

Management Report

to

**the Consolidated Financial Statements of the Erste Bank Hungary banking group for 2025
prepared in accordance with International Financial Reporting Standards
adopted by the European Union**

Budapest, 10 April 2026

The consolidated financial statements and management report of ERSTE Bank Hungary Zrt. for the year 2025 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

In FY 2025, the GDP grew by 0.4% annually, another near-stagnant performance. The economy has not experienced significant growth since the latter half of 2022; the key constraining factor has been the subdued investment cycle. Thus, investments remained drag on growth in 2025, as well. Industrial prospects have been improving only gradually. The main driver of the GDP growth was households' consumption, mainly on the back of positive real wage increases.

The easing of trade conflicts toward the end of the summer has rendered the external environment somewhat more predictable. We continue to rely on a recovery and the effects of fiscal stimulus in Germany. The improving performance of Hungary's largest trading partner remains a key factor for domestic economic activity and business sentiment. Beyond the anticipated improvement in external demand, household consumption remains a positive growth contributor, primarily supported by further wage increases. Additionally, pre-election welfare measures are expected to further boost disposable income of households. GDP growth is projected to reach 2% in 2026, though the balance of risks remained tilted to the downside.

The unemployment rate stagnated at 4.4% in 2025. Labor market remained relatively stable - despite of economic weakness - but its tightness significantly eased. In the medium term, the indicator is most likely to hover between 4% and 4.5%, with the Hungarian labor market likely to remain structurally tight, mainly due to deteriorating demographic trends.

By end-2025, inflation had returned to the target range, as inflation stood at 3.3% y/y in December. A range of administrative price-curbing measures, combined with the strengthening of the forint, helped bring inflation down to a more tolerable level compared to the beginning 2025. The annual average inflation rate was 4.4% in 2025. As for prospects, favorable base effect brings further disinflation at the beginning of 2026, however upward risks stem from strong real wage growth and pre-election welfare measures boosting demand later the year. Meanwhile, the rapid disinflation in food prices and the strong forint counterbalance pro-inflationary effects. We expect average inflation to be much lower (3.2-3.4%) in 2026, with the 3% target seen as sustainably achievable in 2H 2027.

Prior to 2025, the last policy rate cut by the MNB to 6.50% occurred in September 2024. This marked the final step in a normalization process that began from an exceptionally high effective rate of 18%. The change in the MNB's leadership (took place in March, 2025), the slowly improving inflation outlook and the expected rate path of major and regional central banks suggested a more accommodative approach for 2025. While the anticipated rate cuts by other central banks more or less materialized, the MNB maintained its restrictive policy stance throughout the year to curb persistently high inflation expectations and ensure a stable forint. Later, at the year-end, the MNB adopted a more dovish tone, citing improvements in inflation dynamics. As a result, in February 2026, the MNB reduced the policy rate by 25 basis points, to 6.25%.

The forint has shown notable strength both against the euro and the US dollar in 2025, driven by its attractive carry and a hawkish monetary policy. Positive carry dynamics kept the currency firm and offset the depreciating pressure comes from inflation difference. The MNB had continued to emphasize the importance of maintaining stability in the FX market, viewing it as a critical element for achieving the inflation target on a sustainable basis. Hungary's external position also remained solid, which provided additional support for the forint. The prolonged high-carry environment continues to underpin the currency—offsetting potential headwinds from weak growth, the absence of EU funds, and political uncertainty ahead of the election.

The general government balance showed a cash deficit of HUF 5,738.7 billion in FY 2025, much higher than the original plan of HUF 4,123 billion. According to the preliminary estimate, the deficit on an accrual basis was reduced to 4.7% of GDP in 2025 from 5% seen in 2024. Government debt-to-GDP ratio relevantly increased however, to 74.9% from 73.5% seen in 2024.

In April 2025, Standard & Poor's affirmed Hungary's sovereign credit rating at BBB-, but revised the outlook from stable to negative. The agency pointed to uncertainty surrounding the country's fiscal consolidation path and the risk of further deterioration in public finances ahead of the April 2026 elections. In December 2025, Fitch also changed Hungary's outlook from stable to negative, while keeping the long-term rating unchanged at BBB, citing similar fiscal concerns. Moody's likewise maintained Hungary's long-term rating at Baa2, but continued to assign a negative outlook. 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 performed well in 2025. The sector's balance sheet total expanded by around 2.8%. While loans increased by 7.7%, deposits grew by 5.6%, bringing the loan-to-deposit ratio to 78.6% at sector level. The non-performing loan ratio declined to 1.4%.

Operating revenues in the sector are 3% higher than the previous year. Revenue growth was driven by net fee and commission income, up 18% to HUF 1,264 billion in nominal terms. In 2025, net interest income stagnated, at HUF 2,141 billion on the revenue side.

Operating expenses rose by 15.3% in 2025, bringing them to HUF 2,406 billion. The sector's profit after tax in 2025 was HUF 1,502 billion, down 8% year-on-year. The sector's cost/income ratio grew to 56.9%, while the return on equity decreased from 18.7% to 16.1%.

Cost growth was significantly driven by the 28.9% increase in banking sector taxes and the financial transaction fee, as well as inflation-related cost pressures, reflected in higher personnel and operating expenses. The combined burden of the sectoral tax, the financial transaction fee and the extra profit tax amounted to HUF 827 billion in 2025, compared with HUF 642 billion in 2024.

In 2025, the Hungarian banking sector continued to actively participate in the existing government programs such as the baby Loan, CSOK, the Széchenyi Program and the Baross Gábor re-industrialisation loan program, maintaining its stable supporting role in household and corporate financing. Previous regulatory changes, including the possibility to use voluntary pension fund savings and SZÉP cards for housing purposes, also remained in force. In addition, the Qvik electronic payment system became a widely used, fast and secure payment solution by 2025. In 2025 new elements including several household support schemes such as the home renovation subsidy and the worker's loan were implemented. In September the Otthon Start program was launched, providing a state-subsidised, fixed 3% mortgage for first-time homebuyers, further expanding housing finance options.

In 2025, the Hungarian banking sector did not undergo any drastic changes in terms of its players. The most significant market development was the opening of Revolut's first office in Hungary, strengthening the fintech's local presence.

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 2025. 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 Bank Hungary Zártkörűen Működő Részvénytársaság.

The ownership structure of Erste Bank Hungary Zrt. is as of 31.12.2025 as follows:

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

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 142,000 regular investment customers mark in 2025.

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. 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 73% at the end of 2024 to 75% today. 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. At the beginning of 2025, the Spending pillar & monthly wrap services were launched in FitZone, and we also introduced the Round-up savings feature, which rounds up every card payment in George, with the difference collected in a target deposit account. Additionally, property valuation services were launched on George with the support of ingatlan.com.

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.

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 (Foreign currency adequacy ratio, Foreign currency equilibrium ratio, Mortgage financing Adequacy Ratio, Wholesale Funding Ratio, Supervisory Liquidity Stress Test) 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 summarized 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 parallel EBA scenarios, compared to the net interest income calculated in the no-change scenario as a proportion of Tier 1 capital.

	31.12.2024	31.12.2025
Economic sensitivity of equity	5.70%	6.85 %
12-month simulated net interest income sensitivity*	2.95%	1.21 %

* 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 5,254 billion, up 4.9% year-on-year. Profit after tax amounted to HUF 149.8 billion, HUF 18.0 billion higher than in the previous year, larger by 13.6%.

At the end of 2025, 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 261.3 billion, largely due to the growth of the retail business (HUF 257.3 billion, up 19.6% on annual level). In contrast, the net receivables from corporate customers basically stayed the same (change of HUF -0.4 billion). Only loans to SME corporates were able to grow (by HUF +39.8 billion), the impact of which was offset by an decrease in receivables in other segment (Large corporate by HUF -18.0 billion, real estate financing by HUF -21.2 billion).

Held-to-maturity securities decreased significantly, by HUF 94.2 billion in total, thus their share in the balance sheet total shrank to 18.5% from last year's 21.3%. Receivables from credit institutions increased by HUF 58.6 billion, bringing their share in the balance sheet up to 6.0% from 5.1%.

The share of deposits in the liability structure slightly increased (by 0.9% to 84.4% of total liabilities). Deposits from monetary financial institutions decreased by HUF 77.2 billion while debt securities decreased by HUF 27.3 billion to 10.0%.

Customer deposits increased by HUF 352.6 billion after a HUF 108.4 billion increase in 2024, as a result the share of customer deposits in the balance sheet total greatly increased last year's level up at 68.8% (+3.7%). The Erste Hungary has a 10.5% market share of retail deposits, up 47 basis points from last year. The market share of corporate deposits after the decrease in last year increased by 12 basis points to mature at 7.2%.

Erste Hungary's operating income increased by HUF 23.5 billion, while its operating expenses increased by HUF 10.2 billion compared to the previous year, resulting in an overall operating profit of HUF 247.5 billion (5.6% increase compared to 2024).

In terms of operating income, net interest income is 4.1% (HUF 7.9 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 -23.7 billion and interest expense and other similar expense fell by HUF -31.6 billion in 2025.

The rate of decline in interest income (-6.3% year-on-year) is lower than the rate of decline in interest expenditure (-17.1%), due to the lower short-term yield spread available on free liquidity compared to last year. The HUF 18.0 billion drop in expenses is partly accounted for by 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 21.8 billion compared to last year (HUF 120.7 billion in 2024) and reached HUF 142.5 billion in 2025. The revenue side improved by HUF 26.7 billion, while fee and commission expenses increased by HUF 4.9 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 decreased by HUF 2.2 billion year-on-year to HUF 27.4 billion in 2025. The decrease was mainly driven by lower result achieved on interbank swaps on declining short-term and rising long-term market yield curves.

The result profit (or loss) from financial assets measured at fair value through profit or loss, decreased significantly (by HUF 3.2 billion) due to the change in market yields and reached HUF 4.0 billion in 2025.

In 2025, annual operating costs amounted to HUF 129.1 billion, an increase of 8.6% compared to last year. The higher costs were driven in part by an increase in personnel costs, which rose by 4.7% to HUF 57.6 billion mainly due to wage increases. Other administrative expenses (material costs) increased by 10.9% to HUF 55.2 billion, mainly due to IT costs. Depreciation and amortisation totalled over HUF 16.4 billion, which was higher than the previous year's level. The premium paid to the National Deposit Insurance Fund (OBA) increased by HUF 0.2 billion in 2025, mostly due to Erste Investment Hungary's increase due to base volume increase, which effect was partially offset by the decrease in the Bank due to the significant risk weight decrease.

The result from other operating activities was worse compared to the previous year (by HUF -6.2 billion), mainly due to higher levels of financial transaction tax (HUF -14.3 billion), mostly caused by changes in the regulatory environment which was partially compensated by the improvement in extra profit tax (HUF 8.9 billion) year on year.

The cost/income ratio shifted from 33.7% (2024 FY) to 34.3% (2025 FY), driven by higher operating expenses growth.

At the end of December 2025, the provision for impairment and risk provisions was HUF -0.6 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.

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	2024	2025	Change %
Total assets	281,806,635	335,403,810	19%
Total equity	47,118,981	56,858,273	21%
Share capital	2,000,000	2,000,000	—%
Result for the year	20,557,345	19,739,292	(4)%

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	2024	2025	Change %
Total assets	33,698,948	28,900,969	(14)%
Total equity	32,605,876	27,862,032	(15)%
Share capital	141,181	141,181	—%
Result for the year	5,526,364	761,105	(86)%

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	2024	2025	Change %
Total assets	114,467,909	126,879,579	11%
Total equity	8,183,457	15,735,325	92%
Share capital	2,000,000	7,000,000	250%
Result for the year	2,204,811	1,770,607	(20)%

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	2024	2025	Change %
Total assets	2,384,173	1,908,781	(20)%
Total equity	1,504,545	1,592,931	6%
Share capital	3,000	3,000	—%
Result for the year	38,235	88,386	131%

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	2024	2025	Change %
Total assets	246,484,269	285,803,975	16%
Total equity	15,488,671	18,849,111	22%
Share capital	3,015,000	3,015,000	—%
Result for the year	4,171,222	3,502,073	(16)%

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	2024	2025	Change %
Total assets	9,772,228	10,337,384	6%
Total equity	5,999,944	6,434,479	7%
Share capital	2,466,916	2,466,916	—%
Result for the year	37,068	434,535	1072%

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	2024	2025	Change %
Total assets	42,116,812	43,869,464	4%
Total equity	42,050,599	43,446,288	3%
Share capital	28,350,000	28,350,000	—%
Result for the year	50,599	1,395,689	2658%

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).

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 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/rolunk>

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 Affected communities.

Financial awareness

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

Social Housing Program

The Social Housing program 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 programs are people who are homeless or in a state of near homelessness, or living as migrant in Hungary, families without basic housing needs, and families without access to public renovation assistance. In Social Housing programs, the bank provides Financial education for social workers (details in Affected communities chapter).

In 2025, Erste Hungary provided healthy housing or housing solution for 236 people in cooperation with 2 NGOs, supported by Erste Stiftung.

SEEDS Program

The Bank launched the SEEDS program 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 program for the complex development of NGOs and social enterprises. So far, more than 170 NPOs have received support, in 14 types of training and in 26 consultation projects. SEEDS+ program helps the development of applicants through with volunteer support (liquidity management, daily efficiency), or customized advice or bootcamps (project management, financial planning, organizational change). In the first year of the latest 2year program, 85 mini projects received support so far. ERSTE Bank also relied heavily on its 40 external partners for volunteers with whom 92 volunteers were involved in the program. The program continues until 2026 June.

MARC program

MARC program introduced by Erste Stiftung and 3 pilot countries (HU,RO,AUS) in 2024. The goal is to support growth of those impact enterprises who seek for additional funding, investment and would like to go international. Hungary developed 12 impact enterprises in the 2024-25 season, out of which SSH Boards (HU) have won the Best of CEE impact enterprise award. IFUA Non-Profit Partner and SIMPACT Non-Profit Partner are present as implementing partners in HU and as overall program leaders. MARC 2nd year kicked off in 2025 October, in 5 countries, including Hungary, with 15 participants.

+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, Social Banking is coordinating the yearly program and offered NGOs and communities to our employees. The Bank also provides financial support to applications for community work. Since the start of the programme, 217 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 70+ non-profit organisations with a real social impact, worth nearly HUF 80 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.

NGO partners regularly 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, trash management, accessibility advisory, ErsteWoman, ErsteColours and ErsteGreen events, Diversity month).

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

Community often have opportunity to further volunteerism, be it professional support at SEEDS program, personal support at debt advisory, or animatorship at International Kids' day.

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

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

Erste Bank Hungary regularly organizes 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, in 2025, gifts were donated to 170+ disadvantaged children reached by 5 Social Banking partner organisations (Habitat for Humanity, Anyák az Anyákért [Mothers for Mothers], , SütniJó [GoodToBake], SOS Children Village, Foundation for Children with Leukemia, Charity Taxi association and InDaHouse). Moreover, colleagues donate chocolate for another 5 NGOs kids for Santa.

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.

Collaboration with Pagony Publishing – the children's book *Cserebere az erdőben*

The aim of the Erste–Pagony collaboration was to put a truly practical, everyday tool in parents' hands to support children in making thoughtful decisions. The insight behind the project: 92% of parents consider financial education important, yet one in ten finds this task challenging.

As a result, together with Pagony we created the children's book *Cserebere az erdőben*, which serves both as a conversation starter and a practical guide for families. The book was written by Eszter Czernák, with illustrations by Dorottya Szert-Szabó. The project aligns with Erste's "Believe in Yourself!" mindset, as it addresses a topic that can often be difficult for parents to discuss with their children. During the campaign period, the book was offered as a gift with the opening of a Cseperedő bank account.

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 2025, they actively engaged to projects related to nature protection and CO2 emission, held 8 educational events (about water protection, kids education, sustainable workplaces and transporting), organized community actions around sustainability (clothes/ toy wardrobes, celebrating of colleagues coming by bicycle, awareness of food waste).

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 2025, ErsteWoman focused on topics that are rarely talked about, whether due to taboo or shame. The theme was health, both physical and mental well-being. They talked about HIV, with those affected, about why testing is important, and what misconceptions about the disease still exist. Roundtable discussions this year covered senior careers and what comes next after a certain age. Then ended the year with the topic of men's health. What should our male peers pay attention to in order to maintain their physical health, what mental challenges do they face, and what solutions are there?

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.

Their major themes overarch every activity they organize: minority and diversity, and the stress of feeling inferior. They also pursue an important mission to build community, which is why they organised flashmobs at international day of homophobia, picnics, thematic city walks throughout the year. They were present at all major LGBTQ workshops and events: LMBT Historic month, Day of 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 info-communication accessibility

For details see chapter S4-4 Consumers and End-users

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. In the Hungarian market, Erste conducts 12,000 telephone interviews each year (with both private customers and non-customers). In the corporate customer segment, we carry out a comprehensive survey once a year, involving at least 1,750 companies in Hungary.

	% 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 experience 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 target is always determined in comparison with the actual results of the top three performers in the markets. This is achieved through market research among 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	
	2025	2024	2025	2024	2025	2024	2025	2024
Erste Bank Hungary	16.1	1,5*	4.9	2,2	1.8	0,0	11.7	1,3

CXI Privates

In the retail customer segment, Erste Bank Hungary moved from second place last year to first place in 2025. *Competitive landscape changed from 2023 to 2024. CIB was taken into account as competitor in 2024, but was not in 2023.

CXI Micro Segment

In the microsegment, EBH improved significantly from 2024 to 2025. The CXI increased substantially, and our competitive position strengthened, which is especially important given the downward trend seen between 2021 and 2023. In the competitive ranking, we are currently in second place behind K&H.

CXI SME Segment

In the SME segment, an improvement can also be seen, although to a lesser extent than in the previous two segments. Erste remains in the middle of the field: it is preceded by UniCredit and Raiffeisen, while OTP and K&H are behind us – the structure of the ranking essentially did not change in 2025.

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 2025, our headquarters, the Europe Tower, was awarded very good 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. 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 (we currently have 59 electric and 3 hybrid vehicles), 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.

Consolidated 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

This sustainability statement has been prepared on a consolidated basis, in accordance with the European Sustainability Reporting Standards (ESRS) and the requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy).

The scope of consolidation of the sustainability statement corresponds to the scope of consolidation of the financial statements, which are prepared in accordance with the International Financial Accounting Standards (IFRS) and presented in Note 49 of the 2025 consolidated financial statements. The information in this statement relates to entities within this consolidation scope. Metrics provided include information on the upstream and downstream value chain, as appropriate and specified in the respective 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 analysis helped Erste Hungary to identify and assess impacts, risks and opportunities (IROs) across the value chain. Further information on the value chain and its assessment can be found in the chapter 'SBM-1 – Strategy, business model and value chain'.

Erste Hungary did not make use the option to exclude information on 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 of Erste Hungary 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 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. When disclosing forward-looking information, Erste Hungary considers such information to be uncertain.

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 well-established and accepted 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 methodology and underlying assumptions and interpretations' section within the EU Taxonomy Disclosures chapter for a description of limitations in data availability and data quality for EU Taxonomy reporting.

Limitations in the availability of environmental data from Erste Hungary's clients and other business relationships may also have impacted the results of our impact materiality assessment.

The definition of climate-related targets, alongside the respective measures and policies, requires 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, continuously changing market environment, 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. To address these limitations, Erste Hungary has implemented the Erste Group's ESG Data Strategy, which defines structured short- and medium-term actions to enhance ESG data availability. The strategy focuses in particular on strengthening client-level ESG data collection. Progress against these actions is regularly monitored through internal governance frameworks with the objective of progressively reducing estimation uncertainty over time.

Transitional provisions and phase-in options

- Erste Hungary has used the gradual 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 (E1-9).
- Erste Hungary has used the phase-in option under ESRS 1 Appendix C with respect to anticipated financial effects from material physical and transition risks and potential climate-related opportunities (E1-9).
- 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).

Time horizons

Erste Hungary uses the following time horizons in accordance with ESRS:

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

Where applicable, any deviations from these time horizons are noted, for example when internal risk processes foresee different time horizons.

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 clients 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 their status and milestones achieved.

In 2025, the managing bodies were briefed quarterly on material environmental matters (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 receives reports on data privacy issues on a semi-annual basis. There are also ad-hoc meetings with other board members on these matters.

The Management Board, the audit committee and the Supervisory Board were informed about the results of the double materiality assessment (DMA) by Finance and Accounting. The DMA was then acknowledged by the Managing 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 the Management Report, which comprises the Sustainability Statement. The Supervisory Board was 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 overview of the bank's ESG activities to internal and external stakeholders. 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% (2024: 11.11%).

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.

Damien Charron

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

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% (2024: 40%). 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.

Members of the Supervisory Board actively seek to ensure that they possess the necessary expertise and competence in sustainability topics relevant to their respective areas of responsibility.

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. In 2025, all employees of Erste Hungary, including members of the Board of Directors, were required to complete web-based ESG training, thereby strengthening Erste Hungary's overall sustainability competencies. 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. This includes the training courses on 'Implementing the EBA Guidelines on the Management of ESG Risks'. The members of the Management and Supervisory Board also completed the 2025 an FMA webinar on sustainable finance for management and supervisory bodies.

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

Further information on how the administrative, management and supervisory bodies determine whether appropriate expertise and competence are available for the oversight of sustainability matters, and whether these need to be ensured, is provided 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% by 2028 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 on a group level. The Managing Board is informed at least quarterly about environmental KPIs. For other IROs, such as those for Own Workforce, Consumers & End-users and Business Conduct, information is provided to the management on demand.

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.

All IROs identified material in the DMA were discussed with and acknowledged 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 Erste Hungary's strategy and business model'.

Policy Governance

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. The respective functions give rise to responsibilities for policies, which are described in the following chapters in connection with the key sustainability matters and their related IROs. 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, Erste Hungary's local Management Board is tasked with implementing these policies, taking into account their specific circumstances.

Erste Hungary has procedures in place to manage IROs and integrate them into the company's structure. The following examples show how IROs are managed within the group.

Policy governance for the identified climate change mitigation IRO

The financed CO₂e emissions of Erste Hungary contribute to climate change and global warming. Therefore, the calculation of its financed CO₂e 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) a division in the CRO area of Erste Group Bank AG establishes the framework and provides guidance to all entities covered by the scope of Carbon Footprint Calculation Policy. The policy was initially approved by the Group Management Board in February 2024 and was implemented by Erste Hungary in May 2024. It was and most recently updated by ERM in August 2025. 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 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 through a dedicated working group ensures a mutual understanding of carbon footprint calculation related topics across Erste Group.

Policy governance for the identified gender equality IRO

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 serving as a source of expertise for both Erste Group's management and local Diversity Management (LDM) teams. In addition, GDM provides support 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 LDM and Group Communications & Corporate Affairs). 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 and supports implementation of 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 ensures a mutual understanding of the diversity impact across Erste Group.

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 - and also monitors the Group's overall 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. For the Management Board, variable remuneration is capped relative to the amount of fixed remuneration with a maximum of

100% (bonus cap). 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.

Components of the Remuneration of the Management Board

Type/component	Elements	Method of payment	Features
Fixed remuneration			
Base salary		Cash	<ul style="list-style-type: none"> – Consideration of the area of responsibility of the respective board member – Promoting cooperation within the board
Other remuneration	Insurance	Assumption of contributions by the company	<ul style="list-style-type: none"> – Risk insurance against occupational disability and in case of death – Risk accident insurance
	Other	Cash or benefits in kindCash or benefits in kind	<ul style="list-style-type: none"> – Any annual leave payments – Possible one-time sign-on bonus – Benefits in kind, e.g. company car, employee shares
Variable remuneration			
Upfront remuneration (40%)	Upfront cash payments (50% of the upfront portion)	Cash payment in the subsequent fiscal year	<ul style="list-style-type: none"> – Alignment with the fulfilment of certain comprehensible performance criteria in line with business strategy and long-term development of the Erste Group – Consideration of targets and/or individual institution level and – Consideration of individual targets
	Upfront non-cash component (50% of the upfront portion)	Share-based settlement in the second following fiscal year (1-year holding period)	
Deferrals (60%)	Deferred cash payments (50% of the deferrals)	Cash payment from the second following fiscal year in 5 annual tranches	<ul style="list-style-type: none"> – Consideration of targets and/or individual institution level and – Consideration of individual targets
For variable remuneration amounts exceeding EUR 150,000	Deferred non-cash component (50% of the deferral)	Share-based payment from the third following fiscal year in 5 annual tranches	

ESG related targets are in line with the main pillars of the sustainability strategy of Erste Group. Erste Group'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. Measurable ESG targets, aligned with Erste Group's objectives, are suggested by experts of the CEO, CFO and CRO division and approved by the Supervisory Board. These targets are translated into individual Management Board member targets forming a significant part of the variable remuneration system of the Management Board.

In 2025, 10% (in 2024: 10%) of the relevant Management Board members' variable remuneration was based on ESG criteria.

Performance on ESG related targets is assessed on a 5-point rating scale, which experts of CEO, CFO and CRO division then evaluates at the end of the performance period. The results of this evaluation are reviewed and approved by the Remuneration Committee, who subsequently informs the Supervisory Board.

ESG targets for Management Board members may include, but are not limited to, maintaining a strong ESG performance, supporting the sustainable transition i.e. Sustainable financing and Net Zero transition.

In 2025, 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 the CEO/CRO, CFO, CRO and CCMO 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 CFO and CCMO (see chapter E1-4).

- Strategic sustainability agenda, climate strategy and targets of Erste Group are assigned to the CEO.
- CSRD sustainability reporting is assigned to the CFO.
- Increasing sustainable retail mortgages (target volume of new sustainable retail mortgages) is assigned to the CRetO (see chapter E1-4).
- Increasing sustainable corporate financing (target volume of new sustainable corporate financing) is assigned to the CCMO (see chapter E1-4).
- Increasing zero-carbon electricity sourcing is assigned to the CFO (see chapter E1-4).
- In addition, all Board Members have a diversity target with 5% weight.

