and (c) being compliant with minimum safeguards (MS). When, by reference to the related contractual clauses, the use of the related proceeds cannot be specifically connected to such activities or capital expenditure projects, the taxonomy alignment of the related general-purpose financings is statistically determined, i.e. through weighing by the applicable taxonomy KPIs publicly disclosed by the related banking clients or issuers.

For Erste Hungary, as a credit institution, the KPI to be reported is the Green Asset Ratio ("GAR"). The GAR puts the covered assets of Erste Hungary classified as Taxonomy-aligned in proportion to the KPI's total covered assets. Covered assets include all group assets, excluding those related to central governments, supranational issuers as well as exposures to central banks and the trading book. Covered financial assets are included in the numerator of this KPI if either the related counterparts are themselves undertakings obligated to publish a corporate sustainability report as of the current year-end ("CSRD-obligated") at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking. Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the GAR numerator as follows:

in full, if the purpose of the financing is known ("use of proceeds known") and the financed economic activities demonstrably meet all technical screening criteria of the classification system (e.g. project financing), or weighed by counterpart's (or, if unavailable, by counterpart's group) most recently published Taxonomy-alignment KPI, if the purpose of the financing is unknown ("general purpose financing", e.g. working capital loans).

Additionally, "use of proceeds known" non-trading non-derivative financial assets having as counterparts' households or local governments are also included in the GAR numerator, if the financed economic activities demonstrably meet all the applicable technical screening criteria.

Another significant KPI is the Taxonomy-eligibility KPI, which is disclosed ahead of the GAR. This puts the covered assets of Erste Hungary classified as Taxonomy-eligible in relation to the total assets covered by the GAR. Similarly to GAR, covered financial assets

are included in the numerator of this KPI if either the related counterparts are themselves CSRD-obligated at either individual or consolidated level or belong to a group headed by a CSRD-obligated undertaking. Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the numerator of the Taxonomy-eligibility KPI as follows:

in full, if the purpose of the financing is known, and the economic activities financed are found as Taxonomy-eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met (e.g. project financings), or

weighed by counterpart's (or, if unavailable, by counterpart's group) most recently published Taxonomy-eligibility KPI, if the purpose of the financing is unknown ("general purpose financing" e.g. working capital loans).

Additionally, "use of proceeds known" non-trading non-derivative financial assets having as counterparts' households or local governments are also included in the numerator of the Taxonomy-eligibility KPI, if the financed economic activities demonstrably are found as Taxonomy-eligible by corresponding to the activities described in the classification system, regardless of whether all technical criteria are met.

## OVERVIEW OF ERSTE HUNGARY'S TAXONOMY DISCLOSURES AND KPIS

### SCOPE OF THE PUBLISHED EU TAXONOMY REPORTING TEMPLATES

Erste Hungary has prepared the EU Taxonomy disclosures on a consolidated basis, in accordance with the CRR consolidation scope, which is the same as Erste Hungary's IFRS scope of consolidation. For year-end 2024, Erste Hungary, as a credit institution, applies Annex V and VI of the EU Taxonomy Disclosures Regulation.

### SUMMARY OF THE PUBLISHED EU TAXONOMY REPORTING TEMPLATES

This paragraph provides a concise description of the EU Taxonomy reporting templates published by Erste Hungary as of 31 December 2024, simultaneously addressing the requirements of Annex XI to the EU Taxonomy Disclosures regulation with regards to qualitative explanations addressing significant developments in the main taxonomy KPIS, starting with the second year of implementation.

#### Template 0 'Summary of KPIS to be disclosed by credit institutions under Article 8 Taxonomy Regulation'

Template 0 provides a summary of key amounts and most significant taxonomy KPIS, as further disclosed in the Templates 1, 3 or 5 (see below).

#### Total environmentally sustainable assets / activities (turnover view)

As of 31 December 2024, Erste Hungary discloses in Template 0 the total taxonomy aligned assets in amount of HUF 6.6 billion ('stock'). HUF 1.4 billion thereof correspond to financings of sustainable activities having been initially recognised during the year 2024 ('flow'). These amounts are disclosed in Template 0 by applying the 'turnover view', namely – as far as general-purpose financings clients or issuers obligated to KPI disclosure are concerned – by weighing the related exposures by the taxonomy KPIS published by the related undertakings in connection to their revenue-generating activities (non-financial undertakings) or financings thereof (financial undertakings).

Total environmentally sustainable assets are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template 1 'Assets for the calculation of GAR', disclosed in both the turnover view and the CapEx view.

#### Total GAR Stock and Flow (turnover view and CapEx view)

Erste Hungary's total GAR (turnover view) is 0.21% as at 31 December 2024 (stock) and 0.25% as of 31 December 2024 (flow).

Erste Hungary's GAR Stock as of 31 December 2024 remains nevertheless inherently low (below 1% in turnover view and slightly above 1% in CapEx view), mainly due to the built-in asymmetry of the GAR (expected however to gradually reduce until 2028, along the gradual increase in scope of the CSRD, therefore of the GAR numerator eligible assets).

GAR Stock and GAR Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template 3 'GAR KPI Stock' and Template 4 'GAR KPI Flow' respectively. These templates are disclosed in both the turnover view and the CapEx view.

### FinGuar KPI Stock (turnover view and CapEx view)

Whilst the GAR refers to credit institution's on-balance assets, the FinGuar KPI focuses on credit institution's off-balance exposures. Erste Hungary's FinGuar Stock KPI is 14.00% as of 31 December 2024 (turnover view) and 24.00% as of 31 December 2024 (CapEx view).

FinGuar KPI Stock and FinGuar KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within Template 5 'KPI Off balance-sheet exposures'. These templates are disclosed in both the turnover view and the CapEx view.

### AuM KPI Stock (turnover view and CapEx view)

The AuM KPI focuses on credit institution's off-balance assets under management and having the nature of bonds or shares issued by undertakings obligated to KPI disclosure, including when such bonds or shares are underlying assets in collective investments (funds) or discretionary management portfolios. Erste Hungary's AuM Stock KPI was 3.96% as of 31 December 2024 (turnover view) and 6.22% as of 31 December 2024 (CapEx view).

AuM KPI Stock and AuM KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per eligibility and alignment towards each of the 6 environmental objectives within **Template 5 'KPI Off balance-sheet exposures'**. These templates are disclosed in both the turnover view and the CapEx view.

### Template 2 GAR sector information

This template provides, in both stock turnover view and stock CapEx view, a breakdown per the applicable NACE codes of all the eligible and aligned amounts featured in Template 1's row 20 (non-financial undertakings obligated to KPI disclosure), across all environmental objectives, consisting of disclosing the required information at NACE sector granularity only for those NACE sectors covering, in descending order of the related total aligned amount, at least 80% of the Group's total taxonomy aligned assets (as per the respective view).

### Additional disclosures addressing financings of specific Nuclear and Fossil Gas related economic activities

Based on the requirements of Annex XII to the EU Taxonomy Disclosures Regulation, Erste Hungary publishes as of 31 December 2024, in addition to the main taxonomy templates (0 to 5) in all the required views, six sets of five additional disclosure templates each, providing an insight into Group's direct or indirect financings (that means: via financings to peer financial undertakings), either specific or general purpose, attributable to six specific economic activities related to the Nuclear and Fossil Gas energy sectors. Each of the six sets of such additional tables relates to one of Group's main taxonomy KPIs (namely: GAR, FinGuar KPI and AuM KPI), both stock and flow, in both turnover and CapEx view.

As a result, the overall number of distinct EU Taxonomy templates published by Erste Group as of 31 December 2024 amounts to 13 main taxonomy templates and a further 54 Nuclear & Fossil Gas activities-related supplementary EU Taxonomy templates.

## SELECTED KPIS' OVERVIEW

As of 31 December 2024, Erste Hungary's total eligibility KPI and total GAR can be summarized as follows:

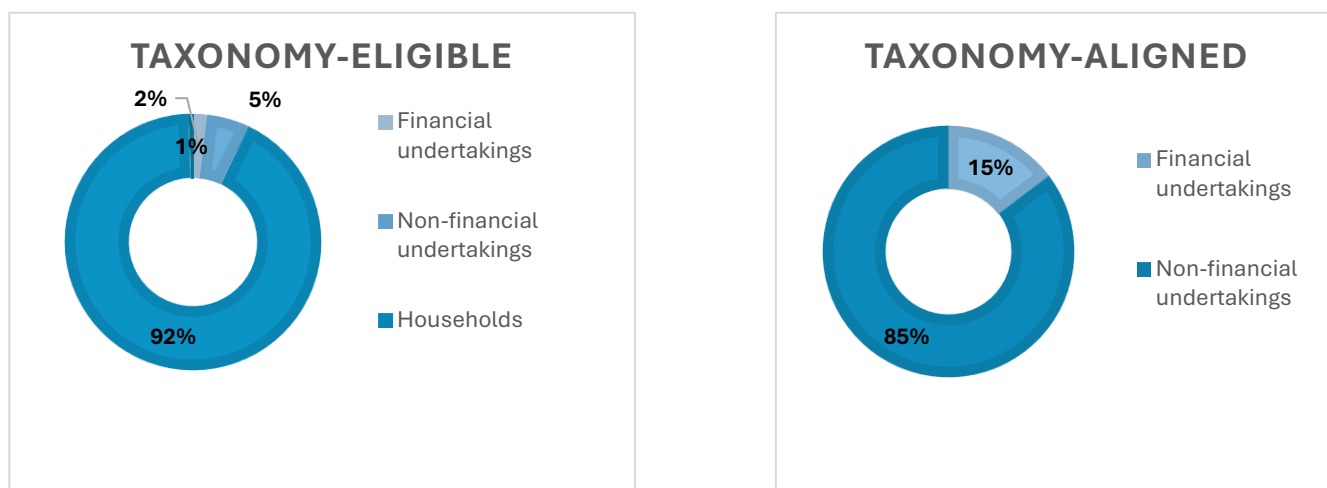
### Turnover view

- Erste Hungary's consolidated taxonomy eligible assets amount to HUF 620 billion, representing 19,8% of the total covered assets.
- Erste Hungary's consolidated taxonomy aligned assets amount to HUF 6.7 billion, representing 0.21% of the total covered assets.

### CapEx view

- Erste Hungary's taxonomy eligible assets amount to HUF 629 billion representing 20.1% of the total covered assets.
- Erste Hungary's taxonomy aligned assets amount to HUF 13 billion, representing 0.41% of the total covered assets.

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2024 are further comparatively analysed and presented in the charts below:



As of 31.12.2024, the Taxonomy-eligibility KPI consists of the following main components:

Financing to private households to the amount of HUF 572 billion, the purpose of which corresponds to Taxonomy-eligible activities in the real estate sector.

Use of proceeds known and unknown financing to non-financial undertakings to the amount of HUF 33 billion and to financial undertakings to the amount of HUF 11.5 billion, the use of proceeds unknown financing having been classified proportionately as Taxonomy-eligible based on the eligibility KPIs published by the respective counterparties.

Financing to local and regional governments to the amount of HUF 3.5 billion, the purpose of which corresponds to Taxonomy-eligible activities.

The GAR, on the other hand, consists of use of proceeds known and unknown financing to financial and non-financial undertakings to the amount of HUF 0.98 billion and respectively HUF 5.68 billion, with the combined aligned amount resulting from use of proceeds unknown financing that were classified proportionately as Taxonomy-aligned, based on the alignment KPIs published by the respective counterparties.

## GAR STRUCTURAL CONSTRAINTS AND LIMITATIONS IN DATA AVAILABILITY

The taxonomy disclosures and KPIs of Erste Group as of 31 December 2024 are inherently influenced by both structural constraints arising from both the legal design of the GAR and the restricted scope of the CSRD, as well as by various other data availability limitations. Such constraints and limitations are further outlined below.

### GAR structural constraints

Due to the extensive information required to evaluate the applicable taxonomy alignment technical criteria (SC, DNSH), as well as the MS compliance, the scope of application of the EU Taxonomy Disclosures Regulation is limited by legislation (at EU level: CSRD), as far as qualifying exposures to undertakings are concerned, to those that are obligated to KPI disclosure as at the current reporting year-end, as well as to any subsidiaries thereof. For Erste Hungary as a universal bank, this means that a significant part of the portfolio (small and medium-sized enterprises not CSRD-obligated or part of such a group) cannot be considered at the moment in the numerators of the taxonomy eligibility KPI and the GAR, with most of them expected to indefinitely qualify for the respective denominators only ('GAR structural asymmetry').

Additionally, general-purpose exposures to households and local governments (meaning financings of such counterparts having, as per the related lending agreements or prospectus, either no specified purpose or specified purposes other than housing or acquisition of eligible motor vehicles) fall inherently outside the scope of any such possible evaluation. This means that general-purpose exposures to households and local governments, along with qualifying exposures to CSRD non-obligated undertakings, cannot possibly contribute to the GAR numerator, whilst they are nevertheless included in GAR's denominator.

## Limitations in data availability

### Retail lending

Related to real estate and vehicle financing towards private households, as well as related to financings of housing or other taxonomy eligible specific-purpose projects by local governments, credit institutions are allowed to use reliable third-party evaluations with regards to the central DNSH criterion of conducting a climate risk and vulnerability assessment. Erste Group is currently working on integrating the physical risk data of one of the world's leading reinsurance companies into the taxonomy evaluation process, with the target of applying fully fledged data and related methodologies from year-end 2025 onwards. Once it will be finalised Erste Hungary as part of Erste Group will implement this method. With regards to year-end 2024 taxonomy disclosures, Erste Hungary therefore continues to report all household exposures as non-aligned.

### Environmental objectives 3-6

According to the EU Taxonomy Disclosures Regulation and the draft FAQs from November 2024, financial undertakings shall only publish eligibility figures for the environmental objectives 3-6 and the amended economic activities within the objectives 1-2. It follows that Erste Hungary as part of Erste Group becomes obligated to publish alignment figures for the environmental objectives 3-6 for the year ending 31 December 2025. However, considering, on the one hand, Erste Group's and therefore Erste Hungary's relatively advanced stage of technical readiness to meet this upcoming reporting obligation and, on the other hand, the low amount of obligated clients' related taxonomy KPIs available for collection and further processing in this respect, Erste Hungary's EU Taxonomy disclosures as of 31 December 2024 cover already the entire set of environmental objectives for the alignment figures for general purpose loans as well. The applied client alignment KPIs for the environmental objectives 3-6 have, in general, very low values, which didn't entail any further analysis on whether the related obligated clients published them in advance of being required to do so or not.

Furthermore, regarding both new and existing business with undertakings obligated to KPI reporting and local governments – despite considerable efforts to further advance the examination of individual transactions – in many cases there is still insufficient information and data basis on the customer side to determine whether these transactions can be classified as taxonomy-eligible with regards to the environmental objectives 3-6. While the Draft Commission Notice dated 28.11.2024 has indeed provided further clarifications with regards to the related taxonomy assessment, interpreting and applying the mentioned guidance leads at the moment to relatively few 'use of proceeds known' financings being assigned as of 31 December 2024 as eligible by reference to these environmental objectives.

## REPORTING METHODOLOGY AND UNDERLYING ASSUMPTIONS AND INTERPRETATIONS

### (Gross) carrying amounts of assets

Regarding the (gross) carrying amounts of assets represented in Template 1, the following approach was taken:

For all relevant financial assets at amortized cost and debt securities at FVOCI (Fair Value Through Other Comprehensive Income), the cost carried forward before adjustment of value adjustments was used - regardless of the counterparty type.

For all other assets falling into lines 1-48 of Template 1, the gross carrying amount, i.e., the amount actually accounted for and used in the CRR-consolidated IFRS FINREP balance sheet, was used. This means:

For performing debt instruments at FVPL (Fair Value Through Profit or Loss), the gross carrying amount corresponds to the fair value. For non-performing debt instruments at FVPL, the gross carrying amount corresponds to the fair value after the accumulation of any accumulated negative changes in fair value due to credit risk.

For all investments in associated and joint ventures, the carrying value in accordance with IAS28/IFRS11 is used.

For all equity instruments at FVPL, the fair value is used.

For all non-financial assets ("collateral obtained by taking possession" or "Other categories of assets"), the carrying amounts disclosed according to IFRS are used.

### CSRD-obligated financial and non-financial undertakings and use of their KPIs:

All companies considered to be public interest entities and employing more than 500 people at either individual or consolidated level have been obligated to report EU Taxonomy disclosures as at 31.12.2023 under the NFRD and continue to be so as at 31.12.2024 under the CSRD. Moreover, the reporting exemption applicable under the NFRD as at 31.12.2023 to obligated undertakings or sub-groups being part of larger obligated groups no longer applies under the CSRD as at 31.12.2024. Financial and non-financial undertakings, that are parents of obligated groups, must publish their KPIs on a consolidated basis. These KPIs are used for the purpose of determining Erste Hungary's KPIs for qualifying exposures towards all subsidiaries of this group ("closest reporting parent"), unless KPIs are available for the specific single counterparty.

### Flow

For the purpose of Template 4 (GAR Flow), Template 5 (FinGuar Flow and AuM Flow), as well as for retrieving the 'flow' views of the Nuclear & Gas templates, 'flow' has been defined as a sub-set of 'stock', limited to related asset deals' having been initially recognised during the current reporting date. The two exceptions to this approach are as follows:



- Non-financial assets and financial assets not having the nature of loans and advances, debt securities or equity instruments: 'flow' has been deemed zero.
- Underlying debt securities and equity instruments in off-balance investment funds or other portfolios under management: 'flow' has been to be arise from any positive year-on-year net increase in the number of units held at underlying ISIN level, within each relevant investment fund or other portfolio under management.

### Significant notes for the consideration of assets in Template 1

Accepted for the numerator of the GAR and therefore relevant for the Taxonomy-eligibility or -alignment review are non-trading loans and advances, debt securities, equity instruments having CSRD -obligated financial or non-financial undertakings as counterparties (or subsidiaries thereof), as well as real estate and car financing to private households, use of proceeds known financing with local governments and real estate collateral obtained through taking possession.

### Financial and non-financial undertakings:

Qualifying assets in relation to financial and non-financial undertakings are included in the numerator of the GAR if the direct counterparty is CSRD-obligated or subsidiary of a CSRD-obligated group.

Financing to non-CSRD -obligated financial and non-financial undertakings, which are not part of an NFRD-obligated group, were considered in the denominator, irrespective of their domicile (EU or Non-EU)

Financing to Multilateral Development Banks listed in the paragraphs in Article 117(1), or Article 117(2) Regulation (EU) 575/2013 (CRR) are considered credit institutions according to the clarifications of the "Environmental Act" and are allowed for the numerator provided they are based in the EU.

### Private households:

Financing included in the numerator and provided to private households comprises only real estate-related financing or car loans (the latter from 1.1.2022). Other financing to private households (e.g., consumer loans) are only included in the denominator and are listed under "Other categories of assets".

Financing of building renovation and collateralised by residential immovable property are solely included in the row "of which building renovation loans" in order to avoid double counting.

### Local & regional governments

The financing included in the numerator of the respective KPI with respect to local and regional governments only consists of financing where the respective use of proceeds is known. Financing without a known use of proceeds is excluded from both the numerator and the denominator of the respective KPI according to regulatory requirements and is listed in the row for central governments and supranational issuers.

### Assets under Management

Off-balance sheet items ("Assets under management") are also reported based on a look-through approach. As relevant assets in this regard, however, only securities issued by CSRD-obligated issuers are considered.

### Significant information for template population of the supplemental delegated climate regulation:

In the portfolio of Erste Hungary, there are no use of proceeds known financing related to the activities in the area of nuclear energy and fossil gas listed in the Commission Delegated Regulation (EU) 2022/1214. Consequently, populating the respective tables is based on the KPIs published by the related counterparties (namely: CSRD-obligated energy companies or CSRD-obligated banks or insurances directly exposed to such energy companies) in their respective similar templates.

The supplementary templates addressing direct or indirect financings of specific activities in the nuclear energy and fossil gas sectors relate to the GAR stock only (turnover and respectively capex views).



## O. SUMMARY OF KPIS TO BE DISCLOSED BY CREDIT INSTITUTIONS UNDER ARTICLE 8 TAXONOMY REGULATION

		Total environmentally sustainable assets	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	12,919	0.21%	0.41%	61.82%	24.91%	38.18%
		Total environmentally sustainable activities	KPI Turnover	KPI CapEx	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7 (2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	3,564	0.25%	0.63%	53.77%	17.46%	3,564
	Trading book						
	Financial guarantees	9,872	14.00%	24.00%			
	Assets under management	217	3.96%	6.22%			
	Fees and commissions income						

## 1. ASSETS FOR THE CALCULATION OF GAR, TURNOVER-BASED VIEW

	a	b	c	d	e	f	g	h	i	j
	Year ending on 31 December 2024									
	Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)						
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
	Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)						
	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling	
in HUF million										
<b>GAR - Covered assets in both numerator and denominator</b>										
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,871,447	618,021	6,647	0	843	2,895	68	11	0	0
2 <b>Financial undertakings</b>	429,003	11,445	970	0	86	783	68	11	0	0
3 Credit institutions	421,113	6,213	230	0	86	44	1	1	0	0
4 Loans and advances	183,868	3,783	92	0	12	16	0	0	0	0
5 Debt securities, including UoP	237,244	2,429	138	0	74	27	1	1	0	0
6 Equity instruments	0	0	0	0	0	0	0	0	0	0
7 Other financial corporations	7,891	5,232	740	0	0	739	68	10	0	0
8 of which investment firms	2,374	0	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11 Equity instruments	2,374	0	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0	0	0
16 of which insurance undertakings	236	5	1	0	0	0	68	10	0	0
17 Loans and advances	0	0	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
19 Equity instruments	236	5	1	0	0	0	68	10	0	0
20 <b>Non-financial undertakings</b>	125,000	31,096	5,677	0	757	2,112	0	0	0	0
21 Loans and advances	89,687	24,863	3,592	0	186	607	0	0	0	0
22 Debt securities, including UoP	35,313	6,233	2,086	0	570	1,505	0	0	0	0
23 Equity instruments	0	0	0	0	0	0	0	0	0	0
24 <b>Households</b>	1,313,941	571,982	0	0	0	0	0	0	0	0
25 of which loans collateralised by residential immovable property	641,574	571,866	0	0	0	0	0	0	0	0
26 of which building renovation loans	116	116	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0
28 <b>Local governments financing</b>	3,503	3,497	0	0	0	0	0	0	0	0
29 Housing financing	0	0	0	0	0	0	0	0	0	0
30 Other local government financing	3,503	3,497	0	0	0	0	0	0	0	0
31 <b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	898	898	0	0	0	0	0	0	0	0
32 <b>Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	1,263,785	0	0	0	0	0	0	0	0	0

33	Financial and Non-financial undertakings	1,069,671	0	0	0	0	0	0	0	0	0
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,068,359	0	0	0	0	0	0	0	0	0
35	Loans and advances	934,221	0	0	0	0	0	0	0	0	0
36	of which loans collateralised by commercial immovable property	347,885	0	0	0	0	0	0	0	0	0
37	of which building renovation loans	13,946	0	0	0	0	0	0	0	0	0
38	Debt securities	123,268	0	0	0	0	0	0	0	0	0
39	Equity instruments	10,870	0	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,313	0	0	0	0	0	0	0	0	0
41	Loans and advances	7	0	0	0	0	0	0	0	0	0
42	Debt securities	548	0	0	0	0	0	0	0	0	0
43	Equity instruments	758	0	0	0	0	0	0	0	0	0
44	Derivatives	0	0	0	0	0	0	0	0	0	0
45	On demand interbank loans	10,154	0	0	0	0	0	0	0	0	0
46	Cash and cash-related assets	27,075	0	0	0	0	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	156,886	0	0	0	0	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>3,136,130</b>	<b>618,918</b>	<b>6,647</b>	<b>0</b>	<b>843</b>	<b>2,895</b>	<b>68</b>	<b>11</b>	<b>0</b>	<b>0</b>
49	Assets not covered for GAR calculation	1,936,820	0	0	0	0	0	0	0	0	0
50	Central governments and Supranational issuers	1,185,366	0	0	0	0	0	0	0	0	0
51	Central banks exposure	636,119	0	0	0	0	0	0	0	0	0
52	Trading book	115,336	0	0	0	0	0	0	0	0	0
53	<b>Total assets</b>	<b>5,072,951</b>	<b>618,918</b>	<b>6,647</b>	<b>0</b>	<b>843</b>	<b>2,895</b>	<b>68</b>	<b>11</b>	<b>0</b>	<b>0</b>
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0
54	Financial guarantees	41,135	40,724	5,759	0	0	5,759	0	0	0	0
55	Assets under management	3,487	506	132	0	13	73	33	3	0	2
56	Of which debt securities	2,273	360	94	0	13	45	27	2	0	2
57	Of which equity instruments	1,214	146	38	0	1	28	6	1	0	0

	k	l	m	n	o	p	q	r
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which transitional		Of which Use of Proceeds		Of which enabling
in HUF million								
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	1,785	4	0	0
<b>2 Financial undertakings</b>	0	0	0	0	0	0	0	0
3 Credit institutions	0	0	0	0	0	0	0	0
4 Loans and advances	0	0	0	0	0	0	0	0
5 Debt securities, including UoP	0	0	0	0	0	0	0	0
6 Equity instruments	0	0	0	0	0	0	0	0
7 Other financial corporations	0	0	0	0	0	0	0	0
8 of which investment firms	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0
11 Equity instruments	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0
16 of which insurance undertakings	0	0	0	0	0	0	0	0
17 Loans and advances	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0
19 Equity instruments	0	0	0	0	0	0	0	0
<b>20 Non-financial undertakings</b>	0	0	0	0	1,785	4	0	0
21 Loans and advances	0	0	0	0	1,525	0	0	0
22 Debt securities, including UoP	0	0	0	0	260	4	0	0
23 Equity instruments	0	0	0	0	0	0	0	0
<b>24 Households</b>	0	0	0	0	0	0	0	0
25 of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0
26 of which building renovation loans	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0	0	0	0
<b>28 Local governments financing</b>	0	0	0	0	0	0	0	0
29 Housing financing	0	0	0	0	0	0	0	0
30 Other local government financing	0	0	0	0	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0
<b>32 Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0
<b>33 Financial and Non-financial undertakings</b>	0	0	0	0	0	0	0	0
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
35 Loans and advances	0	0	0	0	0	0	0	0
36 of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0

37	of which building renovation loans	0	0	0	0	0	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0
39	Equity instruments	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0
44	Derivatives	0	0	0	0	0	0	0	0
45	On demand interbank loans	0	0	0	0	0	0	0	0
46	Cash and cash-related assets	0	0	0	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	0	0	0	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,785</b>	<b>4</b>	<b>0</b>	<b>0</b>
49	Assets not covered for GAR calculation	0	0	0	0	0	0	0	0
50	Central governments and Supranational issuers	0	0	0	0	0	0	0	0
51	Central banks exposure	0	0	0	0	0	0	0	0
52	Trading book	0	0	0	0	0	0	0	0
53	<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,785</b>	<b>4</b>	<b>0</b>	<b>0</b>
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
54	Financial guarantees	0	0	0	0	0	0	0	0
55	Assets under management	3	1	0	0	51	1	0	1
56	Of which debt securities	2	1	0	0	14	0	0	0
57	Of which equity instruments	0	0	0	0	37	1	0	1

	s	t	u	v	w	x	z	aa
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Of which Use of Proceeds	Of which transitional			Of which Use of Proceeds	Of which enabling	
in HUF million								
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0
<b>2 Financial undertakings</b>	0	0	0	0	0	0	0	0
3 Credit institutions	0	0	0	0	0	0	0	0
4 Loans and advances	0	0	0	0	0	0	0	0
5 Debt securities, including UoP	0	0	0	0	0	0	0	0
6 Equity instruments	0	0	0	0	0	0	0	0
7 Other financial corporations	0	0	0	0	0	0	0	0
8 of which investment firms	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0
11 Equity instruments	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0
16 of which insurance undertakings	0	0	0	0	0	0	0	0
17 Loans and advances	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0
19 Equity instruments	0	0	0	0	0	0	0	0
<b>20 Non-financial undertakings</b>	0	0	0	0	0	0	0	0
21 Loans and advances	0	0	0	0	0	0	0	0
22 Debt securities, including UoP	0	0	0	0	0	0	0	0
23 Equity instruments	0	0	0	0	0	0	0	0
<b>24 Households</b>	0	0	0	0	0	0	0	0
25 of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0
26 of which building renovation loans	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0	0	0	0
<b>28 Local governments financing</b>	0	0	0	0	0	0	0	0
29 Housing financing	0	0	0	0	0	0	0	0
30 Other local government financing	0	0	0	0	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0
<b>32 Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0
<b>33 Financial and Non-financial undertakings</b>	0	0	0	0	0	0	0	0
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
35 Loans and advances	0	0	0	0	0	0	0	0
36 of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0

37	of which building renovation loans	0	0	0	0	0	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0
39	Equity instruments	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0
44	Derivatives	0	0	0	0	0	0	0	0
45	On demand interbank loans	0	0	0	0	0	0	0	0
46	Cash and cash-related assets	0	0	0	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	0	0	0	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	Assets not covered for GAR calculation	0	0	0	0	0	0	0	0
50	Central governments and Supranational issuers	0	0	0	0	0	0	0	0
51	Central banks exposure	0	0	0	0	0	0	0	0
52	Trading book	0	0	0	0	0	0	0	0
53	<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
54	Financial guarantees	0	0	0	0	0	0	0	0
55	Assets under management	26	1	0	1	12	0	0	0
56	Of which debt securities	8	1	0	1	1	0	0	0
57	Of which equity instruments	18	0	0	0	11	0	0	0



	ab	ac	ad	ae	af
	Year ending on 31 December 2024				
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	
in HUF million					
<b>GAR - Covered assets in both numerator and denominator</b>					
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	619,874	6,662	0	843	2,895
<b>2 Financial undertakings</b>	11,513	981	0	86	783
3 Credit institutions	6,213	230	0	86	44
4 Loans and advances	3,783	92	0	12	16
5 Debt securities, including UoP	2,430	139	0	74	27
6 Equity instruments	0	0	0	0	0
7 Other financial corporations	5,300	750	0	0	739
8 of which investment firms	0	0	0	0	0
9 Loans and advances	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0
11 Equity instruments	0	0	0	0	0
12 of which management companies	0	0	0	0	0
13 Loans and advances	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0
15 Equity instruments	0	0	0	0	0
16 of which insurance undertakings	73	11	0	0	0
17 Loans and advances	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0
19 Equity instruments	73	11	0	0	0
<b>20 Non-financial undertakings</b>	32,881	5,682	0	757	2,112
21 Loans and advances	26,388	3,592	0	186	607
22 Debt securities, including UoP	6,493	2,090	0	570	1,505
23 Equity instruments	0	0	0	0	0
<b>24 Households</b>	571,982	0	0	0	0
25 of which loans collateralised by residential immovable property	571,866	0	0	0	0
26 of which building renovation loans	116	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0
<b>28 Local governments financing</b>	3,497	0	0	0	0
29 Housing financing	0	0	0	0	0
30 Other local government financing	3,497	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	898	0	0	0	0
<b>32 Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0
<b>33 Financial and Non-financial undertakings</b>	0	0	0	0	0
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0
35 Loans and advances	0	0	0	0	0
36 of which loans collateralised by commercial immovable property	0	0	0	0	0
37 of which building renovation loans	0	0	0	0	0
38 Debt securities	0	0	0	0	0
39 Equity instruments	0	0	0	0	0

40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0
41	Loans and advances	0	0	0	0	0
42	Debt securities	0	0	0	0	0
43	Equity instruments	0	0	0	0	0
44	Derivatives	0	0	0	0	0
45	On demand interbank loans	0	0	0	0	0
46	Cash and cash-related assets	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>620,771</b>	<b>6,662</b>	<b>0</b>	<b>843</b>	<b>2,895</b>
49	Assets not covered for GAR calculation	0	0	0	0	0
50	Central governments and Supranational issuers	0	0	0	0	0
51	Central banks exposure	0	0	0	0	0
52	Trading book	0	0	0	0	0
53	<b>Total assets</b>	<b>620,771</b>	<b>6,662</b>	<b>0</b>	<b>843</b>	<b>2,895</b>
	<b>Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
54	Financial guarantees	40,724	5,759	0	0	5,759
55	Assets under management	631	138	0	13	77
56	Of which debt securities	413	99	0	13	48
57	Of which equity instruments	218	39	0	1	29

## 2. GAR SECTOR INFORMATION, TURNOVER-BASED VIEW

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	16,828	2,586	0	0	0	0	0	0
2	D35.11 Production of electricity	6,484	2,190	0	0	0	0	0	0
3	C29.10 Manufacture of motor vehicles	2,986	422	0	0	0	0	0	0
4	C19.20 Manufacture of refined petroleum products	1,882	46	0	0	0	0	0	0
5	H49.41 Freight transport by road	998	0	0	0	0	0	0	0
6	H52.10 Warehousing and storage	582	0	0	0	0	0	0	0
7	C28.22 Manufacture of lifting and handling equipment	393	208	0	0	0	0	0	0
8	N77.11 Renting and leasing of cars and light motor vehicles	361	105	0	0	0	0	0	0
9	C10.62 Manufacture of starches and starch products	330	100	0	0	0	0	0	0
10	C28.29 Manufacture of other general-purpose machinery n.e.c.	159	0	0	0	0	0	0	0
11	C29.32 Manufacture of other parts and accessories for motor vehicles	51	0	0	0	0	0	0	0
12	other	44	20	0	0	0	0	0	0

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	0	0	0	0	0	0	0	0
2	D35.11 Production of electricity	0	0	0	0	44	4	0	0
3	C29.10 Manufacture of motor vehicles	0	0	0	0	0	0	0	0
4	C19.20 Manufacture of refined petroleum products	0	0	0	0	350	0	0	0
5	H49.41 Freight transport by road	0	0	0	0	0	0	0	0
6	H52.10 Warehousing and storage	0	0	0	0	0	0	0	0
7	C28.22 Manufacture of lifting and handling equipment	0	0	0	0	1,272	0	0	0
8	N77.11 Renting and leasing of cars and light motor vehicles	0	0	0	0	0	0	0	0
9	C10.62 Manufacture of starches and starch products	0	0	0	0	0	0	0	0
10	C28.29 Manufacture of other general-purpose machinery n.e.c.	0	0	0	0	0	0	0	0
11	C29.32 Manufacture of other parts and accessories for motor vehicles	0	0	0	0	0	0	0	0
12	other	0	0	0	0	119	0	0	0

		q	r	s	t	u	v	w	x
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	0	0	0	0	0	0	0	0
2	D35.11 Production of electricity	0	0	0	0	0	0	0	0
3	C29.10 Manufacture of motor vehicles	0	0	0	0	0	0	0	0
4	C19.20 Manufacture of refined petroleum products	0	0	0	0	0	0	0	0
5	H49.41 Freight transport by road	0	0	0	0	0	0	0	0
6	H52.10 Warehousing and storage	0	0	0	0	0	0	0	0
7	C28.22 Manufacture of lifting and handling equipment	0	0	0	0	0	0	0	0
8	N77.11 Renting and leasing of cars and light motor vehicles	0	0	0	0	0	0	0	0
9	C10.62 Manufacture of starches and starch products	0	0	0	0	0	0	0	0
10	C28.29 Manufacture of other general-purpose machinery n.e.c.	0	0	0	0	0	0	0	0
11	C29.32 Manufacture of other parts and accessories for motor vehicles	0	0	0	0	0	0	0	0
12	other	0	0	0	0	0	0	0	0

		y	z	aa	Ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	16,828	2,586		
2	D35.11 Production of electricity	6,528	2,194		
3	C29.10 Manufacture of motor vehicles	2,986	422		
4	C19.20 Manufacture of refined petroleum products	2,231	46		
5	H49.41 Freight transport by road	998	0		
6	H52.10 Warehousing and storage	582	0		
7	C28.22 Manufacture of lifting and handling equipment	1,665	208		
8	N77.11 Renting and leasing of cars and light motor vehicles	361	105		
9	C10.62 Manufacture of starches and starch products	330	100		
10	C28.29 Manufacture of other general-purpose machinery n.e.c.	159	0		
11	C29.32 Manufacture of other parts and accessories for motor vehicles	51	0		
12	other	163	20		

### 3. GAR KPI STOCK TURNOVER-BASED VIEW

	a	b	c	d	e	f	g	h	i	
	Year ending on 31 December 2024									
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	33.02%	0.36%	0.00%	0.05%	0.15%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	2.67%	0.23%	0.00%	0.02%	0.18%	0.02%	0.00%	0.00%	0.00%
3	Credit institutions	1.48%	0.05%	0.00%	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	2.06%	0.05%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.02%	0.06%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	66.31%	9.38%	0.00%	0.00%	9.37%	0.86%	0.13%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	31.67%	0.53%	0.00%	0.12%	0.16%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	2.03%	0.33%	0.00%	0.01%	0.06%	28.65%	4.42%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.03%	0.33%		0.01%	0.06%	28.65%	4.42%		0.00%
20	Non-financial undertakings	24.88%	4.54%	0.00%	0.61%	1.69%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	27.72%	4.00%	0.00%	0.21%	0.68%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	17.65%	5.91%	0.00%	1.62%	4.26%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	-	-		-	-	-	-		-
24	Households	43.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	89.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	-	-	-	-	-				
28	Local governments financing	99.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	99.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	Total GAR assets	19.74%	0.21%	0.00%	0.03%	0.09%	0.00%	0.00%	0.00%	0.00%

		j	k	l	m	n	o	p	q
		Year ending on 31 December 2024							
		Water and marine resources (WTR)				Circular economy (CE)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
% (compared to total covered assets in the denominator)									
	<b>GAR - Covered assets in both numerator and denominator</b>								
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.10%	0.00%	0.00%	0.00%
2	<b>Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	<b>Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	1.43%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	1.70%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.74%	0.01%	0.00%	0.00%
23	Equity instruments	-	-		-	-	-		-
24	<b>Households</b>					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	<b>Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	<b>Total GAR assets</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.06%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>2 Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6 Equity instruments	-	-		-	-	-		-
7 Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	-	-	-	-	-	-	-	-
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12 of which management companies	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-
15 Equity instruments	-	-		-	-	-		-
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
<b>20 Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
23 Equity instruments	-	-		-	-	-		-
<b>24 Households</b>								
25 of which loans collateralised by residential immovable property								
26 of which building renovation loans								
27 of which motor vehicle loans								
<b>28 Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29 Housing financing	-	-	-	-	-	-	-	-
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>32 Total GAR assets</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>



		aa	ab	ac	ad	ae	af
Year ending on 31 December 2024							
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
% (compared to total covered assets in the denominator)							
				Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of total assets covered
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	33.12%	0.36%	0.00%	0.05%	0.15%	36.89%
2	<b>Financial undertakings</b>	2.68%	0.23%	0.00%	0.02%	0.18%	8.46%
3	Credit institutions	1.48%	0.05%	0.00%	0.02%	0.01%	8.30%
4	Loans and advances	2.06%	0.05%	0.00%	0.01%	0.01%	3.62%
5	Debt securities, including UoP	1.02%	0.06%	0.00%	0.03%	0.01%	4.68%
6	Equity instruments	-	-		-	-	0.00%
7	Other financial corporations	67.17%	9.51%	0.00%	0.00%	9.37%	0.16%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
9	Loans and advances	31.67%	0.53%	0.00%	0.12%	0.16%	0.00%
10	Debt securities, including UoP	-	-	-	-	-	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.05%
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	30.68%	4.75%	0.00%	0.01%	0.07%	0.00%
17	Loans and advances	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	0.00%
19	Equity instruments	30.68%	4.75%		0.01%	0.07%	0.00%
20	<b>Non-financial undertakings</b>	26.30%	4.55%	0.00%	0.61%	1.69%	2.46%
21	Loans and advances	29.42%	4.00%	0.00%	0.21%	0.68%	1.77%
22	Debt securities, including UoP	18.39%	5.92%	0.00%	1.62%	4.26%	0.70%
23	Equity instruments	-	-		-	-	0.00%
24	<b>Households</b>	43.53%	0.00%	0.00%	0.00%	0.00%	25.90%
25	of which loans collateralised by residential immovable property	89.13%	0.00%	0.00%	0.00%	0.00%	12.65%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans						
28	<b>Local governments financing</b>	99.85%	0.00%	0.00%	0.00%	0.00%	0.07%
29	Housing financing	-	-	-	-	-	0.00%
30	Other local government financing	99.85%	0.00%	0.00%	0.00%	0.00%	0.07%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	100.00%	0.00%	0.00%	0.00%	0.00%	0.02%
32	<b>Total GAR assets</b>	<b>19.79%</b>	<b>0.21%</b>	<b>0.00%</b>	<b>0.03%</b>	<b>0.09%</b>	<b>36.91%</b>

#### 4. GAR KPI FLOW TURNOVER-BASED VIEW

	a	b	c	d	e	f	g	h	i	
	Year ending on 31 December 2024									
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	36.23%	0.37%	0.00%	0.06%	0.30%	0.02%	0.00%	0.00%	0.00%
2	Financial undertakings	8.51%	1.08%	0.00%	0.05%	1.02%	0.09%	0.01%	0.00%	0.00%
3	Credit institutions	1.64%	0.10%	0.00%	0.06%	0.02%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	3.55%	0.21%	0.00%	0.13%	0.05%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	66.31%	9.38%	0.00%	0.00%	9.37%	0.86%	0.13%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	2.03%	0.33%	0.00%	0.01%	0.06%	28.65%	4.42%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.03%	0.33%		0.01%	0.06%	28.65%	4.42%		0.00%
20	Non-financial undertakings	8.25%	3.19%	0.00%	1.00%	2.03%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	8.25%	3.19%	0.00%	1.00%	2.03%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	Households	45.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	94.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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	Total GAR assets	24.47%	0.25%	0.00%	0.04%	0.20%	0.01%	0.00%	0.00%	0.00%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
<b>2 Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6 Equity instruments	-	-		-	-	-		-
7 Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9 Loans and advances	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12 of which management companies	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-
15 Equity instruments	-	-		-	-	-		-
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
<b>20 Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%
21 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%
22 Debt securities, including UoP	-	-	-	-	-	-	-	-
23 Equity instruments	-	-		-	-	-		-
<b>24 Households</b>					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					-	-	-	-
27 of which motor vehicle loans								
<b>28 Local governments financing</b>	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-
<b>32 Total GAR assets</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to flow of total eligible assets))			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.04%	0.00%	0.00%	0.00%
<b>2 Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6 Equity instruments	-	-		-	-	-		-
7 Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9 Loans and advances	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12 of which management companies	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-
15 Equity instruments	-	-		-	-	-		-
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
<b>20 Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%
21 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.72%	0.00%	0.00%	0.00%
22 Debt securities, including UoP	-	-	-	-	-	-	-	-
23 Equity instruments	-	-		-	-	-		-
<b>24 Households</b>					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					-	-	-	-
27 of which motor vehicle loans								
<b>28 Local governments financing</b>	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-
<b>32 Total GAR assets</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.02%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

		aa	ab	ac	ad	ae	af
		Year ending on 31 December 2024					Proportion of total new assets covered
		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 flow of total eligible assets)				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	36.28%	0.37%	0.00%	0.06%	0.30%	36.31%
2	Financial undertakings	8.60%	1.10%	0.00%	0.05%	1.02%	7.11%
3	Credit institutions	1.65%	0.10%	0.00%	0.06%	0.02%	6.36%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	3.41%
5	Debt securities, including UoP	3.55%	0.21%	0.00%	0.13%	0.05%	2.95%
6	Equity instruments	-	-		-	-	0.00%
7	Other financial corporations	67.17%	9.51%	0.00%	0.00%	9.37%	0.76%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
9	Loans and advances	-	-	-	-	-	0.00%
10	Debt securities, including UoP	-	-	-	-	-	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.23%
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	30.68%	4.75%	0.00%	0.01%	0.07%	0.02%
17	Loans and advances	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	0.00%
19	Equity instruments	30.68%	4.75%		0.01%	0.07%	0.02%
20	Non-financial undertakings	8.97%	3.19%	0.00%	1.00%	2.03%	1.77%
21	Loans and advances	8.97%	3.19%	0.00%	1.00%	2.03%	1.77%
22	Debt securities, including UoP	-	-	-	-	-	0.00%
23	Equity instruments	-	-		-	-	0.00%
24	Households	45.22%	0.00%	0.00%	0.00%	0.00%	27.43%
25	of which loans collateralised by residential immovable property	94.41%	0.00%	0.00%	0.00%	0.00%	13.14%
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	24.50%	0.25%	0.00%	0.04%	0.20%	36.31%