Erste Group's target volume of Sustainable Financing and retail mortgages are determined according to the criteria described in E1-4 and must not be confused with the Green Asset Ratio (GAR) KPI under the EU Taxonomy.

GOV-4 - STATEMENT ON DUE DILIGENCE

Erste Group's Code of Conduct illustrates how its policies and processes are aligned with international instruments that respect human rights, with reference to the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises as a basis. Through the Code of Conduct, these international instruments are also incorporated into Erste Hungary's policies and processes to ensure that Erste Hungary's operations - as part of the Erste Group - are undertaken with the highest standards of ethical behaviour and respect for human rights.

Erste Hungary has firmly embedded the concept of sustainability into its business strategy and rely on sustainable, value-driven and responsible business practices that enable it to generate stable long-term returns for all stakeholders. As a financial institution operating across diverse sectors, Erste Hungary recognises that its activities impact the environment or society. To address these impacts, Erste Hungary applied continuous due diligence processes -throughout the Double Materiality Assessment to identify actual and potential negative impacts on the environment and society, as well as in the policies and processes to prevent, mitigate and manage them.

The table below, provides a mapping that addresses the core elements of Erste Hungary's due diligence process and explains how and where its application of the main aspects and steps of the due diligence process are reflected in the sustainability statement. Those core elements include embedding due diligence in governance, strategy and business model, engaging with affected stakeholder, identifying and assessing adverse impacts, taking actions to address those adverse impacts and tracking the effectiveness of those efforts and communicating. This allows the actual due diligence practices of the undertaking to be depicted.

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 and transition measures for 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>S3-1 – Policies related to affected communities</p> <p>S3-2 – Processes for engaging with affected communities 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>S3-4 – Taking action on material impacts on affected communities and managing the effectiveness of those actions</p> <p>S4-4 – Taking action on material impacts on 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 adaptation</p> <p>S1-5 – Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities</p> <p>S3-5 – Targets related to advancing positive impacts</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 three main risks in the sustainability reporting process are 1) including errors in reporting, such as inaccuracies in both quantitative and qualitative data, 2) reporting on irrelevant information, such as including non-material information that does not significantly impact stakeholders, as well as 3) omitting relevant information, such as failing to disclose material information that is important for stakeholders. These risks are also valid for value chain data.

To mitigate against these risks, Erste Hungary implements four main mitigation measures. The first measure involves internal controls for quantitative data. Many of the same internal controls and processes used for financial reporting are also applied to quantitative data in sustainability reporting. This includes the 4-eyes principle and data validation to minimise errors.

The second measure includes internal controls for qualitative data, including the 4-eyes principle which also applies to quantitative data. Further, the review steps outlined in the first measure ensure the accuracy and relevance of qualitative data. This includes multiple internal feedback loops, a management review and external consulting to continuously improve the assessment of qualitative data.

The third mitigation measure is the Double Materiality Assessment (DMA). This comprehensive assessment was carried out in collaboration with an external consultant to ensure that the information presented is relevant and material. This helps in avoiding the reporting of irrelevant information and ensures that all significant aspects are covered. Further information regarding the DMA can be found in chapter 'IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities'.

The fourth mitigation measure is the relevance analysis. This analysis is based on the results of the DMA and identifies the mandatory and material disclosure requirements and data points following the ESRS that are subsequently disclosed in the sustainability statement.

In 2025, Erste Group implemented a new disclosure management tool to further improve the reporting process for the sustainability statement. These improvements in control measures result in increased efficiency and control of the reporting process that include:

- granular user rights and permissions that can be granted per section/chapter,
- clear documentation of changes,
- approval of tracked changes being restricted to document owners.

Future considerations will result from the risk management and the internal control system and 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

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.

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.

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 its operations. Erste Hungary believes that this is the only way to be successful over the long term, working towards a fairer and more inclusive society.

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

Supporting 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.

As part of the environmental pillar of its sustainability strategy, Erste Hungary as part of Erste Group:

- has the ambition to achieve a net-zero status of Erste Hungary's portfolio by 2050,
- wants to achieve a net-zero status in banking operations by 2030 and
- maintains a strong role in sustainable financing by funding climate action.

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.

As part of the social pillar of its sustainable strategy Erste Hungary as part of Erste Group:

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

Significant markets and customer groups

Erste Hungary's sustainability strategy is focused on its significant markets and customer groups and has detailed approaches customised for each of them. More information on the set targets relating to the strategic priorities can be found in the respective chapters.

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. Additionally, Erste Hungary offers support to our clients by linking to national subsidy programs e.g. to support energy-efficient home renovations.

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

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

Approach for decarbonisation. The implemented approach for corporate business is designed to support the achievement of Erste Group's strategic objectives of reaching net zero status in its portfolio by 2050, as it consists of performing an initial client transition readiness assessment via an ESG Assessment Questionnaire and an in-depth client 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.

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 aims to reflect the interests and views of affected stakeholders, as well as users of sustainability statement which are further described in chapter SBM-2 - Interests and views of stakeholders'. 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 expenditures. 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 (Portfolio)

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. The downstream value chain is subsequently referred to as the portfolio, as all of Erste Hungary's downstream material impacts are linked to it. These conclusions are derived from IROs assessed following the DMA process and an in-depth portfolio analysis. 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 CO₂ 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.

As part of the DMA, Erste Hungary classified its stakeholders into two categories: affected stakeholders and users of the sustainability statement. These groups are defined as follows:

- affected stakeholders: retail customers, corporate clientes, employees, suppliers and nature,
- users of the sustainability statement: investors, analysts, rating agencies supervisory and regulatory authorities, NGOs, potential future employees and all other readers.

For each stakeholder group, at least one internal contact person was identified. These individuals are in regular exchange with the respective stakeholders, are familiar with their concerns and viewpoints and are able to provide informed insights.

Through individual interviews, the topics relevant to each stakeholder group were identified and systematically documented. This approach ensured that both the potential and the actual impacts of Erste Hungary's business activities on stakeholders, as well as the risks and opportunities identified by stakeholders of Erste Hungary, were appropriately considered in the materiality assessment.

The involvement of internal experts who maintain ongoing contact with the respective stakeholder groups proved particularly valuable in defining the Impacts, Risks and Opportunities (IROs) within the DMA. For instance, the IROs for S1 (Own workforce) have been established with the HR Management department.

For details on the type of engagement, its purpose, implementation and topics discussed with the stakeholder groups, please refer to the table 'Key stakeholder engagement' below.

Key stakeholder engagement

Key Stakeholders	Why Erste Hungary engages	How Erste Hungary engages	Interests and views of key stakeholder	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"> • advisory sessions • conferences and seminars • website • customer experience program 	<ul style="list-style-type: none"> • improve customer experience • enhance products and services • innovation and digitization 	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"> • employee surveys • Intranet • training, coaching and mentorship • employee resource groups • annual feedback and professional development talks 	<ul style="list-style-type: none"> • invest in people development • foster diversity, equity and inclusion • promote employee health and work-life balance • increase employee involvement 	Erste Hungary's engagement enables the targeted adaptation of the people and culture strategy
Suppliers	Erste Hungary engages with suppliers to ensure high standards of quality, integrity and compliance throughout the procurement process.	<ul style="list-style-type: none"> • supplier feedback questionnaire 	<ul style="list-style-type: none"> • smooth and efficient cooperation • simple and streamlined business processes • effective and trustworthy communication 	Erste Hungary's engagement enables a regular assessment of how supplier expectations are addressed in procurement processes and collaboration.
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"> • conferences and events • bilateral meetings 	<ul style="list-style-type: none"> • accelerate climate action • mitigate global physical and transition risks • protect biodiversity 	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"> • investor presentations and webcasts • bilateral talks • roadshows • conferences 	<ul style="list-style-type: none"> • drive performance and execute strategy for sustainable growth • accelerate climate action • foster diversity, equity and inclusion • enhance risk management 	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, pro-active dialogue with national and European supervisory and regulatory authorities to understand supervisory expectations.	<ul style="list-style-type: none"> • supervisory dialogues 	<ul style="list-style-type: none"> • drive performance and execute strategy for sustainable growth • accelerate climate action • foster diversity, equity and inclusion • enhance risk management 	Erste Hungary's engagement enables it to adapt processes and increase the level of transparency to fulfill supervisory expectations.

The key interests of Erste Hungary's stakeholders, identified through ongoing engagement, inform and shape the business model. It is however often impossible to attribute amendments to the strategy exclusively to stakeholder views without considering other factors, such as business needs.

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. Information on the outcomes of the engagement with all stakeholder groups is provided to the Management Board both informally in meetings with internal stakeholder representatives and formally in board meetings. The Supervisory Board is similarly informed about engagement with key stakeholder groups in dedicated agenda items in Supervisory Board meetings with internal stakeholder representatives.

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). 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. Additional information regarding the material IROs and their interaction with Erste Hungary's strategy and business model can be found in the respective topical chapters.

Sustainability Matter	IRO Nr.	Type of IRO	IRO Description	Value chain	Time horizon
E1- Climate change adaptation	E1-IRO-1	Opportunity	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-2	Potential positive impact	Reducing greenhouse gas emissions from our own operations has a positive impact not only on the environment, but also on society. This policy reinforces Erste Hungary's commitment to sustainability and contributes to the bank's appearance as a full-service, responsible financial player. Reducing emissions directly supports ecological change while also increasing the company's attractiveness as an employer	Own operations	All time horizons
	E1-IRO-3	Potential positive 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	Long-term
	E1-IRO-4	Negative impact	Erste Hungary's Scope 1, 2 and 3 CO2 emissions (from upstream value chain, own operations and financed emissions) contribute to climate change and thus to global warming.	Upstream, Own operations and Portfolio	All time horizons (actual in short-term)
	E1-IRO-5	Potential negative impact	Erste Hungary's Scope 1, 2 and 3 CO2 emissions (from upstream value chain, own operations and financed emissions) contribute to climate change and thus to global warming.	Upstream, Own operations and Portfolio	All time horizons (potential medium-to long-term)
	E1-IRO-6	Risk	<p>Transition risk: If a bank decides or is forced (e.g. due to regulatory pressure or changes in consumer preferences) to prioritise financing for sustainable businesses and projects, it will be forced to withdraw funds for unsustainable investments. This can pose a significant financial risk to the bank, depending on the level of investment/loans issued.</p> <p>Credit risk: If lenders engaged in unsustainable business practices are unable to switch to more sustainable models, they may become financially unstable, increasing a bank's credit risk.</p> <p>Market and reputational risk: If a bank fails to meet changing consumer preferences and continues to finance polluting and carbon-intensive industries, companies and projects, it may face reputational risks that could be financially material for the bank. For example: A bank's customers transfer their bank deposits to a "greener" competitor.</p>	Portfolio	All time horizon

E1-Energy	E1-IRO-7	Potential positive 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	All time horizons
	E1-IRO-8	Potential positive impact	Financing renewable energy projects through the project finance portfolio.	Portfolio	Medium-term
	E1-IRO-9	Negative impact	Erste Hungary's Scope 1, 2 and 3 CO2 emissions (from upstream value chain, own operations and financed emissions) contribute to climate change and thus to global warming.	Upstream, Own operations and Portfolio	All time horizons (actual in short-term)
	E1-IRO-10	Potential negative impact	Erste Hungary's Scope 1, 2 and 3 CO2 emissions (from upstream value chain, own operations and financed emissions) contribute to climate change and thus to global warming.	Upstream, Own operations and Portfolio	All time horizons (potential medium-to long-term)
	E1-IRO-11	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>	Portfolio	All time horizon
E4- Land-use change, fresh water-use change and sea-use change	E4-IRO-1	Potential negative impact	Any financing that significantly affect land and water environments can contribute to environmental pressures such as habitat change, water availability challenges, and pollution, which may impact local biodiversity.	Portfolio	All time horizon
E4- Soil sealing	E4-IRO-2	Negative impact	Financing polluting industries can have a negative impact on biodiversity and ecosystems.	Portfolio	All time horizons (actual in short-term)
	E4-IRO-3	Potential negative impact	Financing polluting industries can have a negative impact on biodiversity and ecosystems.	Portfolio	All time horizons (potential medium-to long-term)
S1-Gender equality and equal pay for work of equal value	S1-IRO-1	Negative impact	At Erste Hungary, the gender pay gap may adversely affect staff.	Own operations	Short-term
S1-Training and skills development	S1-IRO-2	Potential positive impact	Employee participation in various professional training programs increases job satisfaction, as it provides them with the opportunity to develop and update their knowledge.	Own operations	Long-term
	S1-IRO-3	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	S1-IRO-4	Potential positive 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
	S1-IRO-5	Potential negative impact	Workplace discrimination can profoundly impact vulnerable groups of employees by fostering a hostile and unsafe work environment. These issues can lead to heightened stress and anxiety, making these employees feel unsupported and excluded and might affect their mental and physical health.	Own operations	Long-term
S3- Social banking	S3-IRO-1	Positive impact	By ensuring that all banking products and services are accessible to financially vulnerable people, Erste Hungary promotes their autonomy, social and professional integration and active participation in community life. Focus on the financial inclusion of marginalized individuals by developing underserved social enterprises and organisations.	Portfolio	All time horizon
S4-Financial Health (entity specific)	S4-IRO-1	Ppositive 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.	Portfolio	All time horizons (actual in short-term)
	S4-IRO-2	Potential positive 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.	Portfolio	All time horizons (potential medium-to long-term)
	S4-IRO-3	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	Long-term
S4- Privacy	S4-IRO-4	Negative impact	Data breaches or cyberattacks can compromise individuals' sense of security and privacy, leaking the personal and financial data of affected customers.	Portfolio	All time horizons (actual in short-term)
	S4-IRO-5	Potential negative impact	Data breaches or cyberattacks can compromise individuals' sense of security and privacy, leaking the personal and financial data of affected customers.	Portfolio	All time horizons (potential medium-to long-term)
	S4-IRO-6	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.	Portfolio	Short-term
S4-Access to product and services	S4-IRO-7	Positive impact	By actively considering the diverse needs of different customer groups – including women, persons with disabilities, migrants, and older individuals – in the design of financial products and services, the company has contributes to greater financial inclusion and equity.	Portfolio	Short-term

G1-Protection of whistle-blowers	G1-IRO-1	Potential negative impact	The potential lack of protection for whistle-blowers interferes with freedom of expression, potentially leading to retaliation and reprisal, social exclusion, and psychological stress for whistle-blowers.	Own operation	All time horizon
G1-Prevention and detection including training	G1-IRO-2	Potential negative 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 operation	All time horizon
	G1-IRO-3	Potential negative impact	A lack of awareness and internal measures could potentially lead to corruption or bribery incidents with legal consequences including labour law sanctions as well as civil and criminal perceptions for employees.	Own operation	All time horizon

For entity-specific topics, Erste Group follows the same disclosure requirements as prescribed by the respective ESRS for sustainability matters. Therefore, disclosures for entity-specific topics includes information regarding policies, actions and targets, if available. The following disclosures in this sustainability statement are not covered by the ESRS and are entity-specific:

- Adjusted Gender Pay Gap (for more information see S1-16)
- Social Banking Performance Indicators (for more information see S3-5 and S4-5)

Information regarding the methodology of considering ESG risks in the existing risk appetite statement can be found in note 30. Credit risk: credit risk review and monitoring. As described in IRO-1, the process for evaluating the IROs was adjusted compared to last year. Accordingly, several refinements and modifications were made during the course of the assessment, resulting from increased guidance and benchmarking in 2025. These changes are outlined below.

E1 - Climate change adaption

For 'E1 - Climate Change Adaptation', the positive impact of climate change adaptation financing was reassessed as not material.

E1 - Climate change mitigation

For 'E1 - Climate Change Mitigation', the two negative impacts that were previously considered positive in last year's assessment the CO₂ emissions from Erste Hungary's own operations and upstream value chain contributing to climate change and global warming and the financed CO₂ emissions contributing to climate change and global warming were consolidated into one material negative impact in this year's evaluation.

E1 - Energy

For 'E1 - Energy', the two negative impacts that were assessed as material last year — the CO₂ emissions resulting from Erste Hungary's own energy mix (electricity, fuel and heating) and the investments in and financing of energy-intensive companies still relying on fossil fuels — were consolidated and are now reflected under the material negative impact of Climate Change Mitigation. This means that the material negative impact identified under Climate Change Mitigation equally applies to Energy.

E4 - Biodiversity

While one IROs were assessed as material for 'E4-Biodiversity' last year, a potential negative impact related to Land-use change, fresh water-use change and sea-use change has also been identified as material in this year's evaluation.

S1 - Own workforce

For 'S1 - Own Workforce', the positive impact identified last year has not exceeded the materiality threshold in the reassessment. The same applies to the positive impact under Health and Safety. Regarding the topic of Diversity an additional potential negative impact was identified.

S3 - Social Banking

While no IROs were assessed as material for 'S3 - Social Banking' last year, a positive impact related to Social Banking has been identified as material in this year's evaluation.

S4 - Consumers and end-users

For 'S4 - Consumers and End Users', regarding the topic of Privacy the identified positive impact, in this year's assessment was reassessed as not material. The topic Access to Products and Services is no longer assessed as material for S4 this year. However, as noted earlier, a new positive impact under 'S3 – Social Banking' has been identified. Regarding the topic of Access to products and services an additional potential positive impact was identified.

G1 - Business Conduct

For 'G1 - Business Conduct', last year a material positive impact was identified for Protection of Whistleblowers. In this year's assessment, this topic is instead assessed as having a material negative impact. Regarding the topic Corruption and Bribery – Prevention and Detection, including Training an additional potential negative impact was identified. For 'G1 - entity specific topic - Anti-money laundering', the positive impacts were reassessed as not material.

After conducting 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 the annual 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 outcomes of the assessment are the basis for the scope of topics reported and data points included in this statement.

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 2025, the DMA process was conducted for the second time according to the ESRS. It deviates from the materiality assessment of last year by introducing a Portfolio Analysis and Risk Materiality Assessment to identify impacts and risks from the credit risk portfolio, adjusting the scoring process and stakeholder engagement by building cross-functional scoring teams, who scored each time horizon separately.

Identification of impacts, risks and opportunities

The DMA was performed under the lead of the Finance & Accounting and the ESG Officer, considering inputs from 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 topics such as financial health and social banking. A topic may be relevant if it is connected to the Hungary's core business, strategic priorities, or value chain. Relevance can also arise from the extent to which stakeholders are affected. 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 acknowledged by Erste Hungary's Management Board.

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

- Guidance documents and peer benchmarking
- Analysis of the group strategy and related business activities
- Engagement with internal expert interviews including use of studies
- Integration of Erste Hungary Risk Materiality Assessment (RMA) results
- Mapping of sectoral credit exposures and financed emissions (Portfolio Analysis)
- Spend for purchased goods and services (Upstream)
- Consultation with internal expert jury

Portfolio Analysis

The results of the portfolio analysis also inform the identification of impacts in the downstream value chain and their materiality status. Using an Excel-based tool considering input data by UNEP FI and ENCORE, Erste Hungary as part of Erste Group assessed ESG impacts across its portfolio and linked them to ESRS requirements for the DMA. To run the analysis, Erste Hungary provided portfolio data, including loan details, exposure values, associated industries using NACE codes and countries of operation. Each loan is then assigned ESG impact scores based on its sector and country, which are weighted by exposure to create a portfolio-wide ESG impact profile and aggregated by sector to show which industries contribute most to ESG impacts. UNEP FI impact categories are mapped to ESRS sub-topics and topics are flagged as relevant if their impact score exceeded the 90th percentile threshold. These flagged topics were then reviewed and validated by internal experts to determine whether they represent material impacts for Erste Hungary. The portfolio analysis replaces the previous manual assessment approach by establishing materiality through a structured, data-driven process.

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 experts from various business units. Erste Hungary had no other direct consultations with other affected stakeholders in the DMA. Results were validated by the Expert Jury. The Expert Jury are individuals representing Finance and Accounting, Strategic Risk Management, Human Resources Management, Social Banking, Compliance and ESG Office.

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 - Interests and views of stakeholders. 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 - Strategy, business model and value chain.

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 impacts, its state as actual or potential, its allocated time horizon or value chain relevance.
- The severity and the likelihood were evaluated for each impact. An impact is classified as actual if it has already occurred and is therefore observable or verifiable in the present. Conversely, an impact is classified as potential if its occurrence is only possible in the future and thus based solely on a plausible expectation or projected development. Whether an impact is to be classified as actual or potential is determined by the responsible internal experts. For actual impacts the likelihood was consistently set to 100%. For potential impacts the likelihood was assessed on a scale from 0-5 with each scale having a corresponding probability weight.
- The scoring of severity included the three parameters of scale, scope and - only for negative impacts - irremediability. Each evaluation parameter was assessed individually on a scale from 0-5. Their values were averaged, and the resulting score was then 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. Using this as the threshold ensures that only impacts with at least an upper-medium level of severity are classified as material. This approach prevents low-severity impacts from being considered material, maintaining focus on the most significant topics.
- Impact evaluations were conducted per time horizon by cross-functional scoring teams, 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 assessment 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 - Interests and views of stakeholders.

Impacts relating to E1 Climate Change

The whole value chain was considered and assessed in the context of climate change mitigation. As described in section 'SBM-1- Strategy, business model and value chain', 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. The assessment was carried out in alignment with the process outlined above, incorporating both the Portfolio Analysis and expert evaluations. Together, the impact was considered material, especially due to the high score considering the scope of CO2 emissions, which were considered to have a global impact, as well as the irremediability, as CO2 emissions are very 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 2024 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.

For the subtopic of climate change mitigation a negative impact was identified, which, due to its actual and global nature, received the highest notch evaluation and hence was deemed material. This negative impact is equally applicable to subtopic of energy, but is only listed as a single negative impact applicable to both subtopics.

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 Methodology pursues targets in sustainable financing. Based on the actual and global nature this positive portfolio related impact was assessed as material.

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.

Erste Hungary has no sites (own premises) located in or near biodiversity-sensitive areas and no material impacts were identified related to Erste Hungary's own operations affecting any biodiversity-sensitive areas.

Concerning the subtopics of 'Direct impact drivers of diversity loss' and '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 or opportunities were identified. However, none of the risks exceeded the materiality threshold.

The evaluation was based on expert judgement and supported by portfolio analysis data using ENCORE and UNEP FI data. Information with regards to affected communities are covered through the aforementioned data bases and portfolio analysis.. The material 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 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.

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 S3 Affected Communities

Erste Hungary interacts in many ways with surrounding communities, which is why a positive impact was identified and the topic of Social Banking was classified as material. The assessment was aligned with the Social Banking strategy, expert evaluations and stakeholder feedback. Key impacts include ensuring access to products and services for financially vulnerable people and promoting financial inclusion.

Further details can be found in the table in the chapter 'SBM-3 - Material impacts, risks and opportunities and their interaction with Erste Group'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 and privacy 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 material negative impact deemed material (see table in SBM-3).

Financial Materiality Assessment

The financial materiality 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. As part of this process, internal experts were briefed on the methodological requirements of the DMA, including the interdependences between impact and financial materiality, with particular emphasis on recognising financial materiality that results from impacts and dependencies.
- 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. For more information on the RMA, see the section below "Risk Materiality Assessment (RMA)".
- 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, with each scale having a corresponding probability weight.
- 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 per time horizon separately by cross-functional scoring groups setting scores based on evidence and expert opinion.
- The final scoring per risk and opportunity was quality assured by a central expert jury.

Risk Materiality Assessment (RMA)

The Erste Group's Business Environment Scan (BES) identifies climate and environmental risks and opportunities, serving as input for the RMA to narrow down relevant topics. While the RMA provides the foundation for identifying material environmental risks, opportunities subject to the environment are derived directly from the BES. Identified risks are then analysed by internal experts to determine physical and transition risks, which are

assessed across risk types (credit, market, operational, strategic, reputational, liquidity) and time horizons (short-, medium-, long-term) for materiality and are mapped to the ESRS longlist topics, linked to prior DMA risks or added as new ones. If any of those risks are material, the entire associated risk or topic is deemed material. The RMA replaces manual expert assessments by defining materiality systematically.

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 centres)
- 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 centred on the financed portfolio and the transmission channel to 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 energy, climate change mitigation and 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, which is committed 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).

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, as well as Erste Hungary's own operations and downstream value chain were considered in the assessment of pollution matters. A portfolio analysis was performed to identify impacts linked to the typical risk profiles of the industries (see chapter IRO-1 – Impact Materiality Assessment for further details). The industries with the highest impacts were identified as agriculture, mining, manufacturing, construction and electricity, gas, steam and air conditioning supply. Due to the high standards and strict regulations on pollution matters that are in place to limit impacts on the environment within these industries, no material impact was determined. Risks and opportunities relating to pollution were analysed 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. No material risks or opportunities were identified, primarily because the industries evaluated as high-risk within the scope of pollution matters had a low exposure share.

E3 Water and marine resources

Similarly to pollution, potential impacts relating to water and marine resources in the upstream value chain, such as water usage connected to IT services, as well as the downstream value chain were assessed. The industries with the highest impacts were identified as agriculture, mining, manufacturing, water supply; sewerage, waste management and remediation activities, electricity, gas, steam and air conditioning supply and accommodation and food service activities. Due to the high standards and strict regulations on water and marine resources matters that are in place to limit impacts on the environment within these industries, no material impact was determined. Risks and opportunities relating to pollution were analysed 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. No material risks or opportunities were identified, primarily because the industries evaluated as high-risk within the scope of pollution matters had a low exposure share.