## 5. KPI OFF-BALANCE SHEET EXPOSURES TURNOVER-BASED VIEW, STOCK

	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2024								
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling	
1 Financial guarantees (FinGuar KPI)	99.00%	14.00%	0.00%	0.00%	14.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	14.50%	3.78%	0.00%	0.39%	2.11%	0.95%	0.08%	0.00%	0.05%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.08%	0.04%	0.00%	0.00%	1.47%	0.03%	0.00%	0.02%

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.74%	0.04%	0.00%	0.04%	0.35%	0.00%	0.00%	0.00%

	aa	ab	ac	ad	ae
		Year ending on 31 December 2024			
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	99.00%	14.00%	0.00%	0.00%	14.00%
2 Assets under management (AuM KPI)	18.09%	3.96%	0.00%	0.39%	2.22%



## 5. KPI OFF-BALANCE SHEET EXPOSURES TURNOVER-BASED VIEW, FLOW

		a	b	c	d	e	f	g	h	i
		Year ending on 31 December 2024								
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	99.00%	14.00%	0.00%	0.00%	14.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	13.42%	3.57%	0.00%	0.38%	1.94%	0.74%	0.08%	0.00%	0.06%

		j	k	l	m	n	o	p	q	
		Year ending on 31 December 2024								
		Water and marine resources (WTR)				Circular economy (CE)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.09%	0.06%	0.00%	0.01%	0.75%	0.01%	0.00%		0.01%

		r	s	t	u	v	w	x	z	
		Year ending on 31 December 2024								
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.46%	0.03%	0.00%	0.03%	0.10%	0.00%	0.00%		0.00%

	aa	ab	ac	ad	ae
		Year ending on 31 December 2024			
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
% (compared to total eligible off-balance sheet assets)					
1 Financial guarantees (FinGuar KPI)	99.00%	14.00%	0.00%	0.00%	14.00%
2 Assets under management (AuM KPI)	15.56%	3.75%	0.00%	0.38%	2.05%

## 1. ASSETS FOR THE CALCULATION OF GAR, CAPEX-BASED VIEW

	a	b	c	d	e	f	g	h	i	j
	Year ending on 31 December 2024									
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
in HUF million	Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling	
<b>GAR - Covered assets in both numerator and denominator</b>										
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,871,447	627,947	12,907	0	3,630	4,338	76	12	0	0
<b>2 Financial undertakings</b>	429,003	12,381	1,583	0	83	1,253	74	12	0	0
3 Credit institutions	421,113	7,096	315	0	83	91	7	2	0	0
4 Loans and advances	183,868	3,824	115	0	8	29	0	0	0	0
5 Debt securities, including UoP	237,244	3,272	199	0	75	62	7	2	0	0
6 Equity instruments	0	0	0	0	0	0	0	0	0	0
7 Other financial corporations	7,891	5,285	1,268	0	0	1,162	68	10	0	0
8 of which investment firms	2,374	0	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
11 Equity instruments	2,374	0	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0	0	0
16 of which insurance undertakings	236	5	1	0	0	0	68	10	0	0
17 Loans and advances	0	0	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0
19 Equity instruments	236	5	1	0	0	0	68	10	0	0
<b>20 Non-financial undertakings</b>	125,000	40,087	11,324	0	3,547	3,086	1	0	0	0
21 Loans and advances	89,687	28,985	5,017	0	1,036	728	1	0	0	0
22 Debt securities, including UoP	35,313	11,101	6,307	0	2,511	2,358	0	0	0	0
23 Equity instruments	0	0	0	0	0	0	0	0	0	0
<b>24 Households</b>	1,313,941	571,982	0	0	0	0	0	0	0	0
of which loans collateralised by residential immovable property	641,574	571,866	0	0	0	0	0	0	0	0
26 of which building renovation loans	116	116	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0
<b>28 Local governments financing</b>	3,503	3,497	0	0	0	0	0	0	0	0
29 Housing financing	0	0	0	0	0	0	0	0	0	0
30 Other local government financing	3,503	3,497	0	0	0	0	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	898	898	0	0	0	0	0	0	0	0

32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	1,263,785	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	1,069,671	0	0	0	0	0	0	0	0	0
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	1,068,359	0	0	0	0	0	0	0	0	0
35	Loans and advances	934,221	0	0	0	0	0	0	0	0	0
36	of which loans collateralised by commercial immovable property	347,885	0	0	0	0	0	0	0	0	0
37	of which building renovation loans	13,946	0	0	0	0	0	0	0	0	0
38	Debt securities	123,268	0	0	0	0	0	0	0	0	0
39	Equity instruments	10,870	0	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	1,313	0	0	0	0	0	0	0	0	0
41	Loans and advances	7	0	0	0	0	0	0	0	0	0
42	Debt securities	548	0	0	0	0	0	0	0	0	0
43	Equity instruments	758	0	0	0	0	0	0	0	0	0
44	Derivatives	0	0	0	0	0	0	0	0	0	0
45	On demand interbank loans	10,154	0	0	0	0	0	0	0	0	0
46	Cash and cash-related assets	27,075	0	0	0	0	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	156,886	0	0	0	0	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>3,136,130</b>	<b>628,845</b>	<b>12,907</b>	<b>0</b>	<b>3,630</b>	<b>4,338</b>	<b>76</b>	<b>12</b>	<b>0</b>	<b>0</b>
49	Assets not covered for GAR calculation	1,936,820	0	0	0	0	0	0	0	0	0
50	Central governments and Supranational issuers	1,185,366	0	0	0	0	0	0	0	0	0
51	Central banks exposure	636,119	0	0	0	0	0	0	0	0	0
52	Trading book	115,336	0	0	0	0	0	0	0	0	0
53	<b>Total assets</b>	<b>5,072,951</b>	<b>628,845</b>	<b>12,907</b>	<b>0</b>	<b>3,630</b>	<b>4,338</b>	<b>76</b>	<b>12</b>	<b>0</b>	<b>0</b>
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0	0	0
54	Financial guarantees	41,135	41,135	9,872	0	0	9,050	0	0	0	0
55	Assets under management	3,487	672	209	0	18	107	36	4	0	2
56	Of which debt securities	2,273	419	136	0	13	68	17	3	0	1
57	Of which equity instruments	1,214	253	74	0	5	40	18	2	0	0

	k	l	m	n	o	p	q	r
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
in HUF million		Of which Use of Proceeds		Of which transitional		Of which Use of Proceeds		Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	1,053	0	0	0
<b>2 Financial undertakings</b>	0	0	0	0	0	0	0	0
3 Credit institutions	0	0	0	0	0	0	0	0
4 Loans and advances	0	0	0	0	0	0	0	0
5 Debt securities, including UoP	0	0	0	0	0	0	0	0
6 Equity instruments	0	0	0	0	0	0	0	0
7 Other financial corporations	0	0	0	0	0	0	0	0
8 of which investment firms	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0
11 Equity instruments	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0
16 of which insurance undertakings	0	0	0	0	0	0	0	0
17 Loans and advances	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0
19 Equity instruments	0	0	0	0	0	0	0	0
<b>20 Non-financial undertakings</b>	0	0	0	0	1,053	0	0	0
21 Loans and advances	0	0	0	0	459	0	0	0
22 Debt securities, including UoP	0	0	0	0	595	0	0	0
23 Equity instruments	0	0	0	0	0	0	0	0
<b>24 Households</b>	0	0	0	0	0	0	0	0
25 of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0
26 of which building renovation loans	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0	0	0	0
<b>28 Local governments financing</b>	0	0	0	0	0	0	0	0
29 Housing financing	0	0	0	0	0	0	0	0
30 Other local government financing	0	0	0	0	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0
<b>32 Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0
<b>33 Financial and Non-financial undertakings</b>	0	0	0	0	0	0	0	0
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
35 Loans and advances	0	0	0	0	0	0	0	0
36 of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0

37	of which building renovation loans	0	0	0	0	0	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0
39	Equity instruments	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0
44	Derivatives	0	0	0	0	0	0	0	0
45	On demand interbank loans	0	0	0	0	0	0	0	0
46	Cash and cash-related assets	0	0	0	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	0	0	0	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,053</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	Assets not covered for GAR calculation	0	0	0	0	0	0	0	0
50	Central governments and Supranational issuers	0	0	0	0	0	0	0	0
51	Central banks exposure	0	0	0	0	0	0	0	0
52	Trading book	0	0	0	0	0	0	0	0
53	<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,053</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
54	Financial guarantees	0	0	0	0	0	0	0	0
55	Assets under management	4	2	0	0	46	0	0	0
56	Of which debt securities	3	2	0	0	15	0	0	0
57	Of which equity instruments	0	0	0	0	30	0	0	0

	s	t	u	v	w	x	z	aa
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
in HUF million		Of which Use of Proceeds		Of which transitional		Of which Use of Proceeds		Of which enabling
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0	0	0	0	0	0	0	0
<b>2 Financial undertakings</b>	0	0	0	0	0	0	0	0
3 Credit institutions	0	0	0	0	0	0	0	0
4 Loans and advances	0	0	0	0	0	0	0	0
5 Debt securities, including UoP	0	0	0	0	0	0	0	0
6 Equity instruments	0	0	0	0	0	0	0	0
7 Other financial corporations	0	0	0	0	0	0	0	0
8 of which investment firms	0	0	0	0	0	0	0	0
9 Loans and advances	0	0	0	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0	0	0	0
11 Equity instruments	0	0	0	0	0	0	0	0
12 of which management companies	0	0	0	0	0	0	0	0
13 Loans and advances	0	0	0	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0	0	0	0
15 Equity instruments	0	0	0	0	0	0	0	0
16 of which insurance undertakings	0	0	0	0	0	0	0	0
17 Loans and advances	0	0	0	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0	0	0	0
19 Equity instruments	0	0	0	0	0	0	0	0
<b>20 Non-financial undertakings</b>	0	0	0	0	0	0	0	0
21 Loans and advances	0	0	0	0	0	0	0	0
22 Debt securities, including UoP	0	0	0	0	0	0	0	0
23 Equity instruments	0	0	0	0	0	0	0	0
<b>24 Households</b>	0	0	0	0	0	0	0	0
25 of which loans collateralised by residential immovable property	0	0	0	0	0	0	0	0
26 of which building renovation loans	0	0	0	0	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0	0	0	0
<b>28 Local governments financing</b>	0	0	0	0	0	0	0	0
29 Housing financing	0	0	0	0	0	0	0	0
30 Other local government financing	0	0	0	0	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	0	0	0	0	0	0	0	0
<b>32 Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0	0	0	0
<b>33 Financial and Non-financial undertakings</b>	0	0	0	0	0	0	0	0
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
35 Loans and advances	0	0	0	0	0	0	0	0
36 of which loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0



37	of which building renovation loans	0	0	0	0	0	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0
39	Equity instruments	0	0	0	0	0	0	0	0
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
41	Loans and advances	0	0	0	0	0	0	0	0
42	Debt securities	0	0	0	0	0	0	0	0
43	Equity instruments	0	0	0	0	0	0	0	0
44	Derivatives	0	0	0	0	0	0	0	0
45	On demand interbank loans	0	0	0	0	0	0	0	0
46	Cash and cash-related assets	0	0	0	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	0	0	0	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
49	Assets not covered for GAR calculation	0	0	0	0	0	0	0	0
50	Central governments and Supranational issuers	0	0	0	0	0	0	0	0
51	Central banks exposure	0	0	0	0	0	0	0	0
52	Trading book	0	0	0	0	0	0	0	0
53	<b>Total assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	0	0	0	0	0	0	0	0
54	Financial guarantees	0	0	0	0	0	0	0	0
55	Assets under management	21	1	0	1	0	0	0	0
56	Of which debt securities	6	1	0	1	0	0	0	0
57	Of which equity instruments	15	0	0	0	0	0	0	0

	ab	ac	ad	ae	af
	Year ending on 31 December 2024				
	TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
	Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
	Of which environmentally sustainable (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling
in HUF million					
<b>GAR - Covered assets in both numerator and denominator</b>					
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	629,076	12,919	0	3,630	4,338
<b>2 Financial undertakings</b>	12,455	1,595	0	83	1,253
3 Credit institutions	7,102	316	0	83	91
4 Loans and advances	3,824	115	0	8	29
5 Debt securities, including UoP	3,278	201	0	75	62
6 Equity instruments	0	0	0	0	0
7 Other financial corporations	5,353	1,279	0	0	1,162
8 of which investment firms	0	0	0	0	0
9 Loans and advances	0	0	0	0	0
10 Debt securities, including UoP	0	0	0	0	0
11 Equity instruments	0	0	0	0	0
12 of which management companies	0	0	0	0	0
13 Loans and advances	0	0	0	0	0
14 Debt securities, including UoP	0	0	0	0	0
15 Equity instruments	0	0	0	0	0
16 of which insurance undertakings	73	11	0	0	0
17 Loans and advances	0	0	0	0	0
18 Debt securities, including UoP	0	0	0	0	0
19 Equity instruments	73	11	0	0	0
<b>20 Non-financial undertakings</b>	41,141	11,324	0	3,547	3,086
21 Loans and advances	29,445	5,017	0	1,036	728
22 Debt securities, including UoP	11,696	6,307	0	2,511	2,358
23 Equity instruments	0	0	0	0	0
<b>24 Households</b>	571,982	0	0	0	0
25 of which loans collateralised by residential immovable property	571,866	0	0	0	0
26 of which building renovation loans	116	0	0	0	0
27 of which motor vehicle loans	0	0	0	0	0
<b>28 Local governments financing</b>	3,497	0	0	0	0
29 Housing financing	0	0	0	0	0
30 Other local government financing	3,497	0	0	0	0
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	898	0	0	0	0
<b>32 Assets excluded from the numerator for GAR calculation (covered in the denominator)</b>	0	0	0	0	0
<b>33 Financial and Non-financial undertakings</b>	0	0	0	0	0
34 SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	0	0	0	0	0
35 Loans and advances	0	0	0	0	0
36 of which loans collateralised by commercial immovable property	0	0	0	0	0
37 of which building renovation loans	0	0	0	0	0
38 Debt securities	0	0	0	0	0
39 Equity instruments	0	0	0	0	0

40	Non-EU country counterparties not subject to NFRD disclosure obligations	0	0	0	0	0
41	Loans and advances	0	0	0	0	0
42	Debt securities	0	0	0	0	0
43	Equity instruments	0	0	0	0	0
44	Derivatives	0	0	0	0	0
45	On demand interbank loans	0	0	0	0	0
46	Cash and cash-related assets	0	0	0	0	0
47	Other categories of assets (e.g. Goodwill, commodities etc.)	0	0	0	0	0
48	<b>Total GAR assets</b>	<b>629,973</b>	<b>12,919</b>	<b>0</b>	<b>3,630</b>	<b>4,338</b>
49	Assets not covered for GAR calculation	0	0	0	0	0
50	Central governments and Supranational issuers	0	0	0	0	0
51	Central banks exposure	0	0	0	0	0
52	Trading book	0	0	0	0	0
53	<b>Total assets</b>	<b>629,973</b>	<b>12,919</b>	<b>0</b>	<b>3,630</b>	<b>4,338</b>
	<b>Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
54	Financial guarantees	41,135	9,872	0	0	9,050
55	Assets under management	779	217	0	18	111
56	Of which debt securities	461	141	0	13	70
57	Of which equity instruments	318	76	0	5	40

## 2. GAR SECTOR INFORMATION, CAPEX-BASED VIEW

		a	b	c	d	e	f	g	h
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCM)		Of which environmentally sustainable (CCA)		Of which environmentally sustainable (CCA)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	19,631	2,083	0	0	0	0	0	0
2	D35.11 Production of electricity	10,511	5,761	0	0	0	0	0	0
3	C19.20 Manufacture of refined petroleum products	4,665	1,999	0	0	0	0	0	0
4	C29.10 Manufacture of motor vehicles	3,016	724	0	0	0	0	0	0
7	C10.62 Manufacture of starches and starch products	942	536	0	0	0	0	0	0
6	C28.22 Manufacture of lifting and handling equipment	416	46	0	0	0	0	0	0
7	N77.11 Renting and leasing of cars and light motor vehicles	383	120	0	0	0	0	0	0
8	D35.23 Trade of gas through mains	307	50	0	0	1	0	0	0
9	C28.29 Manufacture of other general-purpose machinery n.e.c.	161	0	0	0	0	0	0	0
10	G46.69 Wholesale of other machinery and equipment	39	4	0	0	0	0	0	0
11	C29.32 Manufacture of other parts and accessories for motor vehicles	14	0	0	0	0	0	0	0
12	other	2	1	0	0	0	0	0	0

		i	j	k	l	m	n	o	p
		Water and marine resources (WTR)				Circular economy (CE)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (WTR)		Of which environmentally sustainable (CE)		Of which environmentally sustainable (CE)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	0	0	0	0	0	0	0	0
2	D35.11 Production of electricity	0	0	0	0	16	0	0	0
3	C19.20 Manufacture of refined petroleum products	0	0	0	0	937	0	0	0
4	C29.10 Manufacture of motor vehicles	0	0	0	0	0	0	0	0
5	C10.62 Manufacture of starches and starch products	0	0	0	0	0	0	0	0
6	C28.22 Manufacture of lifting and handling equipment	0	0	0	0	92	0	0	0
7	N77.11 Renting and leasing of cars and light motor vehicles	0	0	0	0	0	0	0	0
8	D35.23 Trade of gas through mains	0	0	0	0	0	0	0	0
9	C28.29 Manufacture of other general-purpose machinery n.e.c.	0	0	0	0	0	0	0	0
10	G46.69 Wholesale of other machinery and equipment	0	0	0	0	9	0	0	0
11	C29.32 Manufacture of other parts and accessories for motor vehicles	0	0	0	0	0	0	0	0
12	other	0	0	0	0	0	0	0	0

		q	r	s	t	u	v	w	x
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (PPC)		Of which environmentally sustainable (BIO)		Of which environmentally sustainable (BIO)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	0	0	0	0	0	0	0	0
2	D35.11 Production of electricity	0	0	0	0	0	0	0	0
3	C19.20 Manufacture of refined petroleum products	0	0	0	0	0	0	0	0
4	C29.10 Manufacture of motor vehicles	0	0	0	0	0	0	0	0
5	C10.62 Manufacture of starches and starch products	0	0	0	0	0	0	0	0
6	C28.22 Manufacture of lifting and handling equipment	0	0	0	0	0	0	0	0
7	N77.11 Renting and leasing of cars and light motor vehicles	0	0	0	0	0	0	0	0
8	D35.23 Trade of gas through mains	0	0	0	0	0	0	0	0
9	C28.29 Manufacture of other general-purpose machinery n.e.c.	0	0	0	0	0	0	0	0
10	G46.69 Wholesale of other machinery and equipment	0	0	0	0	0	0	0	0
11	C29.32 Manufacture of other parts and accessories for motor vehicles	0	0	0	0	0	0	0	0
12	other	0	0	0	0	0	0	0	0

		y	z	aa	Ab
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	
		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)		Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	
Breakdown by sector - NACE 4 digits level (code and label)		in HUF million		in HUF million	
1	L68.20 Renting and operating of own or leased real estate	19,631	2,083		
2	D35.11 Production of electricity	10,527	5,761		
3	C19.20 Manufacture of refined petroleum products	5,601	1,999		
4	C29.10 Manufacture of motor vehicles	3,016	724		
5	C10.62 Manufacture of starches and starch products	942	536		
6	C28.22 Manufacture of lifting and handling equipment	509	46		
7	N77.11 Renting and leasing of cars and light motor vehicles	383	120		
8	D35.23 Trade of gas through mains	308	50		
9	C28.29 Manufacture of other general-purpose machinery n.e.c.	161	0		
10	G46.69 Wholesale of other machinery and equipment	48	4		
11	C29.32 Manufacture of other parts and accessories for motor vehicles	14	0		
12	other	2	1		

### 3. GAR KPI STOCK CAPEX-BASED VIEW

	a	b	c	d	e	f	g	h	i	
	Year ending on 31 December 2024									
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total covered assets in the denominator)			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		
<b>GAR - Covered assets in both numerator and denominator</b>										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	33.55%	0.69%	0.00%	0.19%	0.23%	0.00%	0.00%	0.00%	0.00%
2	<b>Financial undertakings</b>	2.89%	0.37%	0.00%	0.02%	0.29%	0.02%	0.00%	0.00%	0.00%
3	Credit institutions	1.68%	0.07%	0.00%	0.02%	0.02%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	2.08%	0.06%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	1.38%	0.08%	0.00%	0.03%	0.03%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	66.98%	16.07%	0.00%	0.00%	14.73%	0.86%	0.13%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	32.04%	0.75%	0.00%	0.08%	0.27%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	2.11%	0.43%	0.00%	0.02%	0.09%	28.67%	4.43%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.11%	0.43%		0.02%	0.09%	28.67%	4.43%		0.00%
20	<b>Non-financial undertakings</b>	32.07%	9.06%	0.00%	2.84%	2.47%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	32.32%	5.59%	0.00%	1.15%	0.81%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	31.44%	17.86%	0.00%	7.11%	6.68%	0.00%	0.00%	0.00%	0.00%
23	Equity instruments	-	-		-	-	-	-		-
24	<b>Households</b>	43.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	89.13%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans	-	-	-	-	-				
28	<b>Local governments financing</b>	99.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	99.85%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	<b>Total GAR assets</b>	<b>20.05%</b>	<b>0.41%</b>	<b>0.00%</b>	<b>0.12%</b>	<b>0.14%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total covered assets in the denominator)		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.06%	0.00%	0.00%	0.00%
<b>2 Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6 Equity instruments	-	-		-	-	-		-
7 Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 Debt securities, including UoP	-	-	-	-	-	-	-	-
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12 of which management companies	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-
15 Equity instruments	-	-		-	-	-		-
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
<b>20 Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.84%	0.00%	0.00%	0.00%
21 Loans and advances	0.00%	0.00%	0.00%	0.00%	0.51%	0.00%	0.00%	0.00%
22 Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	1.68%	0.00%	0.00%	0.00%
23 Equity instruments	-	-		-	-	-		-
<b>24 Households</b>					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								
<b>28 Local governments financing</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29 Housing financing	-	-	-	-	-	-	-	-
30 Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>32 Total GAR assets</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.03%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>



		r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
% (compared to total covered assets in the denominator)									
	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%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	-	-	-	-	-	-	-	-
30	Other local government financing	0.00%	0.00%	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%	0.00%	0.00%
32	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae	af
		Year ending on 31 December 2024					Proportion of total assets covered
		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 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	33.61%	0.69%	0.00%	0.19%	0.23%	36.89%
2	Financial undertakings	2.90%	0.37%	0.00%	0.02%	0.29%	8.46%
3	Credit institutions	1.69%	0.08%	0.00%	0.02%	0.02%	8.30%
4	Loans and advances	2.08%	0.06%	0.00%	0.00%	0.02%	3.62%
5	Debt securities, including UoP	1.38%	0.08%	0.00%	0.03%	0.03%	4.68%
6	Equity instruments	-	-		-	-	0.00%
7	Other financial corporations	67.84%	16.21%	0.00%	0.00%	14.73%	0.16%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.05%
9	Loans and advances	32.04%	0.75%	0.00%	0.08%	0.27%	0.00%
10	Debt securities, including UoP	-	-	-	-	-	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.05%
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	30.78%	4.85%	0.00%	0.02%	0.09%	0.00%
17	Loans and advances	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	0.00%
19	Equity instruments	30.78%	4.85%		0.02%	0.09%	0.00%
20	Non-financial undertakings	32.91%	9.06%	0.00%	2.84%	2.47%	2.46%
21	Loans and advances	32.83%	5.59%	0.00%	1.15%	0.81%	1.77%
22	Debt securities, including UoP	33.12%	17.86%	0.00%	7.11%	6.68%	0.70%
23	Equity instruments	-	-		-	-	0.00%
24	Households	43.53%	0.00%	0.00%	0.00%	0.00%	25.90%
25	of which loans collateralised by residential immovable property	89.13%	0.00%	0.00%	0.00%	0.00%	12.65%
26	of which building renovation loans	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
27	of which motor vehicle loans						
28	Local governments financing	99.85%	0.00%	0.00%	0.00%	0.00%	0.07%
29	Housing financing	-	-	-	-	-	0.00%
30	Other local government financing	99.85%	0.00%	0.00%	0.00%	0.00%	0.07%
31	Collateral obtained by taking possession: residential and commercial immovable properties	100.00%	0.00%	0.00%	0.00%	0.00%	0.02%
32	Total GAR assets	20.09%	0.41%	0.00%	0.12%	0.14%	36.91%

#### 4. GAR KPI FLOW CAPEX-BASED VIEW

	a	b	c	d	e	f	g	h	i	
	Year ending on 31 December 2024									
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to flow of total eligible assets)			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	36.74%	0.94%	0.00%	0.27%	0.47%	0.02%	0.00%	0.00%	0.00%
2	Financial undertakings	8.64%	1.84%	0.00%	0.05%	1.60%	0.09%	0.02%	0.00%	0.00%
3	Credit institutions	1.70%	0.15%	0.00%	0.06%	0.04%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5	Debt securities, including UoP	3.68%	0.31%	0.00%	0.13%	0.09%	0.00%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-	-		-
7	Other financial corporations	66.98%	16.07%	0.00%	0.00%	14.73%	0.86%	0.13%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-	-		-
16	of which insurance undertakings	2.11%	0.43%	0.00%	0.02%	0.09%	28.67%	4.43%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	2.11%	0.43%		0.02%	0.09%	28.67%	4.43%		0.00%
20	Non-financial undertakings	18.18%	11.84%	0.00%	5.38%	3.30%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	18.18%	11.84%	0.00%	5.38%	3.30%	0.00%	0.00%	0.00%	0.00%
22	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
23	Equity instruments	-	-		-	-	-	-		-
24	Households	45.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25	of which loans collateralised by residential immovable property	94.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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	Total GAR assets	24.81%	0.63%	0.00%	0.18%	0.32%	0.01%	0.00%	0.00%	0.00%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to flow of total eligible assets)		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
<b>GAR - Covered assets in both numerator and denominator</b>								
1 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.00%	0.00%	0.00%	0.00%	0.09%	0.00%	0.00%	0.00%
<b>2 Financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6 Equity instruments	-	-		-	-	-		-
7 Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9 Loans and advances	-	-	-	-	-	-	-	-
10 Debt securities, including UoP	-	-	-	-	-	-	-	-
11 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12 of which management companies	-	-	-	-	-	-	-	-
13 Loans and advances	-	-	-	-	-	-	-	-
14 Debt securities, including UoP	-	-	-	-	-	-	-	-
15 Equity instruments	-	-		-	-	-		-
16 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17 Loans and advances	-	-	-	-	-	-	-	-
18 Debt securities, including UoP	-	-	-	-	-	-	-	-
19 Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
<b>20 Non-financial undertakings</b>	0.00%	0.00%	0.00%	0.00%	1.93%	0.00%	0.00%	0.00%
21 Loans and advances	0.00%	0.00%	0.00%	0.00%	1.93%	0.00%	0.00%	0.00%
22 Debt securities, including UoP	-	-	-	-	-	-	-	-
23 Equity instruments	-	-		-	-	-		-
<b>24 Households</b>					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					-	-	-	-
27 of which motor vehicle loans								
<b>28 Local governments financing</b>	-	-	-	-	-	-	-	-
29 Housing financing	-	-	-	-	-	-	-	-
30 Other local government financing	-	-	-	-	-	-	-	-
<b>31 Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	-	-	-
<b>32 Total GAR assets</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.06%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

		r	s	t	u	v	w	x	z
		Year ending on 31 December 2024							
		Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
		Of which Use of Proceeds		Of which enabling		Of which Use of Proceeds		Of which enabling	
% (compared to flow of total eligible assets))									
	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%	0.00%	0.00%	0.00%	0.00%
2	Financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4	Loans and advances	0.00%	0.00%	0.00%	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%	0.00%	0.00%	0.00%
6	Equity instruments	-	-		-	-	-		-
7	Other financial corporations	0.00%	0.00%	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%	0.00%	0.00%
9	Loans and advances	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
12	of which management companies	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%
20	Non-financial undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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	Total GAR assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

		aa	ab	ac	ad	ae	af
Year ending on 31 December 2024							
TOTAL (CCM + CCA + WTR + CE + PPC + BIO)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
% (compared to flow of total eligible assets)							
Of which Use of Proceeds							
Of which transitional							
Of which enabling							
Proportion of total new assets covered							
GAR - Covered assets in both numerator and denominator							
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	36.85%	0.94%	0.00%	0.27%	0.47%	36.31%
2	<b>Financial undertakings</b>	8.73%	1.85%	0.00%	0.05%	1.60%	7.11%
3	Credit institutions	1.70%	0.15%	0.00%	0.06%	0.04%	6.36%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	3.41%
5	Debt securities, including UoP	3.68%	0.32%	0.00%	0.13%	0.09%	2.95%
6	Equity instruments	-	-	-	-	-	0.00%
7	Other financial corporations	67.84%	16.21%	0.00%	0.00%	14.73%	0.76%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
9	Loans and advances	-	-	-	-	-	0.00%
10	Debt securities, including UoP	-	-	-	-	-	0.00%
11	Equity instruments	0.00%	0.00%	-	0.00%	0.00%	0.23%
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	30.78%	4.85%	0.00%	0.02%	0.09%	0.02%
17	Loans and advances	-	-	-	-	-	0.00%
18	Debt securities, including UoP	-	-	-	-	-	0.00%
19	Equity instruments	30.78%	4.85%	-	0.02%	0.09%	0.02%
20	<b>Non-financial undertakings</b>	20.11%	11.84%	0.00%	5.38%	3.30%	1.77%
21	Loans and advances	20.11%	11.84%	0.00%	5.38%	3.30%	1.77%
22	Debt securities, including UoP	-	-	-	-	-	0.00%
23	Equity instruments	-	-	-	-	-	0.00%
24	<b>Households</b>	45.22%	0.00%	0.00%	0.00%	0.00%	27.43%
25	of which loans collateralised by residential immovable property	94.41%	0.00%	0.00%	0.00%	0.00%	13.14%
26	of which building renovation loans	-	-	-	-	-	0.00%
27	of which motor vehicle loans	-	-	-	-	-	0.00%
28	<b>Local governments financing</b>	-	-	-	-	-	0.00%
29	Housing financing	-	-	-	-	-	0.00%
30	Other local government financing	-	-	-	-	-	0.00%
31	<b>Collateral obtained by taking possession: residential and commercial immovable properties</b>	-	-	-	-	-	0.00%
32	<b>Total GAR assets</b>	<b>24.88%</b>	<b>0.63%</b>	<b>0.00%</b>	<b>0.18%</b>	<b>0.32%</b>	<b>36.31%</b>

## 5. KPI OFF-BALANCE SHEET EXPOSURES CAPEX-BASED VIEW, STOCK

	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2024								
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		
1 Financial guarantees (FinGuar KPI)	100.00%	24.00%	0.00%	0.00%	22.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	19.27%	6.00%	0.00%	0.52%	3.08%	1.02%	0.12%	0.00%	0.05%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.11%	0.06%	0.00%	0.00%	1.31%	0.01%	0.00%	0.01%

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.61%	0.03%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%

	aa	ab	ac	ad	ae
		Year ending on 31 December 2024			
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
			Of which Use of Proceeds	Of which transitional	Of which enabling
% (compared to total eligible off-balance sheet assets)					
1 Financial guarantees (FinGuar KPI)	100.00%	24.00%	0.00%	0.00%	22.00%
2 Assets under management (AuM KPI)	22.34%	6.22%	0.00%	0.52%	3.17%



## 5. KPI OFF-BALANCE SHEET EXPOSURES CAPEX-BASED VIEW, FLOW

	a	b	c	d	e	f	g	h	i
	Year ending on 31 December 2024								
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		
1 Financial guarantees (FinGuar KPI)	100.00%	24.00%	0.00%	0.00%	22.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	16.37%	5.52%	0.00%	0.41%	2.89%	0.70%	0.07%	0.00%	0.04%

	j	k	l	m	n	o	p	q
	Year ending on 31 December 2024							
	Water and marine resources (WTR)				Circular economy (CE)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.13%	0.09%	0.00%	0.00%	0.63%	0.00%	0.00%	0.00%

	r	s	t	u	v	w	x	z
	Year ending on 31 December 2024							
	Pollution (PPC)				Biodiversity and Ecosystems (BIO)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling	
1 Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2 Assets under management (AuM KPI)	0.38%	0.03%	0.00%	0.03%	0.01%	0.00%	0.00%	0.00%

	aa	ab	ac	ad	ae
		Year ending on 31 December 2024			
		TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
% (compared to total eligible off-balance sheet assets)			Of which Use of Proceeds	Of which transitional	Of which enabling
1 Financial guarantees (FinGuar KPI)	100.00%	24.00%	0.00%	0.00%	22.00%
2 Assets under management (AuM KPI)	18.21%	5.71%	0.00%	0.41%	2.96%

## ADDITIONAL DISCLOSURES ADDRESSING DIRECT AND INDIRECT FINANCINGS OF SPECIFIC ACTIVITIES IN THE NUCLEAR AND FOSSIL GAS SECTORS

This subchapter discloses, as applicable, all the related additionally required EU Taxonomy reporting templates, as laid out in Appendix XII of the Delegated Regulation 2021/2178, for each applicable taxonomy KPI of Erste Group, namely GAR Stock and Flow, FinGuar KPI Stock and Flow and AuM KPI Stock and Flow. For each of the mentioned applicable taxonomy KPI, Templates 2-5 are each distinctly presented in both the turnover and the CapEx view.

There are no use of proceeds known financings in Erste Group's portfolios of lending products, securities investments, financial guarantee products or assets under management that are specifically related to the relevant activities in the areas of nuclear energy and fossil gas. The filling of the relevant tables is therefore based on the KPIs published by the respective counterparties in the corresponding tables. Related counterparties' Nuclear & Gas KPIs as published in their respective Template 2 were factored into the calculation of the below disclosed amounts in both Template 2 and Template 3 of each set of templates, as attributable to each of the above mentioned applicable KPIs.

All absolute values in this section are expressed in HUF million.

### GAR

#### TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES, GAR STOCK

Row	Nuclear energy related activities	
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.	YES
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
	<b>Fossil gas related activities</b>	
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.	YES

## TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%	0	0.00%	0	0.00%
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	0.00%	0	0.00%	0	0.00%
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	670	0.02%	670	0.02%	0	0.00%
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	0.00%	0	0.00%	0	0.00%
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	0.00%	0	0.00%	0	0.00%
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	0.00%	0	0.00%	0	0.00%
7	<b>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</b>	<b>5,988</b>	<b>0.19%</b>	<b>5,977</b>	<b>0.19%</b>	<b>11</b>	<b>0.00%</b>
8	<b>Total applicable KPI</b>	<b>6,658</b>	<b>0.21%</b>	<b>6,647</b>	<b>0.21%</b>	<b>11</b>	<b>0.00%</b>

## TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	670	10.07%	670	10.09%		0.00%
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 numerator of the applicable KPI	0	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
7	<b>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</b>	<b>5,988</b>	<b>89.93%</b>	<b>5,977</b>	<b>89.91%</b>	<b>11</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>6,658</b>	<b>100.00%</b>	<b>6,647</b>	<b>100.00%</b>	<b>11</b>	<b>0.00%</b>

#### TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	95	0.00%	95	0.00%		0.00%
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	1	0.00%	1	0.00%		0.00%
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	311	0.01%	311	0.01%		0.00%
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	3,914	0.12%	3,914	0.12%		0.00%
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	1	0.00%	1	0.00%		0.00%
7	<b>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</b>	<b>608,007</b>	<b>19.39%</b>	<b>607,949</b>	<b>19.39%</b>	<b>57</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>612,328</b>	<b>19.52%</b>	<b>612,271</b>	<b>19.52%</b>	<b>57</b>	<b>0.00%</b>

#### TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR STOCK, TURNOVER-BASED VIEW

Row	Economic activities	Amount	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		0.00%
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		0.00%
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		0.00%
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	1,256	0.04%
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		0.00%
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		0.00%
7	<b>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</b>	<b>2,514,103</b>	<b>80.17%</b>
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>2,515,359</b>	<b>80.21%</b>

## TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%	0	0.00%		0.00%
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	1,528	0.05%	1,528	0.05%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	11,391	0.36%	11,379	0.36%	12	0.00%
8	<b>Total applicable KPI</b>	<b>12,919</b>	<b>0.41%</b>	<b>12,907</b>	<b>0.41%</b>	<b>12</b>	<b>0.00%</b>

## TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%	0	0.00%		0.00%
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	1,528	11.83%	1,528	11.84%		0.00%
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 numerator of the applicable KPI	0	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	11,391	88.17%	11,379	88.16%	12	0.00%
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>12,919</b>	<b>100.00%</b>	<b>12,907</b>	<b>100.00%</b>	<b>12</b>	<b>0.00%</b>

#### TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%	0	0.00%		0.00%
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	0.00%	0	0.00%		0.00%
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	95	0.00%	95	0.00%		0.00%
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	2,303	0.07%	2,303	0.07%		0.00%
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	1,430	0.05%	1,430	0.05%		0.00%
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	0.00%	0	0.00%		0.00%
7	<b>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</b>	<b>612,173</b>	<b>19.52%</b>	<b>612,109</b>	<b>19.52%</b>	<b>63</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>616,001</b>	<b>19.64%</b>	<b>615,938</b>	<b>19.64%</b>	<b>63</b>	<b>0.00%</b>

#### TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR STOCK, CAPEX-BASED VIEW

Row	Economic activities	Amount	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		0.00%
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		0.00%
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		0.00%
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		0.00%
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		0.00%
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		0.00%
7	<b>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</b>	<b>2,506,157</b>	<b>79.91%</b>
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>2,506,157</b>	<b>79.91%</b>

## TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES, GAR FLOW

Row	Nuclear energy related activities	
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.	YES
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
	<b>Fossil gas related activities</b>	
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.	YES

## TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	175	0.03%	175	0.03%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
7	<b>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</b>	<b>1,229</b>	<b>0.22%</b>	<b>1,218</b>	<b>0.22%</b>	<b>11</b>	<b>0.00%</b>
8	<b>Total applicable KPI</b>	<b>1,404</b>	<b>0.25%</b>	<b>1,393</b>	<b>0.25%</b>	<b>11</b>	<b>0.00%</b>



### TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	175	12.48%	175	12.57%		0.00%
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 numerator of the applicable KPI	0	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
7	<b>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</b>	<b>1,229</b>	<b>87.52%</b>	<b>1,218</b>	<b>87.43%</b>	<b>11</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>1,404</b>	<b>100.00%</b>	<b>1,393</b>	<b>100.00%</b>	<b>11</b>	<b>0.00%</b>

### TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	25	0.00%	25	0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%	0	0.00%		0.00%
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	1,025	0.18%	1,025	0.18%		0.00%
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	0.00%	0	0.00%		0.00%
7	<b>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</b>	<b>135,046</b>	<b>24.04%</b>	<b>134,988</b>	<b>24.03%</b>	<b>57</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>136,097</b>	<b>24.23%</b>	<b>136,039</b>	<b>24.22%</b>	<b>57</b>	<b>0.00%</b>

# TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR FLOW, TURNOVER-BASED VIEW

Row	Economic activities	Amount	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		0.00%
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		0.00%
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		0.00%
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	479	0.09%
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		0.00%
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		0.00%
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	423,636	75.41%
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>424,114</b>	<b>75.50%</b>

## TEMPLATE 2 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR), GAR FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%	0	0.00%		0.00%
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	400	0.07%	400	0.07%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	3,163	0.56%	3,152	0.56%	11	0.00%
8	<b>Total applicable KPI</b>	<b>3,564</b>	<b>0.63%</b>	<b>3,552</b>	<b>0.63%</b>	<b>11</b>	<b>0.00%</b>

## TEMPLATE 3 TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR), GAR FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%	0	0.00%		0.00%
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	400	11.23%	400	11.27%		0.00%
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 numerator of the applicable KPI	0	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	3,163	88.77%	3,152	88.73%	11	0.00%
8	<b>Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI</b>	<b>3,564</b>	<b>100.00%</b>	<b>3,552</b>	<b>100.00%</b>	<b>11</b>	<b>0.00%</b>

#### TEMPLATE 4 TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES, GAR FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
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	0.00%		0.00%		0.00%
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	0.00%		0.00%		0.00%
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	25	0.00%	25	0.00%		0.00%
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	518	0.09%	518	0.09%		0.00%
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	375	0.07%	375	0.07%		0.00%
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	0.00%		0.00%		0.00%
7	<b>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</b>	<b>134,945</b>	<b>24.02%</b>	<b>134,887</b>	<b>24.01%</b>	<b>58</b>	<b>0.00%</b>
8	<b>Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI</b>	<b>135,862</b>	<b>24.19%</b>	<b>135,805</b>	<b>24.18%</b>	<b>58</b>	<b>0.00%</b>

#### TEMPLATE 5 TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES, GAR FLOW, CAPEX-BASED VIEW

Row	Economic activities	Amount	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		0.00%
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		0.00%
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		0.00%
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		0.00%
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		0.00%
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		0.00%
7	<b>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</b>	<b>421,965</b>	<b>75.12%</b>
8	<b>Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI</b>	<b>421,965</b>	<b>75.12%</b>

## FINGUAR KPI

### TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES – FINGUAR KPI STOCK

Row	Nuclear energy related activities	
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
	<b>Fossil gas related activities</b>	<b>NO</b>
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

## AUM KPI

### TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES – AUM KPI STOCK

Row	Nuclear energy related activities	
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
	<b>Fossil gas related activities</b>	<b>NO</b>
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

## CLIMATE CHANGE

A successful transition to net zero emissions along science-based decarbonisation pathways is critical to ensuring long-term wellbeing, financial health, and prosperity. For this reason, and because we are committed to the goals of the Paris Climate Agreement, Erste Group joined the Net zero Banking Alliance in November 2021, and Erste Hungary aligns with these goals as well.

As a provider of financial services, Erste Hungary focuses on the transformation of its own operations, but also on the impacts of its financing and investment activities. At Erste Hungary, we are therefore committed to funding ambitious climate protection measures and supporting our customers in their transformation in order to transition our portfolio to net zero greenhouse gas emissions by 2050. We are driving the green transition by meeting clear sustainability criteria for finance and investment that ensure successful decarbonisation and better energy efficiency. For this, we have identified strong potential in renewable energy and the renovation of buildings and infrastructure. We are also taking the necessary measures in our own business activities, aiming to further decarbonise our banking operations.

### E1 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Material Impacts, Risks & Opportunities (IROs) identified in the Double Materiality Assessment

IROs are the basis for the disclosure in this chapter. Disclosure Requirements need to be fulfilled for EACH topic for which a material IRO was identified, if demanded.

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
E1-Climate change adaptation	Potential Positive impact	By financing climate adaptation solutions, Erste Hungary has a positive impact on reducing vulnerability to the impacts of climate change, although currently a smaller proportion of the Bank's climate-related financing solutions relate to this sub-theme.	Portfolio	Long-term
	Opportunity	Market opportunity: The demand for sustainable investment products – from businesses, institutional investors and individuals – continues to grow. We can leverage this trend to secure new revenue streams while making a valuable contribution to a sustainable future.  Additional financial opportunities for Erste Hungary will come from financing and investing in companies providing climate change adaptation solutions, as well as from financing adaptation solutions in the real estate market (residential and commercial).	Portfolio	All time horizons
E1-Climate change mitigation	Pos. impact	Positive impact on both the environment and society by reducing GHG emissions from its own operations.  Reducing our GHG emissions strengthens Erste Hungary's profile as a sustainable, full-service bank, contributes directly to ecological change and will have a positive impact on employer attractiveness.	Upstream & Own operations	Long-term
	Pos. impact	Climate change mitigation through funded companies. (e.g. financing renewable energies) Achieving NetZero by 2050 is an objective already set for all portfolios. Decarbonisation pathways are also being continuously developed, with the aim of covering the entire portfolio.	Portfolio	Medium-term
	Neg. impact	CO2 emissions generated along Erste Hungary's own operations and upstream value chain contribute to climate change and global warming.	Upstream & Own operations	Long-term
	Neg. impact	CO2 emissions financed by Erste Hungary contribute to global warming.	Portfolio	Long-term
E1-Energy	Pos. impact	Erste Hungary primarily has a positive impact on the environment and society by reducing its own GHG emissions and increasing renewable energy sources.	Upstream & Own operations	Long-term

Pos. impact	im-	Financing renewable energy projects through the project finance portfolio.	Portfolio	Medium-term
Neg. impact	im-	The energy mix used by Hungary (electricity, fuel and heating) generates CO2 emissions and thus contributes to climate change.	Upstream & Own operations	Long-term
Neg. impact	im-	Financing companies in energy-intensive industries contributes to higher CO2 emissions and thus global warming.	Portfolio	Long-term

## RESILIENCE OF THE BUSINESS MODEL

Erste Hungary is aware of the fact that the increasing volatility and uncertainty in the global climate and environmental landscape necessitate a rigorous evaluation of business model resilience. In case of Erste Hungary no resilience analysis has been performed, Erste Hungary will perform its resilience analysis in 2025.

## E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Erste Group's policies to transition to a sustainable economy focus on targets for investment and financing activities, which are endorsed and supported by the management of all subsidiaries. Erste Hungary is dedicated to the objectives of the Paris Climate Agreement and Erste Bank became a member of the NZBA on group level in November 2021. It prioritizes sectors that benefit the most from a transition comprising real estate, electricity production, heat and steam production, oil and gas extraction, automotive manufacturing, iron and steel production and cement production.

Erste Hungary's business model is aligned with the criteria of the EU Paris-aligned benchmarks, which have the primary goal of assisting the transition towards a low-carbon economy and limiting global temperature rise to 1.5°C above pre-industrial level. Hungary's targets are already compatible with limiting global warming to 1.5°C and 1.75°C. The targets are implemented by internal experts following external guidelines, but without external verification. Furthermore, scope 1 and 2 emissions are monitored from high-emission clients operating in sectors not yet covered by decarbonisation targets.

Erste Hungary targets a 90% reduction of scope 1 and 2 emissions arising from own operations of by 2030.

With these targets, Erste Hungary pursues a consistent reduction approach towards net zero across all scopes, which is compatible with the Paris Agreement.

For further information on the scenarios and methodologies please refer to chapter "E1-4 Targets related to climate change mitigation and adaption".

## DECARBONISATION LEVERS AND KEY ACTIONS

### Portfolio decarbonisation levers and key actions

Given their significance to Erste Hungary's portfolio and their overall emission intensity, two decarbonisation levers, including several key actions, have been implemented for the energy and real estate sectors to achieve Erste Hungary's Net Zero portfolio decarbonisation targets:

**Decarbonisation lever 'Emission reduction in the energy sector'**. The first decarbonisation lever focuses on reducing financed emissions within the energy industry. Erste Hungary supports its customers in their efforts to optimize their existing technology mix and investing in new plants that utilize renewable energy sources. Thus, the key action for Erste Hungary is the financing of renewable projects. More details can be found under E1-3.

**Decarbonisation Lever 'Promoting a green real estate sector'** The financed emissions of Erste Group's portfolio are further reduced by directing its investments into promoting green real estate. Erste Hungary endeavors to exploit the potential for building renovation within its retail business and the commercial real estate sector by promoting comprehensive measures to enhance energy efficiency and accelerating the transition to heating and cooling systems that utilize renewable energy or electricity generated from renewable sources. Erste Hungary aims to attain its target by offering a commercial real estate financial health tool as well as a renovation financing and energy efficiency calculator to companies. More details can be found under E1-3.

## Own operations decarbonisation lever and key actions

Erste Hungary also takes responsibility for the emissions that lie within its direct control in their own banking operations. Thus, another decarbonisation lever was established that encompasses several key actions.

### Decarbonisation Lever 'Emission reduction in own operations'

The lever focuses on key activities such as switching to low carbon energy sources, decarbonizing employee mobility and conducting employee engagement and awareness training to promote more sustainable behavior. More details can be found under E1-3.

## EMBEDMENT IN STRATEGY

Erste Hungary is aware of the fact that a transition plan needs to be designed to guide clients and sectors towards decarbonization and achieving net-zero goals, and on the other hand, to define how Erste Hungary will operationally reach net zero. In case of Erste Hungary no transition plan has been prepared, Erste Hungary will prepare its transition plan in 2025.

## AT A GLANCE: ADDRESSING IMPACTS, RISKS AND OPPORTUNITIES

### Addressing impacts, risks and opportunities

Impacts, risks and opportunities	Strategy / Policy*	Key decarbonisation lever and actions	Targets
For Erste Hungary additional financial opportunities arise from investments into and the financing of customers supporting their decarbonisation and transition to a sustainable state. (Opportunity Climate Change Adaptation)	Sustainable Finance Guideline	Lever: Promoting a green real estate sector	15% sustainable retail mortgages by 2027
Erste Hungary's financing of renewable energy projects enables CO <sub>2</sub> e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries. (Positive Impact Energy)		Lever: Emission reduction in the energy sector	25% sustainable corporate financing by 2026
Climate change mitigation through funded companies. (e.g. financing renewable energies) (Positive impact Climate Change Mitigation)	Group Real Estate Financing (REF) Policy	Lever: Promoting a green real estate sector	Portfolio decarbonisation target
For Erste Hungary, additional financial opportunities arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate). (Opportunity Climate Change Adaptation)		Lever: Emission reduction in the energy sector	
The financed CO <sub>2</sub> e emissions of Erste Hungary contribute to climate change and therefore to global warming. (Negative Impact Climate Change Mitigation)	Group Responsible Financing Policy	Lever: Promoting a green real estate sector	Portfolio decarbonisation target
Investments in and financing of energy-intensive companies that still rely on fossil fuels lead to high CO <sub>2</sub> e emissions, which in turn contribute to climate change. (Negative Impact Energy)	Group Corporate Lending Principles	Lever: Emission reduction in the energy sector	
Climate change mitigation through funded companies. (e.g. financing renewable energies) (Positive impact Climate Change Mitigation)	Group Retail Credit Risk Management Policy	Lever: Promoting a green real estate sector	Portfolio decarbonisation target
	Group Corporate Lending Principles	Lever: Emission reduction in the energy sector	
The CO <sub>2</sub> e emissions of Erste Hungary's own operations and in the upstream value chain contribute to climate change and thus to global warming. (Negative Impact Climate Change Mitigation)	No formal policy, but action plan	Lever: Emission reduction in own operations	Net zero operations target
The energy mix (electricity, fuel and heating) used by Erste Hungary creates CO <sub>2</sub> e emissions and therefore contributes to climate change. (Negative Impact Energy)			
Erste Hungary primarily has a positive impact on the environment and society by reducing its own GHG emissions and increasing renewable energy sources (Positive impact Energy)			
Through the financing of climate-change adaptation solutions Erste Hungary has a positive impact on reducing vulnerabilities to climate change impacts. (Positive Impact Climate change adaptation)	Sustainable Finance Guideline	Lever: Promoting a green real estate sector	15% sustainable retail mortgages by 2027
		Lever: Emission reduction in the energy sector	25% sustainable corporate financing by 2026

\* All group policies mentioned in the table were implemented by Erste Hungary.



## SUSTAINABLE FINANCE GUIDELINE (SFG)

### Policy objectives to address impacts, risks and opportunities

Erste Hungary's primary environmental impact stems from its lending activities, specifically the emissions generated by the projects it finances. As a financial institution, Erste Hungary plays a crucial role in facilitating the transition to a low-carbon economy by actively engaging with its clients and supporting them on their decarbonisation journey. Considering the climate crisis, this means to mobilise funds to create a fairer and more prosperous world for all, thereby contributing to a sustainable future. By adhering to its SFG, Erste Hungary will continue to maintain its strong role in sustainable financing, with focus on climate change mitigation and financing of energy-efficient buildings and renewable energy as well as potentials arising from the other environmental objectives (climate change adaptation) (for more details see chapter SBM-1 of General information part).

The Sustainable Finance Guideline, and thus Erste Hungary's sustainable financings, is a strategy that primarily addresses its opportunities and positive impacts and, under certain conditions, may contribute to its decarbonisation targets, such as:

- \_ Additional financial opportunities arise from Erste Hungary's investments in and financing of customers supporting their decarbonisation and transition to a sustainable state.
- \_ Erste Hungary's financing of renewable energy projects enables CO<sub>2</sub>e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries.
- \_ Erste Hungary's financing of and investments in renewable energy projects (e.g. energy from renewable energy sources such as solar energy or wind power) enable CO<sub>2</sub>e-neutral energy production and offers new opportunities for the portfolio.
- \_ Through the financing of climate-change adaptation solutions, Erste Hungary has a positive impact on reducing vulnerabilities to climate change impacts.

Detailed CO<sub>2</sub>e results for financed emissions are available in chapter E1-6.

### Methodology

'Sustainable financing' is a term used by Erste Hungary to determine financings that address the interplay of Erste Hungary's identified environmental impacts and opportunities. This involves screening and evaluating Erste Hungary's financed portfolio in accordance with a bespoke approach and set of criteria, grounded in the principles of established standards and frameworks. With the decarbonisation levers of 'promoting a sustainable real estate sector' as well as the 'reduction of financed emissions in the energy sector', Erste Hungary's sustainable financings have a primary focus on:

Real estate financings:

- \_ energy efficient buildings with energy-efficient indicators in the Energy Performance Certificate (e.g. EPC label A)
- \_ buildings meeting the requirements for a 'nearly zero energy building' (NZEB) according to EU Directive 31/2010
- \_ buildings that account to the top 15% (based on an estimate) of the national or regional building stock expressed as operational Primary Energy Demand (PED). This methodology is explained in chapter E1-4.

Renewable energy projects financings:

- \_ supporting the realisation of decarbonisation via cost-effective actions (e.g. innovative technologies, transition or increase to renewable energy sources from non-renewable energy sources).

Further technical details on the screening approach and the criteria can be found in chapter E1-4. In addition, the above-mentioned decarbonisation levers contributing to the achievement of the target are explained in chapter E1-3.

The Sustainable Finance Guideline provides the framework for classifying sustainable financings for the achievement of the portfolio decarbonisation target, to attaining 15% sustainable mortgages by 2027 and to the goal of reaching 25% sustainable corporate financing by 2026. Through this, Erste Hungary continues to maintain its strong role in sustainable financings (see SBM-1 of General information part for more details on strategic priorities).

### Scope

The methodology set out in the SFG applies to all credit institutions of Erste Hungary. The Sustainable Financing KPI only applies to business lines of parent banks in the core markets of Erste Hungary for corporate and retail. Erste Hungary's Sustainable Financing KPI is an internal remuneration-linked metric and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were

received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Hungary's policy-setting process. For more details on the consideration of interests and views of stakeholders please refer to chapter SBM-2 of General information part.

The approach and process related requirements on sustainable financings are captured in the SFG. Any criteria and programme in scope of sustainable financings is subject to approval by the Group Sustainable Finance Committee.

## RESPONSIBLE FINANCING POLICY

### Policy objectives to address impacts, risks and opportunities

The Group Responsible Financing Policy implemented by Erste Hungary sets out exclusion criteria for specific economic activities that have harmful socio-environmental effects. With a special focus on climate action, Erste Hungary prioritizes aligning its energy finance activities with the Paris climate targets to limit global warming and prevent extensive environmental degradation. Erste Hungary has established a clear structure and governance on how to execute decisions within the scope of the Responsible Financing Policy.

Thus, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. To reach this target, Erste Hungary has implemented a well-defined structure and governance framework for the execution of decisions under the Group Responsible Financing Policy. The key decarbonisation lever contributing to achieving the policy's target is 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO<sub>2</sub>e results for financed emissions are available in chapter E1-6.

### Methodology

The policy mandates a two-tier review process. To comply with the requirements of the policy, the deal originator must:

- Seek a dedicated dialogue with high-emitting clients, typically starting with an industry and client-specific assessment of ESG issues leading to the identification of sustainable finance instruments matching the client's sustainability and funding strategy.
- Collect all relevant information and documents related to the specific deal.
- Assess the non-financial risks in line with the Responsible Financing policy and proposals for corresponding follow-up measures if necessary.

The second review is carried out by the EBH and Group Non-financial Risk Management function (EBH and Group NFR). They guide the initiator of the deal and associated employees through the specific NFR process required by the deal in question.

Erste Hungary supports the energy sector in providing energy security and further developing the Hungarian economy, but also in sensibly managing the environmental and social impacts of energy sector projects. Erste Hungary implements principles for the energy sector for better management of environmental and climate risks, as well as energy security and social impacts of actual energy transition. These energy sector principles are based on accepted industry principles and acknowledged by various stakeholders as best practice. These principles are also aligned with Erste Hungary's long commitment to the Paris Agreement and the Bank and its parent Group recognizes the strategic importance of renewable energy and energy efficiency projects.

### Scope

All products and services in the Corporates and Markets area for Erste Hungary are in scope of this Policy, no matter whether the financing is direct or indirect; on - or off-balance-sheet financing, and whether financial risks are linked to it or not.

A client company/group is considered within scope of the policy if the economic activity in question accounts for more than 5% of the group's turnover, unless otherwise specified. Not in scope of this policy are all retail business line products, single payment transactions, transactions below an aggregate amount of EUR 1.000.000 and 'Responsible Investments'.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Group's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2 of General information part.

By adhering to this policy, Erste Hungary commits to respect the demands by the EU Paris agreement as well as the EU Taxonomy.

## RETAIL CREDIT RISK MANAGEMENT POLICY

### Policy objectives to address impacts, risks and opportunities

The Retail Credit Risk Management policy (implemented from Group Retail Credit Risk Management policy) primarily focuses on Erste Hungary's retail clients, which includes measures to manage credit risks associated with clients in financial difficulties. This also encompasses the requirement of Energy Performance Certificates (EPC) for each object to determine energy efficiency, which inherently affects future maintenance and investment costs. Thus, the key impact, risks and opportunities addressed by this policy refer to climate change mitigation (IRO 3, 4, 5, 6) and energy (IRO 7, 8, 9, 10). The policy requires Erste Hungary to document and track a client's financial difficulties, which could lead to repayment difficulties or even default.

### Methodology

The policy requires Erste Hungary to collect and store sustainability data, which can be obtained through EPC of the financed object or an alternative method of assessing energy classification. If no energy classification information is received, the worst category of the available energy performance scale is assumed. The policy includes special lending conditions based on the energy efficiency values of the objects being financed. These conditions acknowledge that objects with lower energy efficiency are likely to incur higher future maintenance and investment costs, which could impact the repayment capacity of customers and represent a credit risk. The recommended parameters for housing loans are differentiated by EPC levels, with different maximum loan tenors and Debt Service to Income (DSTI) ratios assigned to each energy efficiency category. For customers planning to renovate the financed property, the lending parameters can be applied at loan origination, representing the new energy performance category expected to be reached after renovation.

### Scope

The scope of the policy applies to Erste Hungary and its respective subsidiaries that are engaged in lending to private individuals and micro entities. The Chief Risk Officers of the Hungarian entity are responsible for ensuring that majority-owned subsidiaries also comply with the requirements of this policy. The policy covers the entire end-to-end retail credit cycle, which includes loan granting, portfolio management, and collections. It is adopted across geographies in compliance with local regulatory requirements. There are no explicit exclusions mentioned in terms of activities or the upstream and down-stream value chain.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Hungary's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, Erste Hungary also follows the European Banking Authority (EBA) guidelines on loan origination and monitoring as well as the EU GDPR and KYC requirements. The Chief Risk Officer (CRO) of EBH is accountable for the implementation of the policy. It is made available internally for our employees.

## REAL ESTATE FINANCING POLICY

### Policy objectives to address impacts, risks and opportunities

Erste Hungary benefits from the financial opportunities that arise from the financing of and investments into companies that offer solutions for adapting to climate change and the funding of adaptation solutions in the real estate market (residential and commercial real estate). However, Erste Hungary also encounters an elevated credit risk as climate-related physical risks can lead to a devaluation of collateral and/or to negative effects on the business models and financial stability of debtors. The consequences are increased risk provisions and negative impacts on Erste Hungary's profit and loss statement and own funds. For this reason, Erste Hungary's Real Estate Financing (REF) Policy requires a sustainability assessment for real estate financing projects with exposure of EUR 20 million or above before making a credit decision. In doing so, the policy contributes to the achievement of the portfolio decarbonisation targets by 2050. Principal mechanisms for decarbonisation that are instrumental in attaining the policy's objectives include 'promoting a sustainable real estate sector' as well as 'emission reduction in the energy sector' (see chapter E1-3 for more details). Detailed CO<sub>2</sub>e results for financed emissions are available in chapter E1-6.

## Methodology

With regards to the monitoring process, the policy requires a Technical Due Diligence (TDD) report, which includes the following areas:

- A technical and functional evaluation of the asset.
- Verification of the legal authority's status.
- A general evaluation of the building specification.
- A technical/economical evaluation of the used products.
- The implemented technology, the overall quality and workmanship.
- A rough estimation of necessary investments.

## Scope

The scope of the REF Policy encompasses all real estate financing transactions with corporate clients or client groups, regardless of segmentation criteria. It specifically covers the Group Commercial Real Estate segment, all specialized lending IPRE clients and clients with certain NACE codes related to the corporates segment or the industry segments of Real Estate or Hotels and Leisure. The policy applies to all Erste Group entities where such business is conducted, and these entities are required to integrate the policy into their local frameworks. The policy does not apply to Workout (WO) clients, as defined in the Group Workout (GWO) Policy, which focuses on restructuring rather than new business generation.

The REF Policy addresses climate change mitigation by requiring an ESG assessment for residential projects with an exposure of EUR 20 million or above, which includes the assessment of the CO<sub>2</sub>e value of an asset (based on EPC), which must be reflected in the final lending decision to manage increased ESG-related credit risk and avoid stranded assets in the portfolio. Beyond that, an assessment of a building's energy efficiency is conducted as higher energy-efficient real estate projects are being preferred over low-performers. The policy does not cover the topic of renewable energy deployment. For engagements above EUR 40 million, the policy requires legal documentation to be based on international Loan Market Association (LMA) standards, ensuring the possibility of syndication or sub-participation.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Hungary's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The Chief Risk Officer (CRO) of Erste Group is accountable for approving and implementing the policy. This policy, as Erste Hungary's internal regulation, represents the implemented version of the Group Real Estate Financing Policy. Erste Hungary adopts the Group Policy in its entirety and original form, solely in English, with additional provisions. Within Erste Hungary, the annexes of the Group Policy are considered part of the regulation but are maintained as separate, individual documents. This regulation is made available internally to the respective stakeholders.

## CORPORATE LENDING PRINCIPLES

### Policy objectives to address impacts, risks and opportunities

Erste Hungary's corporate lending principles support managing material sustainability matters by conducting a comprehensive overview of the borrower. In addition to financial metrics, this analysis also includes considerations of climate change adaptation and mitigation as well as energy efficiency that impact the client's performance or solvency. The policy addresses key impacts, risks and opportunities in relation to mitigation (IRO 3, 4, 5, 6) and energy (IRO 7, 8, 9, 10). If a client is exposed to increased sustainability risks, these must be properly assessed with respect to their financial position in the credit application and considered in the final lending decision as well as the rating. For large corporates in certain industries that lack a climate transition plan, any new transaction including a policy exception must be approved by the holding credit committee. This ensures that material sustainability matters are integrated into the lending process and encourages clients to adopt sustainable practices. Additionally, sustainability assessments are updated annually to reflect any changes in the client's sustainability risks.

## Methodology

ESG assessment questionnaires are used during the lending process, with the aim of assessing climate change mitigation risk. Large corporates are required to share their corporate carbon footprint as well as their carbon offsets. The questionnaire also requires details on companies' GHG emissions' reduction plans and strategies. For large corporates in certain industries, like automotive, oil, gas and utilities, Erste Hungary demands a climate transition plan. In addition, the client's energy mix

and efficiency are analysed. A more sustainable energy mix and higher energy efficiency is beneficial to the client's overall performance within the evaluation.

The consideration of renewable energy deployment is restricted to querying clients on their current and planned share of renewable energy usage as well as investments into renewable energy infrastructure and technology.

### Scope

The scope of the Erste Hungary's Corporate Lending Principles policy includes all corporate clients or client groups, irrespective of segmentation criteria such as large corporates, SMEs, commercial real estate, and corporates owned by sovereigns or sub-sovereigns. All Erste Hungary entities subject to lending, adhere to these standards and integrate them into their policy frameworks. Deviations from the principles and rules must be justified and approved by the respective competent approval authorities. While the policy does not explicitly outline exclusions, it does provide a framework for managing exceptions and deviations.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Hungary's policy setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

By adhering to this policy, Erste Hungary complies with the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, as well as the EBA Guidelines on loan origination and monitoring. The CRO Board is accountable for the implementation of the policy. It is made available to internal stakeholders via intranet.

## E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE MITIGATION AND ADAPTATION

As large and emission-intensive sectors in Erste Hungary's portfolio, energy and real estate sectors are key to its decarbonisation efforts. To achieve net zero emission targets, Erste Hungary focuses therefore on two portfolio decarbonisation levers that comprise several already implemented key actions. For a more comprehensive understanding of the CO<sub>2</sub>e results pertaining to financed emissions, please consult chapter E1-6.

### DECARBONIZATION LEVER – 'PROMOTING A GREEN REAL ESTATE SECTOR'

Erste Group aims to reduce its financed emissions by increasing sustainable financing in the real estate sector through two main enablers, its Financial Health Commercial Real Estate Tool to track the carbon footprint of commercial real estate portfolios and the Renovation Financing and Energy Efficiency Calculator to assess its client's home renovation need and energy efficiency.

On one hand, the action contributes to the achievement of the Sustainable Finance Guideline's objective in strengthening its role in sustainable financing. On the other hand, the action aligns with Erste Group's Real Estate Financing Policy, as the policy requires a sustainability assessment for residential real estate financings projects with exposure of EUR 20 million or above before making a credit decision. Therefore, this decarbonisation lever addresses the impacts, risks and opportunities (IRO) of these policies as outlined in chapter E1-2. Successfully motivating clients to take measures to improve the energy performance of the buildings they own, financed by the Group, contributes to reducing financed emissions in absolute terms if higher emission-loans mature. This lever further contributes to the attainment of the 25% sustainable corporate financing target and the 15% sustainable mortgage target (see chapter E1-4 for more details on targets).

### Enabler 1: Commercial Real Estate Financial Health Tool

Erste Group has developed the Financial Health (FH) Commercial Real Estate Tool to enhance client engagement, provide greater transparency, and improve the overall quality of our portfolio. As part of Erste Group Erste Hungary implements the tool, it is in rollout phase. The tool has critical role in supporting climate change mitigation by enabling the identification and promotion of energy-efficient building practices. By integrating asset-level data on energy performance and CO<sub>2</sub>e emissions, the tool allows both the bank and its clients to actively track and manage the carbon footprint of commercial real estate portfolios. The tool raises client awareness and encourages the adoption of renewable energy solutions, such as on-site solar power generation or green electricity procurement. This initiative is part of our broader effort to enhance energy efficiency and reduce carbon emissions within our commercial real estate holdings.

The FH Commercial Real Estate Tool integrates client asset KPIs with benchmark values derived from our portfolio data, internal policies, and CO<sub>2</sub>e thresholds. It enables clients to visualize their projects, compare them with other portfolio projects, and place them within the context of our commercial real estate decarbonization pathways. The tool focuses on downstream value chain and addresses our commercial real estate portfolio.

The tool supports our commitment to climate action by promoting the financing of highly energy-efficient buildings and scaling up both minor and major renovations of existing stock.

As that contributes to the realization of the targets and goals of the sustainable finance guideline, the sustainable finance framework policy as well as the group real estate financing policy (implemented by EBH).

The screening of each client in the portfolio is in progress across all entities and will continue in the course of 2025. The main goal is to engage with all relevant commercial real estate clients, based on available underlying asset information. Therefore, the financial health tool has an indirect effect on climate change mitigation and GHG reduction as it allows the identification and promotion of energy-efficient building practices on client-side.

### Scope of the decarbonisation lever

The geographical scope for the decarbonisation lever encompasses all regions of operations. The finalization of implementation relates to a medium-term period. Currently in the rollout phase, the Financial Health Commercial Real Estate Tool is being implemented across all Erste Group regions, with the screening of all existing stock assets expected to be completed in the short- to medium-term. The tool focuses on downstream value chain and addresses the commercial real estate portfolio of the members of Erste Group.

## DECARBONISATION LEVER 'FINANCED EMISSIONS REDUCTIONS IN THE ENERGY SECTOR'

Erste Hungary aims to reduce its financed emissions in the energy sector by increasing sustainable financing for renewable energy projects. The contribution to decarbonisation targets significantly depends on the nature of the financed company. For instance, a coal-reliant company that utilizes the financing to implement climate change mitigation solutions (e.g. such as wind parks) can thereby reduce its reliance on fossil-based technology.

This action contributes to the decarbonisation of Erste Hungary's energy portfolio and is in line with the Sustainable Finance Guideline which defines sustainable investments that contribute to climate-neutrality as well as the Responsible Financing Policy which sets exclusion criteria for harmful socio-environmental economic activities, such as investments into carbon-intensive energy activities. Additionally, it contributes to the objectives of the Corporate Lending Principles. Therefore, this decarbonisation lever addresses the IROs of these policies as outlined in chapter E1-2. The lever further contributes towards the policies' objectives such as the net zero portfolio target as well as the 25% sustainable corporate target. The achievement of the policies' targets is outlined in chapter E1-4.

Through the key actions 'renewable energy financing', investment in and financing of energy-intensive energy companies will be reduced, while financing renewable energy projects enables CO<sub>2</sub>e-neutral energy production, which is necessary for the transition to an economic system within the planetary boundaries, offering new clean energy opportunities for Erste Hungary's portfolio.

### Key action 1: Renewable energy financing

Erste Hungary's renewable energy financing aims to increase the share of sustainable financing for projects that support the transition to cleaner energy sources. Erste Hungary seeks to accelerate the adoption of renewable energy solutions, including wind, solar and battery storage. The anticipated impact includes an increase in financing for renewable energy projects and a



reduction in financed emissions from the energy production sector, particularly if fossil-reliant companies transition to cleaner energy technologies. This initiative is a key measure contributing to the realization of the targets and goals outlined in the SFG and the sustainable finance framework policy.

#### Scope of the decarbonisation lever

The scope of the sustainable finance for renewable energy measure covers the downstream value chain of Erste Hungary, specifically targeting renewable energy projects in the energy production sector. The implementation of the sustainable finance measure for renewable energy is designed for a long-term period.

With regards to clients belonging to sectors not included in Erste Hungary's portfolio decarbonisation targets, Erste Hungary conducts similar engagement strategies for clients with high financed emissions.

### DECARBONISATION LEVER 'EMISSION REDUCTION IN OWN OPERATIONS'

Erste Hungary aims to decarbonise its operations by decarbonising employee mobility through changing its car fleet to electric cars, enhancing building energy efficiency, switching to low-carbon energy sources and increasing employee engagement through trainings and joint action. The implemented actions target the bank's CO<sub>2</sub>e emissions from own operations, thus contributing to its net zero operations goal. Erste Hungary's actions currently focus on the reduction of scope 1 and 2 emissions as managing operational scope 3 emissions represents a significant challenge, as these emissions are largely influenced by the activities of third parties and external stakeholders. Please refer to chapter E1-4 to gain a deeper understanding of the achieved GHG emission reductions within Scope 1 and 2. Additionally, chapter E1-6 outlines the current CO<sub>2</sub>e balance results and those from the previous year. For more insights into energy consumption and its breakdown, please see chapter E1-5..

No significant capital expenditure and operating expenditure is required for the described measures.

With regards to the decarbonisation levers affecting the portfolio, no assessments can be made concerning the CO<sub>2</sub>e reduction potential yet. Similarly, no projections have yet been made for the CO<sub>2</sub>e reduction potential concerning own operations.

#### Scope of the decarbonisation lever

The implementation of the measures relates to the short-term period for employee engagement and awareness and to the medium-term period for decarbonisation of employment mobility, increased energy efficiency of own buildings and low carbon energy use

### E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

#### PORTFOLIO DECARBONIZATION TARGETS

Erste Hungary's decarbonisation targets are presented in the 'Portfolio Decarbonization Targets' table, detailing emission scopes, the base year, the target value and the selected scenario pathways and methodologies. Erste Hungary's GHG emission reduction targets are scientifically sound and compatible with limiting global warming to 1.5°C.

The net zero portfolio target is strategically designed to evaluate the effectiveness and efficiency of Erste Hungary's initiatives in mitigating the emissions associated with its financing activities. This target not only serves as a benchmark for assessing the success of various measures implemented to reduce the carbon footprint of financed projects, but also underscores Erste Hungary's commitment to sustainable finance. Detailed CO<sub>2</sub>e results for financed emissions for this year are available in chapter E1-6.

The policies described in chapter E1-2, such as the SFG, the Responsible Financing Policy, the Corporate Lending Principles Policy, the REF Policy and the Retail Credit Risk Management Policy collectively support the achievement of the portfolio decarbonisation target by addressing Erste Hungary's material IROs as listed in the table 'Material Impacts, Risks and Opportunities' in chapter SBM-3. The portfolio target is primarily achieved through a reduction in financed emissions in the energy sector as well as the promotion of a sustainable real estate sector. This is explained in more detail in the prior chapter E1-3.

By focusing on both the energy and real estate sectors, the bank aims to address major sources of emissions through sustainable financing, energy efficiency improvements and the transition to renewable energy sources. These efforts are

expected to contribute significantly to achieving the GHG emission reduction targets. The portfolio decarbonisation targets address Erste Hungary's downstream value chain.

Client executives, industry experts and sustainability advisors were engaged to ensure that Erste Hungary's goals are both ambitious and aligned with broader industry standards and expectations.

The following medium and long-term targets have been set to define the path towards a net zero portfolio and make progress clearly measurable:

### Portfolio decarbonisation targets

Sector	Metric	Methodology <sup>2</sup>	Scenario/pathway	Emissions scope <sup>3</sup>	Baseline		Targets			
					Year	Value	2030	Reduction in %	2050	Reduction in %
Mortgages	kgCO <sub>2</sub> e/m <sup>2</sup>	SBTi SDA	IEA B2DS	1 and 2	2022	32.72	20.66	36.9 %	2.81	91.4 %
Commercial real estate	kgCO <sub>2</sub> e/m <sup>2</sup>	SBTi SDA	IEA B2DS	1 and 2	2022	56.00	24.18	56.8 %	2.37	95.8 %
Electricity production	kgCO <sub>2</sub> e/MWh	PACTA	IEA NZE2050	1 and 2	2022	845.50	378.10	55.3 %	42.80	94.9 %
Heat and steam production	Thousand tCO <sub>2</sub> e	SBTi AC	IEA NZE2050	1 and 2	2022	-	-	-	-	-
Oil and gas extraction	Thousand tCO <sub>2</sub> e	PACTA	IEA NZE2050	1, 2 and 3	2023	22.99	20.16	12.3 %	7.09	69.2 %
Automotive sector	gCO <sub>2</sub> e /km	PACTA	IEA NZE2050	1, 2 and 3	2023	171.33	86.60	49.5 %	21.9	87.2 %
Iron and steel <sup>1</sup>	tCO <sub>2</sub> e/tonne steel	PACTA	IEA NZE2050	1 and 2	2023	1.71	1.34	22.0 %	-	-
Cement production	tCO <sub>2</sub> e/tonne cement	SBTi SDA	IEA NZE2050	1 and 2	2023	-	-	-	-	-

<sup>1</sup> No long-term targets for 2050 were set for the iron and steel sector, as the technological uncertainties - such as the development of alternative fuels like hydrogen to a competitive, industrial scale - remain significant. Ongoing efforts aim to improve the basis for long-term targets, enabling the definition of specific targets up to 2050 in subsequent years.

<sup>2</sup> Erste Hungary's baseline values fulfil the requirements and calculation approach of third-party standard setters such as SBTi and PACTA. Those standards are based on the latest findings from leading environmental institutions, such as the IPCC. Hence, Erste Hungary's baseline value is to be considered a representative one.

<sup>3</sup> The given scopes represent emissions from Erste Hungary's downstream activities, in particular the Scope 1, 2 and where significant also Scope 3 emissions from the financed company / project.

The progress towards achieving the portfolio decarbonisation targets is presented in the table 'Portfolio Decarbonisation Targets including progress in 2024'.

In total, to date, the decarbonisation targets have been set for a credit risk volume of HUF 1,010 billion, this represents 37.6% of the volume covered by the financed emissions calculation (see details in the respective chapter of CSRD). The portfolios with decarbonisation targets cover 42.2% (Scope 1 and Scope 2) and 18.4% (Scope 1+2 and Scope 3) of financed emissions in 2024.

As all targets are derived based on the Science-Based Target Initiative (SBTi) and PACTA methodologies, these targets serve as 1.5°C scenario- based benchmarks, except real estate sectors. For those, Erste Group considers to re-baseline the targets. Methodology defined measures and the current progress towards the targets will be described below.



## Portfolio decarbonisation targets including progress in 2024

Sector	Metric	Methodology <sup>1</sup>	Scenario/ pathway	Baseline		Value		Targets			
				Year	Value	2024	Reduction in %	2030	Reduction in %	2050	Reduction in %
Mortgages	kgCO <sub>2</sub> e/m <sup>2</sup>	SBTi SDA	IEAB2DS	2022	32.72	42.83	30.9%	20.66	-36.9%	2.81	-91.4%
Commercial real estate	kgCO <sub>2</sub> e/m <sup>2</sup>	SBTi SDA	IEAB2DS	2022	56.00	51.37	-8.3%	24.18	-56.8%	2.37	-95.8%
Electricity production	kgCO <sub>2</sub> e/MWh	PACTA	IEA NZE2050	2022	845.50	160.60	-81.0%	378.10	-55.3%	42.80	-94.9%
Heat and steam production	Thousand tCO <sub>2</sub> e	SBTi AC	IEA NZE2050	2022	-	-	-	-	-	-	-
Oil and gas extraction	Thousand tCO <sub>2</sub> e	PACTA	IEA NZE2050	2023	22.99	0.96	-95.8%	20.16	-12.3%	7.09	-69.2%
Automotive sector	gCO <sub>2</sub> e/km	PACTA	IEA NZE2050	2023	171.33	159.99	-6.6%	86.60	-49.5%	21.95	-87.2%
Iron and steel <sup>2 3</sup>	tCO <sub>2</sub> e/tonne steel	PACTA	IEA NZE2050	2023	1.71	1.71	0.0%	1.34	-22.0%	-	-
Cement production	tCO <sub>2</sub> e/tonne cement	SBTi SDA	IEA NZE2050	2023	-	-	-	-	-	-	-

<sup>1</sup> Erste Hungary's baseline values fulfil the requirements and calculation approach of third-party standard setters such as SBTi and PACTA. Those standards are based on the latest findings from leading environmental institutions, such as the IPCC. Hence, Erste Hungary's baseline value is to be considered a representative one.

<sup>2</sup> No long-term targets for 2050 were set for the iron and steel sector, as the technological uncertainties - such as the development of alternative fuels like hydrogen to a competitive, industrial scale - are still too great. Work is ongoing to improve the basis for long-term targets in order to be able to define specific targets up to 2050 in subsequent years.

<sup>3</sup> In case no specific data are available, parameters used at point of target setting are applied in the monitoring.

After defining portfolio decarbonisation targets for priority sectors, Erste Group's risk appetite evaluation has been enhanced through the introduction of an internal indicator. The internal indicator addresses the question at what level of CO<sub>2</sub>e emissions or CO<sub>2</sub>e emissions per physical metric (identical to the metric used in decarbonisation target setting) in the respective year (e.g., 2024) puts the target achievement for 2030 at risk. Thus, its aim is not only to support the commitment to climate action, but also to enable pro-active steering of portfolio development along the defined decarbonisation path. The internal indicator is set as a buffer above the downward decarbonisation pathway, thus allowing minor deviations above it but still ensuring sufficiently early alert in case of possible misalignment with 2030 targets.

In case of a trigger event, the reasons for the indicator breach are analysed and mitigation measures are developed with the involvement of relevant stakeholders. This process is dependent on the drivers, industry specifics, impact as well as necessary time for remediation. It is discussed and agreed upon with the relevant stakeholders on a case-by-case basis.

The quantitative indicator is defined on the Group consolidated level and is not cascaded to local entities. Erste Hungary is constantly monitoring its portfolio's actual CO<sub>2</sub>e emissions and CO<sub>2</sub>e emissions per physical metric in order to identify the main drivers and to follow the emission developments. Local quantitative indicator to be introduced after the re-run of the decarbonization target setting models (most probably in 2025).

### Electricity sector decarbonisation target

The focus within the Electricity production portfolio is on diversified electricity producers, as well as project-based financing of electricity production. A thorough review is applied to confirm that the activities are centred on electricity generation. This focus supports the broader goal of reducing carbon emissions in the power sector, which is a significant contributor to global GHG emissions.

Moreover, the energy sector will be the central cornerstone of Europe's decarbonisation success. As one of the most pollutive industries at present, it also offers a substantial opportunity to transform from fossil fuels to renewable energy. Besides, a more environmentally sustainable energy mix, origination from electricity transformation, will be a key contributor to reduce emissions in other industries.

To support the energy transition, the EU climate objectives have helped to increase the ambition of national programmes for deploying clean energy measures. Electricity systems need to be flexible and require growth in battery energy storage and flexible peaking power plants such as combined cycle gas turbines. Expansion and modernisation of transmission and distribution grids offer opportunities for financing to meet growing electrification demands.

This portfolio's scope includes direct emissions (Scope 1) from the combustion of fossil fuels and indirect emissions (Scope 2) associated with the purchase of electricity, heat and cooling necessary for operations. Emissions related to activities further down the value chain (Scope 3) are not included, as they represent a relatively small part of the total emissions in the power generation sector.

Erste Hungary's methodological approach is grounded in the Paris Agreement Capital Transition Assessment (PACTA) framework, customised for financial institutions. This allows to track and manage the physical emission intensity of electricity producers within its portfolio. Decarbonisation targets are defined considering a physical metric and measured as kgCO<sub>2</sub>e/MWh.

This metric plays a crucial role in evaluating whether Erste Hungary's clients are prepared for the necessary transition in line with the 2030 and 2050 decarbonisation objectives.

To align with global efforts to limit temperature rise, Erste Hungary has adopted the IEA Net zero 2050 scenario as the guiding benchmark. The targets aim for a 55.3% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 845.50 kgCO<sub>2</sub>e/MWh to 378.10 kgCO<sub>2</sub>e/MWh. Erste Hungary is tracking the progress closely, with interim results showing a reduction of 81.0% to 160.6 kgCO<sub>2</sub>e/MWh by 2024. This status reflects the group-wide focus on energy transformation and financing renewable energy projects.

For deriving the future trajectories for each technology, the NZE 2050 (1.5°C) scenario was used. The IEA with its 'Net zero by 2050: A Roadmap for the Global Energy Sector' report, depicts the pathway to building a global energy sector with net-zero emissions by 2050. Electricity supply will change with the share of renewables rising and the use of coal falling globally. Natural gas is used as a transition up to 2030 but will decline in the long term.

#### Heat and steam sector decarbonisation target

Erste Hungary has no exposure in Heat and steam sector, thus no decarbonization target had been set.

#### Oil and gas upstream decarbonisation target

The focus within the Oil and gas portfolio is exclusively on clients' upstream activities, thus Erste Hungary applies a thorough review process to confirm that activities are related to upstream. Decarbonisation of this portfolio includes Scope 1, 2 and 3 emissions.

The methodological approach is grounded in the PACTA framework, customised for financial institutions.

The scenario used is World Energy Outlook (WEO 2021) NZE aligned (1.5°C) global. The scenario implies the decline in global oil demand and foresees that natural gas demand remains mostly stable until 2030. The scenario foresees oil demand reduction coming from the shift of passenger vehicles, transport cars and heavy trucks to electric power. The share of natural gas in the global energy mix remains around 11%, while around 70% of natural gas use in 2050 in NZE is equipped with carbon capture, utilisation and storage.

Erste Hungary's targets aim for a 12.3% reduction in the absolute financed emissions of the portfolio by 2030, bringing it down from a 2023 baseline of 22.99 thousand tCO<sub>2</sub>e to 20.16 thousand tCO<sub>2</sub>e. Erste Hungary is tracking progress closely, with interim results showing a reduction to 0.96 ktCO<sub>2</sub>e by 2024.

The baseline has factored in Erste Hungary's business with its energy clients at the point of target setting. Erste Hungary has committed to refraining from increasing its exposure to oil and gas exploration, with the exemption of projects that align with Europe's National energy and climate plans (NECPs), as mandated by the European Commission.

#### Iron and steel Decarbonization target

Erste Hungary has defined a net zero target for its clients in Iron and steel manufacturing and casting. This portfolio includes Scope 1 and 2 emissions.

The methodological approach is grounded in the PACTA framework, customised for financial institutions. This allows Erste Hungary to track and manage the physical emission intensity of iron and steel production within the portfolio that is measured as tCO<sub>2</sub>e/tonne steel. This metric plays a crucial role in evaluating whether clients are prepared for the necessary transition in line with Erste Hungary's 2030 target. To align with global efforts to limit temperature rise, it has adopted the Net zero 2050 (WEO 2021) scenario as the guiding benchmark. As there is an uncertainty in the development of the technology that is needed to support transition to net zero for this sector after 2030, the targets are set only for 2030. The scenario assumes a shift on the technology side from basic oxygen furnaces that release large amounts of carbon dioxide and nitrogen oxide to electric arc furnace, supported by usage of renewable energy.

The target is a 22.0% reduction in the physical emission intensity of Erste Hungary's portfolio by 2030, bringing it down from a 2023 baseline of 1.71 tCO<sub>2</sub>e/tonne steel to 1.34 tCO<sub>2</sub>e/tonne steel. Erste Hungary is tracking the progress closely, although currently there are no matched clients in the portfolio and Erste Hungary has no significant exposure in the Iron and steel production. Erste Hungary had matched client at the point of the target setting, thus has decarbonization pathway for Iron and steel production, assumptions from the original target setting were kept and the emission intensity is unchanged.

### Automotive Decarbonisation target

Erste Hungary has defined a net zero target for the original equipment manufacturers, specifically manufacturers of light duty vehicles (LDV). A thorough review process was carried out to identify the clients, whose business activities fall under the definition of this sector. This portfolio includes Scope 1, 2, and 3 emissions, thus enabling the consideration of emissions for the entire lifetime of the vehicle.