E5 Resource use and circular economy

Erste Hungary's own operations and upstream value chain were assessed, along with impacts related to the financed portfolio, using a portfolio analysis. The highest impacts were identified in industries such as agriculture, mining, manufacturing, construction and real estate. Following high standards and strict regulations on resource use and circular economy matters that are in place to limit impacts on the environment within these industries, no material impact was determined. The assessment of risks and opportunities associated with resource use and the circular economy was carried out based on the current business strategy and portfolio structure, complemented by insights from Erste Hungary's risk materiality assessment and its ESG sector risk heatmap. No material risks or opportunities were identified, primarily because the exposure share of industries affected by the main risk driver of a potential ban of environmentally damaging materials or chemicals is not significant.

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 for the sustainability matters of social banking and financial health. Metrics were disclosed where necessary.

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

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ENVIRONMENTAL INFORMATION

EU TAXONOMY DISCLOSURES

LEGAL FRAMEWORK AT EU LEVEL

The EU Commission's Delegated Regulation (EU) 2026/73 (further referred to as "revised EU Taxonomy DDA") amending the EU Commission's Delegated Regulation (EU) 2021/2178 (further referred to as unrevised EU Taxonomy DDA) as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities addresses the requirement of the EU Taxonomy's Article 8 by specifying the accordingly revised content and presentation of information to be disclosed concerning environmentally sustainable economic activities and specifying the accordingly revised methodology to comply with that disclosure obligation

The revised EU Taxonomy DDA has been published in EU's Official Journal on 8th of January 2026, with applicability from 1st of January 2026 for the financial year 2025. The necessity of such a revision stem from the experience with the first year of reporting by financial undertakings and the two consecutive years of reporting by nonfinancial undertakings, which was found to provide a sufficient basis for the EU Commission ("EC") to introduce certain targeted simplification measures to streamline reporting obligations and thereby reduce administrative burden on reporting undertakings, while not losing relevant and material data from the Taxonomy reporting framework. These measures, in a draft form open for comments, were issued in February 2025, as part of the so-called "Sustainability Omnibus Proposal" (hereafter referred to as "Omnibus"), then further refined and issued on the 4th of July 2025 in the form of an EC Delegated Regulation. In parallel, Omnibus' "stop the clock" proposal - that is, applying year-end 2024's scope of undertakings subject to CSRD (hence: to EU Taxonomy disclosures as well) until further re-assessment of scope's previously enacted gradual widening across the years 2025-2028 - was fast-tracked for immediate enacting at EU level.

As mandated by its Article 4, Erste Group initially applies the revised EU Taxonomy DDA for the reporting year ending on 31 December 2025. Therefore, Erste Hungary's EU Taxonomy disclosures as of 31 December 2025 hereafter included, as well as the number, the content and the structure of the related templates have been adapted to fully reflect the requirements of the revised EU Taxonomy DDA, notably the amendments to the Annex VI to the unrevised EU Taxonomy DDA (providing the updated layouts of the currently required templates 0-5) and the deletion of the Annex XII to the unrevised EU Taxonomy DDA (previously integrating the requirements of the Delegated Regulation 2022/1214 and the related previously applicable templates dedicated to direct and indirect applicable exposures towards the nuclear & fossil gas energy sectors).

Erste Hungary's application of revised EU Taxonomy DDA's provisions prompting reporting credit institutions to make own reporting choices

10% de minimis threshold applicable to UoP (Use of proceeds) assets with respect to sustainability assessment

In accordance with the revised EU Taxonomy DDA, up to 10% of credit institution's on-balance "use of proceeds known" assets or off-balance items considered into the denominator of the related Taxonomy KPI of the credit institution can be omitted from such an assessment and reported instead as non-assessed exposures in a newly available dedicated section of the related EU Taxonomy templates. For the year ending on 31 December 2025, being also the first year of application of the revised EU Taxonomy DDA by Erste Hungary (and, inherently, by any other CSRD obligated undertaking), Erste Hungary as part of Erste Group opted for not making use of the above described 10% de minimis threshold. Consequently, the newly introduced columnar section "Non-assessed exposures" is reported empty across all rows in all related EU Taxonomy simplified templates of Erste Hungary as of 31 December 2025.

10% net turnover de minimis threshold applicable to reporting credit institutions's EU Taxonomy KPIs to be disclosed

Another key change brought by the revised EU Taxonomy DDA relates to the possibility for reporting credit institutions to not report a given EU Taxonomy KPI provided that the related assets or off-balance items contribute by 10% or less to institution's net turnover, as defined by the applicable regulatory requirements. On this basis, Erste Hungary has proceeded with determining the relative contribution of Erste Hungary's asset management fees, as reported in Erste Hungary's consolidated statement of comprehensive income for the financial year ending on 31 December 2024 and concluded that this contribution did not reach the mentioned de minimis threshold of 10%. Consequently, Erste Hungary does not disclose its AuM KPI as of 31 December 2025 in any of the applicable views.

Consequently, the related rows of the Templates 1 and 5 for 31 December 2025, as presented below, (all applicable views) are not populated.

Option to include selected assets towards CSRD non-obligated undertakings into the GAR calculation

In accordance with the revised EU Taxonomy DDA as well, the applicable taxonomy KPIs can be either mandatorily or voluntarily disclosed by the related undertakings. However, in the latter case and provided that the reporting credit institution opts for considering exposures to such undertakings into its Green Asset Ratio (GAR), the applicable general-purpose exposures and the calculated amounts arising from the above mentioned weighing shall be distinctly disclosed into a newly available dedicated section of the related EU Taxonomy templates, along any specific-purpose applicable exposures towards CSRD non-obligated undertakings that the credit institution may voluntarily include into the assets covered by the GAR calculation (hence: assess the specifically financed activities accordingly). For year-end 2025 EU Taxonomy reporting purposes, Erste Hungary as part of Erste Group opted for including into its assets covered by the GAR calculation neither applicable general-purpose exposures to undertakings having voluntarily disclosed their taxonomy KPIs nor applicable specific-purpose exposure towards CSRD non-obligated undertakings (whether they voluntarily disclosed any taxonomy KPIs or not). Therefore, the newly included linear section "Exposures included on a voluntary basis" is reported empty across all columns in all related EU Taxonomy simplified templates of the Group as of 31 December 2025.

Revised EU Taxonomy DDA's approach to GAR calculation and its implementation in Erste Hungary

The Green Asset Ratio (GAR) is the proportion of taxonomy aligned assets or economic activities financed by Erste Hungary compared to the total 'GAR assets'. The Regulators have introduced a key change in the composition of GAR's denominator, aimed at achieving GAR's "symmetry" in the sense of ensuring a full overlap with respect to the categories of assets and counterparts falling in the respective scopes of GAR's numerator and denominator. This means that:

- Non-trading non-derivative financial assets towards CSRD non-obligated undertakings, previously included in GAR's denominator's only, have been fully excluded from the assets covered by the GAR calculation, unless the reporting credit institution would opt to include them on a voluntary basis, which, as mentioned above, is not the case of Erste Hungary for 31 December 2025;
- Other categories of financial assets previously included in GAR's denominator only, such as hedging derivatives, on demand inter-bank loans, cash and cash related assets, have been fully excluded from the assets covered by the GAR calculation;
- Other categories of assets, such as goodwill and other non-financial assets, previously included in GAR's denominator only, have been fully excluded from the assets covered by the GAR calculation.

As a direct result of the newly adopted "symmetrical" approach to the GAR calculation, Erste Hungary, as part of Erste Group, further proceeded with the following two reallocations out of the "GAR assets" into the category of assets not covered for the GAR calculation:

- Loans to Households other than those identified as EU taxonomy eligible (that means: other than those collateralized by residential real estate or building renovation loans or motor vehicle loans granted starting with 2022), previously considered as a category of assets covered in both the numerator and the denominator of the GAR (although inherently not eligible for contributing to GAR's numerator), have been fully excluded from the assets covered by the GAR calculation and considered instead within the GAR-excluded category "Undertakings and entities not subject to CSRD" within the related Taxonomy templates as per the revised EU Taxonomy DDA;
- similarly, general or sundry financings of Local Governments, previously considered as a category of assets covered in both the numerator and the denominator of the GAR (although inherently not eligible for contributing to GAR's numerator), have been fully excluded from the assets covered by the GAR calculation and considered instead within the GAR-excluded category "Undertakings and entities not subject to CSRD" within the related Taxonomy templates as per the revised EU Taxonomy DDA.

Non-trading non-derivative financial assets having CSRD-obligated undertakings as counterparts are mandatorily included in the GAR calculation. Considering the "stop the clock" decision of the EU Commission in respect to the CSRD scope of obligated undertakings (as also referred to above), the criteria applied at year-end 2024 for identification of the CSRD-obligated undertakings continue to apply in full at year-end 2025 as well. Thus, all undertakings considered to be of public interest and employing more than 500 employees either as individual entities or at the related group level are deemed required to comply with Article 8, Paragraph 1 of Regulation (EU) 2020/852 and hence identified as CSRD-obligated, even

when such an obligation does not apply at related undertaking's individual level, provided that the related undertaking is identified as subsidiary of a parent undertaking CSRD-obligated at consolidated level only.

The assets covered in the GAR calculation due to having financial or non-financial undertakings identified as CSRD-obligated as counterparts 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).

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

Financial assets previously already fully excluded from the GAR calculation, namely those towards central governments, supranational issuers and central banks, as well as all trading assets, have continued to remain so.

Ensuing implications on the Eligibility KPI

Another significant KPI is the Taxonomy-eligibility KPI, which is disclosed ahead of the GAR. This puts the assets covered in the GAR calculation that are classified as Taxonomy-eligible in relation to the total assets covered in the GAR calculation. Similarly to GAR, covered financial assets towards financial or non-financial undertakings are considered in both the numerator and the denominator of the eligibility KPI provided that the related counterparts are themselves CSRD obligated at either individual or consolidated level or belong to a group headed by a CSRD obligated undertaking or are included by the reporting credit institution on a voluntary basis (not the case for Erste Group for year-end 2025, as mentioned above). Such financial assets, provided that they are neither held for trading nor derivative assets, are further considered in the numerator of the Taxonomy-eligibility KPI as follows:

- in full, if the purpose of the financing is known, and the economic activities financed are found 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.

Derived KPIs ("proportions") additionally introduced by the revised EU Taxonomy DDA

Aside the GAR and the Eligibility KPI, the revised EU Taxonomy DDA have introduced within the GAR KPI stock and flow templates a new columnar section named "Proportion of Taxonomy aligned in Taxonomy eligible", where the ratio of taxonomy-aligned assets into the taxonomy-eligible assets, as already referred to by the Annex V of the EU Taxonomy DDA as "second step" KPIs, has to be distinctly disclosed.

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 2025, unlike for year-end 2024 Erste Hungary, as a credit institution, applies Annex V and VI of the EU Taxonomy Disclosures Regulation as modified by the revised EU Taxonomy DDA. Inherently, this legislative update impacts therefore the year-on-year comparability of some of Erste Hungary's Taxonomy KPIs. Had the methodological changes brought by the revised EU Taxonomy DDA been applied for year-end 2024 as well, the related Taxonomy KPIs of the Group

had been different as further detailed in the sub-chapter "Summary of revised EU Taxonomy DDA's effects on the comparative information as of year-end 2024" below.

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 2025, 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). According to Annex VI to the EU Taxonomy Disclosures Regulation as modified by the revised EU Taxonomy DDA, Template 0 does not feature a comparative ('T-1') section. Therefore, Erste Hungary does not create a comparative Template 0 as of 31 December 2024. However, the significant year-on-year developments in the quantitative information featured in Template 0 are further outlined below.

Total environmentally sustainable assets / activities (turnover view)

As of 31 December 2025, Erste Hungary discloses in Template 0 total taxonomy aligned assets ('stock') in amount of HUF 23.6 billion (31 December 2024: HUF 6.6 billion) in 'turnover' view and respectively HUF 27.0 billion (31 December 2024: HUF 12.9 billion) in 'CapEx' view. Out of them, those having been initially recognised during the current year ('flow') amount to HUF 9.5 billion (2024: HUF 1.4 billion) in 'turnover' view and respectively HUF 9.4 billion (2024: 3.6 billion) in 'CapEx' view. 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). The 'turnover' view indicates that – as far as general-purpose financings to CSRD-obligated clients or issuers having published Taxonomy KPIs are concerned the related exposures have been weighted by their respective taxonomy KPIs in connection to their revenue-generating activities (non-financial undertakings) or financings thereof (financial undertakings). The 'Capex' view indicates that – as far as general-purpose financings to CSRD-obligated clients or issuers having published Taxonomy KPIs are concerned – the related exposures have been weighted by their respective taxonomy KPIs in connection to their capital expenditure activities (non-financial undertakings) or financings thereof (financial undertakings).

The significant year-on-year increase in the taxonomy aligned financings is mainly attributable to mortgage loans to Households that could be assessed as taxonomy-aligned for the first time at year-end 2025, thanks to improvements in the completeness and quality of the underlying data with respect to both the energy performance of the financed real estate collaterals and the applicable physical risks scorings in the geo-locations of those collaterals, as modelled across the required time horizons and RCP scenarios. Thus, taxonomy-aligned loans to Households increased from HUF 0.0 billion at 31 December 2024 to HUF 16.8 billion at 31 December 2025. Further methodological details are provided in the sub-chapter "Retail lending" within the chapter "Removal of GAR structural constraints and developments in data availability" below.

On the other hand, taxonomy aligned financings to financial undertakings and respectively CSRD-obligated non-financial undertakings have remained relatively stable on a year-on-year basis in turnover view:

in HUF billion	Turnover view (stock)		CapEx view (stock)	
	31.12.2024	31.12.2025	31.12.2024	31.12.2025
Financial undertakings	0.98	1.56	1.60	3.20
Non-financial undertakings	5.68	5.31	11.32	7.06

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 and, as newly required by the revised EU Taxonomy DDA, as both stock and flow as well.

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

The below considerations addressing the year-on-year development (31 December 2025 vs 31 December 2024) in Group's GAR Stock and Flow (turnover and CapEx views) are based on year-end 31 December 2024's related GAR ratios having been recalculated by retrospectively applying the changes in GAR's calculation approach induced by the revised EU Taxonomy DDA, as outlined in the preceding sub-chapter above and further summarized (in terms of quantitative impact) in the sub-chapter 'Summary of revised EU Taxonomy DDA's effects on the comparative information as of year-end 2024' effects on the comparative information as of year-end 2024" below. Such retrospective recalculation has the purpose of ensuring comparability of the GAR ratios as at 31 December 2025 vs 31 December 2024, thus ensuring the adequacy of the below considerations by reference to Annex XI's related requirements.

Erste Hungary's total GAR (turnover view) acknowledges a favourable development from 0.21% as at 31 December 2024 to 1.67% as at 31 December 2025 (stock) and respectively from 0.25% as of 31 December 2024 to 2.34% as at 31 December 2025 (flow). GAR's significantly favourable change for stock results essentially from the above described year-on-year positive development in total taxonomy aligned mortgage and building renovation loans to Households, most of them originated in prior years (and therefore having an insignificant impact on "flow").

In the CapEx view, the corresponding favourable development is as follows: from 0.41% as of 31 December 2024 to 1.91% as of 31 December 2025 (stock) and respectively from 0.63% as of 31 December 2024 to 2.32% as of 31 December 2025 (flow).

Erste Hungary's GAR Stock as of 31 December 2025 remains nevertheless significantly limited by the inherent difficulties in fully assessing, beyond any reasonable doubt, the taxonomy alignment of Group's mortgage loans to Households, in particular with regards to the DNSH criterion and notably when the identification of high or very high particular physical risk(s) in financed collateral's geolocation would have prompted an asset level vulnerability assessment by reference to any related asset-level adaptation measures for mitigating those material physical risks, others than those that can be deemed factored into the applied scoring methodology for the related particular physical risk (further details in the sub-chapter "Developments in data availability" below). None of such mortgage loans could therefore be reported as taxonomy aligned, although for some of them the SC criterion would have been found as satisfied. Therefore, as of 31 December 2025, out of Erste Hungary's consolidated mortgage and building renovation loans to Households amounting to HUF 16.8 billion, only a relatively small fraction of HUF 792 billion could be reported as taxonomy aligned, despite most of this volume (HUF 730.2 billion) being assessed and reported as taxonomy eligible.

GAR Stock and GAR Flow are further detailed, notably per categories of assets and related counterparts, but also per combined eligibility (across all six environmental objectives) and alignment towards each 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, with no "T-1" comparative sections, in accordance with the Annex VI as modified by the revised EU Taxonomy DDA. In accordance with the revised EU Taxonomy DDA, both these templates newly include columnar sections respectively dedicated to disclosing the proportion of aligned assets into the related eligible assets, as well as the proportion of non-assessed assets into the related total assets covered by the GAR calculation.

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. Unlike the GAR, Erste Hungary's FinGuar Stock KPI has acknowledged a relative stability on a year-on-year basis: from 14.00% as of 31 December 2024 to 13.00% as of 31 December 2025 (turnover view) and respectively from 24.00% as of 31 December 2024 to 30% as of 31 December 2025 (CapEx view). This development can be plausibly explained by the limited year-on-year change in the specific population of underlying CSRD-obligated counterparts and the related taxonomy KPIs applied.

FinGuar KPI Stock and FinGuar KPI Flow are further detailed, notably per categories of assets and related counterparts, but also per combined eligibility (across all 6 environmental objectives) and alignment towards each environmental objectives within Template 5 'KPI Off balance-sheet exposures'. These templates are disclosed in both the turnover view and the CapEx view with no comparative section included. The template also discloses the proportion of any non-assessed exposures into the total amount of related off-balance sheet exposures covered by Taxonomy.

Template 2 GAR sector information

This template provides, in both stock turnover view and stock CapEx view, a breakdown per the applicable NACE codes of all the eligible and aligned amounts featured in Template 1 as assets covered in the GAR calculation, limited to the first 10 NACE codes in terms of materiality of the related gross carrying amounts. Template 2 features two additional rows dedicated to the on-balance banking book exposures covered by the EU Taxonomy and fully (specific-purpose) or partly (general-purpose) attributable to the Nuclear and respectively Fossil Gas energy sectors, either directly (CSRD-obligated non-financial undertakings primarily active in the mentioned energy sectors) or indirectly (CSRD-obligated financial undertakings exposed in their turn to CSRD-obligated non-financial undertakings primarily active in the mentioned energy sectors).

The taxonomy-eligible and respectively taxonomy-aligned amounts disclosed in the above mentioned nuclear and respectively fossil gas related additional two rows of Template 2, when expressed as respective proportions into Group's total assets covered by the GAR calculation, are as follows:

GAR Stock (turnover view) (data in %)

	Nuclear energy activities		Fossil gas activities	
	31.12.2024*	31.12.2025	31.12.2024*	31.12.2025
Eligibility proportion	0.05	0.05	0.29	0.35
Alignment proportion	0.05	0.05	0.00	0.00

GAR Stock (CapEx view) (data in %)

	Nuclear energy activities		Fossil gas activities	
	31.12.2024*	31.12.2025	31.12.2024*	31.12.2025
Eligibility proportion	0.11	0.04	0.26	0.28
Alignment proportion	0.11	0.04	0.00	0.00

GAR Flow (turnover view) (data in %)

	Nuclear energy activities		Fossil gas activities	
	31.12.2024*	31.12.2025	31.12.2024*	31.12.2025
Eligibility proportion	0.07	0.05	0.34	0.31
Alignment proportion	0.06	0.05	0.00	0.00

GAR Flow (CapEx view) (data in %)

	Nuclear energy activities		Fossil gas activities	
	31.12.2024*	31.12.2025	31.12.2024*	31.12.2025
Eligibility proportion	0.14	0.04	0.29	0.26
Alignment proportion	0.13	0.04	0.00	0.01

*) retrospectively calculated for comparability purposes only, using as numerators the relevant amounts reported at 31 December 2024 in the formerly required Nuclear & Fossil Gas related templates 2 and 4 in relation to GAR and as denominators the total assets covered by the GAR calculation as at 31 December 2024, recalculated consistently to 31 December 2025, i.e. based on the "symmetrical" approach to the GAR calculation as required by the revised EU Taxonomy DDA.

As mentioned above, Erste Hungary as part of Erste Group does not disclose its AuM KPI as of 31 December 2025 in any of the applicable views, due to applying the "de minimis" provision of the revised EU Taxonomy DDA with respect to the credit institution's main Taxonomy KPIs covering assets or off-balance sheet items contributing by less than 10% to institution's net annual turnover. Therefore, the related proportions in respect of the taxonomy-eligible and respectively taxonomy-aligned amounts attributable to the nuclear energy and respectively fossil gas activities, as presented above with regards to GAR (all views) and have not been determined and are therefore not available and not disclosed with regards to AuM KPI.

According to the revised EU Taxonomy DDA, Template 2 does not feature a 'T-1' comparative section and is provided as both stock and flow, in both turnover and CapEx view.

Revised EU Taxonomy DDA's brought forward disclosures addressing on financings of specific Nuclear and Fossil Gas related economic activities

According to the revised EU Taxonomy DDA, such disclosures are limited to those already captured in Template 2, as described above. Following the deletion of Annex XII to the EU Taxonomy Disclosures Regulation, the Nuclear and Fossil Gas additional templates formerly required and consequently published by Erste Hungary for the year-end 2024 are no longer featured in Erste Hungary's EU Taxonomy disclosures as at 31 December 2025.

SELECTED KPIS' OVERVIEW

As of 31 December 2025, Erste Hungary's total eligibility KPI and total GAR can be summarized as follows:

Turnover view

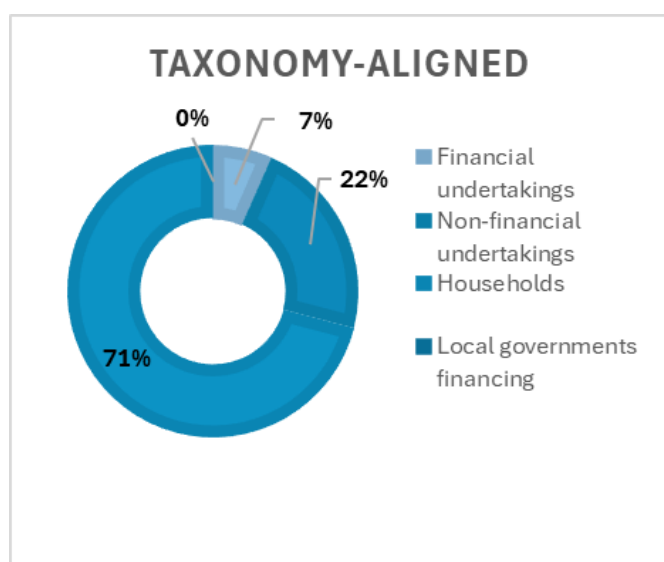
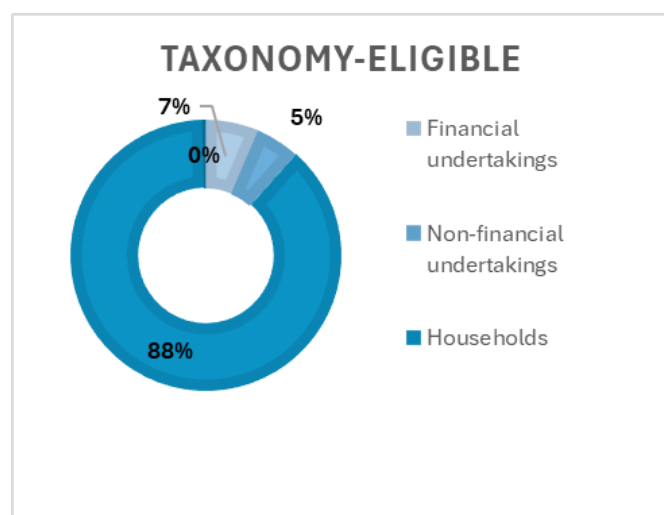
- Erste Hungary's consolidated taxonomy eligible assets amount to HUF 829.2 billion (in 2024 HUF 620 billion), representing 58.71% of the total covered assets (in 2024 as formerly reported 19.8% and as recalculated 42.21%).
- Erste Hungary's consolidated taxonomy aligned assets amount to HUF 23.6 billion (in 2024 HUF 6.7 billion), representing 1.67% of the total covered assets (2024 as formerly reported 0.21% and as recalculated 0.39%).

CapEx view

- Erste Hungary's taxonomy eligible assets amount to HUF 838.5 billion (in 2024: HUF 629 billion) representing 59.38% of the total covered assets (2024 as formerly reported 20.1% and as recalculated 42.78%)..
- Erste Hungary's taxonomy aligned assets amount to HUF 27 billion (in 2024: HUF 12.9 billion), representing 1.91% of the total covered assets (2024 as formerly reported 0.41% and as recalculated 0.78%).

In the turnover view, the total eligibility KPI and total GAR as of 31 December 2025 are further comparatively analysed and presented in the charts below:

31 December 2025:



As of 31. December 2025, the Taxonomy-eligibility KPI consists of the following main components:

- Financing to private households to the amount of HUF 730 billion (2024: 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 43 billion (2024: HUF 33 billion) and to financial undertakings to the amount of HUF 53 billion (2024: 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 billion (2024: HUF 3.5 billion), the purpose of which corresponds to Taxonomy-eligible activities.

The first two categories of taxonomy-eligible assets mentioned above further contribute to Erste Hungary's GAR as at 31 December 2025, as follows:

- Use of proceeds known mortgage and building renovation loans to private households to the amount of HUF 16.8 billion (2024: HUF 0.00 billion).
- Use of proceeds known and unknown financing to financial and non-financial undertakings to the amount of HUF 1.6 billion (2024: HUF 0.98 billion) and respectively HUF 5.3 billion (2024: 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.