The methodological approach is grounded in the PACTA framework, customised for financial institutions. This allows Erste Hungary to focus on the automotive value chain that controls the bulk of the impact and the decarbonisation efforts, to track and manage the physical emission intensity of auto manufacturers within the portfolio that is measured as gCO<sub>2</sub>e/km, following the well-to-wheel methodology. This metric as well as technology mix plays a crucial role in evaluating whether Erste Hungary's clients are prepared for the necessary transition in line with Erste Hungary's 2030 and 2050 decarbonisation objectives.

To align with global efforts to limit temperature rise, Erste Hungary has adopted the Net zero 2050 scenario (WEO 2021) as guiding benchmark. The targets aim for a 49.5% reduction in the physical emission intensity of Erste Hungary's portfolio by 2030, bringing it down from a 2023 baseline of 171.33 gCO<sub>2</sub>e/km to 86.60 gCO<sub>2</sub>e/km.

The reduction of the CO<sub>2</sub>e emissions captured in Erste Hungary's decarbonisation path is mostly driven by the EU regulation published by the European Parliament, stating the EU ban on sale of new petrol and diesel cars from 2035, and the programme Fit for 55.

Erste Hungary is tracking progress closely, with interim results showing a reduction of 6.6% to 159.99 g CO<sub>2</sub>e/km by 2024. Relatively stable development of emission intensity in the portfolio of Erste Hungary resembles the trends that are seen on the market, namely slow transition by the auto manufacturers.

### Cement decarbonisation target

Erste Hungary has no exposure in Cement production, thus no decarbonization target had been set.

### Commercial real estate & Mortgages decarbonisation targets

Decarbonisation targets of Erste Hungary are defined for the clients in scope of the PCAF Real Estate calculation, which covers specific commercial real estate, including income producing residential real estate and retail mortgages. This portfolio includes Scope 1 and 2 emissions.

The methodological approach is grounded in the SBTi framework using the SDA. This allows Erste Hungary to track and manage the physical emission intensity of this portfolio. It uses a key metric that measures the amount of CO<sub>2</sub>e emissions per square meter (kgCO<sub>2</sub>e/m<sup>2</sup>). This metric plays a crucial role in evaluating whether the real estate assets are in line with the decarbonisation pathway connected to the 2030 target. To align with global efforts to limit temperature rise, it has adopted the Beyond 2°C Degrees (IEA ETP 2017) scenario as guiding benchmark. The mortgage targets aim for a 36.9% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 32.72 kgCO<sub>2</sub>e/m<sup>2</sup> to 20.66 kgCO<sub>2</sub>e/m<sup>2</sup>. The portfolio largely consists of volumes in retail business segments. Erste Hungary is tracking its progress closely, with interim results of 42.83 kg CO<sub>2</sub>e/m<sup>2</sup> by 2024. Emission intensity per physical metric is well above the intensity target as a result of the ongoing improvement of data availability and quality since the target setting. Because of the better data that reflects the actual emission intensities more closely, a re-run of the Real Estate Decarbonization Target Setting is planned for 2025 in order to have targets that are both ambitious and realistic based on the latest data.

The slower development in this sector stems mainly from the different business characteristics in comparison with the other segments for which targets are set:

- Mortgages cannot be steered on an individual client basis, but systematic and portfolio-based approaches need to be followed.
- Mortgages are highly exposed to the macroeconomic circumstances and national programmes in Hungary, such as the availability of Heating & Electricity sources, subsidized utility costs and national renovation campaigns. Systematic approaches need to be taken by the respective policy makers to be on track for this segment.

Considering these characteristics, Erste Hungary acknowledges its limited possibility to steer this portfolio stand-alone.

The commercial real estate target is a 56.8% reduction in the physical emission intensity of the portfolio by 2030, bringing it down from a 2022 baseline of 56.00 kgCO<sub>2</sub>e/m<sup>2</sup> to 24.18 kgCO<sub>2</sub>e/m<sup>2</sup>. Erste Hungary is tracking progress closely, with interim results showing a reduction by 8.3% to 51.37kgCO<sub>2</sub>e/m<sup>2</sup> by 2024. The portfolio largely consists of volumes in the corporate business segment, primary from the sub-segment commercial real estate and large corporates. Developments in this segment are driven by improvements in data quality (e.g., obtaining energy performance certificates), new business with lower emission intensity and methodological changes.

Erste Hungary categorises the portfolio real estate assets based on factors of relevance for the portfolio such as energy demand and energy source. This classification helps to assess the readiness of clients for the transition and to shape engagement strategies with them.

In setting these targets, it engaged with key stakeholders, including client executives, industry experts, and sustainability advisors, to ensure that goals are both ambitious and aligned with broader industry standards and expectations.

## NET ZERO OPERATIONS TARGET

Erste Hungary has set a net zero target to reduce its operational scope 1 and 2 emissions by 90 % in comparison to the base year (2017). In absolute figures, the target is to reduce scope 1 and 2 emissions from 6.193 to 619 tCO<sub>2</sub>e by 2030. For a comprehensive understanding, the current CO<sub>2</sub>e balance results, along with those from the previous year, are detailed in chapter E1-6. Additionally, chapter E1-5 provides more in-depth information on Erste Group's energy consumption and its composition.

The target covers Erste Bank Hungary Zrt. and its subsidiaries in the core markets.

The Net Zero target for operational scope 1 and 2 emissions was set according SBTi's net zero Standard and Target Setting tool v 1.1, hence there is the compatibility with limiting global warming to 1.5°C. The target setting method applied is absolute contraction, using a cross-sector pathway. It was set in 2021 and its ambition was updated to reflect the further development of the standard and align to best practices. The target covers 100 % of scope 1 and 2 emissions of entities in scope. For scope 2, the market-based method is used to calculate the target.

The Net Zero operations target addresses climate change mitigation and energy by aiming to reduce negative impacts through energy mix and own GHG emissions. Currently, there is no formal policy covering the operational emission reduction target but an internal action plan. The decarbonisation measures necessary to achieve the operational target, have been identified to be renewable energy transition, energy efficiency improvement, decarbonizing employee mobility and employee engagement and awareness trainings like explained in chapter E1-3.

An ongoing dialogue is conducted with relevant stakeholders such as supervisory and regulatory authorities, investors, analysts and rating agencies as well as academic and environmental institutions and NGOs. Inputs from these stakeholders were received through bilateral talks, conferences and supervisory dialogues regarding climate change and consequently used in Erste Hungary's target setting process. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

The basis for Erste Hungary's target monitoring and review process represent the annual emission calculation of scope 1 and 2 emissions including details on energy consumption and efficiency. With updated annual data, Erste Hungary assesses its performance against the set targets and adjusts or plans measures accordingly towards the achievement of the target on an entity level, e.g. an increased focus on switching to alternative heating systems in certain regions.

In 2024, Scope 1 and Scope 2 emissions are reduced to 1.293 tCO<sub>2</sub> compared to the previous reporting year. This represents a 79% reduction compared to the base year 2017. Specifically, Scope 1 emissions decreased from 1.169 tCO<sub>2</sub>e to 821 tCO<sub>2</sub>e, while Scope 2 emissions fell from 5.024 tCO<sub>2</sub>e to 472 tCO<sub>2</sub>e compared to the base year. The share of electric cars in the fleet 14%.

#### Scope 1 and 2 targets

Targets	Metric	Baseline		Actual		Short term		Mid term	
		Year	Value	Year	Value	Year	Target	Year	Target
Total scope 1 and 2 emissions	tCO <sub>2</sub> e	2017	6.193	2024	1.293	2025	2.477	2030	619
Electric fleet	% of e-cars in total carfleet			2024	14%	2025	25		
							%	2030	100%

## SUSTAINABLE FINANCE TARGETS

In line with Erste Group's Sustainable Finance Guideline (SFG) described in E1-2 Erste Hungary, as part of Erste Group uses this as a framework under which it classifies its sustainable financings for which Erste Group has defined a target in the corporate and retail area.

### Methodology

The SFG outlines the following categories based on which a financing can be qualified as a 'sustainable financing':

1. either complies fully with the respective EU Taxonomy criteria for specific purpose financings or general purpose financings weighed by counterpart's most recently published Taxonomy-alignment KPI, if the purpose of the financing is unknown (please refer to the 'EU Taxonomy Disclosure' chapter for more information) or
2. Coverage of an economic activity outlined in the EU Taxonomy, however using broader, simplified internal criteria sets for evaluation
3. Support of projects from supranational institutions in key-sectors,
4. Fulfilment of project categories of voluntary frameworks
5. Support of dedicated national programmes

While the category 1 relates to taxonomy aligned financings, the categories 3 to 5 are of subordinate relevance. Erste Group's focus is therefore category 2 for which its sustainable financings need to comply only with the technical screening criteria for the substantial contribution to one of the environmental objectives defined by the EU Taxonomy with following additional simplification for construction and real estate under the environmental objective Climate Change Mitigation:

### Related to climate change mitigation economic activity 'Construction of new buildings'

For construction of new buildings and the acquisition and ownership of buildings built after 2020, Erste Group requires that the primary energy demand of such buildings must be at least 10% lower than the threshold set for the nearly zero-energy buildings (NZEB) requirements in accordance with current national legislation, in order to be classified as Sustainable Financing. This is certified by an Energy Performance Certificate.

In deviation from the EU Taxonomy, the assessment of buildings larger than 5000 m<sup>2</sup> upon completion, the building resulting from the construction undergoes testing for airtightness and thermal integrity as well as the life-cycle global warming potential (GWP) for each stage in the life cycle is not mandatory.

### Climate change mitigation economic activity 'Acquisition and ownership of buildings'

The general methodology for real estate proxies has been provided by management experts. These estimates use reference benchmarks of energy demand by building energy code, year of construction based on applicable technical standards at the time and results in an estimated primary energy demand of a certain type of building in a certain area depending on the available date of construction of the building (e.g. building permit, year of construction completion, year of construction from the energy performance certificate). For this purpose, the top 15% existing national building stock are determined by the year of construction respectively major renovation, using assumptions and extrapolation, such as a linear distribution between data points available, using the number of building permits per building use and age according to national legislation.

In deviation from the EU Taxonomy, the assessment for efficient operation through an energy performance monitoring and assessment for large non-residential building is not mandatory.

To qualify as Sustainable Financings the compliance with the simplified substantial contribution criteria only is required. Assessment of the 'do no significant harm' criteria and minimum safeguards is not a mandatory condition to qualify as Sustainable Financings but is taken into consideration where existing due diligence process can be applied.

The project financings analysed and documented by the EGB-specific classification methodology are included in the sustainable financing figure, see table 'Sustainable Financings - actuals and targets'. The Sustainable Financing figure also includes all taxonomy aligned financings.

### **25% sustainable corporate target**

The 25% sustainable corporate financing target addresses Erste Group's identified positive impacts and opportunities related to climate change mitigation and reduction of emissions in the sectors real estate and renewable energy. This includes primarily financing of real estate projects and renewable energy, while also supporting Erste Group's clients in their decarbonisation efforts and transition to a sustainable state. The Sustainable Finance Guideline and criteria set outlines which financings contribute to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).

Erste Hungary aims to achieve a ratio of 25% of sustainable lending towards corporates in 2026, no milestones and interim targets are defined. The target is defined in relative manner to the total financing exposure towards corporates. The target is applicable for all lending entities of Erste Hungary.

### **15% sustainable mortgages target**

The 15% target for sustainable mortgages tackles Erste Group's recognised positive impacts and opportunities concerning climate change mitigation and efficient use of energy. This involves financing and investing in real estate, renovation and energy efficiency projects supporting the transition to a sustainable state. The Sustainable Finance Guideline and criteria set outlines which financings contribute to the target achievement (see 'Methodology' in this chapter and E1-2 for more details).

At Erste Hungary, we aim to achieve a ratio of 15% of sustainable mortgage lending towards retail clients in 2027, however no milestones and interim targets are defined. The target is defined in relative manner to the total retail mortgage portfolio and is set on Erste Group-level and includes Erste Hungary.

## **E1-5 – ENERGY CONSUMPTION AND MIX**

Erste Hungary uses the UL360 software programme from UL Solutions to gather energy consumption data. Energy consumption at approximately 112 business locations is individually recorded and evaluated. Annual electricity and heating consumption values in MWh are collected on an individual address level, broken down by source of electricity and heating type to be able to split the total energy consumption into fossil, nuclear and renewable sources. As proof documents, supplier invoices are recorded in the system.

The split between energy from fossil, nuclear and renewable sources is done directly in the UL360 system following this logic:

- consumption from 100% renewable sources (e.g. purchased green electricity as defined in the contract with the energy supplier) is automatically allocated to "renewables".
- consumption from 100% fossil sources (e.g. oil for heating or diesel for emergency generators) is automatically allocated to "fossil".
- For mixed sources like national electricity supply or district heating partially from biomass and fossil sources, data contributors have the option to enter the split as indicated on their energy bills or provided by their suppliers into the system.
- If data contributors do not have access to this information a national average split is applied.

Measurement uncertainty can result from the fact that the collection of energy consumption is not linked directly to the meters installed at the office or branch locations but based on the manual input of energy consumption as invoiced by the energy provider. For some locations, data must be extrapolated if invoices are received after the reporting deadline or to account for different cut-off periods. For those locations where no consumption values, supported by a supplier invoice, were available, an average consumption is automatically applied and calculated for the individual location based on the net floor area considering a national average split of energy source by fossil, nuclear and renewables.

Compared to previous year the total energy consumption remained stable with only a slight decrease in 2024, while the share of energy from renewable sources is 52.7%, reflecting the use of green electricity. The total energy consumption in 2024 amounts to 13.048 MWh.



## Energy consumption and mix

Energy consumption mix	2024
Total fossil energy consumption (MWh)	6,171
Share of fossil sources in total energy consumption (%)	47.30%
Consumption from nuclear sources (MWh)	0
Share of consumption from nuclear sources in total energy consumption (%)	0
<b>Total energy consumption from renewable sources disaggregated by:</b>	<b>6,877</b>
-fuel consumption for renewable sources <sup>1</sup>	
-consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources;	6,877
-consumption of self-generated non-fuel renewable energy.	

<sup>1</sup> incl. biomass (also comprising industrial and municipal waste of biologic origin), biofuels, biogas, hydrogen from renew. Sources

## E1-6 – GROSS SCOPES 1, 2, 3 AND TOTAL GHG EMISSIONS

### TOTAL GREENHOUSE GAS EMISSIONS

#### Total GHG emissions

	Base year	Reporting year (T)
<b>Scope 1 GHG emissions<sup>1</sup></b>		
Gross scope 1 GHG emissions (tCO <sub>2</sub> e)	1,021	821
<b>Scope 2 GHG emissions</b>		
Gross location-based scope 2 GHG emissions (tCO <sub>2</sub> e)	2,196	1,618
Gross market-based scope 2 GHG emissions (tCO <sub>2</sub> e)	682	472
<b>Significant scope 3 GHG emissions<sup>3</sup></b>		
Total Gross indirect (scope 3) GHG emissions (tCO <sub>2</sub> e)	1,383,890	1,090,872
Purchased goods and services	94	80
Capital goods	15	16
Fuel and energy-related activities	383	332
Upstream transportation and distribution	2,003	2,327
Waste generated in operations	29	39
Business travels	176	234
Employee commuting	583	1,314
Downstream leased assets	27,452	32,790
Investments	1,353,156	1,053,741
<b>Total GHG emissions</b>		
Total GHG emissions (location-based) (tCO <sub>2</sub> e)	1,387,107	1,093,311
Total GHG emissions (market-based) (tCO <sub>2</sub> e)	1,385,593	1,092,165

<sup>1</sup>Note: No biogenic emissions are emitted.

<sup>2</sup> Erste Group is not part of any regulated emission trading schemes. Therefore, no scope 1 GHG emissions stem from such schemes.

<sup>3</sup> ESRS E1 refers to the GHG protocol Corporate Value Chain (scope 3) Accounting and Reporting Standard, 2011, which defines 15 scope 3 categories of which only material ones should be disclosed.

With regards to the methodologies and assumptions used for calculating the measured GHG emission please refer to the subsequent paragraphs concerning operational and financed emissions.

## GREENHOUSE GAS INTENSITY PER NET REVENUE

### GHG intensity per net revenue

	2024
Total GHG emissions (location-based) per net revenue (tCO <sub>2</sub> e/HUF)	10.92
Total GHG emissions (market-based) per net revenue (tCO <sub>2</sub> e/HUF)	10.91

## RECONCILIATION OF NET REVENUE AND ASSETS

### Reconciliation of net revenue

in million HUF	2024
Amounts used to calculate GHG emissions	100,116
Total amount according to the financial statements	561,481

GHG emissions caused by Erste Hungary's operations are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Calculations cover scope 1, scope 2 and scope 3 emissions and each was measured in CO<sub>2</sub>e. The organisational scope of the calculation refers to all entities in the IFRS scope of consolidation. To calculate the emissions from activities emission factors with a GWP100 was used including relevant GHG emissions (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, NF<sub>3</sub>).

In case of the various emission categories, Erste Hungary implemented the following approaches:

#### Scope 1 and 2

Erste Hungary uses the UL360 software programme from UL Solutions to gather scope 1 and scope 2 environmental data as stated in chapter E1-5. For a better understanding of Erste Hungary's methodologies and significant assumptions behind the metrics please refer to chapter E1-5. Scope 2 emissions were calculated by using a location-based and a market-based method. In case of the location-based method, Grid factors were used to calculate the emissions. In case of the market-based evaluation approach, Erste Hungary considered its actual energy composition based on its own procurement strategy. For conversion to GHG equivalents (CO<sub>2</sub>e), UL360 uses emission factors from DBEIS 2024 (UK Department for Environment, Food and Rural Affairs) and the IEA 2024 (International Energy Agency).

In 2024 Erste Hungary reduced its scope 1 and scope 2 emissions by 14,03%, from 1.504 tCO<sub>2</sub>e to 1.293 tCO<sub>2</sub>e.

#### Scope 3

##### Scope 3 category 1 - Purchased goods and services

For scope 3 category 1 a spend-based method was used. Emissions for goods and services were estimated by collecting data on the economic value of goods (spend in EURO) and services purchased by EGB and multiplying it by emission factors originating from an environmentally extended input-output analysis (EEIOA; exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

##### Scope 3 category 2 - Capital goods

For scope 3 category 2 a spend-based method was used. Just like for scope 3 category 1, emissions for capital goods were estimated by collecting data on the economic value (spend in EURO) of capital goods purchased by and multiplying it by emission factors originating from an EEIOA (exiobase 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.

##### Scope 3 category 3 - Fuel and energy-related activities (not included in scope 1 or 2)

For scope 3 category 3 the average-data method was used. The emissions were estimated by using secondary emission factors (DBEIS, 2024) for upstream emissions per unit of consumption (T&D and WTT). The data for purchased energy and fuel is actual supplier data, which also serves as the basis for the scope 1 and 2 calculations. This data is extracted from the internal ESG database UL360, which is populated by local facility management.

##### Scope 3 category 4 - Upstream transportation and distribution

For scope 3 category 4 a spend-based method was used. Just like for scope 3 category 1 and scope 3 category 2, emissions for upstream transportation and distribution were estimated by collecting data on the economic value (spend in EURO) of transportation and distribution services purchased by EGB and multiplying it by emission factors originating from an environmentally extended input-output analysis (exiobase, 2024). Each purchase, based on customer country, was mapped with the corresponding emission category from exiobase and multiplied accordingly.



### **Scope 3 category 5 - Waste generated in operations**

For scope 3 category 5 a waste-type-specific method was used for different waste types. For all primary data available, waste descriptions were mapped to waste activities and waste types. Waste types were then matched to waste treatment options based on “GHG reporting by department for business, Energy and Industrial Strategy UK” (defra 2024). After that, the emissions for the waste types were multiplied by emission factors based on the waste treatment options provided by defra. The waste treatment splits were set based on research and municipal waste treatment data from OECD and European Environment Agency.

### **Scope 3 category 6 - Business travel**

For scope 3 category 6 the distance-based method was applied. The distance and mode of business trips are collected in the UL360 system and partially extrapolated when no primary data was available. For the extrapolation country average distance travelled by mode of transportation based on actual data entered in the system was used. The appropriate emission factors (Umweltbundesamt (UBA), 2023) for each mode of transportation used were applied.

### **Scope 3 category 7 - Employee commuting**

For scope 3 category 7 a survey was performed among Erste Bank Hungary employees to assess the average distance travelled and mode of transportation used by employees to travel to their place of work. The 2024 emission calculation is based on survey results. All FTEs were surveyed with a participation rate over 30%. In addition, the number of working days, with consideration to vacation days, average sick days and home office rates, was determined. To do this, Erste Bank Hungary HR department provided the necessary information for vacation days, as well as the home office rate. The appropriate emission factors for each mode of transportation used were applied (UBA, 2024) and multiplied accordingly.

Measurement uncertainty can result especially where extrapolations are made in calculating emissions. This is especially relevant for emission categories where actual data availability is limited such as “employee commuting”.

In the process for preparation and presentation of sustainability information in 2024, Erste Bank Hungary assessed the ESRS-related requirements on the reporting on Total GHG emissions, to provide information of the bank’s GHG emissions occurring from its upstream value chain. It was identified that ESRS requires Erste Group to consider the emissions for associates.

In 2024 Erste Hungary’s total operational scope 3 emissions increased due to enhancements in data quality with the biggest increase in emission from employee commuting. The calculation of scope 3 categories 1, 2 and 4 emissions is 100% based on reported data. For category 3 emissions were estimated by using secondary emission factors (DBEIS, 2024) for upstream emissions per unit of consumption (T&D and WTT). The data for purchased energy and fuel is actual supplier data. For category 6 the distance-based method was applied. The distance and mode of business trips were extracted from the UL360 system. The calculation of scope 3 category 7 is 100% based on estimates as results from the employee surveys performed were extrapolated using the number of FTEs.

## **SCOPE 3 CATEGORY 13 AND 15 FINANCED EMISSIONS**

Financed emissions stood at 1086.5 thousand tCO<sub>2</sub>e and include ‘Investments and Downstream Leased Assets’ in table ‘Financed Emissions’. Financed emission intensity stood at 0.66 tCO<sub>2</sub>e/HUF million.

An amount of 562.4 tCO<sub>2</sub>e biogenic emissions is included in the financed emissions.

Overall, the calculation of 2024 financed emissions covers 52.5% of the credit exposure and increased driven by the inclusion of the exposure to central governments (reported separately from the table ‘Financed Emissions’ in table ‘Sovereign emissions’). The remaining uncovered exposure originates from the fact that selected portfolios (e.g., exposure to central banks and credit institutions, off-balance sheet items and consumer loans) are not part of the current financed emission calculation. Erste Group, including Erste Hungary applies the GHG Protocol to determine the minimum boundaries of its financed emission calculation.

## Share of the portfolio covered by the calculations

	Credit exposure in HUF million	covered by financed emissions		not covered by financed emissions	
		in HUF million	%	in HUF million	%
Off-balance sheet exposures	884,846	-	0.00%	884,846	100.00%
Central banks	17,734	-	0.00%	17,734	100.00%
Central governments	1,192,773	1,046,021	87.70%	146,752	12.30%
Credit institutions	657,150	-	0.00%	657,150	100.00%
Other financial corporations	163,808	108,542	66.26%	55,266	33.74%
Non-financial corporations	885,192	878,303	99.22%	6,889	0.78%
Households	1,313,694	654,111	49.79%	659,584	50.21%
<b>Total</b>	<b>5,115,197</b>	<b>2,686,977</b>	<b>52.53%</b>	<b>2,428,221</b>	<b>47.47%</b>

Erste Group, including Erste Hungary, uses PCAF methodology (version 2022) to account for financed emissions (Scope 3 emissions, Category 15 'Investments'). As this standard is in conformity with the internationally recognized GHG Protocol (Corporate Value Chain [Scope 3] Accounting and Reporting Standard), emissions are calculated for all seven GHGs that are listed in the Kyoto Protocol. These are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and the fluorinated gases (F-gases): hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>), and nitrogen trifluoride (NF<sub>3</sub>).

For details of the methodology, including assumptions, see the 'Methodology' section below. Erste Hungary includes the following PCAF-defined asset classes in its calculation: corporate bonds, business loans, project finance, commercial real estate finance, and mortgages. Additionally, Erste Hungary calculates emissions of the PCAF-defined asset class 'sovereign debt' and reports them in a separate table. The leasing business (Category 13 'Downstream Leased Assets') is included in Erste Hungary's Scope 3 emissions. This category is calculated using the same methodology as for Category 15 and is separately shown as a sub-item.

Erste Hungary reports for the first time the metric Weighted Average Carbon Intensity (WACI), which sets the client emissions in relation to client revenues, weighted by the share of the respective client in the total portfolio. The WACI can only be calculated for in the PCAF-asset classes business loans, corporate bonds and project finance. For the real estate object related financed emission calculation the metric is not meaningful, as the calculation is dependent on the financed object and not the client emissions. The Scope 1+2 WACI stands at 168.8 gCO<sub>2</sub>e/EUR, while Scope 3 WACI at 462.3 gCO<sub>2</sub>e/EUR, mainly by the Energy Industry.

One out of the seven currently existing PCAF calculation methodologies – motor vehicle loans – has not been applied yet. The motor vehicles asset class has not been implemented as such because of the low weight of this portfolio. The financed emissions of this portfolio are currently calculated by means of the methodology used for business loans.

## Methodology Business Loan, Corporate Bonds and Project Finance

In the case of business loans, Erste Group, including Erste Hungary follows the PCAF methodology by relying either on emissions reported by the corporate customers or emission factors drawn from the PCAF database or on its own approach for loans to large real estate companies. The loans granted to large real estate management companies (NACE L68) are included in the PCAF business loans asset class if the finance purpose cannot be unambiguously assigned to one or more commercial real estate properties. As the PCAF database shows only very low emission intensity figures for these exposures, it replaced them with the higher emission intensities of the commercial real estate asset class. In doing so, it proceeded on the conservative assumption that a large part of the funds granted to real estate management companies will de facto be used to finance the relevant buildings, even if the loan agreements as such contain no evidence thereof. Erste Group is working on improving the assignment of deals to the respective PCAF asset classes and expect that specific deals (e.g., allocated in NACE L68) currently calculated as Business Loan, will move to Commercial Real Estate asset class to ensure consistency with internal segmentation.

Erste Hungary is deviating from PCAF standard for listed companies in the business loan and corporate bond modules. It applies the balance sheet value instead of the Enterprise Value including Cash (EPIC) as a denominator to calculate the attribution factor, as using EVIC might lead to higher volatilities only driven by capital market movements, e.g., in a market stress situation its financed emissions would increase, which doesn't need to be directly related to movements in the physical production of the company. The use of EVIC in the financed emission calculation is not applied by all financial institutions due to the limitation of the metric. The topic was recognised by PCAF, which published a discussion paper on that topic in December 2024.

In case of project finance, Erste Hungary assumes that renewable energy projects (wind, solar, geothermal and hydropower) have an emission factor for Scope 1 and 2 of zero. In the absence of a financing purpose and with other project finance it follows the calculation methodology for the business loans asset class by using either the emissions reported by the businesses or estimates based on financial metrics and emission factors drawn from the PCAF database.

Erste Hungary keeps using the base year 2015 PCAF emission factors (Exiobase database) for the 2024 reporting to ensure comparability with the figures of the previous year, which were also used as a basis for target setting. The initial PCAF version is based on Exiobase 2015 database and was the most up-to-date version until March 2023, being replaced by Exiobase 2019 database. Keeping for 2024 the Exiobase 2015 database is also in line with the user briefing published by PCAF, providing as a recommendation to apply the same economic emission factor dataset for longer periods of time (minimum 3 years). For Scope 3 PCAF Emission factors are not containing Downstream Emissions.

### Methodology Commercial Real Estate and Mortgages

With regards to Commercial Real Estate and Mortgages, the calculation of financed emissions is based on building data, which as a first step is used to calculate the emissions of a building. Depending on data availability, Erste Hungary calculates emissions from buildings in the following order (which does not reflect the data quality score):

1. CO<sub>2</sub>e emissions as per energy performance certificate
2. Primary energy demand (PED) as per energy performance certificate
3. PED class as per energy performance certificate
4. PED class with advanced EPC proxy estimation approach
5. PED class based on the year of construction
6. PED class based on the national average drawn from the PCAF database for buildings in Europe as of 2022

For the Austrian Residential Real Estate buildings and Czech portfolio, Erste Group enhanced the real estate based financed emissions calculation methodology by the EPC proxy estimation approach. This approach applies advanced methodologies (e.g., machine-learning algorithm) to derive EPC labels from known collateral data fields or other relevant information. Erste Group considers expanding this approach to other countries, including Hungary.

For calculation 3 to 6, average primary energy demand is based on the primary energy demand class recorded in the PCAF database of buildings in Europe as of 2022 to ensure comparability with the previous year's figures, which were likewise used as the basis for setting targets in the priority sectors. Once primary energy demand has been determined it has to be converted into emissions as input for calculation 2 to 6.

Erste Hungary decided to use emission conversion factors based on statistical data on energy mixes and emission intensities. These factors are also a key component in the development of scenarios for the future in the decarbonisation model. In addition, conversion factors obtained in this manner comes with the advantage, that where in-house portfolio data are available, national averages may be substituted by the relevant portfolio data (e.g. if the gas portion in the portfolio is below/above the national average). On Erste Group level, the main data source for the energy mixes and electricity-based emission intensities of the core countries was the European Calculator<sup>1</sup> and for the heating-based emission intensities the German UBA<sup>2</sup>. Plausible local data sources were as well taken into consideration, particularly for non-EU countries.

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<sup>1</sup> <https://www.european-calculator.eu/>

<sup>2</sup> [umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2021-12-13\\_climate-change\\_71-2021\\_emissionsbilanz\\_erneuerbarer\\_energien\\_2020\\_bf\\_korr-01-2022.pdf](https://umweltbundesamt.de/sites/default/files/medien/1410/publikationen/2021-12-13_climate-change_71-2021_emissionsbilanz_erneuerbarer_energien_2020_bf_korr-01-2022.pdf)

## Financed emissions

	Credit exposure	Credit exposure covered by emission calculation	Financed emissions, thousand tCO <sub>2</sub> e <sup>1,2</sup>		Emission intensity tCO <sub>2</sub> e/in HUF million	Weighted data quality (High=1, Low=5)		Weighted average carbon intensity	
			scope 1 and scope 2 <sup>3</sup>	scope 3 <sup>2,4</sup>		scope 1 and scope 2	scope 3	scope 1 and scope 2	scope 3
2024									
per PCAF asset class									
Corporate bonds		74,859	23.2	159.9	2.45	2.42	2.44	134.5	927.1
Business loans		557,248	219.8	493.2	1.28	3.74	3.76	155.3	348.4
Project finance		38,999	2.0	18.1	0.52	4.35	4.35	164.0	1 461.5
Mortgages		649,553	149.2		0.23	3.38			
Commercial real estate		320,297	21.0		0.07	3.38			
Total	5,115,197	1,640,956	415.3	671.2	0.66	3.48	3.65	168.8	462.3
per sector									
Natural resources & commodities	254,129	147,602	169.1	82.9	1.71	3.52	3.52	338.7	297.8
Energy	273,795	80,463	42.3	212.8	3.17	3.31	3.31	326.8	1 643.4
Construction	174,230	75,719	21.7	77.1	1.30	3.92	3.94	92.0	327.0
Automotive	123,384	49,588	8.5	32.5	0.83	3.26	3.26	66.1	253.5
Cyclical consumer goods	63,206	44,086	6.2	21.7	0.63	3.69	3.69	38.1	133.9
Non-cyclical consumer goods	176,343	114,430	43.7	159.8	1.78	3.40	3.50	125.5	459.1
Machinery	33,378	24,019	3.4	24.6	1.16	3.91	3.91	61.6	442.3
Transportation	176,019	30,909	6.6	14.4	0.68	3.87	3.87	88.9	196.7
TMT	21,538	13,708	2.7	8.4	0.81	4.01	4.01	55.8	172.5
Healthcare & Services	54,594	38,326	9.4	21.3	0.80	3.51	3.51	92.9	218.3
Hotels and Leisure	22,742	18,425	4.2	8.7	0.70	3.71	3.75	65.0	257.7
Real estate	362,637	350,583	24.7	6.6	0.09	3.53	4.95	90.2	136.4
Public sector	1,077,230	15	0.0	0.0	0.94	4.01	4.01	67.4	202.3
Financial institutions	883,064	4,342	0.1	0.4	0.14	4.09	4.09	51.3	152.6
Private customers	1,418,908	648,741	72.7		0.11	3.38			
Other sectors	0	0	0.0	0.0	1.17	4.11	4.11	54.9	329.7
Total	5,115,197	1,640,956	415.3	671.2	0.66	3.48	3.65	168.8	462.3
of which category 13 (Downstream Leased Assets)		33,420	15.1	17.7	0.98	3.91	3.86		
according to risk countries									
Hungary		1,636,756	415.0	657.4	0.66	3.49	3.66	171.3	459.9
Germany		3,016	0.2	13.3	4.45	2.00	2.00	10.1	795.5
Romania		547	0.1	0.5	1.16	4.00	4.00	29.4	155.6
United States		545	0.0	0.0	0.07	4.00	4.00	13.8	62.2
Macau		55	0.0	0.0	0.59	4.00	4.00	86.7	205.1
Malawi		13	0.0	0.0	0.48	4.00	4.00	93.8	204.9
Cyprus		19	0.0	0.0	0.28	5.00	5.00	12.4	130.3
Slovakia		1	0.0	0.0	0.95	4.94	4.94	227.9	129.8
Netherlands		0	0.0	0.0	1.58	5.00	5.00	136.6	165.7
Czech Republic		0	0.0	0.0	0.68	4.81	4.81	46.9	125.6
Remaining Countries		2	0.0	0.0	0.33	4.92	4.92	40.8	123.6
Total	5,115,197	1,640,956	415.3	671.2	0.66	3.48	3.65	168.8	462.3

<sup>1</sup> For details on the calculation of financed emissions see Methodology

<sup>2</sup> Financed emissions also include Category 13 'Downstream Leased Assets' of Erste Hungary Scope 3 emissions, which are shown separately as a sub-category.

<sup>3</sup> Including biogenic Co<sub>2</sub>e emissions

<sup>4</sup> Erste Hungary uses reported emissions for calculating Scope 3 emissions, this includes – if both are reported – both upstream and downstream emissions. Where Erste Hungary uses emissions with national emission factors from the PCAF database, only Scope 3 upstream emissions are accounted for due to data availability. The data quality score for Scope 3 emissions is therefore reported separately.

## Detailed results by PCAF asset class

### Corporate bonds

Corporate bonds with a volume of HUF 74 859 million account for 183.1 thousand tCO<sub>2</sub>e in financed emissions and an emission intensity of 2.45 tCO<sub>2</sub>e/ HUF million.

### Business loans

Business loans in the amount of HUF 557 248 million are a major source of financed emissions, because of both their absolute amount (713.0 thousand tCO<sub>2</sub>e) and financed emission intensity (1.28 tCO<sub>2</sub>e/HUF million). Business loans comprise financing granted to large international and national corporates, small and medium-sized enterprises as well as micro entrepreneurs (non-financial corporates).

### Project finance

The project finance portfolio had a moderate exposure of HUF 38,999 billion and 20.2 thousand tCO<sub>2</sub>e of financed emissions and an emission intensity of 0.52 tCO<sub>2</sub>e/HUF million.

### Commercial real estate

Commercial real estate accounted for an exposure of HUF 320,297 million, with emissions of 21.0 thousand tCO<sub>2</sub>e and a financed emission intensity of 0.07 tCO<sub>2</sub>e/HUF million.

### Mortgages

Retail mortgages with an exposure of HUF 649,553 billion were the second largest contributor of absolute emissions with 149.2 thousand tCO<sub>2</sub>e but had a low financed emission intensity of 0.23 tCO<sub>2</sub>e/HUF million.

## Detailed results by sector

Erste Hungary used its in-house customer segmentation by sectors for the purpose of PCAF measuring and disclosure of financed emissions. The aggregated level of financed emissions had a positive impact on Erste Hungary's emission intensity as well as the favourable balance between the low financed emission intensity of real estate and the marginal share of the high-emission heavy industry and energy sectors.

The sector posting the highest financed emission intensity (Scope 1, 2 and 3), of 3.17 tCO<sub>2</sub>e/HUF million, was the Energy sector, with a credit exposure covered in the emission calculation of HUF 80,463 million.

## Detailed results by country

Financed emissions are broken down by country rather than based on the entity in which the exposure was posted. Hungary's absolute level of financed emissions is 1072.4 thousand tCO<sub>2</sub>e) is Hungary, with an emission intensity level of 0.66 gCO<sub>2</sub>e/HUF. The country with the highest emission intensity is Germany at 4.45 gCO<sub>2</sub>e/HUF, with absolute emissions coming to 13.4 thousand tCO<sub>2</sub>e.

## Detailed results by data quality

Erste Hungary relies on PCAF methodology for scoring data quality (data availability), where the scale ranges from a score of DQ 1 (= highest data quality) to DQ 5 (= lowest data quality). The data quality of the calculations reflects the high dependence on sectoral emission factors, as relevant customer information was not widely available. Reported emissions in the corporate customers segment are currently not distinguished between verified and non-verified and therefore the DQ 2 is applied, following a conservative approach.

The weighted average data quality of the quantified portfolio was 3.5 as of 2024 reporting. The table shows a breakdown of financed emissions distinguished by data availability (energy performance certificates for the real estate sector and reported emissions for the other PCAF asset classes).

Erste Hungary is disclosing financed emissions from clients reported emissions or derived from an available energy performance certificate separately from financed emissions where it used PCAF factors to calculate financed emissions. The share of emissions derived from reported emissions or an available energy performance certificate amounts to 36.8% of the credit exposure (covered by the emission calculations) and 33.7% of financed emissions. The exposure share is higher the real estate sector, even though it must be noted that the energy performance certificate – depending on country-specific standards – often covers only the (primary) energy demand and not the level of emissions.

For corporate segments, the emission intensity (tCO<sub>2</sub>e/HUF million) is lower where Erste Hungary uses PCAF factors to calculate emissions. For Scope 3 this is mainly driven by the fact that PCAF emission factors only contain upstream emissions. Also, the Scope 1 and 2 emission intensity for corporate clients are higher in the reported emissions segment. One of the drivers can be unequal industry distribution as clients in carbon-intensive sector are more likely subject of emission disclosure requirements.

#### Financed emissions by data quality

	Credit exposure covered by calculated emissions in HUF million	Financed emissions, thousand tCO <sub>2</sub> e		Emission intensity tCO <sub>2</sub> e/in HUFR million		Weighted data quality (High = 1, Low = 5)	
		Scope 1 and Scope 2 <sup>3</sup>	Scope 3	Scope 1 and Scope 2	Scope 3	Scope 1, 2 and 3	Scope 3
<b>2024 Total</b>	<b>1,640,956</b>	<b>415</b>	<b>671</b>	<b>0.3</b>	<b>1.0</b>	<b>3.5</b>	<b>3.6</b>
<b>Reported emissions / energy performance certificate available (by PCAF asset class)</b>							
Corporate bonds <sup>1</sup>	59,559	21	152	0.4	2.5	2.0	2.0
Business loans <sup>1</sup>	76,813	35	113	0.5	1.5	2.0	2.0
Project finance <sup>1</sup>	5,296	0	1	0.0	0.1	2.0	2.0
Mortgages <sup>2</sup>	424,535	44		0.1		3.0	
Commercial real estate <sup>2</sup>	38,147	1		0.0		3.0	
<b>Total</b>	<b>604,349</b>	<b>101</b>	<b>265</b>	<b>0.2</b>	<b>1.9</b>	<b>2.8</b>	<b>2.0</b>
<b>No Reported emissions / no energy performance certificate available (by PCAF asset class)</b>							
Corporate bonds	15,300	2	8	0.1	0.5	4.1	4.1
Business loans	480,435	185	380	0.4	0.8	4.0	4.0
Project finance	33,704	2	18	0.1	0.5	4.7	4.7
Mortgages	225,018	106		0.5		4.1	
Commercial real estate	282,150	20		0.1		3.4	
<b>Total</b>	<b>1,036,606</b>	<b>314</b>	<b>406</b>	<b>0.3</b>	<b>0.8</b>	<b>3.9</b>	<b>4.1</b>

<sup>1</sup> Availability of reported emissions for corporate bonds / business loans reported emissions are available for all scopes that are of relevance for calculating financed emissions (equivalent to DQ 2).

<sup>2</sup> Availability of energy performance certificate for mortgages and commercial real estate: energy performance certificate is available and has been used for calculating financed emissions (equivalent to DQ 3).

<sup>3</sup> including biogenic CO<sub>2</sub>e emissions

#### Sovereign Emissions

Erste Hungary's sovereign emissions stand at 460.0 thousand tCO<sub>2</sub>e including land use, land use change and forestry (LULUCF) and 518.0 thousand tCO<sub>2</sub>e excluding LULUCF. The decision to report them separately from our other financed emissions is driven by the fact that sovereign Scope 1 emissions include the whole production of a country, thus leading to double counting of financed emissions. Additionally, it is important to note that sovereign emissions will decarbonise automatically when the respective country is decarbonising. For the calculation of Sovereign emissions, Erste Hungary applies the PCAF database as of March 2024. The database provides mainly 2021 and partially 2020 figures, expressed in million USD. For the calculation of sovereign emissions, it converted the emission factor by USD with the USD/HUF FX rate of the respective emission factor year.

Country	Credit exposure covered by emissions calculation in HUF million	Financed emissions, thousand tCO <sub>2</sub> e		Emission intensity tCO <sub>2</sub> e/HUF million		weighted data quality Scope 1 <sup>2</sup>
		Scope 1 incl. LULUCF <sup>1</sup>	Scope 1 excl. LULUCF <sup>1</sup>	Scope 1 incl. LULUCF <sup>1</sup>	Scope 1 excl. LULUCF <sup>1</sup>	
Hungary	1,046,021	460,0	518,0	0,44	0,50	1,00
<b>Total</b>	<b>1,046,021</b>	<b>460,0</b>	<b>518,0</b>	<b>0,44</b>	<b>0,50</b>	<b>1,00</b>

<sup>1</sup> Land use, land change and forestry (LULUCF)

<sup>2</sup> no change between incl. and excl. LULUCF

## BIODIVERSITY AND ECOSYSTEMS

This section focuses on Erste Hungary's impact on biodiversity and ecosystems. Biodiversity or biological diversity can be understood as the variety of life and refers to the uniqueness of all living things. Biodiversity loss can lead to the extinction of species and the depletion of genetic variations. This can have a far-reaching impact on the food chain and the dynamics of ecosystems, on which humanity thrives.

Erste Hungary is committed to assess and disclose its biodiversity-related impacts, dependencies, risks and opportunities. Erste Hungary recognises the indirect impact its investments can have on biodiversity through the identified subtopic soil sealing.

### E4 SBM-3 – MATERIAL IMPACT RELATED TO BIODIVERSITY AND ECOSYSTEMS

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E4-Soil sealing	Potential neg. impact	Financing polluting industries can have a negative impact on biodiversity and ecosystems. Through its real estate and agricultural portfolio, Erste Hungary impacts land use and thus the extent of ecosystems. The expansion of infrastructure, industry, and settlements results in the permanent withdrawal of arable land from agricultural use and an increase in permanent soil coverage. To protect the soil, farming organizations will face increasingly stringent reporting requirements.	Portfolio	Short term

### SOIL SEALING

The EU Soil Strategy for 2030 emphasises that soil sealing is highly relevant for Europe, the region Erste Hungary is active in. Soil sealing has substantial negative impacts on the environment and society, including the loss of essential ecosystem services, increased flood risks, and more intense urban heat island effects. Additionally, soil sealing can contribute to water scarcity, as sealed surfaces prevent the natural infiltration of water into the ground.

The relationship between biodiversity and financial institutions is indirect. Erste Hungary finances companies that are at least partly dependent on ecosystem services to produce goods and services. Soil sealing has been identified in the 2024 double materiality assessment (DMA) as a negative impact on biodiversity originating from Erste Hungary's portfolio activities. Soil sealing contributes to increased flooding risk, exacerbates climate change, and can lead to potential health issues due to reduced air and water quality.

Real estate accounts for the largest share of Erste Hungary's portfolio activities. Further information can be found in the Consolidated Financial Statements in Note 31 Credit risk exposure under the sections 'Credit Risk Exposure by Industry and Risk Category' and 'Credit Risk Exposure Collateralised'.

Erste Hungary has no material sites (in form of office and branch locations) located in or near biodiversity-sensitive areas and no material impacts were identified related to its own operations affecting any biodiversity-sensitive areas.



#### **E4-1 – RESILIENCE OF ERSTE HUNGARY'S STRATEGY AND BUSINESS MODEL IN RELATION TO SOIL SEALING**

Erste Hungary is aware of the fact that the increasing volatility and uncertainty in the global climate and environmental landscape necessitate a rigorous evaluation of business model resilience. In case of Erste Hungary no resilience analysis has been performed. Erste Hungary will perform its resilience analysis in 2025.

#### **E4-2 – POLICIES RELATED TO SOIL SEALING**

Erste Hungary did not yet develop a comprehensive policy to address this sustainability matter. As a first immediate step, its adopted Group Responsible Financing Policy has been complemented by restrictions to finance activities or construction projects that may impact protected sites. Once having established a methodology to estimate or measure the actual contribution to soil sealing from its financed portfolio, Erste Hungary is dedicated to develop a strategy, establish more actions and set targets to reduce negative impacts on biodiversity and ecosystems from soil sealing. Material dependencies, physical and transition risks and opportunities are currently not covered.

#### **GROUP RESPONSIBLE FINANCING POLICY**

The Group Responsible Financing Policy, which is implemented by Erste Hungary as well, establishes the principles for financing the Energy, Defence/Weapons, Biodiversity, and Gaming sectors. In the Double Materiality Assessment, Erste Hungary has identified material impacts related to its financed portfolio for the subtopics of soil sealing. As a result, Erste Group has broadened the scope of this policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. Erste Hungary as part of the Erste Group will not finance any activities or projects located in or having a material impact on protected areas. An impact assessment of the project must be carried out to assess all potential impacts. If the impact assessment confirms that satisfactory mitigation measures have been taken to compensate for any negative impacts of the project on the protected area, the project may be financed. The Group Responsible Financing Policy focuses on the financing business for large corporate clients of Erste Group, its international branches, its credit institution subsidiaries and their subsidiaries. This policy supports the steering of the portfolio and contributes to addressing the identified material impact.

Erste Group has established a clear structure and governance for executing decisions within the scope of the Group Responsible Financing Policy and has implemented both a first (carried out by the business function) and second (carried out by the non-financial risk management function) line of defence. The Group Responsible Financing Policy implemented by Erste Hungary as well has been communicated to employees and is owned by the Group ESG Office and is available to external stakeholders online on Erste Group's website. The principles described in this policy are reviewed at least annually, however, more frequent updates are made whenever Erste Group deems it necessary. Erste Hungary will adapt these based on the business environment and external stakeholders as necessary.

As explained above, Erste Group has expanded the scope of its Group Responsible Financing Policy in 2024 and introduced exclusion criteria regarding activities and construction projects in protected areas as an initial measure to mitigate the identified negative impact. There is no information in the policy about supporting the traceability of products, components, and raw materials with actual or potential material impacts on biodiversity and ecosystems along the value chain.

At present, the Erste Group's Responsible Financing Policy does not take into account any third-party standards or initiatives.

#### **E4-3 – ACTIONS AND RESOURCES RELATED TO SOIL SEALING**

Erste Hungary recognises the critical importance of biodiversity and ecosystems and is committed to addressing the negative impact of soil sealing. Specific actions have not yet been established. However, Erste Group has broadened the scope of its Group Responsible Financing Policy and implemented exclusion criteria regarding activities and construction projects in protected areas as a first step to reduce the identified negative impact. This was also implemented by Erste Hungary. Following



the identification of the material impact in the DMA 2024, specific actions to measure progress will be defined in the upcoming years on the basis of a more in-depth analysis.

#### **E4-4 – TARGETS RELATED TO SOIL SEALING**

Erste Hungary is dedicated to integrating these considerations into its strategic framework. While specific targets have not yet been established, the material impact was highlighted during the double materiality assessment conducted in 2024 and will trigger more comprehensive disclosures in the upcoming years.

#### **E4-5 – IMPACT METRICS RELATED TO SOIL SEALING**

Specific metrics related to the identified material impact of soil sealing in Erste Hungary's real estate portfolio have not yet been established. Erste Hungary does not disclose biodiversity metrics relating to its own operations, because it has no material sites located in or near biodiversity-sensitive areas.

## SOCIAL INFORMATION

### OWN WORKFORCE

The scope of this chapter covers the material impacts, risks and opportunities that Erste Hungary has identified towards the company's own employees and non-employees.

Erste Hungary's success in the ongoing development of its organization, its corporate culture and its competences is critically driven by employee engagement. Erste Hungary promotes modern working methods that support flexible, adaptive, and client-centric work. Erste Hungary attaches great importance to recruiting, retaining, and engaging a highly qualified workforce to ensure our continuing success and strives to be the employer of choice in Hungary and in the region in both the financial and the IT sectors by offering opportunities for training and continuing professional development, diverse and international teams, as well as exciting tasks within a flexible organization.

#### S1 SBM3 – MATERIAL IMPACTS, RISK AND OPPORTUNITIES RELATED TO OWN WORKFORCE, AND THEIR INTERACTIONS WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this chapter provides a comprehensive overview of the IROs related to its own workforce. As a leading bank, it is crucial for Erste Hungary to prioritise the well-being and development of its employees.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
<b>S1-Work-life balance</b>	Pos. impact	Promoting the compatibility of career and family positively impacts the quality of life and satisfaction of employees.	Own operations	Short-term
<b>S1-Health and safety</b>	Pos. impact	Erste Hungary ensures the well-being of its employees by focusing on preventive health care for the physical and mental health of its employees, continuously expanding its health benefits and providing extra free time (e.g. prevention of burnout). Ensuring employee mental health has a positive impact on employee productivity and loyalty and reduces the risk of turnover.	Own operations	Short-term
<b>S1-Gender equality and equal pay for work of equal value</b>	Pot. pos. impact	Erste Hungary can have a significant impact on diversity, equal opportunities and inclusion through its policies, actions and related practices. Its impact can manifest itself, for example, by introducing inclusive recruitment policies, and its equal opportunities policies can ensure that all workers have equal opportunities to get a job, advance and raise salaries.	Own operations	Long-term
	Neg. impact	At Erste Hungary, the gender pay gap may adversely affect staff.	Own operations	Short-term
<b>S1-Training and skills development</b>	Opportunity	Erste Hungary provides its employees with the necessary training for their daily work, it can increase customer satisfaction through proper service, which may lead to increased profitability. Employee training and development are vital for the Erste Hungary's competitiveness, profitability, and long-term success. Training and further education can enhance employee motivation, improve their professional skills and qualifications, and continuously increase employee loyalty and productivity.		Long-term

<b>S1-Diversity</b>	Pot. pos. impact	Management's visible commitment to promoting diversity, equal opportunities and inclusion can have a major impact on workplace culture and employee attitudes and have a positive impact on their wellbeing.	Own operations	Long-term
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### Work-life balance

A work environment that allows employees to achieve a sound work-life-balance is essential for satisfaction and well-being of the employees. Erste Hungary is committed to creating an environment that fosters successful collaboration, productivity, efficiency, trust, safety and health, regardless of where and how many hours employees work.

Erste Hungary's overarching strategy is to encourage employees to actively manage their work-life balance by using various options that are in place. Developing healthy self-management skills and the ability to set coherent priorities are crucial for employees to work effectively and maintain a good balance between time at work and private time. Hybrid working, which combines working from home and in the office, has become an essential aspect of the new normal in working life.

Erste Hungary supports reintegration to the working process after parental leaves. No matter if the employees prefer part-time or full-time working hours, working onsite or remote, Erste Hungary is providing many options that can be used while always putting strong emphasis on collaboration, productivity and efficiency at work.

### Health & safety

By focusing on both physical and mental health, Erste Hungary continuously expands their health offerings to ensure timely access to medical support. By caring for its employees' physical and mental health, Erste Hungary ensures that its employees can work effectively and avoid health-related disruptions.

Erste Hungary prioritizes health and safety of the employees by implementing comprehensive health and safety strategies that go beyond legal requirements. These strategies offer preventive health checks and medical examinations measures, accident insurance, and psychological support for mental health care. These actions demonstrate the strong commitment to ensuring timely access to medical support and prevention.

### Training and skills development

Erste Hungary's growth focus is centered on providing its employees with the best possible support in their ongoing development. Training and further education creates an opportunity to increase employee motivation, improve their professional skills and qualifications and lead to continuously greater employee engagement and productivity. Erste Hungary's promotion of talent is based on Group-wide defined leadership dimensions and, as part of a structured succession planning process for senior management, its managers of tomorrow will be developed on this basis, thus ensuring seamless management transitions in the future.

Erste Hungary's focus on employee training and skills development ensures its employees can offer a full spectrum of banking services ranging from lending, deposit and investment products to current accounts and credit cards. The development of its employees in close connection to company goals is managed through performance reviews and development talks between managers and employees. Moreover, by putting emphasis on its leadership, development and growth and empowerment approach, Erste Hungary ensures a strong talent pipeline and continuous development of next generation leaders. This focus on leadership is integral to the bank's ability to deliver a full spectrum of banking services and meet the diverse needs of its customer base. Talent management and leadership programs are actions to foster opportunity to continuous greater employees engagement and productivity.

### Diversity

Erste Hungary fosters an inclusive corporate culture that creates an open environment of acceptance and support for all employees, regardless of gender, ethnic background, sexual orientation, age or any other characteristics. A work culture of acceptance, respect, fairness and equal opportunities has a positive impact on its employees and increases employer attractiveness, as one of the pillars of Human Resources strategy and company business strategy.

Actions taken by Erste Hungary to address diversity and equality include various Diversity initiatives such as ErsteColours and Erste Women's Hub. Finally, diversity indexing is an action to establish a group-wide monitoring methodology.

## S1-1 – POLICIES RELATED TO OWN WORKFORCE

Policies are a fundamental part in guiding us to adhere to ethical, social and environmental standards as well as to implement our People and Culture Strategy. Every year, Erste Hungary presents the People and Culture strategy and priorities for the upcoming period to Erste Group within the framework of the strategic dialogue, and these are always aligned with the Erste Group People and Culture strategy.

Erste Hungary's policies are addressed to our employees (with exception to Physical Security Policy, which covers employees, contractors and service providers as well as to third parties who are given access to Erste Hungary's assets). In our operations, employees' contracts prevail over non-employees' contracts, therefore non-employees representation is not significant in comparison to own employees which is the reason why almost all our policies only cover our own employees.

In addition to complying with all legal requirements regarding the respect for human rights, Erste Hungary aligns its actions with international standards and conventions. Under the UN Global Compact, Erste Group further commits itself to meeting its responsibilities regarding human rights, labour standards, and the fight against corruption. The principles included within the Group's strategy derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Convention Against Corruption, among others. Erste Hungary, as part of the Erste Group, respects these principles; however, Erste Hungary is not independently among the signatories of the UN Global Compact. Processes and mechanisms to monitor compliance with these international standards and conventions include Erste Hungary's grievance mechanism.

The procedures outlined in ESRS S1-2 for engagement with people in the own workforce can also be used by employees to address and report human rights issues. The procedures outlined in ESRS S1-3 for processes to remediate negative impacts and channels for the own workforce to raise concerns can be used by employees to provide remedies for negative impacts on human rights.

We derive our Code of Conduct from internationally recognized instruments. Our Code of Conduct and our human rights commitments are consistent with the UN Guiding Principles on Business and Human Rights and the other internationally recognized instruments mentioned before.

Erste Hungary must under no circumstances be involved in human trafficking, forced labour, or child labour, nor should it benefit from these practices in any way. This commitment aligns with ILO Convention No. 29 on Forced Labour, ILO Convention No. 138 on the Minimum Age, and ILO Convention No. 105 on the Abolition of Forced Labour, as outlined in Erste Groups's Code of Conduct, which is adopted in the local Code of Ethics as well.

Physical security on Erste Hungary's premises is governed by the local Cyber-and Information Security Policy. Accident prevention measures are also implemented at local level, in accordance with our Occupational Safety Policy. Workplace accident prevention is carried out in accordance with national regulations on occupational health and safety.

The Diversity and Inclusion Policy describes Erste Hungary's efforts to create a work environment that is free of discrimination and that values the work of each person regardless of gender, age, disability, marital status, family obligations, sexual orientation, religion, political affiliation, nationality, skin colour, social or ethnic background, and any other aspects unrelated to their employment. The Diversity and Inclusion Policy commits to creating a discrimination-free environment, fostering gender balance, and enhancing transparency and equal opportunity in careers for all employees, including vulnerable groups. In our local Occupational Safety Policy, we commit to pay attention to the special occupational safety requirements of certain vulnerable groups (e.g. women, youth, elderly), as stipulated in the Hungarian legislation.

To promote a culture in which discrimination is not tolerated, two mandatory training sessions regarding harassment in the workplace have been implemented at Erste Hungary.

The works agreement defines the procedure to be followed when cases of discrimination are reported. As a general principle, a minimum escalation approach is chosen, and a solution that suits both sides will be sought. All employees have the right to demand that an internal reconciliation body be convened, involving relevant stakeholders. Its task is to handle and resolve cases of discrimination, with the respective process being likewise laid down in the works agreement. The works agreement is subject to ongoing evaluation and adjustment.

The following policies are Erste Hungary's focus areas as they are directly addressing the material sustainability matters and its impacts and opportunities.

## WORK-LIFE BALANCE

Work-life balance is steered under common umbrella within Erste Hungary, without specific group policy in place. Regardless of location and hours worked, Erste Hungary strives to create an environment that promotes collaboration, productivity, efficiency, trust, safety, and health. A good work-life balance is crucial to business success as it leads to increased employee satisfaction and productivity, resulting in better client satisfaction and improved internal processes. To achieve this, Erste Hungary encourages employees to actively use the opportunities provided by its local entities to balance their private and professional goals, develop healthy self-management skills and prioritize their work effectively. Erste Hungary's overarching objective is to provide options for work-life balance of all its employees and encourage them actively manage their choices with an emphasis on effective collaboration, productivity, efficiency, personal and business goals.

## HEALTH AND SAFETY

The topic of Health and Safety is steered under common umbrella within Erste Hungary, without specific group policy in place. Erste Hungary's aims to create a positive impact on employees by focusing on their physical and mental health. Erste Hungary's overarching objective is to provide additional health services beyond the legal requirements, to ensure preventive healthcare and timely access to medical health care to all its employees.

## GENDER EQUALITY AND EQUAL PAY FOR WORK OF EQUAL VALUE

Employees should feel rewarded fairly according to the relative value of their jobs within Erste Hungary. Employees engaged in similar jobs in different parts of the company should be rewarded equally. Erste Hungary strives to reward employees competitively compared to those who are engaged in similar jobs in other organizations of the respective market and/or sector. Having a compensation structure based on competitive base pay is key. All employees are entitled to fair and favorable working conditions with special focus on remuneration. Remuneration policies and practices shall be gender neutral. "Gender neutral remuneration policy" means a remuneration policy based on equal pay for women and men for equal work or work of equal value.

Erste Hungary observes that unadjusted gender pay gap is, among other, also attributed to the uneven distribution of men and women in better paid positions, with men dominating higher-remuneration type of positions or leadership roles. Through internal job grading, Erste Hungary fosters equality within job roles. To mitigate this negative effect, Erste Hungary introduces targets for underrepresented gender, women, in top management position and fair succession planning (see chapter S1-5).

### Remuneration Policy

#### General Objectives:

Erste Hungary's Remuneration Policy aims to attract and retain competent and committed employees who perform their roles in the long-term interests of the Erste Hungary, its customers, and shareholders. It establishes the standards, rules and principles of the remuneration system and strategy, which are designed to reward competitively based on long-term sustainable performance. The policy defines the remuneration system, including pay components, variable remuneration schemes, performance processes, job structures, salary benchmarking, and both monetary and non-monetary rewards, all of which are linked to Erste Hungary's values and respective company strategies.

#### Key Impacts, Risks and Opportunities:

Erste Hungary's Remuneration Policy promotes gender equality and ensures equal pay for equal work, thereby creating a secure environment with standardized and adequate wages. It supports equal professional development opportunities and addresses the gender pay gap. Although most subsidiaries operate under collective bargaining agreements, to ensure wage security, Erste Hungary has a Works Council Agreement in force to reach this aim. By fostering gender equality, Erste Hungary enhances professional development and mental well-being for its employees. The opportunity that arises from offering competitive compensation packages is the ability to attract and retain competent and committed employees, as well as to enhance the institution's positioning and recognition among potential candidates.

#### Monitoring Processes:

The Remuneration Committee is responsible for advising on, approving and monitoring remuneration-related policies and topics. The committee considers the long-term interests of shareholders, investors and other stakeholders in Erste Hungary. It holds meetings at least twice a year to align remuneration strategies and practices across Erste Hungary.

The Remuneration Policy covers all employees of Erste Hungary. The Remuneration Committee is responsible for overseeing the implementation of the policy to ensure it operates as intended. The committee functions under delegated authority from the supervisory function. Erste Hungary's Remuneration Policy refers to Erste Group's Code of Conduct, which covers third-party standards like the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights

at Work and the United Nations Guiding Principles on Business and Human Rights. Furthermore, Erste Group and Erste Hungary adhere to various banking-related guidelines, such as those issued by the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA). National regulations are continuously monitored and incorporated into the Remuneration Policy.

The interests of key stakeholders are considered through engagement and close collaboration with relevant stakeholders such as the Management Board, Risk Management and Compliance, Controlling or HR Management. The Remuneration Policy is available on the intranet.

## **Physical Security Policy and Occupational Safety Policy**

### General Objectives:

The Erste Group Physical Security Policy encompasses two main pillars: 'Personnel Security' and 'Object & Asset Security.' The strategic objective of Physical Security is to assess security threats and related risks, and to derive respective security minimum requirements for objects, assets and people. This policy is adopted for Erste Hungary. The group-wide implemented physical security principles include the right to a secure and safe workplace, trust, social responsibility, security as a business enabler, transparency, strong collaboration, efficiency and training and awareness. Erste Hungary's Occupational Safety Policy covers the applicable local laws, norms and regulations related to employee protection, fire protection and safety technology, etc., which are continuously monitored.

### Key Impacts, Risks, and Opportunities:

The Group Physical Security Policy and Erste Hungary's Occupational Safety Policy are closely related to the sustainability matters of health and safety and diversity. By ensuring the physical and mental security of its employees, Erste Hungary promotes overall well-being. Although the risk of physical hazards is low in the banking industry, we believe that every employee has the right to a safe and secure workplace. Erste Hungary maintains a zero-tolerance policy for cases of physical, psychological or gender-based violence and harassment. Erste Hungary strives for security with social responsibility, aiming to achieve a safety and security-oriented culture by actively supporting its employees and raising awareness.

### Monitoring Processes:

The Group policy applies to local banks in Erste Group's core markets and their subsidiaries, therefore to Erste Hungary too. Beneficiaries of this policy include employees, contractors, service providers and third parties who are given access to Erste Group premises and assets. Erste Hungary's Occupational Safety Policy relates to its employees.

The Chairman and Chief Executive Officer is accountable, the EHS Expert is responsible for implementing Erste Hungary's Occupational Safety Policy. Given the wide variation in labour laws and health policy frameworks between individual countries, initiatives are primarily coordinated at the country level. Third-party standards or initiatives are not covered by neither of these policies.

The interests of key stakeholders are considered through engagement and close collaboration with relevant stakeholders such as Facility Management, Security and Audit. The Group Physical Security Policy and Erste Hungary's Occupational Safety Policy are available on the intranet. Each process within the security area is clearly and thoroughly documented with defined roles and responsibilities and is communicated between relevant stakeholders for effective implementation.

## **TRAINING AND SKILLS DEVELOPMENT**

Erste Hungary aims to be the place where people transform obstacles in opportunities, learn every day and collaboratively work together. Collective contribution and impact should go beyond geography, entity, or business area borders. Erste Hungary's employees are encouraged and supported to challenge its confidence by taking regular steps outside the comfort zone and go above and beyond for its customers. Training and further education improves professional qualifications and leads to continuously greater employee engagement and productivity. Talents, skills and capabilities should be placed at the core of placements for key positions and the right people will have the chance to contribute to the right roles, across the group.

Erste Hungary's leadership culture will be one of the key differentiations of the employer brand. The leaders will be known by their ability to transform banking through technology, their passion for the customers, and their dedication to developing individuals and teams. 'Out of comfort zone', 'servant leadership', 'performance impact', 'future orientation', and 'client orientation' are the five leadership dimensions recognizable across the group. Across all levels, tailored, high-quality development programs will provide the leaders with regular opportunities for self-reflection, exchange, and growth to maximise their potential. This will contribute to Erste Hungary's financial success in the medium and long-term future.



## Suitability and Succession Policy (Fit&Proper)

### General Objectives:

The Suitability and Succession Policy outlines the process for assessing the suitability of individuals who are members of the Management and Supervisory Boards. This policy provides a structured framework for defining a diverse succession list of potential candidates for these boards, while also monitoring and considering the gender balance targets as specified in the Diversity and Inclusion Policy. The Management Board, in collaboration with Erste Hungary's local Human Resources department, calibrates respective managers based on performance and potential, using specified criteria outlined in the policy. The results of all assessments form the basis for a pre-selection of potential successors and are discussed in upcoming succession talks.

### Key Impacts, Risks, and Opportunities:

The Suitability and Succession Policy reflects on the diversity, training and development impacts and opportunities, underscoring Erste Hungary's commitment to an open and inclusive corporate culture and employee well-being.

### Monitoring Process:

The Corporate Secretariat, with the agreement of the HR Management department, is authorized to independently modify the annexes related to the Suitability and Succession Policy. This policy is reviewed on an annual basis.

The personal scope of the policy extends to all individuals who have a legal relationship (employment and elected officials) with Erste Hungary. The CEO, all members of the Management and Supervisory Boards, HR Management and the Nomination Committee share the responsibility for implementing this policy.

Furthermore, the policy aligns with the Group Suitability and Succession Policy, the Joint ESMA and EBA Guidelines on the assessment of the suitability of members of the Management body and key function holders under Directive 2013/36/EU and Directive 2014/65/EU (EBA/GL/2021/06), the EBA Guideline on internal governance under Directive 2013/36/EU (EBA/GL/2021/05), the Circular Letter on the Suitability of members of the Management Board, Supervisory Board, and Key Function Holders, and the ECB Guide to fit and proper assessments. The Bank paid special attention to the implementation of the Recommendation No. 1/2022 (I.17) of the National Bank of Hungary ('Supervisory Authority' or 'MNB') on the assessment of the individual and collective suitability of key board members and key function holders by the development the content of this policy.

The Suitability and Succession Policy is available on the intranet.

## Diversity and Inclusion Policy

### General Objectives:

The purpose of this policy is to outline how Erste Group and at the same time Erste Hungary respond to the societal context in which they operate. It addresses stakeholders' expectations by defining the common understanding of diversity and inclusion within Erste Group and at the same time Erste Hungary. Additionally, it describes roles and responsibilities, as well as general guidelines for developing, implementing, and adjusting diversity and inclusion strategies and targets. The policy mitigates the risk of poor practices in equality or cases of discrimination, which could pose reputational risks.

### Key Impacts, Risks and Opportunities:

The Diversity and Inclusion Policy addresses sustainability matters related to diversity and gender equality. Promoting diversity within the organisation fosters an open and inclusive corporate culture, which positively impacts employees' well-being. One related opportunity is that diverse teams are more innovative and successful, leading to increased operational efficiency.

### Monitoring Processes:

Embedded in the Group Human Resources division, the Group Diversity Management (GDM) collects group-wide diversity data, identifies key focus areas, and develops a diversity strategy in close collaboration with relevant stakeholders such as local Diversity Management, Group Communications, Group ESG Office, Group Corporate Affairs, and Stakeholder Management. The interests of key stakeholders are considered through engagement with the mentioned entities. GDM develops diversity targets and provides diversity data for annual reports, rating agencies, and communication at the Group level, supported by the executive responsible for managing the company's diversity and inclusion initiatives. The local diversity management (LDM) at Erste Hungary acts as a focal point for diversity-related issues within the individual banking subsidiaries. While the GDM defines the diversity strategy, the LDM adapts the measures, training, and the Group's diversity and inclusion policy to local conditions. Regular communication between the GDM and LDM ensures mutual understanding of diversity-related issues within the Erste Group.

The Diversity and Inclusion Policy covers employees of Erste Hungary. The management board holds the highest level of accountability for the implementation of the policy. The policy refers to Erste Group's Code of Conduct – both documents

relevant for Erste Hungary as well –, which aligns with third-party standards such as the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights.

The interest of key stakeholders is considered through engagement and in close collaboration with relevant stakeholders such as HR Management at Erste Hungary (local Diversity Management), Group Communications, Group ESG Office, Group Corporate Affairs and Stakeholder Management. The Diversity and Inclusion Policy is available on the intranet.

## **S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKFORCE AND WORKERS' REPRESENTATIVES ABOUT IMPACTS**

Engagement with its own workforce is a key aspect of Erste Hungary's strategy. Based on continuous feedback from all colleagues, Erste Hungary can support targeted improvement measures in all areas. Erste Hungary engages directly and indirectly with its own workforce to raise awareness of potential negative impacts, while also promoting positive impacts.

The management board is entrusted with the responsibility of managing the organisation in a manner that serves the best interests of the company, while considering the interests of the employees.

### **DIRECT ENGAGEMENT**

Erste Hungary engages with its employees directly through annual one-to-one performance reviews, through the Group internal social network, via the Group and local engagement survey, or indirectly via representative bodies such as works councils.

#### **Performance Reviews**

Talent management at Erste Hungary is driven by constructive feedback and a fair and transparent assessment of individual potential. Each year, employees are invited to an appraisal interview with their line managers to define goals for the current year and develop plans to assist in their personal development. As this is a dialogue between manager and employee, both parties are responsible for achieving the best outcome for the employee and the common goals of the team. Resources for monitoring yearly personal performance reviews are allocated at the entity level.

#### **Group-wide Internal Social Network**

Erste Group's internal social network was successfully launched for all 46,000 employees of Erste Group on June 10, 2024. It is the first part of the communication platform 'echo.' The second part of 'echo,' will be launched step by step across all entities of Erste Group, therefore in Erste Hungary too, by mid-2025.

This tool is an interactive and easy-to-use communication channel, which fosters dialogue between employees. It increases visibility and interaction across country and entity borders and establishes unique and shared employee experience. Additionally, this tool is a useful tool for top management to share and discuss current topics, initiatives, and events with all employees.

Overall, Erste Group's internal social network is very well received by employees. The combination of Group-wide internal social media and Group-wide information source within one communication platform will create an excellent digital employee experience with the convenience many of our employees and especially the young generation are used to from their private lives.

#### **Engagement Survey**

Erste Hungary aims to improve its workplace culture by actively listening to employees and acting on their feedback. Employee surveys provide insights into employee engagement, identifying both strengths and areas for growth. Erste Group aims to conduct the survey on a yearly basis, both at Group and local level. The HR Management (Training and Organizational Development Area) is responsible for coordinating regular engagement surveys at Erste Hungary.

In 2024, Erste Hungary conducted an employee engagement survey to measure employee engagement and help make Erste Hungary the best workplace it can possibly be. 3211 people were invited, and 3013 employees participated, achieving a response rate of 91 percent.

Their ratings and comments contributed to an Employee Engagement Index score of 80 out of a possible 100 points. To assess the effectiveness of the survey, a follow-up process to discuss feedback with employees and plan the next steps was initiated at various levels at Erste Hungary.



## INDIRECT ENGAGEMENT VIA WORKER'S REPRESENTATIVES

In accordance with legal requirements, Erste Hungary involves its employees in management decisions via representative bodies in matters that directly affect employees.

Under the Hungarian Labour Law Act, the works council is the permanent, independent body that represents employees and secures ongoing collaboration between the management board and the employees of the organisation.

As required by the law, the works council meets with the management board, based on its Rules of Procedure. In addition, HR Management routinely convene with the works council to hold discussions and keep a steady line of communication.

The main tasks of the works council are:

- Monitoring adherence to laws relating to employees, payment of salaries, occupational health and safety, etc.
- Intervening to ensure compliance with employee-related legislation, improving working conditions, setting up/organising in-company training, etc.
- Two-way sharing of information: from the management board to the works council and from the works council to the employees, and vice versa.
- Employee counselling and consultations with the employer on current matters.

Erste Hungary's employees are represented through works-council under national legislation at company level. Erste Hungary continuously collaborates with employee representation bodies at the strategic and operational levels and arranges regular meetings between the management board and the representative body.

Regular engagement between management and representative bodies occurs as required by Hungarian law. As part of this obligation, the works council negotiates work agreements and participates in the employer's supervisory bodies. Aside from necessary work agreements, the company regularly updates and confers with the works council on activities related to its workforce.

Erste Group has concluded an agreement on the European Works Council. This agreement applies to all employees in Erste Group operations and entities, therefore in Erste Hungary too, subject to Directive 2009/38/EC on the Establishment of a European Works Council and, beyond that, in all those countries in which Erste Group operates and which have entered into an association agreement with the European Union.

### **Effectiveness of the engagement**

Due to the multitude of direct and indirect engagement opportunities for employees and the active usage of these formats, the effectiveness of engagement can be ensured. Additionally, the employee survey provides a variety of insights to continuously improve Erste Hungary's engagement efforts.

## ENGAGEMENT WITH VULNERABLE GROUPS

To gain insights into the interests of employees who are part of vulnerable groups, Erste Hungary adopted various initiatives from Erste Group, such as Erste Colour, to obtain valuable insights into the views of all its employees, including those who are vulnerable. (For more information, see chapter S1-4).

### **Engagement with employees on impacts of transitioning to greener operations**

Erste Hungary engages its employees in efforts to reduce carbon emissions. The employees' expertise and experience, as well as the decisions they make every day, are critical to implementing Erste Group's climate strategy. In 2023, mandatory web-based ESG training was rolled out across Erste Group, including Erste Hungary, for all employees regardless of their position. The training provides a fundamental understanding of the significance of ESG for Erste Group. Erste Group's and Erste Hungary's activities in reducing carbon emissions and transitioning to greener and climate-neutral operations do not have any negative impact on employment creation.

Erste Hungary also supports the green mobility of its employees through the continuous electrification of the company car-pool. Erste Hungary has cooperation agreements with two car-sharing service providers (GreenGo and Wigo), which allow employees to use electric cars for company trips within Budapest with GreenGo and nationwide with Wigo, thereby reducing emissions.

Erste Hungary provides space in its central buildings for the simultaneous storage of more than 180 bicycles for employees who commute by bike, thus promoting health- and environmentally friendly transportation. In the bicycle storage area, 6 free charging stations have been set up for e-bikes and scooters, further increasing employees' awareness of e-mobility within Erste Hungary.

### **S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS**

The engagement opportunities for employees mentioned in Sections S1-2 are effective procedures for identifying potential negative impacts on individuals within the workforce and initiating remedial actions. Of particular importance is the direct engagement through the group-wide internal social network and regular feedback dialogues between employees and their line managers. Additionally, there is a yearly employee survey at Erste Hungary where employees can raise their concerns and provide insights into areas for improvement for Erste Hungary. Employees can also raise their concerns through local works councils.

Other channels to raise a complaint include the whistleblowing channel, which defines categories of unacceptable behavior as captured in the Erste Hungary's Whistleblowing Policy, or through employee representation bodies.

For cases of discrimination, Erste Group has established specific channels and processes to enable employees to raise their concerns and get negative impacts remedied. Each local bank in Erste Group's core markets, therefore Erste Hungary too has anti-discrimination procedures in place, and matters of diversity, equal opportunity and inclusion are monitored and managed by responsible departments.

Overall, Erste Hungary has established multiple channels available through which employees can raise their concerns and have their needs addressed by the company:

- Line manager as the first contact point to raise any concerns
- Whistleblowing process
- Worker's representatives, e.g., local works councils
- Employee Survey
- Performance reviews
- Contact with the Anti-Discrimination Officer, ethics manager, ombudsman office, or specially trained people

All employees may seek advice in absolute confidentiality and develop measures and resolution strategies in a collective process, the implementation of which is then supported by the Anti-Discrimination Officer.

Erste Hungary decides on local initiatives to inform employees about the availability of channels to raise their concerns. One of the options used is to inform newcomers right from the beginning of their employment as part of the onboarding welcome day program. Another way is via intranet or flyers to raise special attention to activities.

The channels through which employees can raise their concerns and needs are well-established, as dialogues with line managers and the employee survey occur regularly, both at Group and local level. Due to the consistent rhythm of engagement opportunities and the multitude of channels available for employees to raise their concerns and issues, the measures taken at Group level to improve employee matters are regularly monitored with consideration of employee interests at the local entity level. Each reporting channel where issues are raised tracks and monitors reported issues. Moreover, relevant stakeholders (such as the works council, Compliance) are involved in the remediation process if necessary to find solutions.

By regularly monitoring the variety of available channels, Erste Hungary ensures that employees are familiar with and use them. Reports made through the whistleblower process are anonymous. This ensures that employees who raise concerns are protected from retaliation. For more details regarding the Erste Hungary's Whistleblowing Policy, see chapter S1-1.

#### **Anti-Discrimination Channels**

At Erste Hungary, the Code of Ethics contains the discrimination- and harassment-related rules and procedures. There is an anonymous reporting line where employees can report and describe their complaints. The compliance department is responsible for exploring and assessing the situation. Any subsequent decisions are made by the Committee of Ethics.

#### **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**

Many actions implemented by Erste Hungary demonstrate a commitment to preventing, mitigating, and remedying significant negative impacts while also contributing to achieving positive impacts.

*Erste Hungary is the place where highly engaged and skilled people are bringing prosperity to its customers and to the region. Their daily contribution has shaped Erste Hungary's success so far and built confidence in its brand, expertise, and culture. To continue keeping Erste Hungary's promise to its purpose and to its customers, both the organisation and its culture need to take a big step into the future.*

*Erste Hungary needs to further build on its passion, engagement, and expertise and reimagine what a better version of itself and how it works together can look like. Erste Hungary's future success will strongly depend on how far it will tap into its full potential, as individuals, as teams, and as an organisation.*

*Erste Hungary's future organisation should be a place where its talents thrive. Beyond the passion for the customers and for the brand, its talents will use their passion and deep understanding of technology to create tangible customer value. Through Erste Hungary's new approach to talents, skills and capabilities will be placed at the core of placements for key positions, and the right people will have the chance to contribute to the right roles across Erste Hungary and the whole Erste Group.*

Fostering talent management within Erste Hungary helps prevent negative impacts by providing employees with growth and advancement opportunities, leading to the attraction of new talent, increased job satisfaction and reduced turnover rates. Erste Group's and Erste Hungary's comprehensive training programs, including those on sexual harassment and respectful collaboration, promote an inclusive and respectful work environment. Additionally, Erste Hungary supports communities for vulnerable groups, such as Erste Colours. These groups provide essential resources and support to those facing workplace challenges. Erste Hungary also emphasizes work-life balance and flexible working hours to help families balance career and personal life, encouraging men to participate in childcare and supporting women in their reintegration after maternity leave. Preventive health actions further enhance employee well-being, productivity, and satisfaction. Through the WeShare program, Erste makes its employees shareholders of Erste Group, fostering financial literacy, equal pay, and financial health.

Erste Hungary's actions seek to foster a more diverse and innovative workplace, creating opportunities to become an employer of choice and achieve better business results. No material risks have been identified.

##### **Actions to prevent or mitigate material negative impacts**

Erste Hungary has defined actions to prevent and mitigate the material negative impact regarding the sustainability matter gender equality and equal pay for work of equal value.

##### **Actions to provide remedy in case of an actual material negative impact**

Please refer to our explanations in S1-3. Employees can raise concerns through various channels, and Erste Hungary have established formalized processes to provide remedies in the event of actual negative impacts.

##### **Actions to deliver positive impacts and pursue material opportunities**

Erste Group has defined actions to deliver positive impacts regarding the sustainability matters training and skills development, work-life-balance, health and safety, gender equality and equal pay for work of equal value and diversity. The actions regarding the sustainability matter training and skills development pursue a material opportunity as well, as the material positive impact is directly linked to the material opportunity for Erste Hungary.

Erste Hungary continuously engages with its employees to identify areas for improvement and remain an employer of choice in the region. This is achieved by directly engaging with employees through direct engagement which occurs via surveys and personal performance reviews, and employees views are indirectly channeled via representative bodies (for more information, see chapter S1-2). Erste Hungary's HR Management also follow trends in human resources management related to future skills, organisational design, leadership, and performance management concepts. These trends provide inspiration for further improvements.

To ensure the effectiveness of these actions and initiatives, it is important to track and evaluate their impact by continuous engagement with our employees. One way of doing this is by conducting employee surveys to assess their satisfaction and commitment. Additionally, monitoring turnover rates and assessing the effectiveness of training through feedback helps to track the success of these initiatives. Regularly reviewing and adjusting these actions can ensure that they continue to prevent negative impacts and contribute to positive ones. The actions related to the sustainability matter of gender equality and equal pay for equal work are monitored through the three established targets concerning gender representation and are continuously assessed for their effectiveness.

In our commitment to sustainability, we ensure that our practices do not cause or contribute to material negative impacts on our own employees. When tensions arise between the prevention or mitigation of material negative impacts and other business pressures, we focus on the well-being of our employees. We engage in open dialogue with stakeholders, including our own employees, to find balanced solutions that uphold our commitment to sustainability while meeting business objectives.

Resources for actions related to own employees are allocated locally based on the strategy of Erste Hungary, in the human resources local department. Budget for it is coordinated and allocated in the local human resourced department on a yearly basis.

### **Action 1**

#### **'We Share' by Erste Group Program**

Erste Hungary's employees can become a co-owner of Erste Group through employee share program called WeShare. The WeShare program represents a long-term initiative designed to achieve a sustained impact. Information about WeShare can be found in Erste Hungary's remuneration policy or on the intranet.

The *WeShare by Erste Group-Participation program* is a cash-settled share-based payment transactions. Under the WeShare by Erste Group employee stock compensation program, starting from the year 2021, employees who are employed by a participating organization on the last day of the financial year and have at least 6 months of active employment will receive a stock package of Erste Group Bank AG shares (in addition to their fixed and variable compensation) at a net value approved by the Management Board for the given year.

This benefit does not replace the salary and wage-type payments due under the employment contract, nor the performance-based compensation forms; the employer provides this benefit in addition to these. In addition to the above payment, as part of the employee stock compensation program, employees are entitled to further stock compensation if they purchase shares from their own savings. The structure and details of this benefit are defined in a separate regulation.

Under the *WeShare by Erste Group-Participation program* entitled employees received shares in an equivalent amount of EUR 351.2. The expected number of free shares, which were granted under this program for the period 2024, is 278,624. The total cost of the Participation shares is 948,240 EUR; 375,740,100 HUF, with 50% of the cost allocated to 2023 and 50% to 2024. This is the Participation leg of the program, which is part of the WeShare Investment.

### **Action 2**

#### **Diversity Indexing**

Erste Group carried out an indexing process with common criteria across the local banks in the core markets, therefore in Erste Hungary too to collect and analyse data on gender initiatives. The aim is to identify areas for action and develop effective measures accordingly to ensure a common standard. This process also focuses on the target of gender balance.

The data collected was analysed for each of the local banks in the core markets, therefore in Erste Hungary too. In addition, this data was placed in the context of the cultural circumstances of the countries. Finally, results were compared with a benchmarking exercise. Target agreements were defined based on the results.

The overall index is made up of three main sub-indices:

1. Status and dynamics (e.g. proportion and age of women in all positions and at all levels, entries and exits, maternity leave, promotions, organisational goals, nationalities, part-time work, etc.)
2. Commitment (e.g. internal and external communication measures)
3. Framework (e.g. measures and offers in the organisation)

The data was collected in local banks in the core markets and analysed with common criteria. The process of data collection and analysis has been completed in 2024. The results have been communicated to the local banks, therefore in Erste Hungary too and target agreements with corresponding measures have been defined.

### **Action 3**

#### **Increasing flexibility of working time and parental leave**

Erste Hungary has adopted several measures to allow working times to be adjusted to personal requirements. Erste Hungary offers a range of family-friendly measures which are regularly adapted to the needs of our employees. With family-friendly flexitime and work-from-home schemes, Erste Hungary enables its employees to balance parental time and work. Our offer is complemented by parental leave, and summer programs for school-age children. Erste Hungary provides financial support to parents for funding summer camps during the summer holidays. Executive-level staff may opt to have interim managers substitute for them during periods of leave and then resume their management positions on their return.

This action represents a current long-term initiative designed to achieve a sustained impact.

#### **Action 4**

##### **Talent management and leadership**

*We support our talents in key roles to grow and maximise their contribution.  
We do not compromise on Talent. We always strive for best-in-class placements.  
We ensure a relevant, future-fit talent pipeline and increase mobility across Erste Hungary and ErsteGroup.  
We regularly review critical roles, and the relevant future skills needed for our success.*

Erste Group provides centrally managed group-wide learning programs as well as country-specific personalized development offers. Specialized training in Hungary covers areas such as certified accountant training. Erste Hungary has launched Tableau training and several data-related courses. In the corporate area, there has been Group Credit School, PwC ESG training, property investment forum, etc.

All courses and programs are easily accessible and bookable through the Learning Management System. Erste Hungary continually updates learning materials to reflect changes in regulations and offer training in fields like risk management, security, and compliance. The accessibility of learning offerings is constantly enhanced by the extensive implementation of digital learning formats.

*We strive to place leadership as one of our key competitive advantages.  
We hold ourselves accountable for high standards of leadership competence across Erste Hungary and the Erste Group.  
We build leadership based on strengths, through self-reflection and self-awareness.*

Leadership development is a key focus within Erste Hungary's learning and development initiatives. Through coaching, mentoring, and customized programs, we support our leaders in developing their leadership potential and skills.

Erste Group offers its employees centrally managed group-wide learning programs while Erste Hungary country-specific personalized development as well. These programs are a current long-term initiative designed to achieve a sustained impact. All these programs are happening on yearly basis and are ongoing throughout some years.

In 2024, Erste Hungary's employees completed on average 16.01 hours of professional trainings. Employees in management positions completed an average of 13.72 hours of training.

#### **Action 5**

##### **Feedback and development talks**

*We enable strategy implementation and link it to team & individual achievements.  
We encourage development, growth and future potential.  
We emphasize on continuous dialogues & direct and honest feedback.  
We differentiate and reward high performance.*

At Erste Hungary, talent management is driven by constructive feedback, a fair and transparent assessment of individual potential, and high-quality development activities in partnership with internationally renowned institutions. Each year, all employees are invited to an employee appraisal interview with their line managers to define goals for the current year and come up with development plans to assist employees in their further personal development.

The employee appraisal interview with line managers is applied by Erste Hungary. These employee interviews are long-term initiative designed to achieve a sustained impact. The interviews are initiated on a yearly basis.

In 2024, appraisal talks were held with 93.81% of all employees of Erste Hungary, of whom 62.66% were women and 37.34% men; 13.04% were management-level staff and 86.96% employees without management responsibility.