REMOVAL OF GAR STRUCTURAL CONSTRAINTS AND DEVELOPMENTS IN DATA AVAILABILITY

Up to 31 December 2024 the taxonomy disclosures and KPIs of Erste Hungary as of 31 December 2025, as well as their year-on-year

development as outlined above, have been 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 have considerably reduced in terms of their adverse GAR impact, as further described below.

Removal of GAR structural constraints

Due to the extensive information required to evaluate the applicable taxonomy alignment technical criteria (SC, DNSH), as well as 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 CSRD-obligated as at the current reporting year-end, as well as to any subsidiaries thereof. For Erste Hungary as a universal bank, this meant for both year-ends 2024

and 2023, namely before the issuance of the revised EU Taxonomy DDA and their first time application by Erste Group as at 31 December 2025, that a significant part of the portfolio (small and medium-sized enterprises not CSRD-obligated or part of such a group) could be considered in the numerators of the taxonomy eligibility KPI and the GAR, with most of them were qualifying for the respective denominators only ('GAR structural asymmetry').

As outlined above in the introductory part of this chapter, the revised EU Taxonomy DDA removed GAR's structural asymmetry by ensuring the scopes of assets covered in the numerator and respectively the denominator of the GAR are the same, with the direct consequence of assets previously falling in the scope of the GAR denominator only, notably the non-trading exposures towards CSRD non-obligated undertakings, being removed in full from the GAR calculation. Another consequence for Erste Hungary was that taxonomy inherently non-eligible exposures towards Households and respectively Local Governments, notably general or sundry purpose consumer loans to retail customers and general or sundry financings of Local Governments, previously deemed relevant for both GAR's numerator and denominator although inherently unable to make any contribution to the former, have been removed in full from the GAR calculation as well.

Whilst, on the one hand, the revised EU Taxonomy DDA have thus removed GAR's structural asymmetry, GAR's coverage, hence arguably GAR's representativeness of reporting credit institution's total assets has on the other hand contracted accordingly. Thus, as at 31.12.2024, the proportion of total covered assets into total assets, as previously reported by Erste Hungary, amounted to 61.82% for stock and 53.77% for flow. When, for comparability purposes only, they are retrospectively recalculated based on the revised EU Taxonomy DDA, they decrease to 31.08% and respectively 31.44%. At 31 December 2025, as featured in the Template 0 presented below, Erste Hungary's GAR coverage amounts to 26.46% (stock) and respectively 28.10% (flow).

Developments in data availability

Retail lending - Climate Change Adaptation related DNSH assessment of taxonomy-eligible mortgage and building renovation loans to Households substantially contributing to the Climate Change Mitigation environmental objective.

Related to real estate and vehicle financing towards private households, as well as financing of housing or other taxonomy eligible specific purpose projects by local governments, for collateral which meets substantial contribution criteria of climate change mitigation (e.g. energy efficiency), an assessment of climate-related physical risks and vulnerabilities is performed to ensure compliance with the DNSH criterion on climate change adaptation. This assessment is based on recognized scientific sources, best-practice methodologies and available climate risk data, including external datasets and modelling where appropriate.

These efforts resulted in an enhanced methodology and more comprehensive underlying internal processes for assessing the DNSH criterion for Climate Change Adaptation with regards to the mortgage loans to Households financing building acquisition/ownership or building renovation identified as substantially contributing to the Climate Change Mitigation based on the related financed real estate collateral being substantiated as highly energy efficient by reference to the related building's Energy Performance Certificate as issued by the relevant local authority either bearing the Label A or - in the case of Hungary - providing Primary Energy Demand ("PED") among the top 15% most energy-efficient residential building stock, based on relevant PED thresholds, as determined from external regional technical studies to ensure national benchmarking.

In essence, for each such CCM substantially contributing loan to Households, the DNSH criterion had been deemed met for CCA provided that all 21 physical risks identified as relevant for the real estate sector and the countries where Erste Group activates as retail lender (out of the full list of 35 as per Annex 1 to the EU Taxonomy Regulation) have been determined as scoring lower than "high" or, in the case of the risks of subsidence, drought and precipitations, "very high" severity in the specific geolocation of the related real estate collateral, across all applicable statistically modelled RCP ("representative concentration pathway") scenarios with regards to greenhouse gas concentration expectations and all available time horizons by reference to the generally accepted span of a residential building's economic life, hence irrespective of the expected remaining maturity of the related loans. The setting of the scoring threshold to "very high" for the DNSH criterion to be deemed failed in the particular case of the above mentioned three physical risks reflects Erste Hungary's reasonable expectation that all due adaptation measures are by default embedded into the advanced design and construction of high-energy efficient buildings. Also, as far as the risk of floods is concerned, by factoring in the related "defended risk" indices into the above described DNSH assessment approach, Erste Hungary, as part of Erste Group, has ensured that the due adaptation measures were considered in the retrieved scoring, hence in the applied "high" scoring threshold below which the DNSH criterion was deemed met with respect to this particular physical risk.

All such CCM substantially contributing loans for which, based on the aforementioned approach, the DNSH criterion for CCA has been deemed met have been further classified as taxonomy-aligned, additionally based on the MS non-applicability as stemming from EU Taxonomy DDA's Annex V's definition of the numerator of the Retail lending's alignment KPI, further corroborated to Erste Group's interpretation that the FAQ 37 from EC's Third Commission Notice (indicating that the MS compliance assessment for retail lending should address the corporate manufacturers upstream retail client's supply chain with regards to the financed object) does not apply to buildings as far as the financed eligible activity is acquisition or ownership, rather than construction.

Environmental objectives 3-6

Erste Hungary's EU Taxonomy disclosures as of year-end 2024 have covered already the entire set of environmental objectives for the alignment figures for general purpose loans as well. As at 31 December 2025 the applied client alignment KPIs for the environmental objectives 3-6 continue to have, in general, relatively low values.

Furthermore, regarding both new and existing business with CSRD-obligated undertakings and local governments – despite considerable efforts to further advance the examination of individual transactions – in some 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, which resulted in relatively infrequent 'use of proceeds known'

financings being assigned as of 31 December 2025 as eligible by reference to these environmental objectives, none of them being further assessed as taxonomy-aligned for the related objective. In the same time, the Taxonomy templates as per the Annex VI as modified by the revised EU Taxonomy DDA do no longer require the breakdown of eligible exposures covered by Taxonomy per the six environmental objectives.

REPORTING METHODOLOGY AND UNDERLYING ASSUMPTIONS AND INTERPRETATIONS

(Gross) carrying amounts of assets

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

- For all relevant financial assets at 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 1-40 of Template 1, the gross carrying amount, i.e., the amount actually accounted for and used in the CRR-consolidated IFRS FINREP balance sheet, was used. This means:
- For performing debt instruments at FVPL (Fair Value Through Profit or Loss), the gross carrying amount corresponds to the fair value. For non-performing debt instruments at FVPL, the gross carrying amount corresponds to the fair value after 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 31.12.2024 and continue to be so as at 31.12.2025 under the CSRD, taking into account EC's "stop the clock" decision referred to in the opening part of this chapter.. Financial and non-financial undertakings, that are parents of obligated groups, must publish their KPIs on a consolidated basis. These KPIs are used for the purpose of determining 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 preparing the 'flow' views of the Templates 1, 2, 4 and 5 'flow' has been defined as a sub-set of 'stock', limited to related asset deals' having been initially recognised during the current reporting date with the exception of non-financial assets and financial assets not having the nature of loans and advances, debt securities or equity instruments for which 'flow' has been deemed zero.

Significant notes for the consideration of assets in Template 1

Accepted for the numerator and the denominator of the GAR and therefore relevant for the Taxonomy-eligibility or -alignment review are non-trading loans and advances, debt securities, equity instruments having CSRD-obligated financial or non-financial undertakings as counterparties (or subsidiaries thereof), as well as real estate and car financing to private households, use of proceeds known financing with local governments and real estate collateral obtained through taking possession. As outlined above, Erste Hungary chose to not consider any "exposures included on a voluntary basis" into Group's GAR calculation as at 31 December 2025.

Financial and non-financial undertakings:

- Qualifying assets in relation to financial and non-financial undertakings are included in the numerator of the GAR if the direct counterparty is CSRD-obligated or subsidiary of a CSRD-obligated group.
- Financing to not CSRD-obligated financial and non-financial undertakings, which are not part of an CSRD-obligated group, were fully excluded from the GAR calculation, 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 GAR numerator and denominator provided they are based in the EU.

Private households:

- Financing to private households and subject to further assessment for taxonomy eligibility or alignment comprises only real estate-related financing or car loans (the latter from 1.1.2022). The remaining exposures to households (essentially: general-purpose financing) have been fully excluded from the GAR calculation, the related gross carrying amounts being therefore included in column a of Template's 1 row 25 'Undertakings and entities not subject to CSRD'.
- 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

Financing to local or regional governments and subject to further assessment for taxonomy eligibility or alignment comprises only financing where the respective use of proceeds is known. Financing without a known use of proceeds has been fully excluded from the GAR calculation, the related gross carrying amounts being therefore included in column a of Template's 1 row 25 'Undertakings and entities not subject to CSRD'.

Nuclear & fossil gas activities related new section of Template 2 "GAR sector information" (all views):

In the portfolio of Erste Hungary, there are no material use of proceeds known financings 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 two additional rows newly required by the revised EU Taxonomy DDA within the Template 2 (all views) as at 31 December 2025 is essentially based on the KPIs published by the related counterparties (namely: CSRD-obligated energy companies or CSRD-obligated banks or insurances directly exposed to such energy companies) in their Nuclear & Fossil gas related templates 2 and 4 (related views), as reported at 31 December 2024 based on the requirements of the former Annex XII to the EU Taxonomy DDA, meanwhile deleted by the revised EU Taxonomy DDA.

Summary of revised EU Taxonomy DDA's effects on the comparative information as of year-end 2024

In accordance with the Taxonomy templates's layouts as per the Annex VI to the EU Taxonomy DDA as modified by the Revised EU Taxonomy DDA no prior-year comparatives are featured in any of them. However, for comparability purposes only in the context of addressing Annex XI's requirement of providing qualitative disclosures around the year-on-year development in reporting institution's main Taxonomy KPIs, Erste Hungary is summarizing below prior year's Taxonomy KPIs and other related quantitative information as at 31 December 2024, both as previously published and as recalculated.

	As previously published	As recalculated
Template 0		
GAR% Stock – turnover	0.21	0.39
GAR% Stock – CapEx	0.41	0.78
% coverage over total assets - stock	61.82	31.08
GAR% Flow – turnover	0.25	0.19
GAR% Flow – CapEx	0.63	0.72
% coverage over total assets - flow	53.77	31.44
Template 3 turnover view, additional changes		
Eligibility KPI – Households	43.53	46.53
Eligibility KPI – Local Governments	99.85	99.85
Eligibility KPI – total	19.79	42.21
Template 3 CapEx view, additional changes		
Eligibility KPI – Households	43.56	46.53
Eligibility KPI – Local Governments	99.85	99.85
Eligibility KPI – total	20.09	42.78

The comparative figures that would have been impacted as detailed above are not presented once again accordingly in the respective views of the related templates, given that, according to the revised EU Taxonomy DDA, the related templates no longer feature a comparative "T-1" section.

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

		Total exposure to Taxonomy-aligned activities (currency)		KPI	KPI	% coverage (over total assets)	non assessed exposures (% of covered assets)	non assessed exposures (% of covered assets)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Main KPI	Green asset ratio (GAR) stock	23,644	27,030	1.67 %	1.91 %	26.46 %	— %	— %

		Total exposure to Taxonomy-aligned activities (currency)		KPI	KPI	% coverage (over total assets)	non assessed exposures (% of covered assets)	non assessed exposures (% of covered assets)
		Turnover-based	CapEx-based	Turnover-based	CapEx-based		Turnover-based	CapEx-based
Additional KPI	GAR (flow)	9,503	9,423	2.34 %	2.32 %	28.10 %	— %	— %
	Trading book	0	0	0	0	0	0	0
	Financial guarantees	5,010	11,562	13.00 %	30.00 %	98.11 %	— %	— %
	Assets under management	0	0	0	0	0	0	0
	Fees and commissions income	0	0	0	0	0	0	0

1.1 ASSETS FOR THE CALCULATION OF GAR, STOCK TURNOVER-BASED VIEW

31 December 2025 in HUF million	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total [gross] carrying amount	Of which Taxono my- eligible	Of which Taxono my- aligned	Substantial contribution to environmental objectives						Of which Use of Proceed s	Of which transitio nal	Of which enabling	Non- assesse d exposur es	Of which financin g non- material activitie s or counterp arties	Of which exposur es financin g counterp arties reportin g in accordan ce with Article 7(9)	Of which not assesse d consider ed non- material by the credit institutio n
				Climate Change Mitigatio n (CCM)	Climate Change Adaptati on (CCA)	Water and marine resource s (WTR)	Circular econom y (CE)	Pollution (PPC)	Biodiver sity and Ecosyst ems (BIO)							
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,412,213	829,166	23,644	23,594	2	1	46	0	0	16,772	183	2,887	0	0	0	0
3 Financial undertakings	490,136	53,290	1,561	1,555	2	1	2	0	0	0	85	1,063	0	0	0	0
4 Loans and advances	264,293	34,318	1,313	1,311	1	0	0	0	0	0	18	1,014	0	0	0	0
5 Debt securities, including UoP	225,148	18,830	216	211	1	1	2	0	0	0	67	48	0	0	0	0
6 Equity instruments	695	142	33	33	0	0	0	0	0	0	0	0	0	0	0	0
7 Non-financial undertakings	127,160	42,705	5,310	5,267	0	0	44	0	0	0	98	1,824	0	0	0	0
8 Loans and advances	91,552	29,788	3,323	3,323	0	0	0	0	0	0	0	598	0	0	0	0
9 Debt securities, including UoP	35,609	12,916	1,987	1,944	0	0	44	0	0	0	98	1,226	0	0	0	0
10 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Households	791,975	730,229	16,772	16,772	0	0	0	0	0	16,772	0	0	0	0	0	0
12 of which loans collateralised by residential immovable property	791,877	730,131	16,772	16,772	0	0	0	0	0	16,772	0	0	0	0	0	0
13 of which building renovation loans	98	98	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Local governments financing	2,941	2,941	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Other local government financing	2,941	2,941	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Collateral obtained by taking possession: residential and commercial immovable properties	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Total GAR assets	1,412,225	829,178	23,644	23,594	2	1	46	0	0	16,772	183	2,887	0	0	0	0

21	Assets not covered for GAR calculation	3,925,022	
22	Central governments and Supranational issuers	1,284,740	
23	Central banks exposure	322,788	
24	Trading book	240,067	
25	Undertakings and entities not subject to CSRD	1,846,333	
	Households - other (GAR excluded)	760,066	
	Local governments - other (GAR excluded)	4	
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	1,084,816	
27	Loans and advances	957,725	
28	of which loans collateralised by commercial immovable property	461,228	
29	of which building renovation loans	12,540	
30	Debt securities	122,986	
31	Equity instruments	4,105	
32	Non-EU country counterparties not subject to CSRD disclosure obligations	1,447	
33	Loans and advances	124	
34	Debt securities	219	
35	Equity instruments	1,104	
36	Derivatives	0	
37	On demand interbank loans	13,876	
38	Cash and cash-related assets	27,549	
38	Other categories of assets (e.g. Goodwill, commodities etc.)	189,668	
40	Total assets	5,337,247	

Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments

41	Financial guarantees	38,540	38,155	5,010	5,010	0	0	0	0	0	0	0	4,625	0	0	0	0
42	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
44	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

1.2 ASSETS FOR THE CALCULATION OF GAR, FLOW TURNOVER-BASED VIEW

31 December 2025 in HUF million	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total [gross] carrying amount	Of which Taxono my- eligible	Of which Taxono my- aligned	Substantial contribution to environmental objectives						Of which Use of Proceed s	Of which transitio nal	Of which enabling	Non- assesse d exposur es	Of which financ ing non- material activitie s or counterp arties	Of which exposur es financ ing counterp arties reportin g in accordan ce with Article 7(9)	Of which not assesse d consider ed non- material by the credit institutio n
				Climate Change Mitigatio n (CCM)	Climate Change Adaptati on (CCA)	Water and marine resource s (WTR)	Circular econom y (CE)	Pollution (PPC)	Biodiver sity and Ecosyst ems (BIO)							
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	406,365	259,402	9,503	9,503	0	0	0	0	0	5,343	0	1,462	0	0	0	0
3 Financial undertakings	115,308	16,200	1,144	1,144	0	0	0	0	0	0	0	983	0	0	0	0
4 Loans and advances	89,097	14,736	1,078	1,078	0	0	0	0	0	0	0	983	0	0	0	0
5 Debt securities, including UoP	25,516	1,322	34	34	0	0	0	0	0	0	0	0	0	0	0	0
6 Equity instruments	695	142	33	33	0	0	0	0	0	0	0	0	0	0	0	0
7 Non-financial undertakings	64,027	22,998	3,016	3,016	0	0	0	0	0	0	0	479	0	0	0	0
8 Loans and advances	64,027	22,998	3,016	3,016	0	0	0	0	0	0	0	479	0	0	0	0
9 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Households	227,030	220,204	5,343	5,343	0	0	0	0	0	5,343	0	0	0	0	0	0
12 of which loans collateralised by residential immovable property	227,030	220,204	5,343	5,343	0	0	0	0	0	5,343	0	0	0	0	0	0
13 of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Total GAR assets	406,365	259,402	9,503	9,503	0	0	0	0	0	5,343	0	1,462	0	0	0	0

21	Assets not covered for GAR calculation	1,039,814																
22	Central governments and Supranational issuers	247,905																
23	Central banks exposure	0																
24	Trading book	202,826																
25	Undertakings and entities not subject to CSRD	559,798																
	Households - other (GAR excluded)	219,070																
	Local governments - other (GAR excluded)	0																
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	339,403																
27	Loans and advances	328,824																
28	of which loans collateralised by commercial immovable property	139,313																
29	of which building renovation loans	0																
30	Debt securities	6,473																
31	Equity instruments	4,105																
32	Non-EU country counterparties not subject to CSRD disclosure obligations	1,325																
33	Loans and advances	1																
34	Debt securities	219																
35	Equity instruments	1,104																
36	Derivatives	0																
37	On demand interbank loans	1,736																
38	Cash and cash-related assets	27,549																
38	Other categories of assets (e.g. Goodwill, commodities etc.)	0																
40	Total assets	1,446,179																
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																		
41	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
44	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

1.3 ASSETS FOR THE CALCULATION OF GAR, STOCK CAPEX-BASED VIEW

31 December 2025 in HUF million	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total [gross] carrying amount	Of which Taxono- my- eligible	Of which Taxono- my- aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitio- nal	Of which enabling	Non- assesse- d exposur- es	Of which financ- ing non- material activitie- s or coun- terpart- ies	Of which exposur- es financ- ing coun- terpart- ies report- ing in accordance with Article 7(9)	Of which not assesse- d consider- ed non- material by the credit institutio- n
				Climate Change Mitigatio- n (CCM)	Climate Change Adaptati- on (CCA)	Water and marine resource- s (WTR)	Circular econom- y (CE)	Pollution (PPC)	Biodiver- sity and Ecosyst- ems (BIO)							
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,412,213	838,530	27,030	26,525	9	4	490	0	2	16,772	1,526	4,783	0	0	0	0
3 Financial undertakings	490,136	53,596	3,197	3,181	9	4	1	0	2	0	186	2,177	0	0	0	0
4 Loans and advances	264,293	34,539	2,807	2,801	5	1	0	0	0	0	69	2,099	0	0	0	0
5 Debt securities, including UoP	225,148	18,912	353	344	3	2	1	0	2	0	117	78	0	0	0	0
6 Equity instruments	695	146	37	37	0	0	0	0	0	0	0	0	0	0	0	0
7 Non-financial undertakings	127,160	51,764	7,061	6,572	0	0	489	0	0	0	1,340	2,607	0	0	0	0
8 Loans and advances	91,552	32,447	1,944	1,933	0	0	11	0	0	0	266	756	0	0	0	0
9 Debt securities, including UoP	35,609	19,317	5,117	4,639	0	0	478	0	0	0	1,074	1,851	0	0	0	0
10 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Households	791,975	730,229	16,772	16,772	0	0	0	0	0	16,772	0	0	0	0	0	0
12 of which loans collateralised by residential immovable property	791,877	730,131	16,772	16,772	0	0	0	0	0	16,772	0	0	0	0	0	0
13 of which building renovation loans	98	98	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Local governments financing	2,941	2,941	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Other local government financing	2,941	2,941	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Collateral obtained by taking possession: residential and commercial immovable properties	13	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Total GAR assets	1,412,225	838,543	27,030	26,525	9	4	490	0	2	16,772	1,526	4,783	0	0	0	0

21	Assets not covered for GAR calculation	3,925,022	
22	Central governments and Supranational issuers	1,284,740	
23	Central banks exposure	322,788	
24	Trading book	240,067	
25	Undertakings and entities not subject to CSRD	1,846,333	
	Households - other (GAR excluded)	760,066	
	Local governments - other (GAR excluded)	4	
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	1,084,816	
27	Loans and advances	957,725	
28	of which loans collateralised by commercial immovable property	461,228	
29	of which building renovation loans	12,540	
30	Debt securities	122,986	
31	Equity instruments	4,105	
32	Non-EU country counterparties not subject to CSRD disclosure obligations	1,447	
33	Loans and advances	124	
34	Debt securities	219	
35	Equity instruments	1,104	
36	Derivatives	0	
37	On demand interbank loans	13,876	
38	Cash and cash-related assets	27,549	
38	Other categories of assets (e.g. Goodwill, commodities etc.)	189,668	
40	Total assets	5,337,247	
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments			
41	Financial guarantees	38,540	38,540 11,562 11,562 0 0 0 0 0 0 0 0 9,635 0 0 0 0
42	Assets under management	0	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
43	Of which debt securities	—	— — — — — — — — — — — — — — — —
44	Of which equity instruments	—	— — — — — — — — — — — — — — — —

1.4 ASSETS FOR THE CALCULATION OF GAR, FLOW CAPEX-BASED VIEW

31 December 2025 in HUF million	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total [gross] carrying amount	Of which Taxono my- eligible	Of which Taxono my- aligned	Substantial contribution to environmental objectives						Of which Use of Proceed s	Of which transitio nal	Of which enabling	Non- assesse d exposur es	Of which financin g non- material activitie s or counterp arties	Of which exposur es financin g counterp arties reportin g in accordan ce with Article 7(9)	Of which not assesse d consider ed non- material by the credit institutio n
				Climate Change Mitigatio n (CCM)	Climate Change Adaptatio n (CCA)	Water and marine resource s (WTR)	Circular econom y (CE)	Pollution (PPC)	Biodiver sity and Ecosyst ems (BIO)							
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130	0140	0150	0160
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	406,365	261,646	9,423	9,417	0	0	6	0	0	5,343	230	2,686	0	0	0	0
3 Financial undertakings	115,308	16,293	2,578	2,578	0	0	0	0	0	0	22	2,047	0	0	0	0
4 Loans and advances	89,097	14,844	2,486	2,486	0	0	0	0	0	0	17	2,047	0	0	0	0
5 Debt securities, including UoP	25,516	1,304	55	55	0	0	0	0	0	0	5	0	0	0	0	0
6 Equity instruments	695	146	37	37	0	0	0	0	0	0	0	0	0	0	0	0
7 Non-financial undertakings	64,027	25,148	1,503	1,496	0	0	6	0	0	0	208	640	0	0	0	0
8 Loans and advances	64,027	25,148	1,503	1,496	0	0	6	0	0	0	208	640	0	0	0	0
9 Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Households	227,030	220,204	5,343	5,343	0	0	0	0	0	5,343	0	0	0	0	0	0
12 of which loans collateralised by residential immovable property	227,030	220,204	5,343	5,343	0	0	0	0	0	5,343	0	0	0	0	0	0
13 of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Local governments financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Exposures included on a voluntary basis	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

20	Total GAR assets	406,365	261,646	9,423	9,417	0	0	6	0	0	5,343	230	2,686	0	0	0	0
21	Assets not covered for GAR calculation	1,039,814															
22	Central governments and Supranational issuers	247,905															
23	Central banks exposure	0															
24	Trading book	202,826															
25	Undertakings and entities not subject to CSRD	559,798															
	Households - other (GAR excluded)	219,070															
	Local governments - other (GAR excluded)	0															
26	SMEs and undertakings (other than SMEs) not subject to CSRD disclosure obligations	339,403															
27	Loans and advances	328,824															
28	of which loans collateralised by commercial immovable property	139,313															
29	of which building renovation loans	0															
30	Debt securities	6,473															
31	Equity instruments	4,105															
32	Non-EU country counterparties not subject to CSRD disclosure obligations	1,325															
33	Loans and advances	1															
34	Debt securities	219															
35	Equity instruments	1,104															
36	Derivatives	0															
37	On demand interbank loans	1,736															
38	Cash and cash-related assets	27,549															
38	Other categories of assets (e.g. Goodwill, commodities etc.)	0															
40	Total assets	1,446,179															
Off-balance sheet exposures (stock) to Undertakings subject to CSRD disclosure obligations and local governments																	
41	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Of which debt securities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
44	Of which equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