#### **Action 6**

##### **Diversity Initiatives: ErsteColours, Erste Women's Hub**

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

ErsteColours advocates for the agendas of LGBTIQ people as a business resource group of Erste Hungary. The group initiates and organizes various events and content formats throughout the year with the goal to raise awareness for LGBTIQ people and their challenges. This year, ErsteColours focused on the visibility of LGBTIQ people in rural areas.

The Erste Group women's network 'Erste Women's Hub' is committed to equal career opportunities, a safe environment and visibility for women in the company, with a particular focus on women in IT. To this end, empowerment offers are developed,

tested and evaluated. Regular events on a wide range of business topics enable female colleagues to network and learn from each other.

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

## **Action 7**

### Anti-Harassment Initiative

Erste Hungary stands for an environment free of harassment, discrimination, and exclusion. To state a clear guideline of collaboration and anti-sexual harassment principles, two mandatory trainings have been implemented. Erste Hungary has prolonged its partnership with UN Women and took part again in the campaign "Orange the World", initiated by the United Nations, to raise awareness on violence against women.

The key actions of Erste Hungary's anti-harassment initiative are structured around three main actions. Firstly, the mandatory training on recognizing and prevent sexual harassment in the workplace. This training intends to help employees and managers to identify, prevent and report sexual harassment. Secondly, the training on fostering respectful collaboration should guide employees to identify and deal with microaggressions. Thirdly, the campaign Orange the World raises awareness on dealing with violence on women, with this year's focus on social media.

The mandatory training will be rolled out to all employees in Erste Hungary. The campaign Orange the World was taking place from November 25<sup>th</sup> until December 10<sup>th</sup>.

## **Action 8**

### Effectiveness of Erste Hungary's actions and allocated resources

Continuous engagement with employees helps Erste Hungary to track and ensure the effectiveness of these actions and initiatives. Satisfaction and commitment are monitored via employee surveys, turnover rates and feedback on training is tracked via regular review and adjustment, Erste Hungary hopes to prevent negative impacts and contribute to positive impacts. The actions related to the sustainability matter of gender equality and equal pay for equal work are monitored through the three established targets concerning gender representation and are continuously assessed for their effectiveness (for more information, see chapter S1-5).

In Erste Hungary's commitment to sustainability, it seeks to ensure that its practices do not cause or contribute to material negative impacts for employees. When tensions arise between the prevention or mitigation of material negative impacts and other business pressures, Erste Hungary focuses on the well-being of our employees. Erste Hungary engages in open dialogue with stakeholders, including its own employees, to find balanced solutions that uphold our commitment to sustainability while meeting business objectives. To name one concrete example for Erste Hungary processes for designing and reviewing the programs offered and the measures being implemented are participatory and evidence-based and ensure ongoing consultation with employees. Internal communication channels (intranet) are used to inform employees about health matters.

Resources for actions related to Erste Hungary's own employees are allocated locally based on the strategy of the bank, in the human resources local department.

## **Action 9**

### Preventive Healthcare & Erste Care

Preventive healthcare seeks to promote well-being of Erste Hungary's employees. Issues addressed in preventive healthcare include lifestyle, work-life balance, mental health, stress prevention and nutrition counselling. An occupational physician is available, and colleagues can access a psychologist under the Erste Care program, which also provides health insurance covering screening tests, laboratory tests, imaging diagnostics, outpatient specialist care, and certain one-day surgical procedures. By providing access to high-quality healthcare services, we ensure that our employees are receiving necessary and timely medical attention.



## **S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES**

Erste Hungary is committed to fostering a sustainable and inclusive workplace. Currently, Erste Group has set three primary targets focused on critical sustainability matters: gender equality and equal pay for work of equal value. This focus underscores Erste Hungary's dedication to creating a fair and equitable work environment. By addressing gender balance and pay equity, Erste Hungary believes it can contribute to a more sustainable society.

Erste Hungary will be the place where the best people transform obstacles into opportunities, learn every day, and collaboratively work together. Employees will be encouraged and supported to challenge their confidence by regularly stepping outside their comfort zones and going above and beyond for customers. These efforts are anchored in and Erste Hungary's policies and further reinforced by actions and initiatives.

The leadership culture will be one of the key differentiators of Erste's Employer Brand. Leaders will be known for their ability to transform banking through technology, their passion for customers, and their human approach in developing individuals and teams. Key aspects include stepping out of comfort zones, servant leadership, performance impact, future orientation, and client orientation. Achieving gender balance in leadership roles contributes to reaching this goal.

The effectiveness of the policies and actions in relation to material impacts, risks, and opportunities is tracked at group level. The overarching goal of Erste Hungary's personnel strategy is to ensure a diverse corporate culture that promotes collective contribution and impact beyond gender, geography, entity, or business area borders. All three targets are directly linked to Erste Hungary's Diversity and Inclusion Policy and Erste Hungary's Suitability and Succession Policy (Fit & Proper). Erste Hungary reports on general objectives under chapter S1-1 Policies in relation to its own workforce.

Target setting is an important practice in any organisation, as it helps to focus efforts and resources towards achieving specific goals. When it comes to employees, Erste Hungary focuses on the positive effects of its actions while respecting the local legislative framework and looking towards new trends in human resources topics.

The policies related to employees set the framework for actions, whereas the concrete measurable targets may be set at the local entity level. While Erste Hungary does not set measurable targets for all actions at the group level, there are specific targets for the share of underrepresented gender in top management, which are approved at the board level and published in the Diversity and Inclusion Policy.

### **Target 1 – Gender representation in management board**

These group and at the same time local level targets were set to sustainably improve the gender balance in management positions and thus create a more inclusive culture characterized by equal opportunities, especially for women. This is directly linked to our Diversity and Inclusion Policy and Suitability and Succession Policy (Fit & Proper).

The first target aims for a minimum of 30% representation of the underrepresented gender in management positions by 2028 for Erste Hungary.

For six years, Erste Hungary has utilized dashboards to measure progress. The first diversity policy was introduced in 2017, and the most recent major update of the diversity targets was carried out in 2023 to comply with Austrian regulations for listed companies. The Hungarian regulations do not specify a particular target value; they only state that the bank must determine a target number. Erste Hungary has adopted the Group target number, as has every country uniformly. The diversity targets set for top management are considered realistically achievable by 2028. No target has been set for middle management, as this has already been achieved and maintained since then.

These targets are based on regulatory requirements. The Group Diversity's proposal for diversity targets in top management was approved by the Holding Board, following an analysis of the current situation against the backdrop of developments at the banks in the core markets. There was no change in targets in 2024, and since the target is set until 2028 (medium-term), there is no need to update them regularly unless there is a new regulatory change or a change in strategy.

To ensure continuous monitoring and transparency, the diversity dashboards are updated quarterly and made available to top management on an ongoing basis. This allows for regular assessment and ensures that the organisation remains on track to meet its diversity goals.

### **Target 2 – Gender representation on the supervisory boards of local banks**

These local level targets were set to sustainably improve the gender balance in management positions and thus create a more inclusive culture characterized by equal opportunities, especially for women. This is directly linked to our Group Diversity and Inclusion Policy and Group Suitability and Succession Policy.

Erste Hungary, in line with Erste Group, aims for a minimum 30% representation of the underrepresented gender by 2028.

The target for the underrepresented gender on supervisory boards was set in 2023. The current reporting period extends until 2028, with the Austrian Banking Act 29, para. 4 being decisive for setting a target for the underrepresented gender in the Executive Board and the Supervisory Board. These targets are based on regulatory requirements rather than scientific evidence. The target for the underrepresented gender in supervisory boards was discussed by the respective supervisory board or, if established, with the nomination committee (of the supervisory board).

There was no change in targets in 2024 and since the target is set until 2028 (medium-term), there is no need to update them regularly unless there is a new regulatory change or a change in strategy. Group Diversity and HR Management at Erste Hungary are monitoring the proportion of underrepresented gender in the supervisory boards regularly based on the publicly available information.

### Target 3 – Gender representation in top management (board-1)

Erste Hungary aims for a minimum 33% representation of the underrepresented gender by 2028.

For six years, Erste Group has utilized dashboards to measure progress concerning this target. In this context, it is noteworthy that the first diversity policy was introduced in 2017, while the last major update of the diversity targets was carried out in 2023 to comply with Austrian regulations for listed companies. The Hungarian regulations do not specify a particular target value; they only state that the bank must determine a target number. Erste Hungary has adopted the Group target number, as has every country uniformly. The diversity targets set for top management are considered realistically achievable by 2028. No target has been set for middle management, as this has already been achieved and maintained since then.

To ensure a balanced succession pipeline for management board positions, a target was set for Management Board-1. These targets are based on regulatory requirements rather than scientific evidence. Group Diversity's proposal for diversity targets in top management was approved by the Holding Board, based on an analysis of the current situation against the backdrop of developments at the banks in the core markets.

There was no change in targets in 2024. Furthermore, since the target is set until 2028 (medium-term), there is no need to update them regularly unless there is a new regulatory change or a change in strategy.

The diversity dashboards are updated quarterly and made available to top management on an ongoing basis. This ratio, determined for the Supervisory Board, has already been achieved by Erste Hungary. Additionally, the 33% female ratio set for the B-1 level has also been met. However, the 30% ratio determined for the Management has not yet been reached.

#### Underrepresented gender on the management board, supervisory boards of Erste Bank Hungary and at board-1 level

	Percentage	Year	Minimum target Target
<b>Gender representation in board</b>	% underrepresented gender	2028	30%
<b>Gender representation on the supervisory boards of local banks<sup>1</sup></b>	% underrepresented gender	2028	30%
<b>Gender representation in top management (board-1)<sup>1</sup></b>	% underrepresented gender	2028	33%

<sup>1</sup> Taking this minimum quota into account, a higher quota can be decided in accordance with local regulations.

The target for the share of women in other managerial positions (board-2, board-3, board-4) of 40-60% was met.

Table 1.5.1: Target overview of underrepresented gender

As of 31. December	Top Management (headcount)		Top Management (share)		Thereof: Management Board (headcount)		Thereof: Management Board (share)	
	2024	2023	2024	2023	2024	2023	2024	2023
<b>Female</b>	10	11	26.3%	29.7%	1	1	16.7%	16.7%
<b>Male</b>	28	26	73.7%	71.3%	5	5	83.3%	83.3%
<b>Other</b>	0	0	%	0.0%	0	0	0.0%	0.0%
<b>Not reported</b>	0	0	0,0%	0.0%	0	0	0.0%	0.0%
<b>Total Employees</b>	38	37	100.0%	100.0%	6	6	100.0%	100.0%



## S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

In the 2024 reporting period, Erste Hungary had 3 475 employees. Employees are actively undertaking business activities or rendering service to the reporting company based on their job role for which they are compensated in form of remuneration in line with the local Remuneration Policy. All employees, long-term sick leave employees, interns, trainees and early retirement are included.

Data is reported in headcounts (one person = one headcount, irrespective of the number of hours worked). The headcount measure is the relevant metric for labour law and offers a better representation when it comes to material topics such as training, diversity, health and safety than full-time equivalent measures. It provides a full picture of an organization's diversity and inclusion efforts and its employees' overall health and safety irrespective of hours worked. Data points related to own employees refer to the end of the reporting period as per 31 December 2024.

**Table S1-6.1: Employee headcount broken down by gender'**

2024	
Gender	Number of employees - headcount (as of 31.12)
Male	1,301
Female	2,188
Other	0
Not reported	0
<b>Total Employees</b>	<b>3,489</b>

Table S1-6.2 shows that most of our workforce holds a permanent contract. A permanent (unlimited) contract of employment is a contract of unlimited duration including all new employees currently on their probation period who are likely to have their contract made permanent. Temporary employees have limited contracts, here we count for instance, interns, some service positions and Management Board contracts. Most of the active headcount are full-time employees, defined as those with 100% occupancy, i.e. FTE=1. Erste Hungary does not have any non-guaranteed hours employees.

**Table S1-6.2: Own workforce headcount by contract type, broken down by gender**

2024	Female	Male	Other	Total
<b>Number of employees (headcount)</b>	2188	1301	0	3489
<b>Number of permanent employees (headcount)</b>	2098	1244	0	3342
<b>Number of temporary employees (headcount)</b>	90	57	0	147
<b>Number of full-time employees (headcount)</b>	1903	1221	0	3124
<b>Number of part-time employees (headcount)</b>	285	80	0	365
<b>Number of non-guaranteed hours employees (headcount)</b>	0	0	0	0

**Table S1-6.3: Employee turnover (including retirements)**

	2024
New hires	429
Female	263
Male	166
Other	0
Not reported	0
Leavers	429
Female	264
Male	165
Other	0
Not reported	0
Turnover ratio (%)	12.41%

*\*Turnover ratio includes employees who leave voluntarily or due to dismissal, retirement, or death in service.*

In 2024, employee turnover at Erste Hungary (total of men and women) stood at 12.41 %.

Turnover ratio presents the number of employees who left voluntarily, due to dismissal, retirement, or death in service during the fiscal year. The number of leavers does not include employees on parental leave, students with obligatory internship and internal transfers within the group. The employee turnover rate in % is calculated (based on the BDA formula) as follows: the number of employees who left the company during the reporting period (12 months) is divided by the average headcount (HC) at the beginning of the year.

Information about average FTEs can be found in financial part Note 8 (General administrative expenses). Using Full-time Equivalent for financial statements, especially in tracking administrative expenses, is generally more effective than headcount as it better represents the cost of labor.

## **S1-7 – CHARACTERISTICS OF NON-EMPLOYEES IN THE UNDERTAKING'S OWN WORKFORCE**

In addition to own employees, there are 733 non-employee workers (headcounts as of 31.12.2024), which are either self-employed individuals (0) or individuals contracted through a third party engaged in employment activity (733). Non-employees are contracted for a specific period based on the conditions stated in their contract and are mostly active in Retail & Private banking business area. As in our operations, employees' contracts prevail over non-employees' contracts, this group of workers represents only 21.56% of total own-workforce headcount. For non-employees, there are currently no policies, actions or targets in place. Thus, all policies, except the Security Policy in Chapter S1-1, are specifically addressed to our own employees. Additionally, actions, targets, metrics, and engagement and grievance mechanisms are designed to support and benefit our own employees.

## **S1-9 – DIVERSITY METRICS**

**Table S1-9.1 Employee gender distribution at top management**

	2024	
Gender	Top Management** (headcount)	Top Management** (share)
Female	10	26.32%
Male	28	73.68%
Other	0	0%
Not reported	0	0
Total Employees	38	1.09%

Management board positions (B0), as well as positions reporting directly to the management board (B-1), are defined as top management positions on the single entity level. From the consolidated group perspective (Table S1-9.1) Top Management is defined as Erste Hungary Top Management (B0+B-1).

The assumption here is that board members/managing directors of each of our subsidiaries, no matter the size, is a governing body responsible for the development and success of the entity. They make decisions in the interests of the entity and its stakeholders and ensure that their employees are supported in achieving the entity's objectives.

**Table S1-9.2 Employee age distribution**

	2024	
	Number of employees (headcount)	Share of employees (headcount)
under 30 years old	489	14.01%
between 30-50 years old	2351	67.38%
over 50 years old	649	18.61%
<b>Total Employees</b>	<b>3489</b>	<b>100%</b>

## S1-12 – PERSONS WITH DISABILITIES

The classification of disability can vary across countries, but as Erste Hungary operates in Europe, it use general framework reflecting percentage-based disability ratings or categorization of severity. There are 24 employees with health disability (physical or mental above 50% or equivalent severity grade) in Erste Hungary as of 31. December 2024 which represents 0.69% of total headcount.

## S1-13 – TRAINING AND SKILLS DEVELOPMENT METRICS

**Table S1-13: Average training hours per headcount, broken down by gender and by management and non-management**

	2024
<b>Average training hours</b>	16.01
<b>Female</b>	15.67
<b>Male</b>	16.59
<b>Other</b>	0
<b>Not reported</b>	0
<b>Management functions</b>	13.72
<b>Non management functions</b>	16.34

In 2024, Erste Hungary's employees completed on average 16.01 hours of professional development, thereof women 15.67 hours and men 16.59 hours. Employees in management positions completed an average of 13.72 hours of training. Erste Hungary monitors average trainings hours by collecting the information per year end for each subsidiaries and comparing them to the previous year. The indicator is calculated as the number of training hours in the reporting period of its employees' headcount as of 31. December divided by the total headcount as of 31. December. There is no targeted value on the group level, as for each entity the optimal number of trainings hour might be different. Moreover, the number of training hours may fluctuate throughout the years, as some regulatory training may be required.

Next to talent management and leadership, performance reviews are one of Erste Hungary's actions to address the material matter of Training and skill development identified in double materiality assessment.

Once a year, employees are invited to a personal performance interview with their line managers to talk about their performance, to define goals for the current year and come up with development plans to assist employees in their further personal development. However, not all employees participate in the development reviews, especially when they join the bank in the second half year, they might not have their performance and career development review closed by the end of the year. In 2023, appraisal talks were held with 94,18% of all employees of Erste Hungary.

The agreed number of reviews is one performance review per year, where the current and future goals and personal development are discussed with the line manager. Thus, the number of reviews per employee is on average one per reporting year for most of our entities and their employees. However, not all employees participate in the development reviews, especially when they join the bank in the second half year, they might not have their performance and career development review closed by the end of the reporting year. Additionally, some small entities might have performance reviews that are not documented.

**Table S1-13: Percentage of employees that participated in regular performance and career development reviews**

	2024
Percentage of employees that participated in regular performance and career development reviews	#
Female	62.66
Male	37.34
Other	0
Not reported	0
Management functions	12.28
Non management functions	81.89

## S1-14 – HEALTH AND SAFETY METRICS

Information about health and safety management is collected per each entity separately based on the standardized definition.

All (100%) of our employees are covered by the health and safety management system based on legal requirements in respective country. There were no fatalities as result of work-related injuries and work-related ill health recorded in 2024. In 2024 we recorded 6 of work-related accidents. Rate of recordable work-related accidents of 88.91 indicates the number of work-related injuries per 500 full time people in the workforce over a 1-year timeframe.

Regarding our employees, the number of cases of recordable work-related ill health was 0. About our employees, the number of calendar days lost to work-related injuries and work-related health was 100. The indicators of work-related illness and accidents cover all workers working in our premises, including non-employees and value chain workers, when data about the event is available and recorded.

Additionally, we track number of sick leave days. Sick leave is a type of leave that is either paid for by the employer or by social insurance or is unpaid; the cause for such leave is illness or incapacity (health problems). Sick leave is calculated in workdays from the first day of leave. The total duration of illness-related absences from work is calculated based on the total number of days of leave attributable to sickness or incapacity for the given period. In the reporting period, there were in 5.12 average sick leaves days per headcount (as of 31.12).

**Table S1-14: Health and safety metrics**

	2024
Number of fatalities related to work-related injuries / ill health	0
Number of recordable work-related accidents	6
Rate of recordable work-related accidents	88.91
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries/ill health/fatalities	100

## S1-15 – WORK-LIFE BALANCE METRICS

All (100%) our own employees are entitled to take family-related leaves. Family related leave includes maternity leave, paternity leave, parental leave, and leave for family caregivers, etc. granted under national law or collective bargaining agreements. 0% of our employees took family related leave during the reporting period (female employees, 0%, male employees 0%).

### Parental leave

Parental leave is granted to the employee (men or women) in connection with the birth and care of a child. The length, allowance and scope of parental leave are based on national law and collective agreement and may vary across countries. In Hungary men are entitled to parental leave on their request.

## S1-16 – REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION)

### Unadjusted Gender Pay Gap

We calculate the gender pay gap for our employees based on annualized, full-time equivalent measures, as the average pay of all men and women across the group and all job levels, representing the unadjusted gender pay gap. The consolidation on group level is done by weighing the individual entity results by their headcounts.

This unadjusted gender pay gap calculation for our own employees in 2024 is 29%. This covers all own employees in scope where remuneration data was available through payroll systems.

Variable remuneration for performance 2024 is based on the overall performance of the entity and individual performance of each employee. Therefore, most of the variable remuneration is granted in April 2025. For the pay gap 2024 the estimate of variable remuneration based on performance 2023 (granted 2024) had to been conducted to cover total compensation. For long-term incentive bonus schemes, the granted variable remuneration is reported, no matter if paid out in reporting year or in the future.

### Unadjusted and adjusted gender pay gap

Erste Hungary conducts a more detailed analyses on a yearly basis, to ensure that men and women with comparable jobs or job responsibilities and performing work of similar value are receiving equal pay

Within this scope, the analysis revealed an average global gender-specific pay gap of about 20 % in 2024, which is greatly influenced by the distribution of functions among male and female staff. Having a gender pay gap does not mean that women are paid less than men for the same job. Therefore, we also consider acceptable reasons that explain differences in pay, such as job, experience, location, and performance. Following the analysis of Erste Hungary employees, the adjusted gender pay gap is 3.2 %.

### Remuneration Ratio

All salaries are calculated as annual salaries based on full-time equivalents. The remuneration ratio for the 2024 fiscal year is 21.8. It is calculated by means of the following formula: annual fixed remuneration of the highest-paid employee of Erste Hungary (CEO) divided by the median annual fixed remuneration of all employees of the organisation with the exception of the highest-paid person.

## S1-17 – INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Erste Hungary's commitment to providing a safe and inclusive workplace means all claims of discrimination are taken seriously, and Erste Hungary strives to resolve them in a timely and effective manner. As part of these established processes, every employee has the opportunity to have their specific case examined by internal, independent bodies. This ensures that each individual case is followed up accordingly, with sensitivity and respect for all parties involved as well as utmost confidentiality. There is currently a complaint under investigation in regard to age discrimination.

There have been no fines, penalties, or compensation for damages resulting from incidents of discrimination and complaints or relating to severe human rights issues or incidents connected to the company's own workforce. In 2024, no incidents related to human rights have been reported.

## CONSUMERS AND END-USERS

This chapter focuses on Erste Hungary's impacts, risks and opportunities (IROs) on consumers and end-users. The scope of this chapter covers the IROs that Erste Hungary has identified towards the company's retail customer base. As part of Erste Hungary's commitment to transparency and sustainability, Erste Hungary places the interests and needs of its customers at the core of its business activities.

Erste Hungary acknowledges the positive impact that it has on its customer base regarding financial health and Social Banking (access to products and services). Furthermore, Erste Hungary recognises the opportunity related to the financial health of its customers on its business model. However, a negative impact and risk was identified on the topic of privacy that will also be disclosed in this chapter.

### S4 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

As part of its commitment to transparency and sustainability, this section provides a comprehensive overview of the IROs related to consumers and end-users. As a leading bank, it is crucial for Erste Group to prioritise the interests and needs of its customers while effectively managing risks.

Sustainability Matter	Type of IRO	IRO Description	Value chain	Time horizon
<b>S4-Financial Health</b>	Pos. impact	Through educational programs, financial advice, and various tools, Erste Hungary has a positive impact on customers' financial health, contributing to their overall economic stability, which results in a better quality of life.	Portfolio	Long-term
	Opportunity	By increasing financial awareness, Erste Hungary can expand its customer base and positively influence their financial decision-making, which can also have a positive impact on Erste Hungary's business performance.		Long term
<b>S4-Privacy</b>	Pos. impact	A decisively positive effect prevails in this area, as proper operation and regulation provide security for internal workers.	Own operations	Long-term
	Pos. impact	A decisively positive effect prevails in this area, as proper operation and regulation provide security not only for Erste Hungary's internal employees, but also for customers.	Portfolio	Long-term
	Pot. neg. impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Own operations	Short-term
	Risk	Data breaches or cyberattacks could lead to a loss of trust from customers, damage to reputation, and legal consequences (e.g., breach of GDPR). If Erste Hungary fails to exercise due diligence and adhere to regulations in the field of data protection and data security, potential cybercrime incidents may pose significant risks to the bank in various ways. Improper operations and data loss can result in legal risks. Additionally, a cyberattack could negatively impact the bank's operations, posing further risks. Moreover, the associated negative media backlash could create a reputational risk for Erste Hungary.		Short-term
<b>S4-Access to products and services</b>	Pos. impact	By making all its banking products and services accessible to socially vulnerable individuals (e.g., disabled and elderly), Erste Hungary promotes their autonomy, social and professional integration, and active participation in community life.	Own operations	Long-term

## FINANCIAL HEALTH (ENTITY-SPECIFIC)

### Positive Impact

Financial Health serves as a key pillar of Erste Hungary's new strategy, positively impacting financially vulnerable customers through literacy programmes that enhance their economic stability and quality of life. These financial literacy programmes develop a combination of financial awareness, knowledge, skills, attitudes and behaviours necessary to achieve individual financial well-being.

### Opportunity

Erste Hungary believes that by actively supporting its financially vulnerable retail customers, it can enhance their satisfaction and loyalty, which in turn boosts its financial performance and market position. With a growing and extensive customer base, Erste Hungary has a strong foundation for financial health advisory services, as well as tools. This also presents an opportunity to deepen client relationships, especially with those who are digitally active. Technological advancements are driving a shift in its approach to financial health advice.

## PRIVACY

Handling customer data is a crucial part of Erste Hungary's business model. As such, the company is dedicated to protecting this data and must be vigilant about potential data breaches or cyberattacks, which pose a material risk to the business. Examples of this are identity theft, fraud and financial loss. Such incidents could compromise the security and privacy of customers by exposing their private and financial data. This risk over all time horizons could lead to a loss of trust, damage to Erste Hungary's reputation and legal consequences (e.g., breach of the General Data Protection Regulation (GDPR)).

## SOCIAL BANKING (ACCESS TO PRODUCTS AND SERVICES)

An aspect of Erste Hungary's business is to provide financial services to socially vulnerable people, including those who would otherwise be excluded from access to financial goods and services, positively impacting those effected. Initiatives supporting financial health, transparency and inclusivity of these customers are key to its value proposition and helps build long-term customer relationships while improving their financial autonomy. These efforts enhance customer trust and loyalty, contributing to the stability and resilience of its business.

## S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

### HUMAN RIGHTS

Under the UN Global Compact, Erste Group further commits itself to meeting its responsibilities regarding human rights, labour standards, and the fight against corruption. The principles included within the Group's strategy derive from the Universal Declaration of Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the United Nations Convention Against Corruption, among others. Erste Hungary, as part of the Erste Group, respects these principles; however, Erste Hungary is not independently among the signatories of the UN Global Compact.

The Code of Ethics at Erste Hungary was implemented based on the Erste Group Code of Ethics, which is aligned with international instruments that respect the human rights of its customer base as it references the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises; however, the Erste Hungary Code of Ethics does not contain specific references to the mentioned principles. These international instruments are also incorporated into Erste Hungary's policies, ensuring that operations are conducted with the highest standards of ethical behaviour and respect for human rights.

Furthermore, any non-respect of human rights within the downstream value chain is reported and addressed promptly through the whistleblowing platform. This reporting mechanism allows Erste Hungary to maintain transparency and accountability, ensuring that any violations are identified and rectified in a timely manner.

For more information on the whistleblowing platform, please see 'G1-1 – Business conduct policies and corporate culture'.

## FINANCIAL HEALTH (POSITIVE IMPACT)

Erste Hungary guides its customers through important decisions and enables choices that allow them to improve their financial health. Its financial health focus is Erste Hungary's way to provide an improved financial understanding for its customers that helps them to make better decisions and puts them in control of their financial future.

Erste Hungary's monitoring process for financial health is based on five indicators that support its customers to 1) live within their means, 2) build up a financial cushion/reserve, 3) ensure their risks, 4) grow their money and 5) manage their debt. The calculation of these indicators helps Erste Hungary take a personalised approach towards supporting each customer. The Group Retail Transformation department is responsible for monitoring and implementing the framework that is currently being rolled out within the core markets. There are no current plans to expand the framework outside the core markets.

The financial health of Erste Hungary's retail customers is reflected by the status, stability and knowledge of their financial situation. By analysing and evaluating the financial health indicators of its customers, Erste Hungary can better understand their needs to help them become financially independent. Information regarding the financial health strategy, including the indicators is also available to customers online.

## **FINANCIAL HEALTH (OPPORTUNITY)**

Erste Hungary plans to take advantage of the opportunity to expand its customer base by supporting its clients in leading better and healthier financial lives. The overarching aim of this strategy is to democratise financial advice, ensuring every customer receives outstanding support, by combining the expertise of human advisors with digital advice through its digital platform, George. This involves understanding each client's unique situation through listening, showing empathy and analysing their finances. Erste Hungary is building on the strengths of its human advisors while enhancing its digital advisory capabilities. To better understand the needs of the customer base regarding financial literacy, Erste Hungary will calculate the aforementioned financial health indicators to focus strategy within specific regions in which operates. Consequently, this strategy aims to solidify customer engagement and loyalty to further improve long-term revenue.

## **PRIVACY**

Erste Hungary considers the protection of its customer's data to be of the utmost importance. To earn trust, it is essential to ensure transparency. Erste Hungary places significant emphasis on providing customers with clear and comprehensible information regarding the processing of their personal data. Where necessary, prior consent for the processing of personal data is obtained.

The Group Security Strategy, approved by the Group Management Board and implemented by Erste Hungary, is aligned with regulatory standards, specifically the objectives of international instruments such as the GDPR, which aims to protect individuals in regard to their personal data. Within the Group, many security policies and procedures govern security-related requirements and controls for systems, infrastructure and Erste Hungary's own employees to protect the data of its customers. Compliance with these policies is mandatory for Erste Group Bank AG, their relevant security entities as well as all subsidiaries of the Group.

Information related to data protection is made available to Erste Group's customers on the website. This includes the rights of its clients regarding their data as well as whom to contact in case of any concerns related to data processing or potential breaches.

Erste Hungary ensures that employees are well-informed about the implementation of Group policies related to privacy through yearly trainings. This comprehensive understanding enables Erste Hungary's staff to better serve its customers by adhering to high standards of service and data protection. Consequently, these policies directly support Erste Hungary's commitment to meeting the needs and rights of its customers, while mitigating the risk of any cyberattacks or data breaches.

## **Data Protection Policy at Erste Hungary**

Erste Hungary's Data Protection Policy, which is based on the Erste Group's Group Data Protection Policy along with its associated procedures, aims to ensure and sustain the appropriate safeguarding of all personal data in alignment with both regulatory requirements and business needs. This objective is focused on achieving compliance with the General Data Protection Regulation (GDPR) and relates to the IROs regarding the sustainability matter of privacy.

In alignment with the GDPR, the focus of the data protection policy is the personal data of natural persons. Additionally, personal data pertaining to natural persons acting for or on behalf of a legal person are included within the scope of this policy as well. The relevant Data Protection Management department is responsible for monitoring data breaches while the Data Protection Officer ensures a consistently high level of data protection throughout Erste Hungary. The management board is ultimately accountable for the policy's implementation.



## Cyber Information Security at Erste Hungary

The Cyber Information Security policy defines security principles, security management objectives, and an overall cyber and information security governance and management framework. Additionally, it outlines the organizational structure, related roles and responsibilities, information security risk management context, as well as definitions and implementation activities to be performed at both the Group and local levels.

This policy is particularly relevant to Information Risk Officers (IROs) concerning the sustainability matter of privacy. The Group Chief Information Security Officer (Group CISO) is specifically accountable for cyber and information security control and management within the Group, including the definition of the Group's cyber and information security strategy. A primary task of the Group CISO is to monitor and support the local implementation of cyber and information security, ensuring it follows 'good practice' and is executed effectively, efficiently, and consistently in daily operations.

The area fulfilling the Information Security Management role connects the Erste Group security organization and Erste Hungary. The area fulfilling the Information Security Management role is responsible for issuing this policy and developing its contents within Erste Hungary. Furthermore, the area fulfilling the Information Security Management role is responsible for the daily management of information security, conducting security assessments of local projects, activities, major changes, new solutions, and any other changes that may impact cyber and information security. Additionally, the area fulfilling the Information Security Management role is responsible for designing, implementing, and monitoring cyber and information security controls. It also provides advice to Erste Hungary's employees on cyber and information security issues.

The rules and requirements stipulated by this policy are binding for all Erste Hungary employees, contractors, or service providers who implement, manage, or administer IT solutions used by or for Erste Hungary entities and their employees. The management board is the most senior level responsible for the implementation of the policy, while the Chief Security Officer is the document owner of the A-level policies.

Erste Hungary regularly adapts its policies to meet changing practices and developing technologies, according to the Erste Group's guidelines. The policy has been updated to adhere to the findings of DORA (Digital Operational Resilience Act). Internal stakeholders and experts were consulted in the drafting of this policy to best cater to the protection of customer data.

## SOCIAL BANKING (ACCESS TO PRODUCTS AND SERVICES)

Group Social Banking, which reports to the Group Strategy, is responsible for managing group-wide programs, initiatives, and instruments. However, the responsibility for each transaction lies at the level of Erste Hungary. This policy applies to Erste Hungary, when engaged in social banking lending to private individuals, micro-clients, social non-governmental organizations (NGOs), non-profit organizations (NPOs), or special impact projects, regardless of further client segmentation. Based on local decision, Social Banking is handled in the SME segment in Hungary, thus corporate risk management/underwriting applies. The policy applies to all social banking eligible clients; they must be assessed under regular corporate lending rules. Currently, Erste Hungary does not provide Social Banking financing for private individuals, only corporates.

Group Social Banking, which reports to the CEO is responsible for the management of group wide programs, initiatives, and instruments. However, the responsibility for each transaction is done at the level of the local entity.

The Social Banking Risk Policy establishes principles with consideration for consumers and end-users. For example, consultancy and financial education are defined as key components, and clients need to be advised at every stage of the lending cycle by a Social Banking advisor.

The Social Banking Risk Policy sets out the key requirements for managing credit risk of social banking in Erste Group, as well as in Erste Hungary. The policy applies for social banking lending to private individuals, micro clients / starting entrepreneurs, social non-governmental organisations (NGO), non-profit organisations (NPO) or social enterprises, and special impact projects.

Social banking in Erste Group aims to generate an economic, social and environmental return as well as to support generating jobs by financing social organizations, micro clients / starting entrepreneurs, private individuals and special impact projects with tailor-made solutions and preferential offerings.

Financing activities shall directly or indirectly aim to achieve the primary objectives:

- Improving financial stability and inclusion for people on low incomes;
- Enabling job creation and self-employment;
- Fostering social innovations and enlarging the impact of social organizations.

Therefore, the policy applies to financing activities related to these primary objectives, performed by social banking. Detailed definition of social banking target groups must be established locally and agreed with the Group. Clients who are eligible for regular lending within in the locally defined regular lending parameters cannot be the target group of Social Banking. The policy sets a framework that should be adapted according to the local needs, local business and know-how as well as local legal regulations.

## **S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS**

### **FINANCIAL HEALTH AND SOCIAL BANKING (POSITIVE IMPACTS)**

By continuously sharing information and best practices within Erste Group, Erste Hungary ensures that the best interests of its customer base are always considered. The Data Protection Officer (DPO), who reports to the management, ensures a consistently high level of data protection throughout EBH Group and implements the Group policy's updates. To ensure data protection governance, binding standards have been rolled out to and implemented by Erste Hungary. In addition, the Data Protection Officer carries out monitoring measures as required under Article 39 of the GDPR

Erste Hungary places great emphasis on providing customers with clear and understandable information about how their personal data are being processed. Where necessary, prior consent is obtained for the processing of personal data. Furthermore, cooperation partners are contractually committed to fulfilling strict requirements related to the handling of customer data.

### **PRIVACY (NEGATIVE IMPACT)**

The processes surrounding the GDPR are heavily regulated and thus are valid for all customers, regardless of background. Therefore, Erste Hungary does not single out specific groups for insight into an already heavily regulated process.

## **S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS**

### **Privacy**

This process outlines the procedures to be followed in the event of a data breach: An internal message chain will be activated if, despite all precautionary measures, a data breach occurs. A data breach is defined as a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored, or otherwise processed. All internal and external data breach reports are collected and evaluated. A notification will be filed with the responsible data protection authority if, based on the evaluation, it is concluded that the data breach is likely to result in a risk to the rights and freedoms of natural persons. When the personal data breach is likely to result in a high risk to the rights and freedoms of natural persons, it is communicated to the data subject without undue delay.

Erste Bank Hungary's Contact Center is the first port of call for instant customer support. They are available 24/7 and can be contacted by telephone and e-mail. Digital channels are also available 24/7. For specific data privacy-related matters, contact details are provided online and in the data protection notice.

In 2024, one data breach reports were submitted to the relevant data protection authority. Should a data breach result in a high level of risk to the personal rights and freedom of any natural persons affected, these will also be notified. In 2024, no such notifications were issued.

Customer complaints can be reported on an anonymised basis via a whistleblowing platform. Regarding other non-confidential customer complaints non-anonymised ways of reporting, such as email or phone call are also available.

#### 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

Erste Hungary's various initiatives share a common goal of promoting financial and social inclusion, while mitigating the impact and risk of data breaches and cyberattacks. These actions are designed to address the diverse needs of different demographic groups, from individuals facing financial exclusion to entrepreneurs trying to start their own business. Continuous monitoring, regular assessments and stakeholder engagement are integral to ensure the effectiveness and adaptability of these actions. By focusing on education, financial stability and social innovation, Erste Bank aims to create a positive and lasting impact on its customer base. All the following actions are performed on an ongoing basis, with the exception of the rollout of financial health indicators, which is planned for 2025.

Subtopic	List of key-actions	Policy
S4-Financial health	Advise and offering	Local Strategies under overarching group objective
S4-Financial health	Access to product and services	Local Strategies under overarching group objective
S4-Privacy	Awareness program	Overarching group objective
S4-Privacy	Incident monitoring program and response	Local Strategies under overarching group objective
S4-Social banking	Support for social organisations (financing)	Overarching group objective
S4-Social banking	Support for social organisations (financing)	Local Strategies under overarching group objective
S4-Social banking	MARC Impact Program	Overarching group objective
S4-Social banking	Financial Patron program	Local Strategies under overarching group objective

#### Privacy

**Training programs addressing data processing and data management** Employees are required to undertake the training once a year in order to ensure that employee's knowledge is always accurate given new developments and threats, while Erste Hungary monitors the participation rate. The effectiveness of action can be assessed through the participation rate and subsequent dissemination of knowledge about data processing among Erste Group employees, which was 87% for 2024. By adhering to this yearly schedule, Erste Hungary ensures that all employees remain up to date with the latest industry standards, regulatory requirements, and best practices. This regular training cycle helps to reinforce knowledge, address any emerging issues, and maintain a high level of competency. Training are designed to prevent breaches involving consumers and end-users, ensuring that employees are well-versed in security protocols and best practices. These training sessions are mandatory for all employees and ensure a uniform standard of knowledge and compliance.

. In addition to the annual training, specific training sessions are held on a regular basis. These trainings are attended by a smaller number and are specifically focused on the data processing of the area.

These trainings contribute to increased awareness among Erste Hungary's staff about the importance of data protection and adherence to the correct protocols to comply with the General Data Protection Regulation (GDPR), which is essential for preventing potential data breaches. Furthermore, these training sessions are designed to mitigate risks associated with data breaches and minimise any potential negative effects. Erste Hungary aims to foster a secure and compliant environment within the organisation. The participation rate for these trainings is closely monitored to ensure all employees meet the high standards regarding data protection.

#### Incident monitoring and response

By enhancing awareness and ensuring the correct handling of personal data, Erste Hungary significantly reduces the probability of a data breach and mitigates any potential negative impacts associated with it. Continuous monitoring of possible data breaches and cybersecurity threats is in place to maintain a high level of vigilance. To ensure compliance with the mandated processes related to customer data, employee participation in the required training courses is monitored. This ongoing oversight helps to reinforce the importance of data protection and ensures that all staff members are equipped with the necessary knowledge and skills to safeguard customer information. When tensions arise between mitigating negative impacts and other business pressures, we prioritize data protection and ethical practices. By doing so, we aim to minimize the probability of data breaches and ensure the safety and trust of our consumers and end-users.

The management of material impacts is overseen by the Data Protection Officer (DPO), who advises on and monitors compliance with data protection regulations and safeguarding personal information.

These trainings are essential for minimizing the chance of data breaches and instances of non-compliance with the General Data Protection Regulation (GDPR). By raising awareness among our employees, we ensure that they are well-informed about the importance of data protection and the measures required to safeguard sensitive information. The negative impact of failing

to adhere to these protocols can be significant. Data breaches or cyberattacks could severely compromise the sense of security and privacy for individuals, potentially resulting in the unauthorized disclosure of private and financial data, causing considerable harm to those affected. Erste Hungary's policy and trainings aim to prevent these potential negative impacts.

## Financial Health

### Advise and Offering

For more than 200 years, Erste Bank has seen it as its mission to create prosperity for everyone, regardless of nationality, creed, gender, or age. While times change, the founding idea remains as relevant as ever: to accompany people in matters of financial health throughout their lives. Financial health is viewed as the key to a fulfilled and sustainable life, both today and in the future.

To achieve this, Erste Hungary focuses on providing (digital) advisory services and the right offerings for customers. In aligning Retail and Corporate business with ESG strategy, the bank emphasizes products and services that support decarbonisation, such as financing for renovations or energy improvements. This dual focus aims to enhance both financial health and environmental sustainability. Erste Hungary researches its customers' needs and views on its products and services. For example, in the case of responsible lending, Erste Hungary limits its lending volumes to amounts that customers can most likely afford to repay. Erste Hungary markets and sells its lending products in a responsible manner. Erste Hungary works with its customers to find solutions to any financial difficulties they may encounter.

Erste Hungary takes responsibility for any mistakes it makes and acts promptly to resolve complaints using discretion and sensitivity. Erste Hungary analyzes the root causes of complaints on an ongoing basis and takes prompt action to resolve them. Erste Hungary offers complaint management training to its employees. Erste Hungary provides transparent information on pricing, fees, and charges. Erste Hungary promotes its customers' financial literacy. Erste Hungary uses a product development process that ensures compliance with the applicable quality and security standards.

New products and services are continuously developed with an eye on the needs of existing and future customers, particularly the next generations, such as Gen Z. This action is part of an ongoing commitment to innovation and sustainability.

## Access to products and services

Erste Hungary's various initiatives share a common goal of promoting financial inclusion, social impact, and sustainability. These actions are designed to address the diverse needs of different demographic groups, from individuals facing financial exclusion to small and medium-sized enterprises seeking growth. Each initiative leverages partnerships with local organizations, employs dedicated teams, and adheres to high standards of service and compliance. Continuous monitoring, regular assessments, and stakeholder engagement are integral to ensuring the effectiveness and adaptability of these programs. By focusing on education, financial stability, and social innovation, Erste Hungary aims to create a positive and lasting impact on the communities it serves.

### Channels

Erste Hungary ensures that products and services are accessible to all individuals through various distribution channels, including Digital Banking, branches, and the Contact Center. By creating an environment where customers with special needs, such as those with disabilities, have adequate access to these offerings, Erste Hungary demonstrates its commitment to inclusivity. This is an ongoing effort of our entire Retail banking division, both on Group as well as at Erste Hungary.

To better understand and meet customer needs and expectations, regular customer research is conducted. In preparation for the Accessibility Act, Erste Hungary is upgrading branch interiors and infrastructure to facilitate quick and easy banking transactions. This effort is supported by a group-wide branch concept that integrates new technologies, such as video walls and digital onboarding in George, while providing more space for personal advisory services.

The George platform offers a relevant and personalized banking experience, and to enhance the digital banking experience for corporate clients, 'George Business' has been developed. The Contact Center serves as the first point of contact for immediate customer support.

Erste Hungary runs regular surveys about the financial situation of our customers in the region, their awareness level of the term of financial health, how they perceive the banks' role in advising of financial health matters and their preferred channels. Erste Hungary respond adequately and effectively to complaints and feedback, thereby contributing to our customers' satisfaction. Pilot programmes are held before rolling out products to get customer feedback as soon as possible and adapt our

processes if necessary. Continuously re-evaluating marketing or sales strategies to keep our customers informed, through appropriate channels, of the products and services from our offer which best meet their current needs. Our bank provides transparent information on pricing, fees and charges.