2.1 GAR SECTOR INFORMATION, STOCK TURNOVER-BASED VIEW

a	b	c	d	e	f	g	h	i	j
Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in EUR million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1 K64.19 Other monetary intermediation	466,915	42,288	310	308	1	0	0	0	0
2 C19.20 Manufacture of refined petroleum products	37,707	1,516	65	22	0	0	44	0	0
3 L68.20 Renting and operating of own or leased real estate	24,116	18,519	2,287	2,287	0	0	0	0	0
4 D35.11 Production of electricity from non-renewable sources	14,276	5,770	2,050	2,050	0	0	0	0	0
5 K64.92 Other credit granting	13,710	2,634	152	148	1	1	2	0	0
6 N77.11 Renting and leasing of motor vehicles	12,974	1,136	0	0	0	0	0	0	0
7 C10.62 Manufacture of starches and starch products	10,436	532	219	219	0	0	0	0	0
8 C21.20 Manufacture of pharmaceutical preparations	9,603	6,662	0	0	0	0	0	0	0
9 K64.91 Financial leasing	8,184	8,102	1,064	1,064	0	0	0	0	0
10 A01.11 Growing of cereals (except rice), leguminous crops and oil seeds	4,573	67	19	19	0	0	0	0	0
11 Nuclear activities	613,994	777	718						
12 Fossil gas activities	613,994	4,909	51						
13 Of which non-assessed exposures									

2.2 GAR SECTOR INFORMATION, FLOW TURNOVER-BASED VIEW

a	b	c	d	e	f	g	h	i	j
Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in EUR million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1 K64.19 Other monetary intermediation	106,417	7,954	47	47	0	0	0	0	0
2 L68.20 Renting and operating of own or leased real estate	23,313	18,417	2,285	2,285	0	0	0	0	0
3 C19.20 Manufacture of refined petroleum products	23,149	162	7	7	0	0	0	0	0
4 K64.91 Financial leasing	8,184	8,102	1,064	1,064	0	0	0	0	0
5 N77.11 Renting and leasing of motor vehicles	4,553	406	0	0	0	0	0	0	0
6 D35.23 Trade of gas through mains	3,472	0	0	0	0	0	0	0	0
7 G46.69 Wholesale of other machinery and equipment	3,248	2,371	159	159	0	0	0	0	0
8 D35.11 Production of electricity from non-renewable sources	2,502	550	505	505	0	0	0	0	0
9 C10.62 Manufacture of starches and starch products	1,927	98	40	40	0	0	0	0	0
10 A01.11 Growing of cereals (except rice), leguminous crops and oil seeds	1,078	0	0	0	0	0	0	0	0
11 Nuclear activities	179,335	202	186						
12 Fossil gas activities	179,335	1,266	2						
13 Of which non-assessed exposures									

2.3 GAR SECTOR INFORMATION, STOCK CAPEX-BASED VIEW

a	b	c	d	e	f	g	h	i	j
Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in EUR million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1 K64.19 Other monetary intermediation	466,915	42,445	486	479	5	1	0	0	0
2 C19.20 Manufacture of refined petroleum products	37,707	4,608	1,271	793	0	0	478	0	0
3 L68.20 Renting and operating of own or leased real estate	24,116	20,015	167	167	0	0	0	0	0
4 D35.11 Production of electricity from non-renewable sources	14,276	8,195	4,038	4,038	0	0	0	0	0
5 K64.92 Other credit granting	13,710	2,692	215	206	3	2	1	0	2
6 N77.11 Renting and leasing of motor vehicles	12,974	1,130	0	0	0	0	0	0	0
7 C10.62 Manufacture of starches and starch products	10,436	1,398	292	292	0	0	0	0	0
8 C21.20 Manufacture of pharmaceutical preparations	9,603	9,322	0	0	0	0	0	0	0
9 K64.91 Financial leasing	8,184	8,184	2,455	2,455	0	0	0	0	0
10 A01.11 Growing of cereals (except rice), leguminous crops and oil seeds	4,573	71	51	51	0	0	0	0	0
11 Nuclear activities	613,994	624	528						
12 Fossil gas activities	613,994	3,949	60						
13 Of which non-assessed exposures									

2.4 GAR SECTOR INFORMATION, FLOW CAPEX-BASED VIEW

a	b	c	d	e	f	g	h	i	j
Breakdown by sector - NACE 4 digits level (code and label) 31 December 2025 in EUR million	Total [Gross] carrying amount	Of which Taxonomy eligible	Of which Taxonomy aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)
1 K64.19 Other monetary intermediation	106,417	7,961	86	86	0	0	0	0	0
2 L68.20 Renting and operating of own or leased real estate	23,313	19,909	163	163	0	0	0	0	0
3 C19.20 Manufacture of refined petroleum products	23,149	1,551	208	208	0	0	0	0	0
4 K64.91 Financial leasing	8,184	8,184	2,455	2,455	0	0	0	0	0
5 N77.11 Renting and leasing of motor vehicles	4,553	404	0	0	0	0	0	0	0
6 D35.23 Trade of gas through mains	3,472	0	0	0	0	0	0	0	0
7 G46.69 Wholesale of other machinery and equipment	3,248	741	201	195	0	0	6	0	0
8 D35.11 Production of electricity from non-renewable sources	2,502	961	876	876	0	0	0	0	0
9 C10.62 Manufacture of starches and starch products	1,927	258	54	54	0	0	0	0	0
10 A01.11 Growing of cereals (except rice), leguminous crops and oil seeds	1,078	0	0	0	0	0	0	0	0
11 Nuclear activities	179,335	179	153						
12 Fossil gas activities	179,335	1,037	25						
13 Of which non-assessed exposures									

3.1 GAR KPI STOCK TURNOVER-BASED VIEW

% (compared to corresponding total covered assets in the denominator) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l	m
	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	58.71 %	1.67 %	1.67 %	— %	— %	— %	— %	— %	1.19 %	0.01 %	0.20 %	2.85 %	— %
3 Financial undertakings	10.87 %	0.32 %	0.32 %	— %	— %	— %	— %	— %	— %	0.02 %	0.22 %	2.93 %	— %
4 Loans and advances	12.99 %	0.50 %	0.50 %	— %	— %	— %	— %	— %	— %	0.01 %	0.38 %	3.83 %	— %
5 Debt securities, including UoP	8.36 %	0.10 %	0.09 %	— %	— %	— %	— %	— %	— %	0.03 %	0.02 %	1.14 %	— %
6 Equity instruments	20.40 %	4.72 %	4.72 %	— %	— %	— %	— %	— %	— %	— %	— %	23.14 %	— %
7 Non-financial undertakings	33.58 %	4.18 %	4.14 %	— %	— %	0.03 %	— %	— %	— %	0.08 %	1.43 %	12.43 %	— %
8 Loans and advances	32.54 %	3.63 %	3.63 %	— %	— %	— %	— %	— %	— %	— %	0.65 %	11.16 %	— %
9 Debt securities, including UoP	36.27 %	5.58 %	5.46 %	— %	— %	0.12 %	— %	— %	— %	0.28 %	3.44 %	15.39 %	— %
10 Equity instruments	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11 Households	92.20 %	2.12 %	2.12 %	— %	— %	— %	— %	— %	2.12 %	— %	— %	2.30 %	— %
12 of which loans collateralised by residential immovable property	92.20 %	2.12 %	2.12 %	— %	— %	— %	— %	— %	2.12 %	— %	— %	2.30 %	— %
13 of which building renovation loans	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14 of which motor vehicle loans	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15 Local governments financing	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
16 Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
17 Other local government financing	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
18 Collateral obtained by taking possession: residential and commercial immovable properties	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19 Exposures included on a voluntary basis	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
20 GAR - Total GAR assets	58.71 %	1.67 %	1.67 %	— %	— %	— %	— %	— %	1.19 %	0.01 %	0.20 %	2.85 %	— %

3.2 GAR KPI STOCK CAPEX-BASED VIEW

% (compared to corresponding total covered assets in the denominator) 31 December 2025	a	b	Substantial contribution to environmental objectives						i	j	k	l	m
	Taxonomy-eligible	Taxonomy-aligned	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy-aligned in Taxonomy-eligible	Non-assessed exposures
	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	59.38 %	1.91 %	1.88 %	— %	— %	0.03 %	— %	— %	1.19 %	0.11 %	0.34 %	3.22 %	— %
3 Financial undertakings	10.93 %	0.65 %	0.65 %	— %	— %	— %	— %	— %	— %	0.04 %	0.44 %	5.96 %	— %
4 Loans and advances	13.07 %	1.06 %	1.06 %	— %	— %	— %	— %	— %	— %	0.03 %	0.79 %	8.13 %	— %
5 Debt securities, including UoP	8.40 %	0.16 %	0.15 %	— %	— %	— %	— %	— %	— %	0.05 %	0.03 %	1.87 %	— %
6 Equity instruments	20.95 %	5.27 %	5.27 %	— %	— %	— %	— %	— %	— %	— %	— %	25.16 %	— %
7 Non-financial undertakings	40.71 %	5.55 %	5.17 %	— %	— %	0.38 %	— %	— %	— %	1.05 %	2.05 %	13.64 %	— %
8 Loans and advances	35.44 %	2.12 %	2.11 %	— %	— %	0.01 %	— %	— %	— %	0.29 %	0.83 %	5.99 %	— %
9 Debt securities, including UoP	54.25 %	14.37 %	13.03 %	— %	— %	1.34 %	— %	— %	— %	3.01 %	5.20 %	26.49 %	— %
10 Equity instruments	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11 Households	92.20 %	2.12 %	2.12 %	— %	— %	— %	— %	— %	2.12 %	— %	— %	2.30 %	— %
12 of which loans collateralised by residential immovable property	92.20 %	2.12 %	2.12 %	— %	— %	— %	— %	— %	2.12 %	— %	— %	2.30 %	— %
13 of which building renovation loans	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14 of which motor vehicle loans	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15 Local governments financing	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
16 Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
17 Other local government financing	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
18 Collateral obtained by taking possession: residential and commercial immovable properties	100.00 %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19 Exposures included on a voluntary basis	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
20 GAR - Total GAR assets	59.38 %	1.91 %	1.88 %	— %	— %	0.03 %	— %	— %	1.19 %	0.11 %	0.34 %	3.22 %	— %

4.1 GAR KPI FLOW TURNOVER-BASED VIEW

% (compared to corresponding total covered assets in the denominator) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l	m
	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	63.83 %	2.34 %	2.34 %	— %	— %	— %	— %	— %	1.31 %	— %	0.36 %	3.66 %	— %
3 Financial undertakings	14.05 %	0.99 %	0.99 %	— %	— %	— %	— %	— %	— %	— %	0.85 %	7.06 %	— %
4 Loans and advances	16.54 %	1.21 %	1.21 %	— %	— %	— %	— %	— %	— %	— %	1.10 %	7.31 %	— %
5 Debt securities, including UoP	5.18 %	0.13 %	0.13 %	— %	— %	— %	— %	— %	— %	— %	— %	2.54 %	— %
6 Equity instruments	20.40 %	4.72 %	4.72 %	— %	— %	— %	— %	— %	— %	— %	— %	23.14 %	— %
7 Non-financial undertakings	35.92 %	4.71 %	4.71 %	— %	— %	— %	— %	— %	— %	— %	0.75 %	13.12 %	— %
8 Loans and advances	35.92 %	4.71 %	4.71 %	— %	— %	— %	— %	— %	— %	— %	0.75 %	13.12 %	— %
9 Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
10 Equity instruments	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11 Households	96.99 %	2.35 %	2.35 %	— %	— %	— %	— %	— %	2.35 %	— %	— %	2.43 %	— %
12 of which loans collateralised by residential immovable property	96.99 %	2.35 %	2.35 %	— %	— %	— %	— %	— %	2.35 %	— %	— %	2.43 %	— %
13 of which building renovation loans	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14 of which motor vehicle loans	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15 Local governments financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
16 Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
17 Other local government financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
18 Collateral obtained by taking possession: residential and commercial immovable properties	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19 Exposures included on a voluntary basis	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
20 GAR - Total GAR assets	63.83 %	2.34 %	2.34 %	— %	— %	— %	— %	— %	1.31 %	— %	0.36 %	3.66 %	— %

4.2 GAR KPI FLOW CAPEX-BASED VIEW

% (compared to corresponding total covered assets in the denominator) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l	m
	Taxonomy-eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Proportion of Taxonomy aligned in Taxonomy eligible	Non-assessed exposures
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1 GAR - Covered assets in both numerator and denominator	0010	0020	0030	0040	0050	0060	0070	0080	0090	0100	0110	0120	0130
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	64.39 %	2.32 %	2.32 %	— %	— %	— %	— %	— %	1.31 %	0.06 %	0.66 %	3.60 %	— %
3 Financial undertakings	14.13 %	2.24 %	2.24 %	— %	— %	— %	— %	— %	— %	0.02 %	1.77 %	15.82 %	— %
4 Loans and advances	16.66 %	2.79 %	2.79 %	— %	— %	— %	— %	— %	— %	0.02 %	2.30 %	16.75 %	— %
5 Debt securities, including UoP	5.11 %	0.22 %	0.22 %	— %	— %	— %	— %	— %	— %	0.02 %	— %	4.21 %	— %
6 Equity instruments	20.95 %	5.27 %	5.27 %	— %	— %	— %	— %	— %	— %	— %	— %	25.16 %	— %
7 Non-financial undertakings	39.28 %	2.35 %	2.34 %	— %	— %	0.01 %	— %	— %	— %	0.33 %	1.00 %	5.98 %	— %
8 Loans and advances	39.28 %	2.35 %	2.34 %	— %	— %	0.01 %	— %	— %	— %	0.33 %	1.00 %	5.98 %	— %
9 Debt securities, including UoP	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
10 Equity instruments	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
11 Households	96.99 %	2.35 %	2.35 %	— %	— %	— %	— %	— %	2.35 %	— %	— %	2.43 %	— %
12 of which loans collateralised by residential immovable property	96.99 %	2.35 %	2.35 %	— %	— %	— %	— %	— %	2.35 %	— %	— %	2.43 %	— %
13 of which building renovation loans	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
14 of which motor vehicle loans	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
15 Local governments financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
16 Housing financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
17 Other local government financing	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
18 Collateral obtained by taking possession: residential and commercial immovable properties	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
19 Exposures included on a voluntary basis	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
20 GAR - Total GAR assets	64.39 %	2.32 %	2.32 %	— %	— %	— %	— %	— %	1.31 %	0.06 %	0.66 %	3.60 %	— %

5.1 KPI OFF-BALANCE SHEET EXPOSURES TURNOVER-BASED VIEW, STOCK

% (compared to corresponding total off- balance sheet assets) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l	Non- assessed exposures
	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling		
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1 Financial guarantees (FinGuar KPI)	99.00 %	13.00 %	13.00 %	— %	— %	— %	— %	— %	— %	— %	— %	12.00 %	— %
2 Assets under management (AuM KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

5.2 KPI OFF-BALANCE SHEET EXPOSURES TURNOVER-BASED VIEW, FLOW

% (compared to corresponding total off- balance sheet assets) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l	Non- assessed exposures
	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling		
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)					
1 Financial guarantees (FinGuar KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
2 Assets under management (AuM KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

5.3 KPI OFF-BALANCE SHEET EXPOSURES CAPEX-BASED VIEW, STOCK

% (compared to corresponding total off- balance sheet assets) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l
	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non- assessed exposures
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1 Financial guarantees (FinGuar KPI)	100.00 %	30.00 %	30.00 %	— %	— %	— %	— %	— %	— %	— %	25.00 %	— %
2 Assets under management (AuM KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

5.4 KPI OFF-BALANCE SHEET EXPOSURES CAPEX-BASED VIEW, FLOW

% (compared to corresponding total off- balance sheet assets) 31 December 2025	a	b	c	d	e	f	g	h	i	j	k	l
	Taxonomy eligible	Taxonomy aligned	Substantial contribution to environmental objectives						Of which Use of Proceeds	Of which transitional	Of which enabling	Non- assessed exposures
			Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)				
1 Financial guarantees (FinGuar KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %
2 Assets under management (AuM KPI)	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %	— %

CLIMATE CHANGE

Erste Hungary places particular emphasis on the issue of climate change within its sustainability strategy, recognizing that the transition to net zero emissions is critical to ensuring long-term wellbeing, financial health, and prosperity. The shift to a low-carbon economy requires coordinated efforts across the financial system and the wider economy. Erste Group has the ambition to achieve a net zero status of its portfolio by 2050, and Erste Hungary shares this ambition as well.

As a financial services provider, Erste Hungary not only strives to transform its own operations in a sustainable manner, but also pays particular attention to the climate impact of its financing and investment activities. Erste Hungary is committed to supporting its clients in the green transformation and to funding ambitious climate protection measures that contribute to the decarbonization of the economy. Its goal is for its portfolio to achieve net zero greenhouse gas emissions by 2050. The green transition is encouraged through financing and investment decision that meet clear, science-based sustainability criteria, with a particular focus on renewable energy and the renovation of buildings and infrastructure. In addition, Erste Hungary is taking the active steps to decarbonize its own 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 are the basis for the disclosure in this chapter. This ensures that the report transparently and purposefully reflects the most important sustainability aspects of the company's operations.

Sustainability matter	Type of IRO	IRO Description	Value chain	Time horizon
E-1 Climate adaptation	Opportunity	For Erste Hungary, financing and investing in companies that offer climate change adaptation solutions, as well as financing adaptation-focused solutions in the commercial and residential real estate markets, may represent financial opportunities.	Portfolio	Medium-term
E1-Climate change mitigation	Potential positive impact	Reducing greenhouse gas emissions from its own operations has a positive impact not only on the environment but also on society. This approach reinforces Erste Hungary's commitment to sustainability and contributes to the Bank's positioning as a responsible financial institution offering comprehensive services. Emission reduction efforts directly support ecological transformation while also enhancing the company's attractiveness as an employer.	Own operations	Long-term
	Potential positive impact	Erste Hungary plays an active role in climate change mitigation through its financing activities, with a particular focus on supporting renewable energy sources. The Bank has already set the objective of achieving net zero greenhouse gas emissions across all of its portfolios by 2050. It is continuously developing its decarbonization pathways to ensure comprehensive coverage of its entire portfolio.	Portfolio	Long-term
	Negative impact	Erste Hungary's Scope 1, 2, and 3 CO ₂ emissions contribute to climate change and global warming.	Upstream & Own operations & Portfolio	All time horizons (actual in short-term)
	Potential negative impact	Erste Hungary's Scope 1, 2, and 3 CO ₂ emissions contribute to climate change and global warming.	Upstream & Own operations & Portfolio	All time horizons (potential medium- to long-term)
	Risks	<p>Transition risk</p> <p>If a bank decides—or is forced (for example, due to regulatory pressure or changing consumer preferences)—to prioritize the financing of sustainable businesses and projects, it will need to withdraw funding from non-sustainable investments. Depending on the volume of capital allocated to such investments or loans, this may pose a significant financial risk to the bank.</p> <p>Credit risk</p> <p>If borrowers engaged in unsustainable business practices are unable to transition to more sustainable models, they may become financially unstable, increasing the bank's credit risk.</p> <p>Market and reputational risk</p> <p>If a bank fails to adapt to changing consumer preferences and continues to finance polluting, carbon-intensive industries, companies, and projects, it may face reputational risks that can also have significant financial implications. For example, customers may transfer their deposits to a "greener" competitor.</p>	Portfolio	All time horizons
E1-Energy	Potential positive impact	Erste Hungary 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
	Potential positive impact	Financing renewable energy projects through the project finance portfolio.	Portfolio	Medium-term
	Negative impact	Erste Hungary's Scope 1, 2, and 3 CO ₂ emissions contribute to climate change and global warming.	Upstream & Own operations	All time horizons (actual in short-term)
	Potential negative impact	Erste Hungary's Scope 1, 2, and 3 CO ₂ emissions contribute to climate change and global warming.	Upstream & Own operations	All time horizons (potential medium- to long-term)
	Risk	<p>Credit risk (arising from regulatory risk affecting the lender's counterparties)</p> <p>The energy sector is significantly exposed to regulatory risks. Changes in energy policy or the introduction of stricter regulatory requirements may lead to increased operating costs for companies, which can negatively affect their financial stability, valuation, and loan repayment capacity. This, in turn, represents a financial risk for the lender.</p> <p>Transition risk</p> <p>The transition from fossil fuels to renewable energy poses risks for companies operating in carbon-intensive sectors. Lenders with high exposure to companies that are heavily dependent on fossil fuels may face financial losses during this transition period if they fail to diversify their portfolios in a timely manner toward clean energy.</p> <p>Market risk</p> <p>Market prices of energy sources fluctuate based on supply and demand dynamics, geopolitical developments, and other market factors. Such volatility can affect the financial performance of energy companies and therefore poses a risk for lenders providing financing to these entities.</p> <p>Reputational risk</p> <p>A lender's relationship (e.g. through lending or investment exposure) with companies operating in carbon-intensive sectors that cause significant environmental pollution (e.g. air, water, soil) or materially contribute to climate change may pose reputational risks. These risks may arise due to changes in public perception, consumer (customer) behavior, and investor preferences.</p>	Portfolio	All time horizons

Climate Change Adaptation

For Erste Hungary, a range of financial opportunities arise from both the financing and investment in companies that develop and offer solutions supporting climate change adaptation, as well as from financing adaptation measures implemented within the real estate sector—including both residential and commercial properties. In the case of companies, this may include technologies and services such as climate-resilient infrastructure, advanced water management systems, heat-resistant materials, flood protection technologies, and early-warning or risk-assessment tools. Within the real estate sector, adaptation solutions may involve the retrofitting of buildings to improve energy efficiency and heat resilience, the installation of green roofs and walls, the application of flood-resilient construction methods, the development of natural ventilation systems, and the integration of on-site water retention and drainage systems to mitigate the impacts of extreme weather events.

Climate Change Mitigation

Erste Hungary is committed to mitigating the impacts of climate change both through its own operations and via its financing activities.

Reducing greenhouse gas emissions arising from the Bank's own operations not only serves environmental protection but also generates positive social impacts. This effort strengthens Erste Hungary's commitment to sustainability and contributes to positioning the Bank as a responsible financial institution providing comprehensive services. Emission reduction directly supports ecological transformation while enhancing the company's attractiveness as an employer and contributing to long-term societal well-being. At the same time, it is important to recognize that carbon emissions arising from Erste Hungary's own operations and its supplier value chain contribute to climate change and, consequently, to global warming. Key emission hotspots include the energy consumption of office buildings, heating and cooling systems, employee commuting, and business travel. Within the supplier value chain, significant sources of emissions include purchased goods and services, such as IT infrastructure, data centers, and outsourced service providers.

In addition, Erste Hungary plays an active role in advancing decarbonization through its client portfolios, particularly by financing renewable energy sources. The Bank has set the objective of achieving net zero greenhouse gas emissions across all of its portfolios by 2050. To this end, it continuously develops its decarbonization pathways with the aim of ensuring comprehensive portfolio coverage. This long-term strategy not only supports environmental sustainability but also contributes to economic stability and the development of future-proof financial services.

As a result of climate-related transition events—such as regulatory interventions—Erste Hungary is exposed to increased credit risk, as these developments may adversely affect the profitability and financial stability of counterparties. Consequently, the Group may be required to increase its risk provisions, which could have a negative impact on the income statement and shareholders' equity. Climate risk analyses indicate that a disorderly transition to a low-carbon economy could have a significant impact on credit risk exposure across all time horizons. These impacts are primarily driven by environmental taxation, regulatory changes, and shifts in the market behavior of investors, consumers, suppliers, and employees, while such effects remain limited under an orderly or baseline transition scenario.

Energy

Erste Hungary is strongly committed to supporting sustainable energy management, particularly through the financing of renewable energy sources and energy grid infrastructure. Through these activities, the Bank actively contributes to the advancement of CO₂-neutral energy generation, while strengthening energy security and facilitating the transition to a sustainable economy.

Erste Hungary generates positive environmental and social impacts by reducing its own greenhouse gas emissions and increasing the share of renewable energy in its operations. This effort is aligned with the Bank's sustainability objectives and contributes to long-term societal well-being. At the same time, it must be acknowledged that Erste Hungary's Scope 1, 2, and 3 carbon emissions—arising from its own operations and supplier value chain—contribute to climate change and global warming. This negative impact is relevant across all time horizons.

Energy market volatility, which may be further exacerbated by climate change and related physical or transition events, can negatively affect corporate profitability—particularly in energy-intensive sectors—by increasing operating costs and reducing profit margins. At the same time, rising and volatile energy prices may create liquidity challenges for retail customers, impairing their repayment capacity. These developments increase the probability of default within portfolios, potentially leading to higher provisioning requirements for Erste Hungary and having a negative impact on the income statement and shareholders' equity.

RESILIENCE OF THE BUSINESS MODEL

To address transition and physical risks, Erste Bank Hungary (Bank) applies a comprehensive, scenario-based approach aimed at assessing and quantifying the impacts of these risks on the Bank's own operations, client relationships, and asset portfolio across the short, medium, and long term. Systematic analysis of potential future scenarios helps identify opportunities to enhance resilience and strengthen adaptive capacity.

Scenario Analysis Framework

In the second quarter of 2025, the Bank conducted a climate risk stress test aimed at assessing the Bank's capital position under various climate risk scenarios. The test was prepared in accordance with Article 73 of the Capital Requirements Directive¹ (CRD) and was approved by the governing bodies of the Bank. The objective of the assessment was to provide a forward-looking view of financial risks arising from climate change and to support proactive risk management.

In identifying physical risks, the Bank monitors the RCP pathways developed by the IPCC. Given that the Bank primarily uses these data to quantify the impact of physical risks in stress testing, greater weight is assigned to the scenario most relevant for the analysis.

For the identification of transition risks, the Bank based its stress test on scenarios developed by the Network for Greening the Financial System (NGFS) and the European Central Bank (ECB), which were further refined and adapted to the Bank's internal risk profile. The Bank developed two macroeconomic scenarios: the baseline scenario is aligned with the five-year business planning horizon, while the adverse scenario assumes a severe and prolonged climate-related crisis which is complemented by the greenhouse gas (GHG) intensity of corporate sectors.

The analysis is subject to inherent uncertainties. These arise mainly from the use of long-term macroeconomic and climate assumptions, limited historical data for extreme physical events. As a result, tail-risk events and highly disruptive transition pathways may not be fully captured.

Scope of the resilience analysis

The Bank assessed the full range of potential climate-related physical and transition risks and identified those considered most relevant to its business activities and risk profile. Based on this assessment, the resilience analysis primarily focuses on acute physical risks and transition risks driven by changes in climate-related policies and regulations:

- Short term (1 year): The analysis evaluates the impact of flood risk on real estate collateral values and the resulting sensitivity of loss given default for collateralized retail and corporate loan portfolios.
- Medium term (5 years): The analysis assesses the effects of climate-related policy measures on macroeconomic conditions, together with impacts on the real estate market and potential costs arising from enhanced regulatory compliance requirements.

Description of the resilience analysis

The assessment and evaluation of physical climate risks are of particular importance for the Bank primarily from a collateral perspective. For this purpose, the Bank applied the Climate Hazard Score system developed by Munich Re, which aims to quantify the risk of various climate hazards - such as river flooding, tropical cyclones, sea level rise, heat stress, precipitation stress, drought, and wildfire. The scores are determined based on different climate scenarios (RCP 2.6, 4.5 and 8.5), considering both current and future conditions. Among acute physical risks, the Bank places particular focus on river flooding, as this currently represents the Bank's highest exposure. Incorporating portfolio-related physical climate risks is critical for the Bank's operations, as it enables the Bank to make more informed lending decisions, reduce potential losses, protect its portfolio against value deterioration, and meet continuously evolving regulatory and investor expectations.

¹ Capital Requirements Directive - Directive 2013/36/EU of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms

The transition risk stress test examines how the introduction of a carbon tax and related policy changes affect the Bank's credit risk profile, capital position, and collateral structure. The scenario assumes a macroeconomic trajectory in which the carbon tax directly and indirectly influences economic growth, inflation, the interest rate environment, and corporate cost structures. These macroeconomic variables form the basis for stressing PD and LGD parameters, with sectoral adjustments - reflecting differentiated impacts on high-emission activities - as well as collateral value haircuts based on EPC labels that capture the energy efficiency of properties. The final step of the process is the recalculation of credit risk RWA and impairments under both the baseline and adverse scenarios, providing a comprehensive view of the extent to which transition risks strain the Bank's balance sheet and capital adequacy.

Results of the resilience analysis

Physical risks (time horizon: 1 year)

- Acute flood risk – physical risk: The assessment of an acute flood event indicates that real estate collateral values are sensitive in the short term to severe flooding, resulting in an increase in loss given default and, through this channel, higher impairment loss in collateralized retail and corporate loan portfolios. The impact is limited to specific affected exposures and does not propagate across the wider portfolio. As a result, the effect does not lead to material capital depletion and does not compromise capital adequacy. Supported by the Bank's operational resilience and portfolio diversification, the earnings impact remains manageable; accordingly, physical risks do not give rise to prudential stability concerns over the assessed time horizon.

Transition risks (time horizon: 5 years)

- Macroeconomic transition effects – carbon tax via the macro channel: The broad macroeconomic effects of a carbon tax - slower GDP growth, higher inflation and interest rates, and rising unemployment - lead to an increase in PD and LGD parameters across the entire customer base, significantly raising RWA and impairments. In the first year, the Common Equity Tier 1 (CET1) ratio declines; however, the Bank's profit-generating capacity mitigates the cumulative impact over the five-year horizon. As a result, CET1 remains above regulatory thresholds, and the scenario does not require capital remediation measures.
- Corporate cost increases and default risk – carbon tax via the sectoral channel: In corporate sectors with high emission intensity, the carbon tax generates a significant cost shock, which increases default risk through higher PDs and consequently raises RWA and impairment needs. As a relatively small portion of the Bank's corporate portfolio is concentrated in such sectors, the impact is noticeable but not systemic. The indirect capital impact on CET1 remains within the Bank's risk appetite limits throughout the horizon, and no prudential intervention would be required.
- Decline in collateral values – EPC-based transition impact: Collateral value declines modelled on the basis of EPC ratings clearly indicate that properties with lower energy efficiency experience more pronounced haircuts under stress. This increases LGD for collateralized retail and corporate loans and generates additional impairment loss requirements. However, the energy-efficiency diversification of the portfolio mitigates systematic effects, ensuring that the overall capital adequacy position is not jeopardized and that the impact on CET1 remains limited.
- Tightening regulatory compliance – operational risk: Fines resulting from stricter regulatory supervision materialize exclusively through the operational risk channel and therefore do not affect PD or LGD parameters. Operational losses impacting P/L remain moderate, do not create capital stress, and do not pose a critical risk from either a regulatory limit or capital planning perspective. The Bank is well prepared to manage compliance-related burdens, and this risk channel remains well controlled.

Decarbonization strategy

Assets and business activities identified as potentially exposed to climate-related risks are considered within the Bank's strategic planning, investment decisions and risk appetite framework.

Decarbonization pathways defined for key sectors exposed to transition risk support the Bank in mitigating credit losses arising from climate and environmental (CE) risks. These decarbonization pathways are aligned with the Paris

Agreement's scenario of achieving net zero emissions by 2050. Further information on the defined decarbonization pathways is provided in Section E1-4.

The Bank has strengthened risk management processes by embedding CE factors into the core underwriting and collateral management frameworks. To mitigate physical risks, the Bank continuously monitors and reports on collaterals. Furthermore, the Bank has updated its collateral policy to include detailed guidelines for assessing increased physical risks in both residential and commercial real estate valuations.

E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Erste Hungary's plans aimed at the transition to a sustainable economy focus on objectives related to its investment and financing activities, which are approved and actively supported by the management of all subsidiaries. The bank is committed to the goals of the Paris Climate Agreement.

The strategic focus is on those sectors that offer the greatest potential during the decarbonization transition. These include real estate, electricity generation, oil and gas extraction, or automobile manufacturing. Erste Hungary aims to provide targeted financing solutions for clients active in these sectors, supporting emission reduction and technological modernization.

Erste Hungary is within scope of the EU Paris-aligned benchmarks, which have the primary goal of assisting the transition towards a low-carbon economy and limiting global temperature rise to 1.5°C above pre-industrial level. Erste Hungary's targets are already compatible with limiting global warming to 1.5°C and 1.75°C.

The definition and implementation of targets are carried out 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 operation by 2030. Through this, Erste Hungary continues to make steady progress toward net-zero emissions, in line with the goals set out in the Paris Agreement.

For further information on the scenarios and methodologies used for target setting please refer to chapter 'E1-4 Targets related to climate change mitigation and adaptation'.

The bank's portfolio does not include clients or projects that would entail significant long-term greenhouse gas emissions and would be unable to mitigate them due to technological or economic constraints. This ensures that the bank always has the option of an "exit strategy": if a client is unwilling or unable to reduce its emissions, the bank is entitled to discontinue financing.

Erste Hungary has been developing its prudential transition plan in line with the requirements under the Capital Requirements Directive (CRD VI). This plan focuses on assessing and managing financial risks arising from nature and broader sustainability factors, with the CSRD based transition plan serving as a key input - providing strategic direction, decarbonisation targets and implementation pathways that inform risk-relevant conclusions. Work on this integration began in 2025 and Erste Hungary continues to strengthen the alignment between its sustainability strategy and prudential risk management, ensuring consistency across regulatory frameworks and internal planning processes.

Strategic approaches for cross-sector decarbonization

Erste Hungary aims to comprehensively manage sectors with high decarbonization potential - at the entity, business line, and sector levels alike. The bank maps the gaps between the current emission situation and target values and identifies the main causes, such as data quality issues or delays in client-side transition. It then develops proposals for the first pilot projects, which specifically address the most critical areas and lay the foundation for broader future implementation.

Erste Hungary aims to develop a Transition Assessment Framework and a Client Transition Scoring system. During the assessment, Erste Hungary selects the top clients or clusters and categorizes them according to their transition plans and preparedness. The goal is to establish a transparent client evaluation methodology that supports targeted engagement with key clients, while clustering the remaining client base for portfolio- or individual-level assessment.

Erste Hungary also seeks to gather information on the transition readiness of clients for whom such data is not yet available. This enables the bank to identify clients' financial and transition support needs, as well as to obtain a

comprehensive view of the local regulatory environment and business obstacles related to the transition. Developing “what-if” scenarios help determine strategic directions based on clients’ transition capabilities.

Erste Hungary aims to set new ESG KPIs and to introduce regular reporting to ensure transparent governance. These KPIs will be integrated into the strategic planning process, and concrete management actions will be defined based on the results - such as the creation of new products and pricing solutions, and the review of governance tools (limits, FTP, business strategies). The aim is to make gaps between achieved results and target values clearly visible, enabling the initiation of new governance mechanisms, policies, and product developments.

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 sector to achieve Erste Hungary’s Net Zero portfolio decarbonisation targets.

Decarbonisation lever ‘Emission reduction in the energy sector’.

The first decarbonization tool focuses on the energy sector, with particular emphasis on mitigating financed emissions. Erste Hungary actively supports its clients in optimizing their existing technology portfolios and investing in new facilities that utilize renewable energy sources. Financing renewable energy projects plays a key role, in line with Erste Group’s long-term sustainability objectives and global trends. This targeted approach not only supports portfolio diversification but also contributes to the development of sectors that are critical for economic growth and sustainability. Detailed guidelines and related information can be found in section E1–3.

Decarbonisation lever ‘Promoting a sustainable real estate sector’.

The second decarbonization tool targets the real estate sector, which also plays a significant role in reducing portfolio emissions. Erste Hungary promotes building renovations and the installation of heating and cooling systems powered by renewable energies. Erste Hungary supports the achievement of these goals by applying a tool that assesses the financial condition of commercial real estate, specifically developed for corporate clients. More details can be found in chapter 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, decarbonising employee mobility and conducting employee engagement and awareness training to promote sustainable behaviour. More details can be found in chapter E1-3.

EMBEDMENT IN STRATEGY

As part of its ambition to support the transition to a sustainable economy, Erste Hungary aims to guide clients and sectors towards decarbonisation and achieving net zero targets, while also reducing emissions from its own operations. This plan is fully integrated into Erste Hungary’s overall business strategy and financial planning, ensuring that decarbonisation efforts are part of core decision-making processes.

It emphasises continuous engagement with clients across various industries to support their transition and manage climate-related risks applying. Erste Hungary integrates emission reduction targets into its business strategy to direct capital to sectors and clients with the highest transition potential, supporting both the clients’ transition and the bank’s sustainability goals.

Erste Hungary monitors portfolio developments and client progress quarterly. This process includes assessing the impact of client engagements, adjusting strategies and implementing necessary measures. Progress is reported regularly to the Management Board and Supervisory Board. Additionally, this steering process influences Erste Hungary’s business planning by incorporating lessons learned and adjusting exposure targets and emission intensity forecasts, ensuring alignment with industry trends and local regulatory requirements. Erste Hungary’s progress towards achieving reduction targets set for the investment and financing activities is described in chapter E1-4.

The pace of the transition to a sustainable economy will be driven by technological advancements and their adoption by both, the economy and Erste Hungary's clients. Achieving decarbonisation targets requires coordinated efforts and aligned regulations among EU member states, ensuring the necessary infrastructure and legal framework are in place.

Erste Hungary has developed elements of a transition plan, guided by the Glasgow Financial Alliance for Net Zero (GFANZ) and focusing on renewable energy and a sustainable real estate sector. Erste Hungary will continue to enhance its transition plan in a stepwise approach in upcoming years in line with Article 76(2) of Directive 2013/36/EU, the EBA's ESG risk management guidelines and will take necessary actions to ensure compliance. The targets, policies and actions that form the core of the transition plan have been approved by members of the Management Board or the Supervisory Board of Erste Hungary.

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

Erste Hungary'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.

AT A GLANCE: ADDRESSING IMPACTS, RISKS AND OPPORTUNITIES

Impacts, risks and opportunities	Strategy / Policy	Key decarbonization lever and actions	Targets
Financing renewable energy projects through the project finance portfolio. (Pos. impact: Energy)	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector	15% sustainable retail mortgages by 2027
	Green Financing in the Corporate Business segment Renewable Energy Policy	Lever: Emission reduction in the energy sector	25% sustainable corporate financing by 2026
If the bank does not adapt to sustainability expectations, it may incur significant financial losses due to transition, credit, market, and reputational risks. (Risk: Climate Change Mitigation)	Real Estate Financing (REF) Policy	Lever: Promoting a sustainable real estate sector	Portfolio decarbonisation target
	Collateral Management Policy	Lever: Emission reduction in the energy sector	
	Renewable Energy Policy		
For Erste Hungary, financing and investing in companies that offer climate adaptation solutions—particularly in the commercial and residential real estate markets—represents a financial opportunity. Financing solutions aimed at adaptation. (Opportunity: Climate Change Adaptation)			
CO2 emissions financed by Erste Hungary contribute to climate change and, consequently, global warming. (Negative Impact: Climate Change Mitigation and Energy)	Responsible Financing Policy	Lever: Promoting a sustainable real estate sector	Portfolio decarbonisation target
	Corporate Lending Principles	Lever: Emission reduction in the energy sector	
	Renewable Energy Policy		
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 Hungary sustainable, full-service bank, contributes directly to ecological change and will have a positive impact on employer attractiveness. (Positive impact: Climate Change Mitigation) The Bank primarily has a positive impact on the environment and society by reducing its own GHG emissions and increasing renewable energy sources. (Positive Impact: Energy)	There is no official policy, but an action plan is in place.	Lever: Emission reduction in own operations	Net Zero operations target

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).	Sustainable Finance Guideline	Lever: Promoting a sustainable real estate sector	Portfolio decarbonisation target
		Lever: Emission reduction in the energy sector	
In the energy sector, regulatory, transition, market, and reputational risks together pose significant financial risks for banks, as they affect client stability, portfolio value, and public perception. (Risk: Energy)	Retail Credit Risk Management Policy	Lever: Promoting a sustainable real estate sector	Portfolio decarbonisation target
	Corporate Lending Principles	Lever: Emission reduction in the energy sector	
	Real Estate Financing (REF) Policy		
If the bank does not adapt to sustainability expectations, it may incur significant financial losses due to transition, credit, market, and reputational risks. (Risk: Climate Change Mitigation)	Retail Credit Risk Management Policy	Lever: Promoting a sustainable real estate sector	Portfolio decarbonisation target
	Corporate Lending Principles	Lever: Emission reduction in the energy sector	

Concerning all policies, 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 was gathered through bilateral discussions, conferences, and supervisory dialogues on climate change, and has been incorporated into the policy-setting process of Erste Group and, consequently, Erste Hungary. For more details on consideration of interests and views of stakeholders please refer to chapter SBM-2.

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. Erste Hungary places strong emphasis on climate change mitigation, financing energy-efficient buildings and renewable energy sources, as well as leveraging opportunities arising from climate adaptation. The SFG provides a strategic framework for classifying sustainable financing, supporting the achievement of portfolio decarbonization targets.

Among the Bank's targets is that, based on Erste's own definition, 15% of mortgage loans are to be classified as sustainable by 2027, while 25% of corporate financing is to achieve a sustainable classification by 2026. By achieving these goals, Erste Hungary continues to play an active role in advancing the transition to a sustainable economy, in line with its strategic priorities. (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 CO₂e-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 CO₂e-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 CO₂e 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.

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.

The Sustainable Financing Guideline also includes its approach and related process requirements. Approval of sustainability-relevant criteria and programs falls within the authority of the Erste Group Sustainable Financing Committee, thereby ensuring consistent and regulated application across the entire consolidation scope.

GREEN FINANCING IN THE CORPORATE BUSINESS SEGMENT

Policy objectives to address impacts, risks and opportunities

The Green Financing policy ensures the operational implementation of Erste Hungary's Sustainable Financing Policy in the corporate business segment. While the policy provides a strategic framework for achieving sustainable financing goals, these rules specify the processes and tools that corporate transactions must comply with in order to meet the EU Taxonomy and Erste Group methodological requirements. As a specific feature in Hungary, a separate policy includes the Hungarian National Bank's green corporate and municipal capital requirement discount program (MNB ZVT), which provides capital requirement discounts for environmentally sustainable exposures. In addition to supporting sustainability goals, these policies also promote compliance with domestic prudential regulations while encouraging customers to make green investments.

Methodology

The practice of green certification consists of several steps based on Erste Group's sustainable financing framework, supplemented by domestic operational requirements. Transactions are pre-certified using the Green Asset Screening (GRAS) online tool, which identifies the green status of a transaction by assigning it to a sustainability index (SI). The

technical criteria of the EU Taxonomy and the conditions of the MNB ZVT program are taken into account during the certification process. The client manager is responsible for completing the GRAS questionnaire and attaching it to the proposal, while the risk manager checks and finalizes the Green Investment (GI) rating alongside the credit decision.

Scope

The scope of the policy covers transactions handled by the corporate business line. The Account Manager (AM), Risk Manager (RM) and Product Manager (PM) are responsible for implementation, while the Head of Corporate Credit Product Development performs the control function. The policy is available on the internal network. Any deviations from the basic principles must be justified and approved by the competent authority, which ensures that operations are regulated and auditable.

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 the most significant impacts, risks, and opportunities related to climate change mitigation and energy. 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, Erste Hungary reviews and updates its sustainability assessments on an annual basis to reflect changes in the sustainability risks of its clients.

Methodology

For corporate clients, sector-level ESG assessments are prepared, with a particular focus on the ten clients with the highest emissions that are considered key in terms of decarbonization. These assessments help to develop targeted customer relationship strategies and fine-tune sectoral transition paths. For small and medium-sized enterprises (SMEs), the ESG Heatmap ensures that ESG risks are taken into account if the client's turnover reaches EUR 50 million or if the client has securities listed on an EU regulated market. This approach allows for a targeted ESG assessment of relevant customers, taking into account the size and market presence of the company.

The minimum ESG questionnaire specified by the Hungarian National Bank (MNB) has been incorporated into credit assessment practices for eligible customers. If a customer represents a high ESG risk – for example, in the agricultural sector – the credit decision requires a higher level of approval, potentially at the Holding Credit Committee level. During the lending process, Erste Hungary uses ESG assessment questionnaires to assess risks related to climate change mitigation. Large companies must provide information on their carbon footprint and carbon offsets. The questionnaire also requests detailed information on companies' GHG emission reduction plans and strategies. In certain industries, such as the automotive, oil and gas, and utilities sectors, Erste Hungary also requests a climate transition plan from large companies. It also analyzes the client's energy mix and efficiency. A more sustainable energy mix and greater energy efficiency are beneficial to the client's overall performance in the assessment. The bank is currently introducing the Client Engagement Assessment framework, which applies a more detailed ESG questionnaire to six priority borrower groups. The objective is to further embed ESG considerations into client rating and risk management processes. Full integration of the system into annual reviews will be implemented during 2026, thereby strengthening ESG-based decision-making.

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.

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.

Erste Hungary has established a well-defined structure and governance framework for the implementation of the policy, which ensures consistency and transparency in decision-making. This approach directly contributes to the bank's portfolio decarbonization goals, with a particular focus on achieving net zero emissions by 2050. A key tool supporting the achievement of these goals is "emission reduction in the energy sector," which is discussed in more detail in Chapter E1-3. Detailed CO₂e results for financed emissions are available in Chapter E1-6.

In 2025, the Responsible Financing Policy was reviewed at Erste Group level to support the responsible energy transition even more effectively. In response to current challenges, Erste Group, including Erste Hungary, is financing the phase-out of coal in a responsible and prudent manner, in line with EU objectives. In response to current challenges, Erste Group, including Erste Hungary, supports the phase-out of coal in a responsible and prudent manner, in line with EU objectives. In this context, Erste Hungary is committed to refraining from financing coal mining and coal-based power generation in the future and to having no coal-based financing in its portfolio, in line with the National Energy and Climate Plan (NECP). Another change in 2025 was driven by other priorities in the context of defense. Due to the significantly changed geopolitical environment, the strategic importance of the defense sector in Europe has fundamentally shifted. Financial institutions are now expected to contribute to collective security, industrial resilience and defense readiness, as outlined in the EU White Paper "Defense Readiness 2030". This is reflected in the changes in the eligibility criteria for financing defense.

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 Erste Hungary and Group Non-financial Risk Management function. They guide the initiator of the deal and associate 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.

Erste Hungary's long-term commitment to the objectives of the Paris Agreement provides a solid foundation for this approach. The bank considers the financing of renewable energy sources and energy efficiency projects strategically important, as they play a key role in enabling a sustainable economic transition.

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'.

Based on the experience of the past three years, this type of examination was only necessary in one case, which clearly reflects the effectiveness of preliminary portfolio screening. The guidelines reviewed at group level are implemented at local level at Erste Hungary. Feedback on experiences in Hungary is communicated to the group and, if relevant, incorporated into further updates of the guidelines. This two-way communication allows local characteristics to be reflected in the group-level regulatory framework, while ensuring a consistent ESG approach.

By applying this policy, Erste Hungary not only complies with the objectives of the EU Taxonomy and the Paris Agreement but also meets the European Banking Authority (EBA) guidelines on lending and supervision, as well as the EU GDPR and KYC requirements. Erste Hungary's Deputy Chief Risk Officer (CRO) is responsible for implementing the policy. The policy is available for internal use by all employees.

RETAIL CREDIT RISK MANAGEMENT POLICY

Policy objectives to address impacts, risks and opportunities

Erste Hungary's Retail Credit Risk Management Policy, which is based on Erste Group's group-level guidelines, focuses primarily on managing the credit risk of retail customers, with particular emphasis on those experiencing financial difficulties. The purpose of the policy is to identify and manage situations that could lead to repayment problems or even default. To this end, Erste Hungary is required to document and monitor changes in the financial situation of its customers.

An integral part of the policy is the requirement for an Energy Performance Certificate (EPC) for all financed properties. The energy efficiency determined on the basis of the EPC has a direct impact on the future maintenance and investment costs of the property, thereby influencing the customer's repayment ability and the level of credit risk. Higher energy efficiency means a lower carbon footprint, which is in line with Erste Hungary's long-term sustainability goals.

The most important impacts, risks, and opportunities addressed by the policy relate to climate change mitigation and energy efficiency. The policy aims to support the achievement of the portfolio's decarbonization targets by 2050, with two key instruments contributing to this: "emission reduction in the energy sector" and "promotion of a sustainable real estate sector." These are described in detail in Chapter E1-3. Detailed results for CO₂e indicators related to financed emissions are available in Chapter E1-6.

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 on 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. The targeted energy efficiency level must be determined and documented using a method that is generally recognised at the time the loan is granted.

Scope

The scope of the policy applies to Erste Hungary subsidiaries that provide loans to private individuals and micro-enterprises. The chief risk officers (CROs) of the local organizations are responsible for implementing the policy. The

policy is available for internal use. By applying the policy, Erste Hungary complies with the European Banking Authority (EBA) guidelines on lending and monitoring, as well as the EU GDPR and KYC requirements.

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 CO₂e 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 CO₂e 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.

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.

COLLATERAL MANAGEMENT POLICY

Policy objectives to address impacts, risks and opportunities

Erste Hungary integrates ESG considerations into the valuation process to ensure that property collateral assessments reflect risks and opportunities influenced by sustainability factors. The policy aims to ensure that valuations consistently and transparently address climate, environmental, social, and governance aspects, thereby supporting the Bank's decarbonization objectives and risk management processes. It ensures that ESG impacts are not treated merely as supplementary information but as value-adjusting factors—particularly regarding building energy efficiency, environmental risks (e.g., flooding, heat stress, soil contamination), and social and governance dimensions. This approach contributes to Erste Hungary's commitment to embedding ESG risks into collateral values, enhancing the resilience of the Bank's portfolio against sustainability-related risks.

Methodology

ESG-based assessment is an integral part of the valuation process. The appraiser is responsible for collecting and analyzing available ESG data for the property and evaluating its relevance during valuation. Key factors include building energy efficiency, energy consumption, carbon emissions, sustainability of construction materials, and the share of renewable energy use. Environmental considerations cover the property's location and exposure to physical climate risks such as flooding, heatwaves, or landslides. Social factors include accessibility, health and safety aspects, and the extent to which the building supports user well-being and social cohesion. Governance factors involve transparency of ownership and operational structures, compliance with maintenance and safety standards, and adherence to regulatory requirements. Where ESG-related information is unavailable, the appraiser must document this and indicate its potential impact on valuation reliability. ESG assessments are primarily qualitative but should incorporate quantitative data where possible, such as energy efficiency ratings or carbon emission indicators.

Scope

ESG assessment requirements apply to all collateral valuations, whether for residential real estate (RRE) or commercial real estate (CRE). The policy covers valuations for new lending transactions, collateral revaluations, portfolio monitoring, and reviews related to refinancing and restructuring. It aligns with Erste Group's valuation framework and represents its adaptation for Hungary. Appraisers must apply ESG considerations in accordance with Group-level standards, document them in the prescribed format, and include them in valuation reports. The ESG component of the valuation policy forms an integral part of Erste Hungary's internal regulations. Responsibility for implementation and ongoing updates lies with the Risk Management Directorate (CRO), in cooperation with the Real Estate Valuation Department and Sustainability Management. The policy is accessible to all internal and external partners involved in valuation activities, and its application is mandatory.

RENEWABLE ENERGY POLICY

Policy objectives to address impacts, risks and opportunities

Erste Hungary's Renewable Energy Policy aims to closely link sustainability goals and risk management in the financing of renewable energy sources. The policy aims to make the bank's portfolio more resilient to market and regulatory changes, while supporting the EU's decarbonization efforts and the green transition. The policy promotes projects that are not only economically viable, but also environmentally and socially responsible.