Erste Hungary provide our offering and advice through various channels which are developed and tested on a structured process and guarantee comprehensive quality assurance. Tracking and evaluating the effectiveness of these measures through KPI's e.g. CXI.

We research our customers' needs and views on our products and services. Our marketing campaigns are based on respect and do not include images or messages which are offensive or libellous and the marketing materials are clear, balanced, trustworthy and not misleading. Erste Hungary does not misuse customer data to the detriment of our customers' interests. Our standards mandate that our service providers adhere to these privacy and data protection requirements.

### **Support for Social Organizations**

Erste Hungary's social banking experts and mentors provide professional advice and financial solutions to support NGOs and social enterprises. The bank offers working capital loans, bridging loans, and investment loans, backed by EIF guarantee. Additionally, offers a guarantee from the ERSTE Foundation since 2022, enabling the financing of social organizations not covered by EIF guarantees.

Financing activities for minor companies shall directly or indirectly aim to achieve the primary objectives:

- Improving financial stability and inclusion for people on low incomes;
- Enabling job creation and self-employment;
- Fostering social innovations and enlarging the impact of social organizations.

Social Banking financing focuses on financing micro-middle sized social impact companies up which are not covered by the regular retail business (i.e. clients not meeting the eligibility criteria from regular retail lending policy).

Financing activities follow the standard lending processes to ensure that potential negative impacts on consumers / end-users are addressed (Anti-money laundering (AML) / know-your-customer (KYC) / Compliance and anti-fraud).

Erste Hungary does not engage in business with companies engaging in suspicious/illegal/criminal activities or industries that are otherwise controversial. Furthermore, selected critical industries are excluded from financing under social banking. Financing shall follow a clearly defined purpose and a positive social impact. Next to this a social impact assessment including ex-post client surveys are performed every two years.

Social Banking departments are established in all core markets with dedicated FTEs to support financing of micro enterprises or NGOs.

### **SEEDS program**

Advocacy support for NGOs, social impact organizations is well-established at Erste Hungary since 2017, covering the needs of lighter or deeper development via mentoring, advocacy or tailor-made business consultancy.

### **MARC Impact Program (Social Innovation and Impact)**

The MARC ("Make a Change, Leave a Mark") program aims to foster social innovations and enhance the impact of social organizations by providing comprehensive capacity building. This initiative, launched by Erste Stiftung in 2024 in Hungary, runs parallel pilot with Austria and Romania. The program offers multi-level training and mentoring, adapted to Hungarian needs and delivered by Hungarian experts, focusing on building resilience and finance readiness among high-impact organizations. Regular advisory board meetings ensure the program's effectiveness and mitigate potential negative impacts. The impact of the action will be assessed after each program cycle, with a step-by-step approach to learning, monitoring outcomes, and adapting the program as needed.

### **Financial Patron Program**

Erste Hungary's 'Financial Patron Programme' focuses on providing financial education program for disadvantaged children and young adults in the country. Additionally, the programme assists families in paying off their loans through financial counselling and practical support. These actions contribute to improving financial stability and inclusion for low-income individuals in Hungary. The programme also fosters social innovations and enhances the impact of social organizations, in line with the objectives set out in the social banking risk policy.

The most valuable resource allocated to the implementation and management of this programme is human capital. For Hungary's Financial Patron Programme, 16 volunteers provided bespoke financial advice to participants, helping them achieve financial independence and develop their financial literacy. At the same time, for families in need, the focus was on debt

settlement. In cooperation with the BAGázs Association and the Tűzcsiholó, we helped 20+ families in need. The Financial Patron Program won first place in Mastercard's Bank of the Year 2023 CSR category, repeating its success in 2021. Through this programme, 1000 disadvantaged children and indebted families have been supported.

The programme offers ongoing financial counselling and practical support with the aim of developing financial knowledge and money management skills. This helps prevent further debt spiralling and manages current levels of debt for disadvantaged people.

#### **S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES**

##### **PRIVACY**

Due to the high level of regulation within the fields of data protection and cybersecurity, Erste Group has set no additional overarching quantitative targets. However, Erste Group's aim is continued strict compliance with the GDPR to ensure the highest level of protection for customer data and to prevent regulatory penalties.

##### **SOCIAL BANKING**

###### **Targets**

The targets are all directly related to the single policy objective of promoting social banking. Due to their common relationship to a single policy objective, the smaller targets related to social banking have been amalgamated. The target of 'volume of social banking financing' aligns with the policy objective of increasing access to financial services for underserved communities. The target of 'financial literacy participants' is also closely related to the objective of promoting social banking, as it aims to increase financial literacy and knowledge among individuals who may not have had access to such resources before. Finally, the target of 'job creation and retention' aligns with the broader goal of promoting economic growth and development, which is often a key objective of social banking initiatives. Overall, each of these targets directly supports the policy objective of promoting social banking and is an essential component of any successful social banking initiative.

All targets are measured in absolute terms on a cumulative basis: 'volume of social banking financing', 'number of financial literacy participants', and 'job creation and retention'. For 'Social banking financing' involves financing social banking clients in all seven core markets.

The Social Banking Impact report is performed every second year based on a representative sample of Social Banking clients telephonically interviewed in Hungary. The target for 'financial literacy participants' reflects the total number of individuals participating in educational activities organized or initiated by Social Banking. 'Job creation and retention' refers to jobs created or retained because of social banking financing in Hungary. Number of created or preserved jobs has been calculated using the following method: average number of jobs per financed client has been calculated based on the results of the representative sample in the survey and in the next step multiplied (extrapolated) by the respective total number of financed clients in the segment and timeframes. The next impact assessment is planned in 2025 where this result will be available.

Stakeholders and clients are regularly consulted and engaged in social banking in Hungary. The target-setting process takes this input in a heuristic manner by collecting needs and perspectives. As this is the first year of CSRD reporting, there have been no changes in targets.

Erste Hungary has ambitious long-term goals across various metrics, including social banking financing, financial literacy, and job creation and retention. While some actual performance data for 2023 are not specified, the targets for 2030 indicate a strong commitment to significant social impact. The increase in social banking financing from 0.285 million EUR in 2017 to 2.89 million EUR in 2023 demonstrates progress, and the long-term goals reflect a strategic vision for substantial growth and social contribution by 2030. The social banking targets are set centrally by the Group Social Banking.



Table S4.1: Social banking targets

	Metric	Baseline		Previous Year		Actual		EG Targets	
		Year	Value	Year	Value	Year	Value	Year	Target
Social banking financing	mIn EUR, cumulative	2017	0,286	2023	2,89	2024	2,84	2030	1 000

Table S4.2: Social banking financing

	2024
New Social Banking financing in EUR mln	2,8
Count of new financed clients	38
Social Organization finance in mln EUR	2,8
Social Organization finance in number of new financed clients	38
Number of supported private clients in financial difficulties (cumulative)	762
Number of education participants	1 076

## GOVERNANCE INFORMATION

### BUSINESS CONDUCT

This section focuses on Erste Hungary's business conduct and its commitment to ethical behaviour. Erste Group places a high value on ethically correct behaviour, considering it as a fundamental prerequisite for its business activities and strategic priorities. This commitment is reflected in its Statement of Purpose, which requires employees to consider not only the legality and profitability of business decisions but also whether they are the right thing to do. Building on this foundation, our Code of Conduct sets forth binding rules and ethical principles for all employees and board members. The Code emphasizes responsibility, respect, and sustainability in all business activities. Additionally, Erste Group is committed to the principles of the UN Global Compact, which include upholding human rights, labour standards, and combating corruption, drawing from key international declarations and conventions. Erste Hungary, as part of the Erste Group, respects these principles; however, Erste Hungary is not independently among the signatories of the UN Global Compact.

#### G1 SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

In the context of the double materiality assessment (DMA), the following sustainability matters have been identified within Business Conduct, each with positive impacts (please refer to the General Information chapter IRO-1 part, Impacts relating to G1 business conduct):

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
<b>G1- Protection of whistleblowers</b>	Pos. impact	A well-functioning system ensures an appropriate complaint reporting process, which is accessible to employees, thereby enhancing Erste Hungary's reliability. Continuously ensuring the protection of whistleblowers is a long-term process that helps build trust in the company. The protection of whistleblowers is always guaranteed, which has a positive impact on the whistleblowers and strengthens trust in the company.	Own operations	Long-term
	Pos. impact	The proper complaint process is ensured by a well-functioning system, which is available to both employees and external parties, thus increasing the reliability of Erste Hungary.	Portfolio	Long-term
<b>G1- Corruption and bribery - Prevention and detection, including training</b>	Potential pos. impact	Erste Hungary employees are prepared to counteract potential corruption and bribery.	Own operations	Short-term
<b>G1- Anti money laundering</b>	Pos. impact	Appropriate policies, processes and numerous monitoring systems ensure the fight against money laundering, preventing related negative events from occurring.	Own operations	Long-term
	Pos. impact	Appropriate policies, processes (customer due diligence), and numerous monitoring systems ensure the fight against money laundering, preventing related negative events from occurring. Erste Hungary continuously develops its anti-money laundering activities, ensuring long-term compliance with legal and ethical standards. Cases associated with money laundering can often occur across the entire customer base, which a well-functioning control system detects, monitors, and manages.	Portfolio	Long-term



## Protection of whistleblowers

Whistleblower protection at Erste Hungary plays a crucial role to positively impact the work environment and society by encouraging the reporting of misconduct, therefore securing the integrity and ethical standards of the organisation. By providing a secure and confidential channel for all stakeholders to report unethical behaviour, Erste Hungary ensures that potential issues are addressed promptly and effectively.

## Corruption and Bribery – Prevention and detection including training

Prevention training offered to all employees is another key component of Erste Hungary's strategy for its employees to counteract potential corruption and bribery. By educating employees on the importance of ethical behaviour and providing them with the tools to recognize and prevent corruption, Erste Hungary strengthens its commitment to corporate responsibility and ethical business practices.

## Prevention and combating of money laundering and terrorist financing

Erste Hungary, like all members of the Erste Group, has a transparent and clear policy regarding prevention and combating of money laundering and terrorist financing. The purpose of this instruction is to ensure that Erste Hungary fully complies with domestic and international legal provisions and obligations related to the prevention and combating of money laundering and terrorist financing. Appropriate policies, processes, monitoring systems and the various trainings ensure effective anti-money laundering measures, which can not only enhance Erste Hungary's good reputation and give people a sense of security that their finances are managed by trusted institution, but also can contribute to a more stable economy.

Ultimately, these initiatives contribute to a positive corporate culture and enhance the reputation of Erste Hungary as a responsible and ethical financial institution. Erste Hungary demonstrates its commitment to ethical business conduct and reinforces its position as a trusted partner in the financial industry.

## G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Erste Hungary's policies relating to business conduct comprise the Code of Conduct at Erste Hungary, which fosters its corporate culture by embedding its core values of people, fairness, and transparency into every aspect of its operations. Therefore, Erste Hungary's culture is aligned with its group and business strategy. The Code of Conduct also serves as a guide for leaders to ensure the organisation is fit for the future while adhering to all relevant ethical standards. Erste Hungary regularly monitors and refines its culture through exchanges, employee feedback, and 360 leadership evaluations to ensure it remains strong and effective. Erste Hungary enhances its corporate culture through leadership development, employee training on values and ethics and engagement surveys. Erste Hungary also offers town halls, open forums, and onboarding programs. Erste Hungary's cultural initiatives include diversity and inclusion, social responsibility, and sustainability efforts.

To ensure the integrity and trust in the organisation, Erste Hungary has implemented among others the following key policies: the Whistleblowing Policy, the Policy on Conflict of Interest and Anti-Bribery and Corruption, the Policy on the prevention and combating of money laundering and terrorist financing. These policies are essential components of its governance structure and contribute to an ethical and transparent work environment.

## Protection of whistleblowers

Erste Hungary's Whistleblowing Policy establishes group-wide standards to identify, report, and investigate concerns about unlawful behaviour, including unlawful behaviour in contradiction to the code of conduct.

The policy is based on the EU Directive 2019/1937 and the Hungarian Whistleblower Protection Act (Act XXV. of 2023).

The Whistleblowing Policy of Erste Hungary is in line with the provisions of the Erste Group Whistleblowing Policy, which regulates the standards for handling the data of the whistleblower and the report for the members of the Group. It outlines the framework conditions under which the whistleblower can provide information in any of the cases detailed in the directive. In addition to the whistleblowing system operated by Erste Hungary, the Erste Group also provides the opportunity to report misconduct through the "Erste Integrity" system. The Bank encourages subsidiaries and business partners involved in procurement within the Erste Group to use the whistleblowing system as well.

Erste Hungary provides various channels for reporting concerns, including an internet portal, mail, telephone, and personal meetings. Some of these channels are accessible not only to employees but also to third parties, in accordance with applicable

whistleblower protection laws. Information about whistleblowing is provided through intranet, Erste websites, internal mandatory trainings.

Detailed information regarding the process and protection against retaliation is available on Erste Hungary's Whistleblowing platform. The system includes an internal office (WBO) where employees can report suspected cases or ask questions about possible violations. This office, under the CRO division, is staffed by qualified and authorised employees within the Compliance / Fraud Prevention function. Reports are received and processed confidentially according to a standardised process, with all reports being investigated and appropriate measures taken if necessary. The system provides safeguards for whistleblowers, including anonymity protection, protection of involved individuals, and protection against false accusations. Correct processing of concerns is ensured through regular reporting to the Management and Supervisory Board, as well as internal and external audits.

Erste Hungary provides members of the banking group access to the Erste Hungary Whistleblowing System and the group-level Erste Integrity, based on consolidated management. The investigation function is exercised by Compliance / the Whistleblowing Office (WBO). People responsible for investigations fulfill their duties based on secondment at Erste Hungary. Information needs to be securely documented throughout the entire whistleblowing investigation process, which also ensures that Internal Control can conduct a thorough audit.

The Whistleblowing Policy covers all employees, customers and third parties of Erste Hungary and includes a category for "Unacceptable behaviour" to address concerns of violence, discrimination, harassment, and similar misconduct.

The Compliance / Fraud Prevention team is responsible for implementing this Policy.

All policies related to employees are available on the Intranet accessible to internal stakeholders. External stakeholders are informed via the "Erste Integrity" and Erste Hungary Whistleblowing platform on the internet.

### **Corruption and bribery - Prevention and detection including training**

The Policy on Conflict of Interest (CoI) and Anti-Bribery and Corruption (ABC) directly addresses the positive impact identified in the materiality assessment, Corruption and bribery - Prevention and detection including training. The policy establishes comprehensive standards to prevent and detect conflicts of interest, bribery, and corruption. The policy is derived from the "Statement of Purpose" and the "Code of Conduct". Responsibilities and standardised procedures for managing conflicts of interest and anti-bribery and corruption throughout all levels of Erste Hungary's business are defined in the policy. It aims to prevent legal breaches and protect the company's reputation through a responsible corporate culture, a clear compliance framework, and appropriate employee qualifications. This policy is implemented through prevention training offered to all employees. This training effectively counteracts potential corruption and bribery, benefiting the interests of consumers, employees and business partners, and promoting a trusting and ethical business environment.

All individuals are considered at risk for bribery and corruption therefore Erste Hungary does not differentiate between employees. Thus, the Conflict of Interest and Anti-Bribery and Corruption web-based trainings (WBT) are mandatory for all Erste Hungary employees. The WBT must be repeated annually. The training provides an overview of different types of conflicts of interest, such as organisational CoI, confidential CoI, and CoI regarding procurement or the supply chain. The WBT consists of four categories: general information, treatment of benefits, treatment of secondary activities, and personal and close relationships. It details various terms to ensure a uniform understanding and presents the reporting and approval processes for different types of CoI involving various stakeholders. Employees must pass a knowledge test with a rate of at least 80% at the end of the training.

Monitoring processes include reporting obligations via a reporting tool or email, data analysis by Compliance to detect material gaps for training purposes, ad-hoc controls when conflicts of interest arise, and desk reviews. All Erste Hungary entities and their staff must implement necessary policies, processes, and infrastructure to fully support compliance with the defined minimum standards.

The Group Policy follows a review cycle of two years, during which the contents are reviewed and assessed. This review is based on any changes in legal acts (including soft law or recommendations/opinions of public authorities) that refer to the content, updating, and improving processes. Any changes in the policy are also followed by Erste Hungary in its local ABC policy.

Erste Hungary's Compliance Unit is responsible for the proper implementation of the local and the group-level ABC-Policy.

Investigations regarding the prevention and detection of corruption and bribery are carried out by the Compliance / Fraud Prevention independently of business units (including staff and management). The policy is made available through the intranet (with dedicated page on ABC) for all employees.

### Policy on the prevention and combating of money laundering and terrorist financing

Erste Hungary, like all members of the Erste Group, has a transparent and clear policy regarding prevention and combating money laundering and terrorist financing. This policy addresses relevant customer, product, service, transaction, service channel, and geographical risk factors. It defines high-risk customers and transactions, the internal risk-based procedures for identifying them, and the continuous monitoring of such transactions. The scope of the policy includes customer due diligence (CDD) measures, the application of the KYC ("Know-your-customer") program, continuous monitoring of customer relationships, tasks related to the execution of record-keeping obligations, the assessment and management of emerging risks, reporting by the Anti-Money Laundering (AML) Unit, and other banking tasks related to the prevention and combating of money laundering and terrorist financing. It also covers tasks related to the implementation of financial and asset related restrictive measures, as well as the handling of related personal data.

The purpose of this instruction is to ensure that Erste Hungary fully complies with domestic and international legal provisions and obligations related to the prevention and combating of money laundering and terrorist financing, within regulated frameworks and in full enforcement of Act LIII of 2017 (Pmt. ). Erste Hungary's employees should be able to recognize business relationships or transactions that enable or constitute money laundering or terrorist financing and perform their tasks in accordance with legal requirements in such cases.

To monitor transactions based on risk, the Bank uses transaction analysis software (monitoring system) that filters and investigates unusual transactions conducted by customers according to predefined logic.

If the Bank cannot complete customer due diligence, it must refuse to execute operations based on the customer's instructions, establish a business relationship, or fulfill a transaction order through the bank account, or it must terminate the existing business relationship with the customer. Failure to comply with customer due diligence and reporting obligations, or if a manager regularly fails to exercise their supervisory duties related to the execution of instructions, or neglects to take necessary measures to address identified deficiencies, can result in criminal and employment law consequences.

The scope of the AML Policy extends to individuals who are in an employment relationship with Erste Hungary, as well as those in other legal relationships aimed at performing work. The proper implementation of the relevant legal provisions and the provisions contained in this Policy is the responsibility of the Compliance managers and the managers of the affected business areas (branch network, corporate division, PB).

The customer due diligence and other banking data processing required for the prevention and combating of money laundering and terrorist financing, as prescribed by Pmt., are based on the statutory authorization provided by the Pmt. Each business unit develops its own procedures for recording customer data and the customer due diligence process. All employees involved in activities related to customer acceptance and customer service must complete the mandatory anti-money laundering training upon entry and annually thereafter. Erste Hungary organizes ad-hoc specialized training for employees working in the anti-money laundering area, which exceeds the general preventive training level, related to the prevention and combating of money laundering and terrorist financing, as well as the implementation of restrictive measures. The relevant AML/CFT policies are available for all employees.

### G1-3 – PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

Internal fraud involving bribery and/or corruption occurs when an employee unlawfully accepts or offers bribes to influence decisions or gain undue advantages. A corruption incident is defined as the abuse of entrusted public or business power, office, or resources for private gain, either by elected government officials or by other private individuals. Bribery, a form of corruption, is defined as the act of receiving a benefit, whether financial or non-financial, that alters the behaviour of the recipient. A bribery incident involves intentionally offering, giving, receiving, or soliciting the benefit, directly or indirectly, or through a third party, to improperly influence a person in the performance of a duty, to obtain or retain a benefit or any undue advantage, or to influence the actions of an official or other person in charge of a public or business duty.

When an incident of internal fraud involving bribery or corruption is suspected, Compliance / Fraud Prevention is involved locally at Erste Hungary to perform an investigation on the matter. This ensures that all allegations are investigated independently and comprehensively. Depending on the incident, either General / Securities Compliance and/or Internal Audit are involved in the investigations according to the 3-Lines-of-Defense Model. This model ensures that responsibility for compliance matters, including breaches of corruption and bribery, lies with Compliance, which reports directly to the management board. In case a suspicion on internal fraud occurs for an employee, who has already been dismissed, Compliance / Fraud Prevention will perform investigation on the matter, which might lead to legal actions.

Erste Hungary has established rigorous procedures to prevent, detect and address allegations or incidents of corruption and bribery. These efforts focus on ensuring compliance with financial sanctions, embargoes, securities compliance and good conduct compliance, which includes anti-bribery and anti-corruption agendas.

Regular risk-based monitoring by local Compliance units ensures adherence to these policies and raises awareness of compliance risks among all relevant staff. Groupwide matters and those with critical compliance relevance for the whole Group have to be escalated to the Group Compliance, and if needed therefrom

- to the Group Audit
- up to the Group CRO and/or the Group Board, and
- even up to the (EGB) Supervisory Board as a last resort,

depending on the severity of risks arising from the CoI.

Compliance is provided with specific internal working instructions outlining procedures to prevent, detect and address allegations or incidents of corruption and bribery. Investigations are carried out by Compliance /Fraud Prevention at local level, which operates independently from the chain of management, ensuring unbiased and thorough investigations.

Fraud Prevention provides comprehensive and mandatory fraud prevention training to employees. This training educates employees on common fraud schemes, red flags, preventive measures and reporting procedures, including internal fraud awareness. It includes Erste Hungary's legal/regulatory framework around fraud, addressing its zero tolerance policy and elaboration all types of fraud. The training tackles techniques how to detect fraud, strategies to prevent and how to report fraud. The training is designed for both new and existing employees. All employees must complete the mandatory web-based fraud training available on the internal learning platform annually.

Responsibility for compliance matters in Erste Hungary - in the event of breaches of ethical behaviour - lies with Compliance. Our local Compliance is responsible – in cooperation with other responsible departments, e.g. local HR and Risk Department - for matters regarding conflicts of interest, bribery and corruption. It is the local Compliance unit's duty to treat conflicts of interest and the relating monitoring and reporting.

Based on this, our local Compliance

- a) executes the group and local level ABC Policy;
- b) sets the local procedures, roles and responsibilities, and the approval procedure for the reporting of conflicts of interest and corruption to group and local Compliance;
- c) coordinates action at local level, according to the requirements of the local-level ABC policy;
- d) executes investigations, in order that the employees remain compliant;
- e) raises awareness and provides regular training according to the minimum requirements of the local policy;
- f) measures and reports the main metrics to Group Compliance.

The local risk management leader is responsible for the fight against conflicts of interest, bribery and corruption, and provides enough funding for this aim. The local risk management or non-financial risk units are responsible for the setting of the local risk policies, the monitoring of these rules and the escalation of business risks to local risk committees.

In 2022, the Policy on Conflict of Interest and Anti-Bribery and Corruption was rolled out to Erste Group entities (including Erste Hungary), making it applicable to over 90 entities within Erste Group.

Group Conduct Compliance monitors the fulfilment of the e-learning completion with support from colleagues locally responsible for implementation of and the monitoring of the e-learning and for escalating in cases of non-completion. By the end of 2024, the completion rate varied across entities in Hungary and the CEE region depending on local factors such as the existence of a technical infrastructure for an e learning platform, assignment date and logic, escalation process and management scope and definition etc.

The extent to which Anti-Corruption and bribery trainings are provided to members of the management bodies is listed in the table below:

All individuals are considered at risk for bribery and corruption, therefore Erste Hungary does not differentiate between employees. The web-based training is provided to and mandatory for all employees, so training coverage among staff-at-risk functions is 100% (with a total of 3397 trainings completed), and among management bodies the training coverage is 86% (with a total of 27 trainings completed), as the employee members are covered by the mandatory training.

**Table G1-3 Anti-corruption and bribery training 2024**

	Staff at-risk functions	Management Bodies
Training coverage (%)	100%	86%
Total trainings completed (#)	3397	27

The training covers all relevant aspects around the different types of conflicts of interests, corruption and bribery, how they occur, how they can be prevented and reported. It is based on Erste Hungary's legal/regulatory framework and the Policy on Conflict of Interest and Anti-Bribery and Corruption, and hence supports its zero-tolerance towards all types of corruption and -bribery. The web-based training takes 1 hour, with the theoretical input lasting 45 minutes and the quiz 15 minutes.

#### G1-4 - INCIDENTS OF CORRUPTION OR BRIBERY

Incidents of corruption or bribery within an organisation can severely undermine its integrity and ethical standards. At Erste Hungary, such incidents are addressed with utmost seriousness, in alignment with the Policy on Conflict of Interest and Anti-Bribery and Corruption.

There have been zero convictions for violations of anti-corruption and anti-bribery laws, and the amount of fines for such violations is zero.

Sub-topic	List of Key-Actions	Policy
G1- Corruption and bribery - Prevention and detection including training	Training programs to prevent and detect corruption and bribery	Policy on Conflict of Interest and Anti-Bribery and Corruption

#### Training programs to prevent and detect corruption and bribery

Erste Hungary has established comprehensive training programs to prevent and detect corruption and bribery, aligned with the Policy on Conflict of Interest and Anti-Bribery and Corruption. These ongoing actions are designed to raise awareness, prevent corruptive behaviour, and address any material gaps, thereby supporting the positive impact of promoting a trusting and ethical business environment.

Employees are assigned web-based training that covers general anti-corruption principles and specific issues identified through ad-hoc analyses. These trainings are mandatory for all employees and must be repeated as described above (at least annually). The contents include general information, treatment of benefits, secondary activities, personal and close relationships.

#### G1- EBH- PREVENTION AND DETECTION OF ANTI MONEY LAUNDERING AND TERRORIST FINANCING

To detect cases of money laundering, Erste Hungary assesses the risks of individual customers related to money laundering and terrorist financing - when establishing the customer relationship and continuously monitors them afterwards, during the existence of the customer relationship.

To appropriately manage and mitigate risks, Erste Hungary employs the following four-step system:

1. Requiring prior approval from AML Unit for establishing client relationships, and in certain cases, prohibiting them.
2. Obtaining additional information about clients' economic backgrounds and planned transactions within the framework of the KYC and CRR programs, and establishing a money laundering risk classification to ensure that:
  - It is definable and transparent for the account managers and for the effective execution of monitoring processes what transactions a client plans, in what activity scope and with which partners they conduct their activities, and what geographical ties they have (all of which are factors influencing risks).
  - For the continuous monitoring of the business relationship, it is transparent and mandatory to regularly update clients' data and KYC information based on the risk classification.
3. Establishing regular monitoring using the screening system applied by Erste Hungary.
4. Executing necessary measures in case of circumstances indicating money laundering and terrorist financing, such as terminating the client relationship and reporting suspicious transactions to the authorities.

The Bank is required to provide general (preventive) training to its managers and employees involved in activities related to the prevention and combating of money laundering and terrorist financing, as well as to the implementation of restrictive measures, within 30 days of their entry. Training on the prevention and combating of money laundering and terrorist financing must be part of the iLearning training package for all new hires.

Apart from that a detailed web-based training is organized on a yearly basis for all colleagues who are involved in activities related to the prevention and combating of money laundering and terrorist financing, as well as to the implementation of restrictive measures.

Erste Hungary organizes ad-hoc specialized training for employees working in the anti-money laundering area, which exceeds the general preventive training level, related to the prevention and combating of money laundering and terrorist financing, as well as the implementation of (financial and asset) restrictive measures.

**Table G1-EBH\_ES\_1 Anti-money laundering and prevention of terrorism financing training**

	2024
Training coverage (%)	95%
Total training (#)	1641
Web-based training	0,5 hour
Frequency	annual

**Table G1- EBH\_ES\_2 Anti-money laundering and prevention of terrorism financing ad hoc trainings**

	2024
Number of employees completed training until 2024.12.31 (SUM)	416
Frequency of the training (Narrative answer, e.g. annually)	ad-hoc / field specific

## G1-CASES OF ANTI MONEY LAUNDERING AND TERRORIST FINANCING

The Bank's employee is required to consider the cases indicated in the Policy on the prevention and combating of money laundering and terrorist financing as 'suspected money laundering' regardless of the transaction amount and to follow the rules for making a suspicious activity report. The Bank's employee is also required to report any case they deem unusual, even if the characteristics of the transaction are not listed in the Policy, but they otherwise evaluate it as 'unusual.'

If, during the monitoring procedures applied throughout the customer relationship, the behaviour of the customer and the analysis of executed transactions provide the Bank with information that raises suspicion of money laundering, terrorist financing, or the origin of assets from a criminal offense, or if maintaining the customer relationship would pose excessive risk to the Bank, the following measures shall be applied. This does not necessarily result in a suspicious activity report; however it may lead to termination of the business relationship.

In the event of data, facts, or circumstances indicating money laundering, terrorist financing, or the origin of assets from a criminal offense, Erste Hungary's manager or employee is required to immediately report such data, facts, or circumstances to the AML Unit through the dedicated channel. Furthermore suspicious cases can be reported to the AML Unit via other channels, and internal investigations can be ended up to suspicious activity reports (SAR) as well. All SARs are approved by the head of Compliance or by the head of AML Unit before forwarding to the competent authority for further investigation.

At Erste Hungary, all suspicious cases were investigated in 2024 in the ways specified in the Policy on the prevention and combating money laundering and terrorist financing.

**Table G1- EBH\_ES\_3: Anti Money Laundering and Terrorist Financing Prevention - Cases**

	2024
Total cases reported (#)	1337
Cases investigated (%)	100%



# Events after the balance sheet date

As part of the "New Economic Policy Action Plan", the government announced a new, free-to-use, state-subsidised credit for workers, available from January 2025. For details of the scheme, see section C: MAIN CHANGES IN THE LEGAL ENVIRONMENT OF FINANCIAL INSTITUTIONS.

The new loan product did not pass the SPPI test due to the SAI x 130% benchmark rate formula (leverage is included) following the assessment performed, and the related exposures are therefore mandatorily recognised at fair value through profit or loss.

*Dividend*

The proposed dividend to be presented at the Annual general meeting is amounting to 110 billion forint.

*Change in the Board of Directors*

As of January 1, 2025, András Kaliszky replaced Tamás Foltányi on the Board of Directors of Erste Hungary Zrt.

Budapest, 4 April 2025

.....  
Jelasity Radovan  
President and CEO

.....  
Manfred Schmid  
Deputy Chief Financial Officer

## Annex 1: Erste Hungary's branch network as of 31 December 2024:

Branches
1138 Budapest Népfürdő utca 24-26.
1021 Budapest Hűvösvölgyi út 138.
1116 Budapest Fehérvári út 130.
1032 Budapest Bécsi út 154.
1222 Budapest Nagytétényi út 37-43.
1024 Budapest Lövház utca 1-5.
1117 Budapest Október huszonharmadika utca 8-10.
1114 Budapest Bartók Béla út 43-47.
1211 Budapest Kossuth Lajos utca 70-86.
1085 Budapest József körút 86.
1082 Budapest Baross utca 1-3.
1193 Budapest Kossuth tér 23-24.
1203 Budapest Kossuth Lajos utca 21-29.
1123 Budapest Alkotás utca 53.
1143 Budapest Gizella út 59.
1134 Budapest Váci út 33.
1152 Budapest Szentmihályi út 137.
1062 Budapest Váci út 1-3.
1066 Budapest Teréz körút 24.
1106 Budapest Örs vezér tere 25.
1042 Budapest Árpád út 68.
1102 Budapest Körösi Csoma sétány 9/B
1173 Budapest Kaszáló utca 47.
1052 Budapest Bécsi utca 5.
1085 Budapest Blaha Lujza tér 1-3
1123 Budapest Alkotás utca 55-61
2040 Budaörs Szabadság u.27.
2330 Dunaharaszti Dózsa György út 27.
2120 Dunakeszi Fő út 24.
2030 Érd Budai út 13.
2440 Százhalombatta Szent István tér 9.
2000 Szentendre Duna korzó 18.
2310 Szigetszentmiklós Háros utca 120.
2600 Vác Széchenyi u. 14.



8400 Ajka Szabadság tér 4/a.
9300 Csorna Szent István tér 29.
9021 Győr Árpád út 42.
7400 Kaposvár Fő u. 2.
8360 Keszthely Kossuth utca 11.
9200 Mosonmagyaróvár Fő utca 26.
8800 Nagykanizsa Fő utca 2.
8500 Pápa Fő tér 25-26.
9600 Sárvár Batthyány u. 20.
8600 Siófok Fő utca 172.
9400 Sopron Előkapu 2-4
9970 Szentgotthárd Széchenyi utca 2.
9700 Szombathely Mártírok tere 12.
8100 Várpalota Szent István út 7-9.
8200 Veszprém Ádám Iván utca 2.
8900 Zalaegerszeg Ispotály köz 2.
2500 Esztergom Petőfi Sándor utca 2.
2900 Komárom Gyár u. 2-6.
8060 Mór Köztársaság tér 1.
8000 Székesfehérvár Palotai út 4
2890 Tata Országgyűlés tér 3.
2800 Tatabánya Fő tér 20.
5600 Békéscsaba Andrassy út 20.
2700 Cegléd Népkör u. 2.
5700 Gyula Városház utca 16.
6800 Hódmezővásárhely Andrassy út 2-4.
6000 Kecskemét Kisfaludy utca 6.
6100 Kiskunfélegyháza Mártírok útja 1.
6900 Makó Csanád Vezér tér 5.
5900 Orosháza Kossuth utca 2-4.
5540 Szarvas Szabadság utca 32.
6720 Szeged Széchenyi tér 17.
6600 Szentes Kossuth u.12-16.
5000 Szolnok Baross utca 8.
5200 Törökszentmiklós Kossuth utca 125.
6500 Baja Vörösmarty utca 5.
7200 Dombóvár Hunyadi tér 19-21.
2400 Dunaújváros Dózsa György utca 2/a.
6300 Kalocsa Szent István király utca 37.
6400 Kiskunhalas Bethlen Gábor tér 4.
7700 Mohács Szabadság út 16.
7030 Paks Dózsa György út 64.

7620 Pécs Rákóczi út 62-64.
7100 Szekszárd Széchenyi utca 40.
4032 Debrecen Egyetem tér 1.
4024 Debrecen Vár utca 4.
3300 Eger Dobó tér 1.
4220 Hajdúböszörmény Szt. István tér 2.
4080 Hajdúnánás Dorogi utca 10-14.
4200 Hajdúszoboszló Szilfákajla 4.
5300 Karcag Kossuth tér 6.
3700 Kazincbarcika Egressy utca 44.
4600 Kiskvárda Szent László utca 26.
4700 Mátészalka Kölcsey utca 15.
3527 Miskolc Bajcsy-Zsilinszky utca 1-3.
4300 Nyírbátor Szabadság tér 10
4400 Nyíregyháza Nagy Imre tér 1.
3950 Sárospatak Rákóczi utca 40.
3580 Tiszaújváros Bethlen Gábor utca 5/b
4625 Záhony Ady Endre utca 27-31.
2660 Balassagyarmat Rákóczi fejedelem utca 34-36.
2100 Gödöllő Szabadság tér 14.
3200 Gyöngyös Mikszáth Kálmán utca 4.
5100 Jászberény Szabadság tér 20.
3100 Salgótarján Erzsébet tér 5.

# Annex 2: Erste Hungary Corporate Governance Report for year 2024

## ERSTE HUNGARY CORPORATE GOVERNANCE REPORT FOR THE YEAR 2024

Under Section 95/B of Act C of 2000 on Accounting, ERSTE BANK HUNGARY Private Limited Company („the Company”) hereby publishes its Corporate Governance Report.

The Company established its corporate governance system in a responsible, efficient and transparent manner, in accordance with the effective legislation applicable to companies and credit institutions, the recommendations and expectations of the NBH (financial supervisor) as well as with considering the interest of the Company’s clients and Shareholders.

The Company - as an issuer of certain listed securities - prepared its corporate governance report to ensure transparency and full comparability – in accordance with Corporate Governance Recommendations (“Recommendations” or “CGR”) approved by the Board of Directors of the Budapest Stock Exchange Zrt. on 8 December 2020. The Company emphasizes however that the Company is a credit institution operating as a private limited company, which applies the recommendations prepared for listed public limited companies with the derogations arising from its organization, activities and operations as follows.

### PART I

#### 1. Operation of the Board of Directors, and a description of the division of responsibilities and duties between the Board of Directors and the executive management

The Board of Directors is the managing body of the Company, which directs the operations of the Company within the framework of the law, the Statutes, and the resolutions of the Sole Shareholder and considering the recommendations of the Supervisory Board. The Board of Directors adopts its own by-laws after seeking the prior opinion of the Supervisory Board.

- The duties of the Board of Directors are to govern the affairs of the Company and exercise all those rights which do not fall within the exclusive competence of the Sole Shareholder or the Supervisory Board. In particular, the Board of Directors represents the Company vis-à-vis third parties, at courts and authorities
- ensures that the books of the Company are kept in accordance with the relevant rules;
- makes a proposal to the Sole Shareholder for the amount of remuneration to be paid to the members of the Supervisory Board;
- on the basis of Section 98(1) of the Credit Institutions Act, establishes the internal regulations making possible the prudence and transparency of investments and commitments, as well as the control and minimisation of risks, and records those regulations in an annex to its by-laws;
- initiates the decision-making of the Sole Shareholder;
- elects the Managing Directors in accordance with the Credit Institutions Act, exercises the employer’s rights over them, and determines the terms of the employment agreements of the CEO and the Managing Directors;
- prepares or procures the preparation and audit of the annual report, including the suggestion on the usage of the after-tax profits, and submits the same to the Supervisory Board and the Sole Shareholder;
- establishes committees and advising bodies to support the preparation of decisions.

- approves the principles of investments; and
- prepares and accepts the budget of the Bank and the amendments thereof.

The Board of Directors consists of at least 3 members, elected by the Sole Shareholder for a maximum of 5 years. The members of the Board of Directors may be re-appointed and recalled at any time by the Sole Shareholder.

The members of the Board of Directors are persons employed by the Company (internal members) and persons not employed by the Company (external members).

The Chairman organises the work of and ensures the effective operation of the Board of Directors, represents the Board of Directors and carries out the duties specified in the Statutes and the by-laws of the Board of Directors.

The meeting of the Board of Directors is held as often as the Board of Directors deems necessary or appropriate but at least 4 (four) times a year. The Chairman of the Board of Directors convenes a Board of Directors meeting upon a written request from any member, specifying the reason for convening the meeting and the proposed agenda. The invitation must be sent in advance to the members of the Board of Directors as laid down in the by-laws.

The Board of Directors has a quorum if at least a simple majority of the members are present. The Board of Directors makes its decisions by simple majority of the members present, subject to Sections 13.9 and 13.10 of the Statutes unless it is otherwise provided by the relevant legislation or the Statutes.

The Board of Directors may pass its resolutions in writing (including fax), teleconference or videoconference.

The internal members of the Board of Directors are the CEO (the No. 1 manager appointed to lead the Company), the Chief Retail Officer, the CFO, the COO, the Chief Risk Officer and the Deputy Chief Corporate and Financial Market Officer, who manage their respective organisation units in order to fulfil their responsibilities.

The Chairman elected by the Board of Directors and employed by the Company (in 2024 and currently the CEO), and his deputies (in 2024 and currently the internal members of the Board of Directors) qualify as managing directors under the Credit Institution Act. The Board of Directors decides on the distribution of business activities amongst the managing directors and the rules of replacement. The decisions of the Board of Directors are implemented by the managing directors.

The Board of Directors established a Managing Board. The Managing Board is a body that exercises operative control over the Company, makes the necessary decisions and specifies principles to manage the daily operation of the Company. .

The members of the Managing Board are the Chairman of the Board of Directors (the CEO) and the Deputy CEO's, who are also internal members of the Board of Directors. The CEO is the Chairman of the Managing Board.

The Managing Board convenes its meeting on a weekly basis. The Managing Board has a quorum if at least half of its members are present. Resolutions of the Managing Board are passed by simple majority.

The Managing Board informs the Board of Directors of the measures delivered and the decisions made on a quarterly basis.

In the year 2024 the decision of the Board of Directors related, amongst others, to the following matters:

- reports of the management,
- Risk Management reports,
- the organizational changes of the Company,
- adoption of the amendments of internal regulations within the competence of the Board of Directors,
- preparation of the annual accounts and the related documentation,
- monitoring the inspections carried out by authorities,
- decisions related to the Company's policies,
- decisions related to the subsidiaries of the Company

## 2. Introduction to the members of the Board of Directors, the Supervisory Board and the Managing Board

### 2.1. Members of the Board of Directors on 31 December 2024

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

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

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

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

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

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

market risks, supervises the delegation of functions regarding credit clients and she holds responsibility for the safe and secure operation of the Company.

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

Mr. Manfred Schmid graduated at the Universität Wien, Business Informatics faculty in 1991 and continued his studies at Robert Kennedy University, Delémont, where he got his International Tax Law Diploma in 2022. He has professional experience in the field of IT, accounting and controlling at Budapest and Vienna. Between 1998 and 2001 he was filling director role and leading the Accounting and Controlling area in Erste Bank Hungary Zrt, between 2001 and 2010 the same position in Slovenska sporitelna a.s. (Erste Group Bank AG's subsidiary in Slovakia). He was leading the Group Accounting and Group Controlling area in Erste Group Bank AG between 2010 and 2020, thus he has been employed by Erste Group Bank AG and its subsidiaries for 22+ years. Manfred Schmid as Deputy CEO (Chief Financial Officer) of the Company – since May 2021 – is responsible for the financial stability within the Company's business policies and he supervises the Finance and Accounting, Controlling, ALM, Facility and Property Management and Procurement areas.

**Tamás Foltányi**, Managing Director, Deputy CEO IT and Operation (15.01.2016. – 31.12.2024.)

Mr Foltányi studied at the Budapest University of Technology and Economics at the Faculty of Electrical Engineering then finished the Bank Management Programme at The International Training Center for Bankers Ltd. (Bankárképző). During his career he held leading positions at Inter-Európa Bank and Creditanstalt. From 1999 until 2004 as a managing partner at PwC and IBM he was responsible for the Hungarian financial sector and services offered for them, then took over the management of the IBM Global Services businesses. From 2005 until 2015 he was the Deputy Chief Executive Officer of the FHB Mortgage Bank Nyrt. Tamás Foltányi as Deputy CEO for IT and Operation (Chief Operating Officer) of the Company – since January 2016 – is responsible for the Bank's IT and operations, supervises the IT system development and operational tasks of the Company, manages and coordinates the IT planning of the Company.

**Róbert Cselovszki** Managing Director, Deputy Chief Corporate and Financial Markets Officer (17.03.2023 - )

Graduated from the College of Finance and Accounting in 1991 and attended several courses and exams at the Montreal Stock Exchange, the Budapest Stock Exchange and the Tokyo Stock Exchange. He was previously a member of the Board of Directors and the Supervisory Board of the Budapest Stock Exchange. Since December 2002, he has been President of the Investment Services Association. He has been working in the financial sector for more than 30 years and has more than 25 years of management experience. He has strengthened the Erste team for almost 25 years, and has been working in senior management positions at Erste Befektetési Zrt. for more than 24 years, previously as Chairman and since 2016 as CEO. He has a high level of professional expertise, complemented by his domestic market experience and a formal professional qualification from the Montreal Stock Exchange. He also has international experience, having led the international equity sales of Erste Group for 4 years in a matrix functional management role. He is a high-level, exemplary leader who is constantly involved in the development of the institution's culture, providing direction to his colleagues and team.