The document highlights the risks arising from the transition of support schemes, electricity market volatility, and technological uncertainties. To this end, it sets minimum requirements for financial indicators, equity capital, and guarantees, and stipulates due diligence and monitoring processes. The aim is to ensure that projects generate sustainable cash flows in the long term and that bank decision-making is transparent, comparable and risk sensitive.

Methodology

The methodology of the policy is based on the principles of project financing, supplemented by the specific risks of renewable energy sources. Financing decisions are subject to a complex due diligence process, which includes an examination of technical, legal, environmental, and financial aspects. The aim is to ensure that projects comply with regulatory requirements, market realities and sustainability expectations. The methodology emphasizes risk mitigation, for example using long-term power purchase agreements (CPPA) or appropriate guarantees.

In its financial analysis, the bank examines indicators that reflect the stability of the project and its debt servicing capacity. Decisions are based on conservative forecasts and stress tests, which ensure that the financing can

withstand market price fluctuations and production uncertainties. The aim of the methodology is to ensure that projects are not only viable in the short term but also represent sustainable value in the long term.

Scope

The policy covers all corporate clients, municipalities, SMEs, and the public sector, as well as Erste Group's Hungarian units and subsidiaries. It applies to the financing of new projects and the refinancing, expansion, and acquisition of existing assets. The policy is in line with Erste Group's Sustainable Finance Framework and forms the basis for the classification of green projects.

In developing and applying the policy, Erste cooperates with group-level competence centers, local professional units, and external technical, legal, and insurance experts. The policy takes into account EU and EBA guidelines as well as best market practices.

The Renewable Energy Policy is part of Erste Hungary's internal regulatory system. The Structured Finance Competence Center and the Risk Management Directorate are responsible for its implementation and continuous updating, in cooperation with the group-level Corporate Finance Solutions unit. The policy is available to all relevant internal and external partners, and its application is mandatory.

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

Within Erste Hungary's portfolio, the energy and real estate sectors play a key role in decarbonisation efforts, as they are associated with the highest levels of emissions. In order to achieve net-zero emission targets, Erste Hungary focuses on three decarbonisation levers: the promotion of the green real estate sector, the reduction of financed emissions in the energy sector, and emission reduction within its own operations, supported by several key measures that have already been implemented. For a more comprehensive understanding of the CO₂e results pertaining to financed emissions, please refer to Section E1-6.

DECARBONISATION LEVER – 'PROMOTING A GREEN REAL ESTATE SECTOR'

Erste Hungary aims to reduce its financed emissions by increasing the volume of sustainable financing in the real estate sector. This objective is supported by a key instrument: the Financial Health Commercial Real Estate Tool, which enables the monitoring of the carbon footprint of commercial real estate portfolios.

This decarbonization tool contributes, on the one hand, to the achievement of the objectives set out in the Sustainable Financing Policy, thereby reinforcing Erste Hungary's role in sustainable finance. On the other hand, it is aligned with the requirements of the Real Estate Financing Policy, which stipulates that a sustainability assessment must be conducted prior to credit approval for all residential real estate financing projects with an exposure of at least EUR 20 million.

As outlined in Section E1-2, the decarbonization tool directly addresses the impacts, risks and opportunities (IROs) associated with the relevant policies. Encouraging clients to improve the energy efficiency of bank-financed buildings under their ownership contributes to an absolute reduction in financed emissions, particularly as high-emission loans reach maturity. This approach also supports the achievement of the 25% sustainable corporate financing target and the 15% sustainable mortgage lending target, further details of which are provided in Section E1-4.

Green real estate loans are available for a range of purposes, including property acquisition, construction, modernisation and renovation. Erste Hungary offers financing structures that comply with the criteria defined by the National Bank of Hungary (MNB), requiring that the property achieve at least an A+ energy performance rating and that its primary energy demand does not exceed 68 kWh/m²/year. These loans are complemented by interest rate discounts, enhancing their competitiveness in the market. Green purposes are embedded across several retail credit products, including the Otthon Start and CSOK+ schemes, which allow for green-purpose utilisation. In addition, the Rural Home Renovation Programme provides preferential-rate financing to eligible customer segments as defined by applicable legislation.

Erste Hungary offers several promotional instruments linked to green lending objectives. Under one such campaign, a 0.50% interest rate discount is available on Certified Consumer-Friendly Mortgage Loans if the loan is used for a verified green purpose, such as the construction, purchase, modernisation or renovation of residential property. Another campaign provides a refund of the cost of the certified energy performance certificate (EPC) used to verify the achievement of the green loan objective. The refund is granted within 30 days following disbursement or the final partial disbursement, or upon acceptance of the eligible purpose, subject to the fulfilment of applicable conditions (submission of original invoices, documentation and declarations).

In the case of renovation-related financing, Erste Hungary also offers loan products linked to predefined energy performance outcomes. These include the “Green Renovation Near-Zero” product, which targets the achievement of an A+ energy rating, and the “Green Renovation 30” product, which requires a minimum 30% reduction in energy demand. These products are aligned with MNB-defined green lending objectives and operate in accordance with Erste’s internal product policies. Incentives associated with sustainable loans include preferential interest rates and fee discounts, such as a one-time reimbursement of the cost of obtaining an energy performance certificate. For certain products, additional fee refunds or waivers may apply, including property valuation or notary fees.

Looking ahead, future product development priorities include the modernisation of residential properties, with a particular focus on energy-efficiency renovations, as well as the financing of newly built, energy-efficient properties. Improving the quality of the retail real estate portfolio is considered a strategic priority from both an environmental and a business perspective. Supporting the renovation of inefficient properties and promoting green construction can contribute in the long term to portfolio stability and the achievement of sustainability objectives.

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. The tool has critical role in supporting climate change mitigation by enabling the identification and promotion of energy-efficient building practices.

The Financial Health Commercial Real Estate Tool integrates energy efficiency and greenhouse gas (GHG) emission data at asset level, enabling both the bank and its clients to systematically monitor and manage the carbon footprint of commercial real estate portfolios. The tool supports increased client awareness and promotes the use of renewable energy solutions, including on-site solar generation and the procurement of green electricity. Through this initiative, the Erste Group, including Erste Hungary, aims to enhance energy efficiency and reduce carbon emissions within its own commercial real estate exposures, in line with its climate transition objectives.

The tool benchmarks key performance indicators (KPIs) related to clients’ properties against reference values derived from Erste Hungary’s portfolio data, internal policies and defined GHG threshold levels. As part of this process, clients’ Energy Performance Certificates (EPCs) are compared with those of other properties within the financed portfolio. Based on predefined CO₂e thresholds, the tool identifies assets with favourable emission performance that are aligned with the bank’s decarbonisation pathway, supporting informed portfolio steering decisions.

In addition, the tool enables clients to visualise individual projects, compare them with other portfolio assets, and assess their positioning within the context of Erste Hungary’s commercial real estate decarbonisation strategy. The screening of financed clients is currently ongoing across all relevant subsidiaries and is expected to continue until the end of 2026. The primary objective is to engage with all clients financed in relevant commercial real estate segments and to leverage available asset-level data for portfolio-wide decarbonisation efforts. Through the identification and promotion of energy-efficient building practices, the Financial Health Commercial Real Estate Tool indirectly contributes to climate change mitigation and the reduction of GHG emissions.

Scope of the decarbonisation lever

The decarbonization tool covers all subsidiaries of Erste Hungary involved in real estate financing. The screening of existing portfolio assets is expected to be completed in the short to medium term. The tool focuses on the downstream value chain and targets Erste Hungary’s commercial real estate portfolio.

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 and thereby contribute to emissions reduction.

This action contributes to the decarbonisation of Erste Hungary’s energy portfolio and is in line with the Sustainable Finance Guidelines 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 specific carbon-intensive energy activities. Additionally, it contributes to the objectives of the Corporate Lending Principles.

Therefore, this decarbonisation lever directly addresses policy-related impacts, risks and opportunities (IROs) of these policies as outlined in chapter E1-2. The lever further contributes to the achievement of key strategic objectives, including the transition towards a net-zero portfolio and the attainment of a 25% sustainable corporate financing ratio. The detailed presentation of these targets is outlined in chapter E1-4.

Through the “Renewable energy financing” key action, the share of investments in carbon-intensive companies is reduced, while financing renewable energy projects enables the production of carbon-neutral energy. This is essential to ensure that the economic system operates within the planet’s ecological limits and to secure new, clean energy sources for Erste Hungary’s portfolio.

As a general principle, the financing of projects based on fossil energy sources does not form part of Erste Hungary’s strategy. However, in specific cases – such as environmentally justified modernisation or refurbishment purposes – support for such projects may be considered. This flexible approach ensures that emissions are reduced through the upgrade of existing infrastructure, while the overall portfolio gradually shifts towards a more sustainable composition.

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. Erste Hungary has a dedicated renewable energy financing policy that prioritizes projects contributing to the shift toward a low-carbon economy. Solar energy plays a particularly prominent role due to its technological maturity and scalability, making it an effective enabler of decarbonization targets. The expected impact includes an increase in financing for renewable energy projects and a reduction in financed emissions from the energy generation sector, especially as companies dependent on fossil fuels 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.

Regional cooperation is also coming to the front as part of renewable energy projects. For example, working with the Czech subsidiary creates opportunities for joint financing of solar energy investments, which not only helps us take advantage of synergies, but also contributes to achieving our group-level goals more effectively. This type of cooperation fits well with the banking group’s long-term sustainability strategy, which is based on knowledge sharing and joint value creation among regional players.

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. This enables Erste Hungary to proactively support its clients during the sustainability transition, regardless of whether the sector in question is directly affected by decarbonization targets.

DECARBONISATION LEVER ‘EMISSION REDUCTION IN OWN OPERATIONS’

Erste Hungary aims to achieve carbon-neutral operations, in line with its corporate net-zero emission objectives. To this end, the bank is implementing targeted measures across several operational areas, including the electrification of its vehicle fleet, the improvement of energy efficiency in its buildings, the transition to low-carbon energy sources, and the active engagement of employees through training programmes and joint sustainability initiatives.

Measures aimed at reducing greenhouse gas (GHG) emissions arising from the bank’s own operations primarily focus on Scope 1 and Scope 2 emissions. The management of upstream value chain emissions classified under Scope 3 is currently addressed through a group-level approach, as these emissions largely originate from the activities of external counterparties.

Procurement processes are carried out by an external service provider, while supplier assessment and sustainability evaluation are performed at Erste Group level. At the same time, local procurement practices in Hungary are continuously evolving to further strengthen the integration of sustainability considerations.

The electrification of the vehicle fleet has progressed dynamically: in 2025, electric vehicles will account for 37% of the fleet. In addition to the purchase of electric vehicles, the charging infrastructure is also being developed, particularly in

connection with the renovation of the tower building, where a charging system will be installed for the entire fleet. The long-term goal is to have a fully electric vehicle fleet by 2030.

In order to increase the energy efficiency of its buildings, Erste Hungary conducted a comprehensive energy assessment of its bank branches, covering 38 different aspects. The action plan developed based on the results focuses on reducing utility consumption and on architectural and mechanical engineering investments. In all cases, the goal is to balance technical feasibility and emission reduction potential, especially considering that most bank branches operate in leased properties. Preliminary energy assessments will also play a role in the selection of new locations. In the winter of 2025, we began switching from gas heating to an electric heating system, taking into account the possibility of adjustable temperature control. All branches have energy certificates, and the condition of the heating systems has also been assessed.

The renovation of the central office tower in Budapest will be carried out as a separate project in the medium term, over a period of 1–5 years. The goal is not to construct a new building, but to modernize the existing one, thereby supporting environmentally conscious urban development. The aim of the project is to create an office building that uses the best possible solutions from an energy perspective. The plans include the installation of solar panels and the investigation of geothermal energy utilization. The investment will result in Category A office building, which will also have a positive impact on the cityscape. The design phase will start in 2026, with construction beginning in 2027 and expected to take two years to complete.

Encouraging employee mobility and awareness is also an important part of Erste Hungary's sustainability strategy. Environmental awareness training is provided through mandatory online courses, in accordance with ISO 50001 and ISO 14001 standards. Energy efficiency training is available to all employees, and raising awareness at branch level is also a priority. The aim is for employees to take environmental considerations into account in their everyday decisions, thereby contributing to the achievement of company-level goals.

The Erste Green initiative was launched in 2016 with the aim of supporting and encouraging environmental awareness among Erste Hungary employees. The program operates as a voluntary employee community whose members actively contribute to improving the company's environmental performance. The initiative was active in 2025 and continued to bring together employee-level environmental initiatives, thereby promoting the achievement of sustainability goals and shifting the corporate culture towards greener practices.

A detailed description of Scope 1 and 2 GHG emission reductions can be found in Chapter E1-4. The results of the current and previous year's CO₂e balance are presented in Chapter E1-6, while information on energy consumption and its details is available in Chapter E1-5. Capital and operating expenditures are required to implement the measures described.

Scope of the decarbonisation lever

The implementation of Erste Hungary's sustainability measures follows a time-horizon-differentiated approach. In the short term, employee engagement and awareness-raising are addressed primarily through training programmes and joint initiatives. In parallel, medium-term actions focus on the decarbonisation of employee mobility, the improvement of energy efficiency in own-owned buildings, and the gradual transition to low-carbon energy sources.

This comprehensive approach ensures that Erste Hungary's operations are aligned with the company's net zero emission objectives, while appropriately taking into account technological, infrastructural and human factors.

E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

PORTFOLIO DECARBONISATION TARGETS

Erste Hungary's decarbonisation targets are presented in the 'Portfolio decarbonization targets and actuals' 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 Erste Hungary's ambition to achieve net zero status of its portfolio by 2050.

The financed emission calculation is the responsibility of Strategic Risk Management, while the development of decarbonization pathways is carried out in cooperation with the ESG Office, business areas and Collateral management. In relation to the industry trajectories defined on the basis of group-level guidelines, the domestic task is to accurately identify the portfolios concerned, which enables the development of targeted and relevant measures. Strategic Risk Management, in collaboration with Corporate Risk Management, performs the so-called "matching

exercise", during which client portfolios are compared with industry trajectories. The first group-level decarbonization trajectories were defined in 2022 and have been continuously updated since then based on more accurate data. The strategic goal of the net-zero portfolio is to evaluate the efficiency and effectiveness of emission reduction initiatives related to Erste Hungary's financing activities. This goal not only provides a benchmark for assessing the effectiveness of various measures, but also underlines Erste Hungary's commitment to sustainable financing.

Transparent and regular monitoring of the fulfillment of emission targets is ensured by the monitoring and reporting system. Portfolio-wide emissions calculations have been developed centrally at the Erste Group level. Backward-looking data for the previous month is sent to Erste Hungary at the beginning of the month in two phases, complemented by automated checks that facilitate the rapid identification of data errors and changes. A monthly summary is prepared for management, while the risk management area receives detailed information in quarterly reports. Results broken down by business line are presented within the ESG Forum, promoting transparent communication and internal knowledge sharing. Quarterly monitoring meetings are held with group-level colleagues, at which summary materials are shared. The KPI monitoring report supporting the monitoring of sustainability goals is also submitted to the Board, which includes financing commitments and emission trends, thus providing the information necessary for strategic decision-making. GHG emissions trends are examined through strategic analyses to ensure that they are in line with the target trajectory set for 2030. If a triggering event occurs in the portfolio, the business and risk areas work together to develop an action plan to ensure a return to the targets and the smooth continuation of the transition processes.

The policies described in chapter E1-2, such as the Sustainable Finance Guideline, the Responsible Financing Policy, the Corporate Lending Principles, the Real Estate Financing 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 the energy and real estate sectors as well as client engagement, 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.

Erste Hungary defined its decarbonization targets for its financed portfolio in two phases. In the first phase, it focused on the residential real estate, commercial real estate, and electricity generation sectors, while in the second phase, the automotive, iron and steel, oil and gas, and cement industries were the focus of its objectives. Erste Hungary has no exposure to the cement industry or heat and steam production, nor does it have significant exposure to the iron and steel industry. Starting in the first quarter of 2025, the company also included corporate bonds in its decarbonization monitoring system. The targets related to the commercial real estate sector were updated in the third quarter of 2025 in order for Erste Hungary to set more realistic and achievable goals.

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 and actuals

Sector	Metric	Methodology ¹	Scenario/ pathway	Emissions scope ²	Baseline		Actual data		Targets	
					Year	Value	2025	Reduction in %	2030	2050
Mortgages ³	kgCO ₂ e/m ²	Internal model	XDC ITR 2.6°C	1 and 2	2024	45.31	45.64	0.74%	32.22	5.05
Commercial real estate ³	kgCO ₂ e/m ²	Internal model	XDC ITR 1.5°C	1 and 2	2024	27.21	20.63	-24.18%	17.91	4.99
Electricity production	kgCO ₂ e/ MWh	PACTA	IEA NZE2050	1 and 2	2022	845.50	189.70	-77.56%	378.10	42.78
Heat and steam production ⁴	Thousand tCO ₂ e	SBTi AC	IEA NZE2050	1 and 2	2022	–	–	–	–	–
Oil and gas extraction ⁵	Thousand tCO ₂ e	PACTA	IEA NZE2050	1, 2 and 3	2023	22.99	4.36	-81.03%	20.16	7.09
Automotive sector	gCO ₂ e /km	PACTA	IEA NZE2050	1, 2 and 3	2023	171.33	140.88	-17.77%	86.80	21.95
Iron and steel ^{6,7}	tCO ₂ e/tonne steel	PACTA	IEA NZE2050	1 and 2	2023	1.71	1.71	0.00%	1.34	–
Cement production ⁴	tCO ₂ e/tonne cement	SBTi SDA	IEA NZE2050	1 and 2	2023	–	–	–	–	–

¹Erste 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.

²The 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.

³ Mortgages and Commercial Real Estate targets defined based on proprietary internal model (driven by portfolio and market drivers) and benchmarked by X-Degree Compatibility model (version 2025.08) by Right⁴ based on science GmbH. Implied temperature of 2050 ambition at 2.6°C for Mortgages and 1.5°C for Commercial Real Estate. More details in the respective chapter on Mortgage and Commercial real estate decarbonisation. SBTi SDA methodology was applied to determine the 1.5°C benchmark. For the Mortgages portfolio, this translates into a 46% reduction (24.5 kgCO₂e/m²) from the 2024 baseline by 2030 and a 99% reduction (0.4 kgCO₂e/m²) by 2050. For the Commercial Real Estate portfolio, the required reduction amounts to 45% (15.0 kgCO₂e/m²) from the 2024 baseline by 2030 and 88% (3.3 kgCO₂e/m²) by 2050.

⁴Erste Hungary has no exposure to heat and steam generation or cement production; therefore, no decarbonisation targets have been defined for these sectors.

⁵Target setting was based on clients Erste Hungary engaged with at the point of target setting; with supporting local targets focusing on entities where on-balance bookings were recorded. Erste Hungary conducts regular monitoring at Group level to ensure comprehensive coverage of client engagement, no matter in which entity the bookings are conducted. Therefore, the Group-level entities considered during target-setting may differ from the scope of entities contributing to the achieved reductions disclosed in the table above.

⁶No long-term targets for 2050 were set for the Iron & Steel production 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.

⁷In case no specific data available, parameters used at point of target setting are applied in the monitoring.

Overall, decarbonisation targets have been defined for credit risk exposures amounting to HUF 1,925 billion, representing 66.0% (2024: HUF 1,010 billion, 37.6%) of the total volume covered by financed emissions calculations. In 2025, portfolios with defined decarbonisation targets covered 63.3% of financed emissions (2024: 42.2%; Scopes 1 and 2) and 22.5% of financed emissions (2024: 18.4%; Scopes 1, 2 and 3).

As all targets were established by Erste Hungary in accordance with the methodologies of the Science Based Targets initiative (SBTi) and PACTA, these targets serve as reference values aligned with the 1.5°C scenario, with the exception of the real estate sector. The real estate sector is further described in the section 'Commercial real estate and mortgage decarbonisation target'. From a risk management perspective, aligning scenario assumptions with realistic portfolio trajectories allows Erste Hungary to identify potential vulnerabilities early and safeguard the resilience of its business model.

The measures defined under the methodology and the current progress towards the respective targets are presented below.

Following the definition of portfolio decarbonisation targets for priority sectors, the assessment of Erste Group's risk appetite was supplemented by the introduction of an internal quantitative indicator. This indicator is designed to assess whether, in a given year (e.g. 2025), the level of CO₂e emissions, or CO₂e emissions based on a physical intensity metric (consistent with the metric used for target setting), may jeopardise the achievement of the 2030 decarbonisation targets.

The purpose of this indicator is not only to support the Group's climate-related commitments, but also to enable the proactive steering of portfolio development along the defined decarbonisation pathway. The internal indicator has been calibrated as a buffer above the downward decarbonisation trajectory, allowing for limited deviations while still providing an early warning signal in the event of a potential deviation from the 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 on a case-by-case basis. This process is dependent on the drivers, industry specifics, impact as well as necessary time for remediation..

The quantitative indicator has been defined at consolidated Group level and has therefore not yet been implemented at local level. Erste Hungary continuously monitors both the actual CO₂e emissions of its portfolio and CO₂e emissions based on physical intensity metrics in order to identify key drivers and track emission trends.

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. 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.

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 kgCO₂e/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 kgCO₂e/MWh to 378.10 kgCO₂e/MWh. Erste Hungary is tracking the progress closely, with interim results showing a reduction of 77.6% to 189.7 kgCO₂e/MWh by 2025.

Year-over-year, physical emission intensity in the electricity production portfolio increased by 18% as it is highly dependent on exposure utilization of a bigger client.

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. The path involves replacing carbon-intensive processes with renewable technologies wherever feasible. For example, this includes waste-heat recovery, geothermal technologies for heating and solar and wind for electricity production.

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 anticipates 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 tCO₂e to 20.16 thousand tCO₂e. Erste Hungary is tracking progress closely, with interim results showing a reduction to 4.36 ktCO₂e by 2025. Yearly update of upstream revenue share (share of a company's total revenue generated from upstream (extraction) activities) has driven the decrease in financed emissions since the target setting.

The baseline has factored in Erste Hungary's business with its oil and gas 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 tCO₂e/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 tCO₂e/tonne steel to 1.34 tCO₂e/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 gCO₂e/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 gCO₂e/km to 86.60 gCO₂e/km.

The reduction of the CO₂e 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. Moreover, the broader EU Green Deal and Sustainable and Smart Mobility Strategy provide the policy umbrella for decarbonizing transport.

Erste Hungary is tracking progress closely, with interim results showing a reduction of 17.8% to 140.88 g CO₂e/km by 2025. The development of emission intensity in the portfolio of Erste Hungary resembles the trends that are seen on the market, namely moderate transition by the auto manufacturers.

A direct year-over-year comparison for this sector is not feasible due to methodological and portfolio changes introduced in 2025.

Cement decarbonisation target

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

Mortgages and commercial real estate decarbonisation target

Decarbonisation targets of Erste Hungary are defined for clients in scope of the PCAF Real Estate modul and cover Scope 1 and 2 emissions. As communicated in the 2024 CSRD report, Erste Group - including Erste Hungary - proactively considered rebaselining these targets because the existing ambition was not aligned with a 1.5°C scenario.

In 2025, Erste Group implemented significant methodological enhancements to the PCAF real estate module, including scope expansion, the introduction of a machine-learning EPC proxy model and the consideration of a financed property flag. Combined with the updated National Energy and Climate Plans by EU Member States, these improvements triggered the decision to rebaseline the real estate decarbonisation targets in 2025.

The methodological approach of the rebaselining combined a proprietary internal model with a science-based pathway assessment. The internal model simulates the development of portfolio emission intensity based on asset-level data, energy performance characteristics, and market assumptions. In parallel, a science-based decarbonization pathway is applied using the SBTi SDA methodology aligned with a 1.5°C scenario (based on CRREM pathways). Both approaches allow Erste Group to track and manage the physical emission intensity of this portfolio using a metric that measures the amount of CO₂e emissions per square meter (kgCO₂e/m²). To benchmark the results from the internal model and assess the implied temperature alignment, an external analysis was conducted using the X-Degree Compatibility (XDC) model developed by Right° based on science GmbH.

Mortgages

External benchmarking using the XDC model shows that current Erste Hungary's 2050 retail mortgage portfolio pathway (5.05 kgCO₂e/m²) corresponds to an implied temperature alignment of 2.6°C. The updated mortgage portfolio decarbonization target is to achieve a 28.9% reduction in the portfolio's physical emission intensity by 2030, decreasing from a 2024 baseline of 45.31 kgCO₂e/m² to 32.22 kgCO₂e/m². The portfolio is predominantly composed of retail business volumes. Erste Hungary closely monitors progress, with interim results for 2025 showing a slight increase to 45.64 kgCO₂e/m² by 2025.

Financed emission intensity at the end of 2025 amounted to 0.09 tCO₂e/HUF million. Erste Hungary has rebaselined decarbonisation targets for this sector, and as stated previously enhanced PCAF real estate module thus no meaningful year-over-year comparison is provided.

Decarbonising the residential mortgage segment remains highly dependent on government action, regulatory incentives and the pace of national energy-system decarbonization – areas where progress in the CEE region is currently limited. Achieving a 1.5°C-aligned pathway would require large-scale building renovations, substantial energy-efficiency upgrades and a rapid shift towards low-carbon heating technologies. These developments rely heavily on external factors such as the availability of public subsidies, predictable long-term frameworks, simplified permitting procedures, and accelerated decarbonization of national electricity grids. At present, progress in these areas remains uneven. As a result, the external environment limits the feasibility of achieving a fully Paris-aligned decarbonisation pathway for this portfolio.

Given Erste Group's, thus Erste Hungary's priority to support clients in reducing the carbon footprint of their real estate assets, the Group has adopted a prudent and responsible ambition that supports the decarbonisation of the housing sector while safeguarding affordability, inclusion and access to finance. As regulatory frameworks evolve and government incentives strengthen, the Group will reassess its ambition level to ensure continued alignment with the broader transition of the real estate sector.