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

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

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

Graduated from Saarland University in 1993 and received his PhD from the University of St. Gallen in 1993. He started his professional career in the banking sector during his studies in Germany. His career path quickly started to rise, holding senior positions at the Financial Markets Service Bank in Munich and later at Bank Austria Creditanstalt in Vienna. He led the restructuring of the entire Vereinsbank Victoria Bauspar in Germany, including the subsidiaries in the Czech Republic and Romania, under the direction of senior management. He was Head of Mortgage Business at Hypovereinsbank from 2008-2009 and Member of the Board of Bank Austria from 2009-2013, Head of Consumer and SME Banking. From 2014, he was a member of the senior management of USB for 8 years, Head of Strategy and Business Development until 2017 and Head of Asset Management, Head of Global Wealth Management Client Strategy Office and Head of EMEA Client Strategy Operations from 2018 to 2022. In 2022, he joined the management team of Erste Group AG as Head of Group Strategy, responsible for Group-wide strategic initiatives, Group-wide corporate development and M&A, Group-wide ESG Office and Social Banking.

**Attila Santa**, External Member of the Board (10.05.2023 - )

Graduated in 2002 from Comenius University in Bratislava, where he studied Mathematics and Management. He started his banking career at Slovenska sporitelna immediately after his studies and joined Erste Group's headquarters in Vienna in 2005. From 2007 he held various management positions at Erste Group, where he was mainly responsible for asset and liability management. Since 2018,

he has been leading the group-level balance management department at Erste Holding, which includes asset-liability management, capital management, and recovery and resolution planning at the group level.

## 2.2. Members of Supervisory Board on 31 December 2024

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

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

**Friedrich Rödler**, Supervisory Board member (28.04.2012. - )

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

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

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

**Magdolna Nagy**, Supervisory Board member, representing employees (01.02.2013. - )

Ms Nagy is the Head of the Custody area of the Company

She graduated in 1990 at the Budapest School of Economics. She has 20 years of experience in investment services. Since 1993 she developed the depository service activity in various Hungarian banks. Between 1993 and 1997, she was head of deposit management at Magyar Hitelbank then between 1997 and 2000 at CIB Central European International Bank Rt. At the Company she has been Head of the Custody area 2000.

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

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

## 2.3. Members of Managing Board on 31 December 2024

**Jelasiy Radován**, Chairman of the Board of Directors, CEO, managing director responsible for the Corporate Business

**László Harmati**, Managing Director, Deputy CEO Retail

**Krisztina Zsiga**, Managing Director, Deputy CEO Risk management

**Manfred Schmid**, Managing Director, Deputy CEO Finance

**Tamás Foltányi**, Managing Director, Deputy CEO IT and Operation

**Róbert Cselovszky**, Managing Director, Deputy Chief Corporate and Financial Market Officer



### 3. Number of meetings held by the Board of Directors and the Supervisory Board in 2024

In 2024 both the Board of Directors and Supervisory Board held four physical meetings.

The quorum at the 2024 meetings of the Board of Directors and the Supervisory Board was ensured in each case.

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

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

### 5. Report on the operation of individual committees

#### 5.1. Supervisory Board

The Supervisory Board carries out all duties which are delegated into its competence by the applicable laws or by the Statutes, in particular:

- ensures that the Company operates in accordance with the general rules of operation, including the Statutes and the resolutions of the Sole Shareholder;
- comments on the annual report; inspect the Company's annual, interim (or other extraordinary) and consolidated balance sheets (reports) and the proposals concerning the payment of dividends; and submit the reports on the same to the Sole Shareholder;
- reviews the reports on the management of the Company;
- submits its opinions, proposed resolutions and propositions to the Sole Shareholder and the Board of Directors;
- comments on the draft amendments to the Statutes prior to the submission thereof to the Sole Shareholder;
- submits a proposal to the Sole Shareholder on the person and remuneration of the Auditor;
- reviews and evaluates the underlying principles of the Company's business policy and comment on the Company's business policy;
- submits a proposal to the Sole Shareholder on the appointment, removal, and remuneration of the members of the Board of Directors;
- reviews the Company's accounting statements and documents in order to establish whether they are in compliance with the Company's business policy, the binding statutory regulations, the Statutes and the resolutions and instructions passed by the Sole Shareholder;
- sets up committees out of its members and adopts the by-laws of such committees;
- informs the Sole Shareholder of the results of its control and other activities;
- reviews the performance of the Board of Directors of the Company;
- comments on the budget of the Company in advance as well as any decreases or increases of the figures in the budget exceeding 10%;
- comments on the key points of the collective agreement to be concluded with the employees of the Company;
- comments on the interim balance sheet of the Company, which is necessary for the payment of interim dividends or for any other reason, in advance;
- comments on the guidelines of investments;
- comments on the principles of the internal rules that stipulate the signing rights of the persons undertaking commitments on behalf of the Company (other than the decisions regarding the authorisation of specific persons) and of the internal regulations concerning the policy on public announcements in advance;
- comments on any capital increase of the Company;
- comments on the by-laws of the Board of Directors;
- informs the Sole Shareholder and, if necessary, initiate the decision-making of the Sole Shareholder if, in the judgment of the Supervisory Board, the activity of the Board of Directors is contrary to the law, the Statutes, or the resolutions of the Sole Shareholder or the Supervisory Board, or otherwise contrary to the interests of the Company or the Shareholders;
- represents the Company at court in matters defined in the Civil Code;



- comments on the establishment, voluntary dissolution, sale and acquisition of subsidiaries, on the increase or decrease of participation in subsidiaries, on the establishment and/or closing-down of representations and representative offices,
- comments on the election of the Chairman of the Board of Directors and the Managing Directors;
- prepares the agreement to be concluded with the auditor, monitors the enforcement of the professional requirements and rules of conflict of interest in respect of the auditor, performs tasks in relation to cooperation with the auditor, and if necessary, makes a proposal to the Board of Directors to take measures;
- accepts, implements and reviews the principles of the remuneration policy and is responsible for the monitoring thereof; and
- gives its approval, consent or comment (opinion) in relation to any other issue where approval, consent or comment (opinion) is required in accordance with the Statutes or with some by-laws or internal rules of the Company.

The Supervisory Board consists of at least 3 and at most 9 members, elected for five years by the Sole Shareholder. The members of the Supervisory Board can be re-elected and recalled by the Sole Shareholder at any time. As long as the annual average number of the Company's FTE employees exceeds 200 people, one third of the Supervisory Board members are appointed by the Sole Shareholder on the basis of the nomination of the Work Council. The mandate of members representing employees ceases upon the termination of his/her employment.

The Chairman of the Supervisory Board can be invited to the meetings of the Board of Directors in a consultative capacity.

The Supervisory Board meets as frequently as it deems necessary, or upon the request from any Supervisory Board member, but at least four times a year.

The invitation letters and the proposals concerning the matters to be discussed at the Supervisory Board's meeting must be sent to the members as laid down in the by-laws.

The Supervisory Board meeting has a quorum when at least two-third of the Supervisory Board members are present, with at least 2 members present other than those elected upon the appointment of the Works Council. In the event of a tie, the Chairman (or, in his/her absence, the Vice-Chairman) shall have a casting vote.

The Supervisory Board passes its decisions with a simple majority and the open vote by the members present. The opinion of the employee representatives must be recorded in each case. Where the employee delegate's opinion is unanimously different from the Supervisory Board's majority opinion, the minority position of the employees must be disclosed to the Sole Shareholder.

The Supervisory Board may pass its resolutions in writing, (including fax), teleconference or video conference, as laid down in the by-laws.

As a rule, the documents related to the Supervisory Board meetings and resolutions are drawn up in English.

In 2024 the Supervisory Board resolutions affected primarily the following issues:

- quarterly reports of the Board of Directors, Remuneration Policy,
- matters related to the governance of the Internal Audit;
- the Company's organizational transformations,
- preparation of the Annual Report and the related report, making proposals,
- making decisions related to the main changes related to subsidiaries,

## 5.2. Audit Committee

The Audit Committee is a sub-committee of the Supervisory Board that carries out advisory and consultancy tasks to the Supervisory Board as laid down in its by-laws, and performs other tasks as laid down by the Supervisory Board. Under the by-laws, the Audit Committee is competent in the following matters, amongst others:

tasks related to the report under the Accounting Act, the audit made by the auditors, the person of the auditor and the contract to be concluded with it, the evaluation of the financial reporting system; furthermore the Audit Committee performs tasks related to the operation of internal control, such as the activities of the internal independent audit organization and proposes measures in connection with the risk assessment and risk management systems.

The Audit Committee consists of 3 members, elected by the Sole Shareholder from the independent members of the Supervisory Board not representing employees. At least one member of the Audit Committee must have an accounting or auditing qualification.

The Audit Committee holds meetings as necessary but it must have at least two meetings a year. The meeting is convened by the Chairman, or in his absence by the Deputy Chairman. The meeting of the Audit Committee must be convened if initiated by the Supervisory Board by specifying the purpose of the meeting.

The Audit Committee has a quorum if it is duly convened and at least two of its members are present. Otherwise the rules on the convention of the Supervisory Board apply. The Audit Committee passes its resolutions with unanimous decision.

The rules of the Audit Committee's operation are laid down in its by-laws, adopted by the Supervisory Board. If all members of the Audit Committee agrees, its meeting can be convened electronically, via fax or the phone.

The Audit Committee may pass its resolutions by phone, fax or in any similar way.

The Chairman, or in the absence of the Chairman the Deputy Chairman makes a presentation to the Supervisory Board on the activity performed by or the meetings of the Audit Committee since the last report. Regular reports must be drawn up on the meeting of the Audit Committee and annexed to the material of the Supervisory Board meetings.

In 2024, the Audit Committee held four meetings, the Committee had a quorum at all of them.

In 2024 the Audit Committee primarily passed decisions on internal audit, the inspections carried out by the NBH at the Company, the annual report and the auditor. The Board of Directors made no resolutions against the proposal from the Committee.

Members of the Audit Committee on 31 December 2024

Friedrich Rödler, Chairman

Manfred Wimmer

Alexandra Habeler-Drabek

### **5.3. Risk Governance Committee**

The Risk Governance Committee is responsible for examining the reports related to the Company's risk profile, the risk management framework and risk management processes, and to supervise continuously the Company's solvency positions and compliance with the legislation and Erste Group level standards. It examines pricing principles, reviews remuneration guidelines in the context whether they comply with the institution's risk, capital and liquidity positions and the expected revenues.

The Committee receives information on every relevant development in risk management, reviews and discusses portfolio reports, and reports prepared on the risk management framework and related processes.

Three members of the Committee are delegated from amongst the external members of the Board of Directors.

Any member of the Board of Directors or the Supervisory Board, and the Deputy CEO Risk Management (CRO, head of risk management areas in the Company) can also participate at the Committee's meetings but with no voting right, however, he/she can participate in the debates. Where the matters to be discussed require, the Chairman, or in his absence the Deputy Chairman can invite other Company employees or experts with appropriate expertise, to attend the Committee meeting with no voting right.

The Risk Governance Committee holds its meetings as required but at least four times a year.

The Risk Governance Committee has a quorum if it is convened duly and at least two of its members are present. To pass a resolution on any matter discussed at the Committee's meeting at least two members voting for the decision is required. The members participating at the meeting via a teleconference or a video conference must be considered attending members.

The Risk Governance Committee may pass its resolutions via phone, fax or other similar ways.

The Chairman, or in his absence the Deputy Chairman reports to the Board of Directors on the activities completed by the Committee since the previous report and the meetings held. The Committee reports regularly to the Supervisory Board on its activities.

In 2024, the Risk Governance Committee held four meetings, the Committee had a quorum at all of them.

In year 2024 the Committee dealt with the matters within its competence, the amendment of risk management policies, and the effects of external events relevant for risk management.

Members of the Risk Governance Committee on 31 December 2024:

Attila Sánta, Chairperson

Rainer Hauser, Deputy Chairman

dr. János Rudnay

#### **5.4. Remuneration Committee**

The Remuneration Committee performs the tasks specified in the Credit Institution Act, as laid down in its by-laws.

The Remuneration Committee has three members, its members are delegated from amongst the external members of the Board of Directors.

The by-laws of the Committee sets out the persons that can attend the meetings of the Committee in consultative capacity. Depending on the agenda items, further guests, the Company's employees and external experts can be invited to the meetings of the Remuneration Committee.

The Committee holds meetings as required but at least twice a year. The meetings of the Committee must be convened if initiated by any of its members by specifying the purpose of the meeting.

The Committee may pass its resolutions by phone, fax or in any similar way.

The Committee has a quorum if at least two of its members are present. The Committee can pass decisions in any matter discussed at the meeting if at least two members vote for it. Members participating at a meeting by conference call or video conference shall be considered as being present.

In 2024 the Committee held two meetings; the Committee had a quorum at both meetings.

In 2024 the Committee mainly dealt with changes in the top management, remuneration issues, tasks within the Remuneration Committee's competence and matters related to the amendment of the Remuneration Policy.

Members of the Remuneration Committee on 31 December 2024:

dr. János Rudnay, Chairman

Rainer Hauser, Deputy Chairman

Attila Sánta

#### **5.5. Nomination Committee**

The Nomination Committee performs the tasks specified in the Credit Institution Act, as laid down in its by-laws.

The Nomination Committee has three members, its members are delegated from amongst the members of the Supervisory Board.

The by-laws of the Committee sets out the persons that can attend the meetings of the Committee in consultative capacity. Depending on the agenda items, further guests, the Company's employees and external experts can be invited to the meetings of the Nomination Committee.

The Committee holds meetings as required but at least twice a year. The meetings of the Committee must be convened if initiated by any of its members by specifying the purpose of the meeting.

The Committee may pass its resolutions by phone, fax or in any similar way.

The Committee has a quorum if at least two of its members are present. The Committee can pass decisions in any matter discussed at the meeting if at least two members vote for it. Members participating at a meeting by conference call or video conference shall be considered as being present.

In 2024 the Committee held two meetings; the Committee had a quorum at both meetings.

In 2024 the Committee mainly dealt with matters related to the evaluation and nomination of members of committees, and changes of policies on the suitability of members and other key individuals.

Members of the Nomination Committee on 31 December 2024:

Friedrich Rödler, Chairman

Alexandra Habeler-Drabek

Manfred Wimmer

## **6. Internal control units**

### **6.1 Presentation of the system of internal controls and evaluation of the activity in the relevant period**

The Company established and ensured the system of internal controls at group level, in line with the Credit Institution Act and the recommendations of the NBH, and laid it down in the by-laws of the Company. The primary goal for operating internal controls is to facilitate the Company's prudent, efficient operation, in compliance with the legislation and by-laws, furthermore to assist the Company management in substantiated decision-making.

The basic pillars to the Company's internal control functions are the risk control function (risk management), compliance control function (compliance) and internal audit function. In the context of the financial process the work of the auditor is part of the internal control mechanism.

#### **Internal Audit**

The internal audit performs examination and evaluation of the activities of the Company and the subsidiaries and ancillary businesses subject to consolidated supervision with the Company. In this context it monitors compliance with legislative requirements, official orders and bylaws, , whether organizational units operate as provided for in the strategic objectives, it verifies the compliance and operation of business records, the outsourced activities and the content of the Remuneration Policy. As preventive activity, it contributes to projects as advisor, and forms an opinion when new products, by-laws, systems are introduced, if necessary.

The Internal Audit reports to the Supervisory Board, the Audit Committee and forwards the reports to the Managing Board and the Board of Directors of the Company, and ensures that the reports are available to the financial supervisory authority.

The annual report of the Internal Audit on the implementation of the remuneration policy is forwarded to the Remuneration Committee as well.

The Supervisory Board controls the organisation of the Internal Audit, as part of which it:

- ensures that the Company has a comprehensive control system making efficient operation possible;
- monitors the annual and interim financial reports of the Company;
- accepts the annual audit plan of the Internal Audit organisational unit;
- discusses the reports prepared by the Internal Audit at least semi-annually and controls the implementation of the necessary measures;
- supports the work of the Internal Audit with the invitation of an external expert as necessary; and
- makes a proposal on the change of headcount of the Internal Audit organisational unit (Section 152(3) of the Credit Institutions Act).

The Supervisory Board develops recommendations and proposals on the basis of the findings of the examinations carried out by the Internal Audit.

Decisions related to the establishment of an employment of the Head of Internal Audit, and his dismissal by the Company cannot be passed without the preliminary consent of the Supervisory Board.

#### **Audit Committee**

The sub-committee of the Supervisory Board, the Audit Committee also performs tasks related to the operation of the internal control system and the activities of the independent internal audit system, amongst others:

- discusses all Internal Audit related material prepared for the Supervisory Board,
- makes proposals for the Supervisory Board on the appointment and dismissal of the Head of Internal Audit, on the organization, headcount and main operational rules of the Internal Audit,
- makes proposals to the Supervisory Board in connection with the annual audit plan and the outcome of the internal audit activity, and

- proposes measures in the context of risk assessment and management systems.

## Anti money-laundering and Compliance

The Compliance area of the Company carries out tasks related to the prevention of money laundering, international sanctions, fraud management and compliance risk detection and management tasks, on the basis of the relevant EU and Hungarian legislation. In this context they draw up by-laws and procedures compliant with relevant legislation, in connection with their activities they perform inquiries and audits and perform similar professional supervision of the subsidiaries of the Company.

These areas of the Company prepare an annual comprehensive report on the anti money-laundering and compliance activity and status, to be approved by the Board of Directors and the Supervisory Board of the Company.

## Risk Management

The Company's risk management system is established to comply with legislative and supervisory requirements, in addition to the internal objectives of efficient and effective risk management. This system includes risk identification, the evaluation and analysis of their effects, drawing up plans for the required measures, and monitoring the efficiency of the risk management system. The management of the Company passes its resolutions considering the significant risks.

Apart from the Risk Governance Committee, the Company set up further committees in order to ensure support to efficient decision making process and the multi-functional supervision (joint participation of various professional areas). Their main purpose is to establish risk management, the related principles, risk strategy and its alignment with the business strategy, its follow-up and monitoring, and to increase risk awareness. Among the key objectives of these committees are the implementation of mutual coordination between corporate, retail lending and internal management functions.

Risk management standards and expectations are laid down in detail in the risk management by-laws of the Company.

The Company publishes its Disclosure Report pursuant to the Capital Requirements Regulations ("Risk Management report") on its website each year, containing the organizational structure of risk management and the relevant risk management information of the Company in the relevant year, and the risk factors influencing the Company's operation and management. The Risk Management report can be accessed here at the Company website ([www.erstebank.hu](http://www.erstebank.hu)):

<https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/erste-bank-hungary-zrt/vallalatiranyitas/hivatalalos-kozvetetelek>

### Auditor

The Company has an auditor, appointed by the Sole Shareholder, and registered in the Company Register.

The Company engaged PricewaterhouseCoopers Könyvvizsgáló Kft. (1055 Budapest, Bajcsy-Zsilinszky út 78.) with the audit of its 2024 annual report and consolidated annual report in line with the legislation in force. Appointed auditor: Enikő Könczöl (1147 Budapest, Kerékgyártó u. 66/B; mother's name: Lenke Olga Sebestyén ; Registration number with the Chamber: 007367).

The auditor performs its other tasks specified by the law (in particular by the Credit Institutions Act); furthermore the Board of Directors and the Supervisory Board can request the auditor to perform special audit and to issue a report on such audits.

The Company regularly presents, in the Notes to the Annual Accounts, the fees by the auditor for the other certification services, for tax consultancy and other non-audit services charged in the reporting year (in addition to the fee charged by the auditor for the audit of the reports of the reporting year).

## 6.2 The company's disclosure policy

The Company is a private limited company that lays down its publication principles and procedures in its by-laws, in accordance with the legislative provisions. The by-laws lay down principles and procedures which ensure that all relevant information about the Company and circumstances influencing its share price are disclosed accurately, in a timely fashion and in full.

- The Company regularly presents, in the Notes to the Annual Accounts, the fees by the auditor for the other certification services, for tax consultancy and other non-audit services charged in the reporting year (in addition to the fee charged by the auditor for the audit of the reports of the reporting year).
- The Company publishes its Risk Management report on its website each year, containing the organizational structure of risk management and the relevant risk management information at the Company in the relevant year, and the risk factors influencing the Company's operation and management.
- The Company publishes on its website, together with its annual report, the main remuneration data for the previous years, furthermore the summary of its current remuneration policy is available on the website.
- In its annual report the Company discloses information on the professional career of the members of the Board of Directors, the Supervisory Board and the Managing Board.

### **6.3 The Company's policy on trading by insiders**

The Company is a private limited company, which manages the list of insider traders in line with the provisions of the Capital Market Act<sup>3</sup> and establishes its by-laws on insider trading.

### **6.4 Competence of the Sole Shareholder**

The Company's main decision-making body is the Sole Shareholder which decides in writing on matters within the competence of the General Meeting (or the Sole Shareholder) in accordance with the law and the Statutes, and must notify the executive officers of such decisions. The decisions shall become effective upon notification to the Board of Directors.

Decisions of the Sole Shareholder may be initiated by the Board of Directors or, in cases provided for by law, by the Supervisory Board, the competent authority, the Auditor and the court of registration.

The following matters fall within the exclusive competence of the Sole Shareholder in 2024:

- the amendment of the Statutes, with the exception of the amendment in accordance with Section 13.5. m) of the Appendix;
- increasing and decreasing the registered capital of the Company;
- deciding on the exculsion of the exercise of the right of pre-emptive subscription;
- the decision to change the Bank's form of operation, to transform it or to dissolve it without legal succession;
- electing and recalling the members of the Board of Directors and determining their remuneration;
- electing and recalling the members of the Supervisory Board and the Auditor and determining their remuneration;
- electing and recalling the members of the Audit Committee;
- approving the annual report (including approving the report of the Board of Directors on its business activities in the preceding year and the report of the Supervisory Board on that report), including the decision on the use of after-tax profits;
- evaluating the work performed in the previous business year by the members of the Board of Directors, deciding on the discharge that may be granted to the members of the Board of Directors;
- decision on the payment of any dividends and interim dividends;
- changing or amending the rights attached to shares issued by the Bank;
- deciding to issue convertible bonds or bonds with subscription rights;
- the issuance of preference shares by the Bank or authorisation of such issuance;
- the initiation of winding-up proceedings or bankruptcy proceedings in respect of the Bank, or consent to the initiation of liquidation proceedings in respect of the Bank;
- returning the banking licence of the Company;
- approving the by-laws of the Supervisory Board; and
- deciding on any issue which is referred to the competence of the Sole Shareholder by law or the Statutes.

The Sole Shareholder delegates its power to decide to change (open, close) of the Bank's business sites and branches to competence of the Board of Directors of the Bank, with the proviso that the Board of Directors is entitled and obliged to amend the Appendix to the Statutes simultaneously in accordance with the decision of the Board of Directors taken within this power. The Board of Directors shall not be entitled to delegate its power of decision to change the Bank's business sites or branches to any other body, in particular to any other organisational unit or person.

#### **1. Remuneration statement**

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<sup>3</sup> Act CXX of 2001 on the Capital Market

The Company publishes, together with its annual report, on its website the main remuneration data for the previous years, furthermore the summary of its current remuneration policy is available on its website.

The summary of the Remuneration Policy can be accessed here at the Company website ([www.erstebank.hu](http://www.erstebank.hu)):  
*<https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/erste-bank-hungary-zrt/vallalatiranyitas/javadalmazasi-politika>*

## II. PART

### Corporate Governance Report on Compliance with the Corporate Governance Recommendations (CGR)

As part of the Corporate Governance Report, by completing the following tables, **the Company declares to what extent it applied in its own practice of corporate governance the recommendations and suggestions formulated in the different points of the CGR published by the Budapest Stock Exchange Ltd.**

By reviewing the tables, market participants may receive information on the extent to which the corporate governance practice of different companies meets certain requirements included in the CGR, and may easily compare the practices of the different companies.

#### Level of compliance with the Recommendations

The Company should indicate whether it applies the relevant recommendation or not, and in the case of a negative answer, it should provide the reasons for not applying the given recommendation.

**1.1.1.** Does the Company have an organisational unit dealing with investor relationship management, or a designated person to perform these tasks?

Yes

No

**1.1.2.** Are the Company's Articles of Association available on the Company's website?

Yes

No

**1.1.4.** If the Company's Articles of Association allow shareholders to exercise their rights in their absence, did the Company publish the methods and conditions of doing so, including all necessary documents?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.2.1.** Did the Company publish on its website a summary document containing the rules applicable to the conduct of its General Meetings and to the exercise of voting rights by shareholders?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.2.2.** Did the Company publish the exact date when the range of those eligible to participate in a given company event is set (record date), and also the last day when the shares granting eligibility for participating in a given company event are traded?

Yes

No

Explanation: **Not relevant as the Company is a private limited company.**

**1.2.3.** Did the Company hold its General Meetings in a manner providing for maximum shareholder participation?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.2.6.** The Company did not restrict the shareholders' right to designate a different representative for each of their securities accounts to represent them at any General Meeting. (Answer Yes, if not)

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.2.7.** For proposals for the agenda items, were the Board of Directors' draft resolution and also the Supervisory Board's opinion disclosed to the shareholders?

Yes

No



**1.3.3.** The Company did not restrict the right of its shareholders attending a General Meeting to request information, add comments and submit proposals, or set any preconditions for these with the exception of some measures taken to conduct the General Meeting in a correct manner and as intended. (Answer Yes, if not)

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.4.** By answering the questions raised at the General Meeting, did the Company ensure compliance with the information provision and disclosure principles set out in legal and stock exchange requirements?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.5.** Did the Company publish on its website the answers to the questions that the representatives of the Company's boards or its auditor present at the General Meeting could not satisfactorily answer at the meeting within 3 working days following the General Meeting, or an official statement explaining why it refrained from giving answers?

Yes

No

Explanation: **The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.**

**1.3.7.** Did the Chairman of the General Meeting order a recess or suggest that the General Meeting be postponed when a proposal or proposal relating to a particular issue on the agenda was submitted which the shareholders hadn't had a chance to become familiar with before the General Meeting?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.8.1.** The Chairman of the General Meeting did not use a combined voting procedure for a decision related to electing and recalling executive officers and Supervisory Board members. (Answer Yes, if not)

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.8.2.** For executive officers or Supervisory Board members, whose nominations were supported by shareholders, did the Company disclose the identity of the supporting shareholder(s)?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.9.** Prior to discussing agenda items concerning the amendment of the Articles of Association, did the General Meeting pass a separate resolution to determine whether to decide on each amendment of the Articles of Association by individual votes, joint votes, or votes combined in a specific way?

Yes

No

Explanation: **The Company is a private limited company and as a consequence no legal obligation exists for such separate resolution.**

**1.3.10.** Did the Company publish the minutes of the General Meeting containing the resolutions, the description of the draft resolutions and any important questions and answers related to the draft resolutions within 30 days following the General Meeting?

Yes

No

Explanation: **The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.**

**1.6.1.1.** Do the Company's publication guidelines cover the procedures for electronic, online disclosure?

Yes

No

**1.6.1.2.** Does the Company design its website by considering the aspects of disclosure and the information of investors?

Yes

No

**1.6.2.1.** Does the Company have an internal publication policy in place which covers the processing the information listed in Section 1.6.2 of the Recommendations document?

Yes

No

**1.6.2.2.** Do the internal regulations of the Company cover the methods for the assessment of events judged to be important for publication?

Yes

No

**1.6.2.3.** Did the Board of Directors/Governing Board assess the efficiency of the publication processes?

Yes

No

**1.6.2.4.** Did the Company publish the findings of the efficiency assessment of the publication process?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.

**1.6.3.** Did the Company publish its annual company event calendar?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.

**1.6.4.** Did the Company publish its strategy, business ethics and policies regarding other stakeholders?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.

**1.6.5.** Did the Company publish the career information of Board of Directors / Governing Board, Supervisory Board and management members in its annual report or on the company website?

Yes

No

**1.6.6.** Did the Company publish all relevant information about the internal organisation and the operation of the Board of Directors / Governing Board and the Supervisory Board, about the work of the management, the assessments of these and the changes in the current year?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.

**1.6.8.** Did the Company publish its risk management guidelines and information about its system of internal controls, the main risks and the principles for their management?

Yes

No

**1.6.9.1.** Did the Company publish its guidelines relating to the trading of its shares by insiders?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.

**1.6.9.2.** Did the Company disclose the share of the Board of Directors / Governing Board, Supervisory Board and management members in the securities issued by the Company in the annual report or in some other way?

Yes

No

**Explanation: The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.**

**1.6.10.** Did the Company publish the relationship of Board of Directors / Governing Board, Supervisory Board and management members may have with third parties which could affect the operation of the Company?

Yes

No

**Explanation: The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.**

**2.1.1.** Does the Company's Articles of Association contain clear provisions regarding the responsibilities and competences of the General Meeting and the Board of Directors / Governing Board?

Yes

No

**Explanation: As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**2.2.1.** Does the Board of Directors / Governing Board have a rules of procedure in place defining the organisational structure, the actions for arranging for and conducting the meetings, and the tasks regarding the adopted resolutions, as well as other issues related to the operation of the Board of Directors / Governing Board?

Yes

No

**2.2.2.** Does the Company publish the procedure used for nominating Board of Directors / Governing Board members?

Yes

No

**Explanation: The Statutes of the Company include these rules.**

**2.3.1.** Does the Supervisory Board provide a detailed description of its operation and duties, as well as the administrative procedures and processes followed by it, in its rules of procedure and work plan?

Yes

No

**2.4.1.1.** Did the Board of Directors / Governing Board and the Supervisory Board hold meetings periodically at a predefined interval?

Yes

No

**2.4.1.2.** Did the rules of procedure of the Board of Directors / Governing Board and the Supervisory Board provide rules for the conduct of meetings that cannot be planned in advance, and for decision-making using electronic telecommunications means?

Yes

No

**2.4.2.1.** Did board members have access to the proposals to be presented at the meeting of the respective board at least five days prior to the meeting?

Yes

No

**2.4.2.2.** Did the Company arrange the proper conduct of the meetings, the drawing up of the meeting minutes and management of the resolutions made by the Board of Directors / Governing Board and the Supervisory Board?

Yes

No

**2.4.3.** Do the rules of procedure provide for the regular or ad hoc participation of non-board members at respective board's meetings?

Yes

No

**2.5.1.** Were the members of the Board of Directors / Governing Board and the Supervisory Board nominated and elected in a transparent process, and was the information about the candidates made public in due time before the General Meeting?

Yes

No

**Explanation: The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.**

**2.5.2.** Does the composition and size of the boards comply with the principles set out in Section 2.5.2 of the Recommendations?

Yes

No

**2.5.3.** Did the Company ensure that the newly elected Board of Directors / Governing Board and Supervisory Board members became familiar with the structure and operation of the Company and their tasks were carried out as members of the respective boards?

Yes

No

**2.6.1.** Did the Governing Board / Supervisory Board request (in the context of preparing the annual corporate governance report) its members considered to be independent to confirm their independence at regular intervals?

Yes

No

**2.6.2.** Does the Company provide information about the tools which ensure that the Board of Directors / Governing Board assesses objectively the management's activities?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists, due to the special characteristics of the operational form.

**2.6.3.** Did the Company publish its guidelines concerning the independence of its Governing Board / Supervisory Board members and the applied independence criteria on its website?

Yes

No

**Explanation:** The Company is a private limited company and as a consequence no legal obligation exists for such publication, due to the special characteristics of the operational form.

**2.6.4.** Does the Supervisory Board of the Company have any members who has held any position in the Board of Directors or in the management of the Company in the previous five years, not including cases when they were involved to ensure employee participation?

Yes

No

**Explanation:** A member of the Supervisory Board was a non-executive member of the Board of Directors in the previous 5 years.

**2.7.1.** Did members of the Board of Directors / Governing Board inform the Board of Directors / Governing Board and (if applicable) the Supervisory Board (or the Audit Committee if a uniform governance system is in place) if they, or individuals they have business relations with, or their relatives have interest in any business transactions of the Company (or any subsidiaries thereof) which excludes their independence?

Yes

No

**2.7.2.** Were transactions and assignments between members of boards/ members of the management/individuals closely associated with them and the Company/subsidiaries of the Company carried out in accordance with the Company's general business practice but applying more stringent transparency rules compared to general business practice, and were they approved?

Yes

No

**2.7.3.** Did board members inform the Supervisory Board / Audit Committee (Nominating Committee) if they had received an appointment for board membership or management position of a company not belonging to the Company Group?

Yes

No

**2.7.4.** Did the Board of Directors / Governing Board develop guidelines for the flow of information and the management of insider information within the Company, and monitor compliance with them?

Yes

No

**2.8.1.** Did the Company create an independent internal audit function that reports directly to the Audit Committee / Supervisory Board?

Yes

No

**2.8.2.** Does Internal Audit have unrestricted access to all information necessary for carrying out audits?

Yes

No

**2.8.3.** Did shareholders receive information about the operation of the system of internal controls?

Yes

No

Explanation: **EBH's supreme body is the Sole Shareholder.**

**2.8.4.** Does the Company have a function ensuring compliance (compliance function)?

Yes

No

**2.8.5.1.** Is the Board of Directors / Governing Board or a committee operated by it responsible for the supervision and management of the entire risk management of the Company?

Yes

No

**2.8.5.2.** Did the relevant organisation of the Company and the General Meeting received information about the efficiency of the risk management procedures?

Yes

No

Explanation: **EBH's supreme body is the Sole Shareholder.**

**2.8.6.** With the involvement of the relevant areas, did the Board of Directors / Governing Board develop the basic principles of risk management taking into account the special idiosyncrasies of the industry and the Company?

Yes

No

**2.8.7.** Did the Board of Directors / Governing Board define the principles for the system of internal controls to ensure the management and control of the risks affecting the Company's activities as well as the achievement of its performance and profit objectives?

Yes

No

**2.8.8.** Did internal control systems functions report about the operation of internal control mechanisms and corporate governance functions to the competent board at least once a year?

Yes

No

**2.9.2.** Did the Board of Directors / Governing Board invite the Company's auditor in an advisory capacity to the meetings on financial reports ?

Yes

No

## Level of compliance with the Proposals

The Company must state whether it follows the relevant proposal included in the Corporate Governance Recommendations, or not (Yes / No). The Company can also explain any derogation from it.

**1.1.3.** Does the Company's Articles of Association provide an opportunity for shareholders to exercise their voting rights also when they are not present in person?

Yes

No

**1.2.4.** Does the Company determine the place and time of General Meetings initiated by shareholders by taking the initiating shareholders' proposal into account?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.2.5.** Does the voting procedure used by the Company ensure a clear, unambiguous and fast determination of voting results, and in the case of electronic voting, also the validity and reliability of the results?

Yes

No

**1.3.1.1.** Are the Board of Directors/Governing Board and the Supervisory Board represented at the General Meeting?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.1.2.** In the event the Board of Directors/Governing Board and the Supervisory Board is absent, is it disclosed by the Chairman of the General Meeting before discussion of the agenda began?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.2.1.** The Articles of Association of the Company does not preclude any individuals from receiving an invitation to the General Meetings of the Company at the initiative of the Chairman of the Board of Directors/Governing Board and being granted the right to express their opinion and to add comments there if that person's presence and expert opinion is presumed to be necessary or help provide information to the shareholders and help the General Meeting make decisions.

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.2.2.** The Articles of Association of the Company did not preclude any individual from receiving an invitation to the General Meetings of the Company at the initiative of shareholders requesting to supplement the agenda items of the General Meeting and from being granted the right to express their opinion and to add comments there. (Answer Yes, if not)

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder, this is not relevant to the Company.**

**1.3.6.** Does the annual report of the Company prepared as specified in the Accounting Act contain a brief, easy-to-understand and illustrative summary for shareholders, including all material information related to the Company's annual operation?

Yes

No

Explanation: **EBH's supreme body is the Sole Shareholder.**

**1.4.1.** In line with Section 1.4.1, did the Company pay dividend within 10 working days to those of its shareholders who had submitted all the necessary information and documents?

Yes

No

Explanation: **As EBH's supreme body is the Sole Shareholder.**

**1.6.11.** Did the Company publish its information in English as well, in line with the provisions of Section 1.6.11?

**Yes**

**No**

**1.6.12.** Did the Company inform its investors about its operation, financial situation and assets on a regular basis, but at least quarterly?

**Yes**

**No**

**2.9.1.** Does the Company have in place internal procedures regarding the use of external advisors and outsourced activities?

**Yes**

**No**

# Annex 3: Non-financial statement

## Non-financial statement

Just like Erste Group, Erste Hungary is committed to taking an active role beyond traditional banking and to integrating sustainability principles into its core operations and corporate culture. In this context, Erste Hungary continuously seeks opportunities to be an active member of the society in which it operates, beyond financial profitability, contributing to the achievement of common goals and successes.

### Environment

The guiding principle of Erste Group's environmental strategy and understanding of sustainability are based on the central message of "Our Common Future", as formulated in the 1987 document of the UN Brundtland Commission: *"Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs."* In 2016, we introduced an Energy Management Information System (ENIR) based on the MSZ EN ISO 50001:2012 standard, which was a legal obligation. Subsequently, on 05.06.2017 we launched the Environmental Management System (KIR) based on the MSZ EN ISO 14001:2015 standard. Both the KIR and the ENIR are integral professional parts of an existing and valid policy. In 2019, the two existing policies were merged into one policy SZT540/2016 Energy Management Policy and SZT460/2016 Environmental Management Policy. The merged policy is SZT297/2019, which was renewed in 2024 SZR343/2024. The mandatory and inseparable technical annex to the policy is the KIR and ENIR manual. The verification of the functioning of ISO systems is carried out in the form of so-called internal audits.

Erste Hungary's energy consumption and carbon dioxide emissions are detailed in the CSRD report.

At the beginning of 2016, the Erste Green initiative was also launched, a voluntary organisation of colleagues to achieve environmental goals. Its primary goal is to raise awareness, educate and increase colleagues' commitment to our environment (e.g. litter picking, car-free day, etc.).

### Social and employment issues, respect for human rights

The Erste Group's approach to diversity and inclusion is enshrined by the 1819 constitutional deed of Erste Österreichische Sparkasse, which state that "no person shall be excluded from the benefits enjoyed by the deposit holders of the Savings Bank on the basis of age, sex, social status or nationality".

A diverse and inclusive workforce is essential for business success. Companies that are committed to diversity and inclusion can reap the benefits of more engaged employees, better brand image and increased customer satisfaction. Erste Group considers diversity and inclusion to be a core element of its strategy and a priority for attracting and retaining the best employees.

Erste Hungary's principles of diversity and inclusion are also reflected in the company's mission statement and code of conduct; these documents provide for a working environment free from discrimination and harassment and that recognises the work and merits of all individuals, regardless of gender, age, disability, marital status, sexual orientation, colour, religion or political affiliation, ethnic origin, nationality or any other aspect not related to employment.

The Bank's management has continued to implement the previous diversity strategy, which sets out the key issues and priorities for the organisation's diversity and inclusion efforts, guided by the Diversity Policy guidelines. **Further details can be found in the SOCIAL RESPONSIBILITY chapter.**

**Work-life balance:** Erste Hungary encourages spontaneous networking and the organisation of clubs by employees to provide recreation, share experiences and participate in fun events. In addition to the 16 (employee-organised) clubs currently in operation (organised around a wide range of lifestyle, hobbies, and sports activities), additional virtual clubs have been created to allow our employees to connect with each other in the virtual space with their common interests.

The loyalty programme Erste Care, launched in 2019, which includes elements such as sabbatical leave, other extra days off and optional health or pension contributions, has seen an outstanding take-up.

**Family-friendly workplace, making working parents' daily life easier:**



Employee well-being and work-life balance are the cornerstones of the organisational culture of Erste Hungary Group. This goal is manifest both in the way we organise work (home office, flexible working hours, part-time work) and in our benefits schemes. In 2023, Erste Bank has again been awarded the Family-friendly Workplace certification.

#### Generational diversity:

Erste Hungary gives its employees over 50 years of age 2 extra paid days off and over 55 years of age 4 extra paid days off, which is above the statutory age-related entitlement to leave. Our employees can choose to make voluntary pension or health insurance contributions from the cafeteria in the fringe benefits portfolio. One element of Erste Care is a health insurance plan for all employees with at least 2 years of service, which covers most specialist medical care. Also part of the programme is an annual medical screening package for health maintenance. After 8 years of service, the scheme can be extended to cover a family member, or a single annual fixed voluntary pension contribution is also available. Additional elements of the Erste Care scheme are extra paid days off and the possibility to request a sabbatical leave for employees with more than 8 years of service.

We continued the in-house mentoring program, where our colleagues can be mentored by our middle and senior managers.

In 2023, Erste Bank Hungary Zrt. renewed its membership of the **Hungarian Diversity Charter** - the Hungarian version of the European Diversity Charter - and thereby reaffirmed its commitment to respecting equality, creating a diverse organisational culture, fostering relations with employees and customers, non-discrimination in the business environment and promoting a long-term sustainable corporate culture in line with the values enshrined in the Charter.

Other employment issues are dealt with in the Employment Policy chapter of the management report.

#### Ethical banking, fighting corruption and bribery, preventing money laundering and terrorist financing

Erste Group pays particular attention to fair and ethical conduct, the prevention of corruption, the prevention of money laundering and terrorist financing, compliance with applicable international sanctions, and compliance with laws and regulations. To support and monitor these functions, the Bank operates an independent Compliance function, which is directly responsible to senior management for ensuring that these activities are carried out to an appropriate standard.

To ensure compliance, Erste Hungary relies on a number of policies to ensure the highest level of regulatory compliance. Accordingly, the Bank has in place all the regulatory documents necessary for the performance of its functions, the most important of which are the Compliance Policy, the Code of Ethics, the Conflict of Interest Guidelines, the Conflict of Interest Management Policy, the Internal Lending Policy, the Whistleblowing Policy, the Anti-Money Laundering and Terrorist Financing Prevention Policy, the Anti-Corruption Policy, the Sanctions and Embargoes Policy, the Fraud Prevention Policy and the Consequences Management Policy.

One of the most important objectives in the development of the Bank's internal policies and procedures, in addition to full compliance with the law, is to comply with the recommendations of international professional organisations and the National Bank of Hungary. In its operations (including the prevention of money laundering and terrorist financing, fraud prevention, general compliance activities and compliance activities related to the provision of investment services), the Compliance function takes a continuous risk-based approach and conducts its activities on the basis of an annual plan and Compliance Risk Assessment (CRA) and Fraud Risk Assessment (FRA). In preparing these plans and assessments, the Bank assesses the compliance risk of each of its departments and processes and establishes its work and control plan accordingly. In preparing the work plan, the focus is on changes in legislation or regulatory obligations, assessing international trends and meeting international standards.

The Compliance area also carries out additional risk assessments and prepares an action plan to eliminate or minimise the risks identified. The Compliance function reports to the Bank's Management Board and Supervisory Board on a quarterly basis on its activities and any risks identified, as well as on the measures taken to mitigate those risks.

We review our risk assessment methodology at regular intervals to ensure the effectiveness of our risk management system. The results of the regular reviews and lessons learned from individual cases are continuously integrated into our risk management procedures.

To ensure that all areas of the Bank conduct its business ethically in the knowledge of compliance requirements:

- The Bank provides a wide range of training programmes on compliance-related topics and the Code of Ethics, which new colleagues are required to attend and which all employees are obliged to undergo regularly.
- The Compliance area communicates regularly with all the Bank's control areas (so-called second line of defence areas) in order to organise and operate an efficient flow of information between the control and monitoring functions.
- The Compliance area is required to comment on internal policies and products that are about to be launched. The Bank applies the provisions of the Code of Ethics at all times in product development and service provision.
- The Bank maintains a dedicated whistleblowing channel for the anonymous reporting of abuse in order to detect ethical and legal violations.