The rebaselined decarbonization pathways have also been incorporated into the Group-wide Climate-related & Environmental (C&E) scenario analysis to quantify transition-risk impacts and ensure adequate capital planning. From a risk management perspective, aligning scenario assumptions with realistic portfolio trajectories allows Erste Group to identify potential vulnerabilities early and safeguard the resilience of its business model. Based on this analysis,

economic capital was allocated on Group level to reflect the transition risk associated with the portfolio's current temperature alignment. No economic capital was allocated locally at Erste Bank Hungary to reflect this transition risk.

Commercial real estate

External benchmarking using the XDC model shows that current Erste Hungary's 2050 commercial real estate portfolio pathway (4.99 kgCO₂e/m²) corresponds to an implied temperature alignment of 1.5°C. The updated commercial real estate portfolio decarbonization target is to achieve a 34.2% reduction in the portfolio's physical emission intensity by 2030, decreasing from a 2024 baseline of 27.21 kgCO₂e/m² to 17.91 kgCO₂e/m². The portfolio predominantly consists of volumes in the corporate business segment, primary from the sub-segment commercial real estate and SME. Erste Hungary closely monitors progress, with interim results for 2025 showing a decline to 20.63 kgCO₂e/m² by 2025.

Financed emission intensity at the end of 2025 amounted to 0.02 tCO₂e/HUF million. Erste Hungary has rebaselined decarbonisation targets for this sector, and as stated previously enhanced the PCAF real estate module thus no meaningful year-over-year comparison is provided.

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 tCO₂e by 2030. For a comprehensive understanding, the current CO₂e 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. The Net Zero target for operational Scope 1 and 2 emissions was set according to SBTi's net zero Standard and Target Setting tool version 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 separate policy covering operational emissions reduction targets; however, these targets are defined within Erste Hungary's strategy. 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 2025, Scope 1 and Scope 2 emissions are reduced to 1,168 tCO₂ compared to the previous reporting year. This represents a 81% reduction compared to the base year 2017. Specifically, Scope 1 emissions decreased from 1.169 tCO₂e to 695 tCO₂e, while Scope 2 emissions fell from 5.024 tCO₂e to 473 tCO₂e compared to the base year. The share of electric vehicles in the fleet currently stands at 37%, with the long-term objective of transitioning the entire vehicle fleet to electric by 2030. The development of the fleet transition plan is ongoing, and significant progress was already achieved in this area in 2025.

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 ₂ e	2017	6193	2025	1168	2025	2477	2030	619
	% of e-cars in								
Electric fleet	total car fleet			2025	37%	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 2025 uses this as a framework under which it classifies its sustainable financings for which Erste Hungary 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':

- **EU Taxonomy Compliance:** The financing is fully compliant with the relevant criteria of the EU Taxonomy, irrespective of whether it is use-of-proceeds-linked or general-purpose financing. In the case of general-purpose financing, where the specific use of funds is not known, compliance is weighted based on the counterparty's most recent EU Taxonomy alignment KPI (for further details, see the "EU Taxonomy Disclosure" section).
- **Simplified Internal Assessment Criteria:** Activities that demonstrate a measurable reduction in carbon emissions compared to market standards, or that support climate and environmental objectives.
- **Projects Supported by International Institutions:** Projects implemented in key sectors that are supported by supranational or international financial institutions.
- **Compliance with Voluntary Framework Project Categories:** Projects that meet the project categorisation requirements of recognised voluntary frameworks.
- **Support for National Programmes:** Financing linked to domestic programmes explicitly aimed at sustainability objectives.

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

For the activity "Construction of new buildings", a significant reduction in carbon emissions (Category 2) can be demonstrated where the building's primary energy demand is at least 10% lower than the national Nearly Zero-Energy Building (NZEB) standard. Compliance with this requirement is evidenced by the building's energy performance certificate.

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

Financing related to the activity "Acquisition and ownership of buildings" is considered sustainable if the financed property either meets the requirements of the "Construction of new buildings" activity by having a primary energy demand at least 10% lower than the national nearly zero-energy building (NZEB) standard, or, in the case of buildings constructed before 2021, ranks among the top 15% of the regional building stock based on primary energy demand. The assessment methodology used to estimate the top 15% was developed by subject-matter experts, taking into consideration building energy codes, the year of construction, and the technical standards applicable at the time of construction. The methodology determines the primary energy demand of a building based on its type and location, using the year of construction (e.g. building permit issuance, completion year, or the year indicated in the Energy Performance Certificate) as a key reference point. The identification of the top 15% most energy-efficient buildings is based on extrapolation and assumptions, including the application of linear distribution across available data, segmented by building permit volumes and building age by usage type, in accordance with national regulatory frameworks. For the classification as sustainable financing, only the fulfillment of the simplified Substantial Contribution (SC) criteria is required. The assessment of the "Do No Significant Harm" (DNSH) criteria and Minimum Social Safeguards (MSS) is not a mandatory condition for sustainable financing classification; however, these aspects are taken into consideration where existing due diligence processes are applicable.

25% sustainable corporate target

The 25% target focuses on the positive impacts and opportunities identified by Erste Hungary in relation to climate change mitigation and emission reduction, with a particular emphasis on the real estate and renewable energy sectors. This primarily includes the financing of real estate projects and renewable energy assets, as well as the support of clients' decarbonisation efforts and their transition towards more sustainable business models.

The development of decarbonisation targets is the responsibility of the ESG Office, which finalises the targets in close cooperation with senior management. The implementation and ongoing monitoring of decarbonisation objectives fall within the remit of the strategic risk management function, ensuring that the targets are embedded at both operational and strategic levels of the organisation.

Progress against the target is subject to regular coordination and review with Group-level counterparts, facilitating aligned implementation and consistent advancement towards common objectives. The measurement of target attainment is conducted relative to the gross carrying amount of corporate financing exposures. At the end of 2025, Erste Hungary's sustainable financing ratio stood at 23.1%.

15% sustainable mortgages target

The 15% target focuses on the positive impacts and opportunities identified by Erste Hungary in relation to climate change mitigation and energy-efficient use. It encompasses the financing and investment in real estate, as well as renovation and energy-efficiency projects that support the transition towards more sustainable operations. The target set for 2027, according to which at least 15% of retail mortgage lending should be linked to sustainable loan purposes, has already been achieved by Erste Hungary, with a year-end 2025 ratio of 21.9%. In the upcoming period, the focus will shift towards maintaining this sustainable share, particularly in light of a dynamically changing market environment and evolving customer demand. The target value is determined in relation to the gross carrying amount of retail mortgage financing.

E1-5 – ENERGY CONSUMPTION AND MIX

Erste Hungary uses the Tagetik software program 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 Tagetik 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 showed a slight decrease in 2025, while the share of energy from renewable sources increased from 52,7% to 53.2%, mirroring the rise in green electricity and renewable heating usage across the group. The total energy consumption in 2025 amounts to 12,585 MWh.

Energy consumption and mix

	2024	2025
Fuel consumption from coal and coal products (MWh)		
Fuel consumption from crude oil and petroleum products (MWh)		1,817

Fuel consumption from natural gas (MWh)	1,244	1,133
Fuel consumption from other fossil sources (MWh)		
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	2,595	2,938
Total fossil energy consumption (MWh)	6,171	5,888
Share of fossil sources in total energy consumption (%)	47.30%	46.78%
Consumption from nuclear sources (MWh)		
Share of consumption from nuclear sources in total energy consumption (%)	0	0
Total energy consumption from renewable sources disaggregated by:	6,877	6,697
-fuel consumption for renewable sources ¹		
-consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources;	6,877	6,697
-consumption of self-generated non-fuel renewable energy.		
Share of renewable sources in total energy consumption (%)	52.70%	53.22%
Total energy consumption (MWh)	13,048	12,585

¹ 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

	Retrospective					Milestones and target years		
	Base year	Base year value	2024	2025	% Change compared to previous year	2030	(2050)	Annual % target / Base year
Scope 1 GHG emissions ¹								0
Gross scope 1 GHG emissions (tCO ₂ e)	2022	1,021	821	695	(15.38) %			
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%) ²				Nincs	Nincs	Nincs	Nincs	
Scope 2 GHG emissions								
Gross location-based scope 2 GHG emissions (tCO ₂ e)	2022	2,196	1,618	1,719	6.24 %			
Gross market-based scope 2 GHG emissions (tCO ₂ e)	2022	682	472	473	0.26 %			
Significant scope 3 GHG emissions ³								
Total Gross indirect (scope 3) GHG emissions (tCO ₂ e)		1,383,890	1,090,872	1,528,026	40.07 %			
Purchased goods and services	2022	94	80	161	101.79 %			
Capital goods	2022	15	16	35	115.62 %			
Fuel and energy-related activities	2022	383	332	317	(4.55) %			
Upstream transportation and distribution	2022	2,003	2,327	3,251	39.72 %			
Waste generated in operations	2022	29	39	30	(21.88) %			
Business travels	2022	176	234	259	10.73 %			
Employee commuting	2022	583	1,314	1,339	1.87 %			
Downstream leased assets	2022	27,452	32,790	58,571	78.62 %			
Investments	2022	1,353,156	1,053,741	1,464,064	38.94 %			
Total GHG emissions								
Total GHG emissions (location-based) (tCO₂e)		1,387,107	1,093,311	1,530,439	39.98 %			
Total GHG emissions (market-based) (tCO₂e)		1,385,593	1,092,165	1,529,194	40.01 %			

¹Note: No biogenic emissions are emitted.

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

³ ERS 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

	2025	2024
Total GHG emissions (location-based) per net revenue (tCO ₂ e/million HUF)	17.24	10.92
Total GHG emissions (market-based) per net revenue (tCO ₂ e/million HUF)	17.23	10.91

RECONCILIATION OF NET REVENUE AND ASSETS

Reconciliation of net revenue

in million HUF	2025	2024
Amounts used to calculate GHG emissions	88,762	100,116
Total amount according to the financial statements	561,782	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 CO₂e. 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 (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃).

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

Scope 1 and 2

Erste Hungary gathers scope 1 and scope 2 environmental data as stated in chapter E1-5. Details of Erste Hungary's methodology and the key assumptions underlying the metrics are set out in Section E1-5. Scope 2 emissions have been calculated using both the location-based and market-based methods. Under the location-based approach, grid emission factors were applied to calculate emissions. When applying the market-based approach, Erste Hungary took into account the actual energy mix resulting from its own energy procurement strategy. For the conversion to CO₂ equivalents (CO₂e), Tagetik applies emission factors published by DBEIS 2025 (Department for Business, Energy and Industrial Strategy) and the IEA 2024 (International Energy Agency). In 2025 Erste Hungary reduced its Scope 1 and Scope 2 emissions by 9.7%, from 1,293 tCO₂e to 1,168 tCO₂e.

In 2025, 53% of Erste Hungary total energy consumption was covered by contractual instruments. The purchased instruments include Energy Attribute Certificates (EECS-GO) for green electricity, covering 100% of the total electricity consumption.

Scope 3

The categories of upstream leased assets, downstream transportation and distribution, processing of sold products, use of sold products, end-of-life treatment or disposal of sold products, and franchises are not considered material within Scope 3 emissions based on the level of greenhouse gas emissions; therefore, they are not included in the aggregated GHG emissions table.

Scope 3 category 1 - Purchased goods and services

For Scope 3, category 1, the Bank applied a spend-based method. Emissions related to goods and services were estimated by collecting data on the economic value of goods and services purchased by Erste Hungary in 2025 and multiplying these figures by emission factors derived from environmentally extended input-output analysis (EEIOA; EXIOBASE). For each procurement, the Bank used Hungary-specific emission categories from the EXIOBASE database.

Scope 3 category 2 - Capital goods

For Scope 3, category 2, a spend-based method was also applied. Similarly to Scope 3, category 1, emissions related to capital goods were estimated by collecting data on the economic value of capital goods purchased by Erste Hungary in 2025 and multiplying these figures by emission factors derived from environmentally extended input-output analysis (EEIOA; EXIOBASE). For each procurement, the Bank used Hungary-specific emission categories from the EXIOBASE database.

Scope 3 category 3 - Fuel-and-energy-related activities (which are not included under Scope 1 or 2)

For Scope 3, category 3, Erste Hungary applied the average-data method. Emissions were estimated using secondary emission factors (DBEIS, 2024) based on upstream emissions per unit of energy consumption (T&D and WTT). Data on purchased energy and fuels are actual figures obtained directly from suppliers, which also form the basis for the Scope 1 and Scope 2 calculations. Prior to the calculation, the share of renewable energy was deducted from the total amount of purchased electricity.

Scope 3 category 4 - Upstream transportation and distribution

For Scope 3, category 4, Erste Hungary applied a spend-based method as well. In line with the approach used for Scope 3, categories 1 and 2, emissions were estimated by collecting data on the economic value of transportation and distribution services purchased by Erste Hungary and multiplying these values by emission factors derived from environmentally extended input-output analysis (EXIOBASE, 2024). For each procurement, Hungary-specific emission categories from the EXIOBASE database were applied.

Scope 3 category 5 - Waste generated in operations

For Scope 3 category 5 (Waste generated in operations), Erste Hungary applied a waste-type-specific method. For all available primary data, waste descriptions provided by Erste Hungary were mapped to relevant waste activities and waste types. These waste types were subsequently aligned with appropriate waste treatment methods in accordance with the "Greenhouse gas reporting: conversion factors" methodology issued by the UK Department for Business, Energy & Industrial Strategy (Defra). Emissions associated with each waste type were then calculated using waste treatment-specific emission factors published by Defra (2024). Waste treatment shares were determined based on research using municipal waste treatment data from the OECD and the European Environment Agency (EEA).**Scope 3 category 6 - Business travel**

For Scope 3 category 6, Erste Hungary applied a distance-based method. Distances travelled and modes of transport for business travel are collected in the Tagetik system and, where primary data were not available, partially extrapolated. Extrapolation was performed using nationally averaged distances travelled by transport mode, based on actual data recorded in the system. Appropriate emission factors were applied for each mode of transport, based on data published by the Federal Environment Agency (2025).

Scope 3 category 7 - Employee commuting

For Scope 3 category 7 (Employee commuting), Erste Hungary conducted a survey among its employees to collect information on average commuting distances and modes of transport. The emissions calculation for 2025 is based on the results of this questionnaire survey, which achieved a participation rate exceeding 30%. The calculation takes into account the number of working days, days taken as annual leave, average sick leave, and the share of remote working. Relevant data on annual leave and remote working ratios were provided by Erste Hungary's Human Resources department. Emission factors for the respective modes of transport were sourced from data published by the Federal Environment Agency (UBA, 2024).

Measurement uncertainty generally occurs in cases where estimates are applied in the calculation process, such as for emissions related to employee commuting.

During the preparation and presentation of the 2025 sustainability information, Erste Hungary assessed the ESRS-related reporting requirements applicable to total greenhouse gas emissions in order to provide information on greenhouse gas emissions arising from the Group's upstream value chain. It was concluded that, under ESRS requirements, Erste Hungary is required to take into account the emissions of associates and joint ventures

Within upstream Scope 3 emissions, the largest increase was observed in the upstream transportation and distribution category, driven by higher volumes.

SCOPE 3 CATEGORY 13 AND 15 FINANCED EMISSIONS

Financed emissions stood at 1,522.6 thousand tCO₂e (2024: 1,086.5 thousand tCO₂e) and include 'Investments and Downstream Leased Assets' in table 'Financed Emissions'. Financed emission intensity stood at 0.88 tCO₂e/HUF million (prior year: 0.66 tCO₂e/HUF million), which is a year-on-year increase of 0.22 tCO₂e/HUF million. The increase in intensity is mainly driven by Energy sector with relatively unchanged carbon relevant exposure and increase in financed emissions. The remaining increase in emission intensity is driven by data quality improvements in Scope 3, resulting from the fact that more downstream Scope 3 emissions are included in the disclosure this year compared to last year. In line with that, Scope 3 data quality score improved from 3.65 to 3.60.

The Scope 1 and 2 financed emissions decreased from 415.3 thousand tCO₂e to 394.4 thousand tCO₂e despite increasing exposure development, mainly coming from Real Estate and Private Customers sectors, in line with Erste Hungary's decarbonization targets. Following GHG protocol, Erste Hungary reports financed biogenic emissions separately from financed emissions, which amount at 1693.4 tCO₂e.

Overall, the calculation of 2025 financed emissions covers 50.6% of the credit exposure and slightly decreased compared to last year (52.5%), driven by Households. The remaining uncovered exposure results 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

	2024			2025		
	Credit exposure	covered by financed emissions		Credit exposure	covered by financed emissions	
	in HUF million	in HUF million	%	in HUF million	in HUF million	%
Off-balance sheet exposures	884,846	–	0.00%	986,024	–	0.00%
Central banks	17,734	–	0.00%	42,004	–	0.00%
Central governments	1,192,773	1,046,021	87.70%	1,306,684	1,178,282	90.17%
Credit institutions	657,150	–	0.00%	792,155	–	0.00%
Other financial corporations	163,808	108,542	66.26%	166,980	114,950	68.84%
Non-financial corporations	885,192	878,303	99.22%	915,599	913,129	99.73%
Households	1,313,694	654,111	49.79%	1,550,956	711,258	45.86%
Total	5,115,197	2,686,977	52.53%	5,760,401	2,917,619	50.65%

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 (CO₂), methane (CH₄), nitrous oxide (N₂O), and the fluorinated gases (F-gases): hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF₆), and nitrogen trifluoride (NF₃).

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 and listed equity, business loans and listed equity, 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. For simplicity and following market practice, the report refers to the PCAF-defined asset class 'corporate bond and listed equity' as 'corporate bond' and the asset class 'business loan and unlisted equity' as 'business loan'.

Weighted Average Carbon Intensity (WACI) sets the client emissions in relation to client revenues, weighted by the share of the respective client in the total portfolio. The WACI can only be calculated for 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. Scope 1 and 2 WACI increased from 168.8 gCO₂e/EUR revenue (2024) to 183.4 gCO₂e/EUR revenue (2025) mainly due to Energy and Natural resources & commodities sectors. Scope 3 WACI increased from 462.3 gCO₂e/EUR revenue (2024) to 513.3 gCO₂e/EUR revenue (2025) due to Energy, Automotive and Transportation sectors, and also due to increased Scope 3 Downstream Emission availability.

Although three PCAF calculation methods were introduced by the end of 2025, one method, applicable to vehicle loans, has not yet been implemented. 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.

Erste Hungary would restate financed emissions of the base year and the previous year in case:

- A significant methodological change leads to a deviation of +/-5 % of financed emissions in the reporting year vs. base year.
- A detected error leads to a deviation of +/- 5 % of financed emissions in the reporting year vs. base year.

There was no requirement to restate emissions this year.

Methodology Business Loan, Corporate Bonds and Project Finance

In the case of business loans, Erste Group, including Erste Hungary, follows the Partnership for Carbon Accounting Financials (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 managing companies.

In 2025, Erste Group refined its PCAF asset class allocation methodology, enabling the reclassification of HUF 34.4 billion from general-purpose calculations (business loans) to specific-purpose calculations (commercial real estate). This shift was made possible by aligning the PCAF definition of commercial real estate with Erste Group's internal Real Estate Financing Policy. Consequently, Erste Group discontinued the previous approach of applying commercial real estate intensity factors to real estate companies classified under NACE L68. The financed emissions impact of the reclassification was immaterial in case of Erste Hungary. This reflects the different methodological treatment, as Scope 3 emissions have been included for Business Loans, but are not included for Commercial Real Estate exposures.

Erste Hungary deviates from the PCAF standard for listed companies in the corporate loan and corporate bond modules. For listed companies, Erste Hungary applies the balance sheet value as the denominator for calculating the attribution factor instead of enterprise value including cash (EVIC). This approach is used because reliance on EVIC may result in higher volatility driven solely by capital market movements. For example, under market stress conditions, financed emissions could increase without a corresponding change in the company's physical production levels. This approach is aligned with the practices of Erste Group's peers, reflecting the inherent limitations of the metric.

For project finance exposures, Erste Hungary assumes a zero emission factor for Scope 1 and Scope 2 emissions for projects related to renewable energy sources, including wind, solar, geothermal and hydropower. In the absence of a clearly defined financing purpose or project-specific emission factors, project finance exposures are assessed using the calculation methodology applied to the corporate loans asset class. This approach is based either on emissions reported by the financed companies or on estimates derived from the companies' financial metrics and emission factors sourced from the PCAF database.

Erste Hungary keeps using the base year 2015 PCAF emission factors (Exiobase database) for the 2025 reporting to ensure comparability with the figures of the previous year, which were also used as a basis for target setting. The initial PCAF version is based on Exiobase 2015 data base and was the most up-to-date version until March 2023, being replaced by Exiobase 2019 data base. Keeping for 2025 the Exiobase 2015 data base 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. In October 2025, PCAF released a new database version based on the Comprehensive Environmental Data Archive (CEDA), which Erste Group is currently reviewing. Erste Group plans to begin using the CEDA database in 2026. At present, switching to CEDA would not result in an increase in reported 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 financed asset. Depending on data availability, Erste Hungary calculates emissions from buildings in the following order (which does not reflect the data quality score):

1. CO₂e 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 European building emission factor database as of 2025.

Erste Group has further enhanced its real estate-based financed emissions calculation methodology by EPC proxy estimation approach. This approach uses advanced techniques (e.g. machine-learning algorithm) to derive Energy Performance Certificate (EPC) labels from collateral data or other relevant information. In 2025, the application of this approach was extended to Hungary.

In 2025, the identification framework for financed real estate exposures was enhanced. The introduction of a financed-property flag resulted in the exclusion of specific exposures, while real estate assets without buildings were explicitly identified and classified as vacant land. Financing of vacant land was therefore treated separately and assigned zero financed emissions.

For calculation steps 3–6, the average primary energy demand is based on the primary energy demand class recorded in the PCAF European building database as of 2025. Once the primary energy demand has been determined, it has to be converted into emissions values and used as an input for calculation 2–6. If primary energy demand is not specified in local legislation or has not been historically recorded, final energy demand is used as an alternative input. The year selected as the national average in the PCAF European building emission factor database was 2020, in line with a conservative methodology for the older buildings. This approach is used when no better data is available, which is most often the case for older properties.

Erste Group, including Erste Hungary, has decided to apply emission conversion factors based on statistical data related to energy mix and emission intensity. These conversion factors also represent key component in the development of future scenarios within the decarbonisation model. In addition, conversion factors obtained in this manner come 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). Moreover, this internally developed emission conversion factor enables Erste Group to apply values tailored to the specific heating medium used, thereby aligning with Erste Group's financed data rather than relying on national averages. At Group level, main data sources for energy mix and electricity-based emission intensity were Eurostat and Electricity Maps, while the heating-based emission intensity data are sourced from the German Environment Agency (UBA).

Financed emissions

	Credit exposure in HUF million	Credit exposure covered by emission calculation in HUF million	Financed emissions, thousand tCO ₂ e ^{1, 2}		Emission intensity (tCO ₂ e/ HUF million)		Weighted data quality (High=1, Low=5)		Weighted average carbon intensity (WACI)	
			Scope 1 and 2	Scope 3 ³	Scope 1 and 2	Scope 3 ³	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3
2025										
per PCAF asset class										
Corporate bonds		81,056	28.3	224.9	0.35	2.77	2.37	2.46	150.5	1,090.2
Business loans		697,414	296.9	893.6	0.43	1.28	3.48	3.72	167.5	438.5
Project finance		19,565	1.3	9.8	0.07	0.50	2.30	3.82	883.3	787.2
Mortgages		705,394	62.5		0.09		3.24			
Commercial real estate		235,909	5.3		0.02		3.17			
Total	5,760,400	1,739,338	394.4	1,128.3	0.23	0.65	3.28	3.60	183.4	513.3
per sector										
Natural resources & commodities	242,919	137,691	115.1	126.3	0.84	0.92	3.42	3.69	414.1	346.0
Energy	285,070	80,459	56.6	455.7	0.70	5.66	2.27	2.64	486.2	2,095.7
Construction	200,993	78,918	22.9	103.1	0.29	1.31	3.91	3.90	91.9	367.1
Automotive	111,469	49,538	11.3	55.2	0.23	1.11	3.24	3.41	118.1	601.5
Cyclical consumer goods	76,110	51,244	8.0	34.1	0.16	0.67	3.78	3.78	39.9	158.2
Non-cyclical consumer goods	252,518	160,396	75.5	240.7	0.47	1.50	2.73	3.51	119.9	444.1
Machinery	39,573	26,873	3.7	21.9	0.14	0.82	3.63	3.63	49.1	283.1
Transportation	164,892	36,559	11.7	31.0	0.32	0.85	3.73	3.62	61.0	419.2
TMT	31,510	14,531	3.5	9.6	0.24	0.66	4.00	4.00	59.7	174.7
Healthcare & Services	60,274	42,641	10.5	25.3	0.25	0.59	3.40	3.48	101.7	233.7
Hotels and Leisure	13,660	9,722	2.2	10.0	0.22	1.03	3.55	4.05	59.9	285.2
Real estate	366,624	330,049	9.3	10.8	0.03	0.03	3.39	3.88	63.2	166.2
Public sector	1,245,853	25	0.0	0.0	0.15	0.46	4.00	4.00	67.3	202.3
Financial institutions	999,025	15,459	1.8	4.4	0.11	0.29	4.33	4.60	53.7	139.3
Private customers	1,669,786	705,162	62.4		0.09		3.24			
Other sectors	124	72	0.0	0.0	0.12	0.70	4.00	4.00	54.9	329.7
Total	5,760,400	1,739,338	394.4	1,128.3	0.23	0.65	3.28	3.60	183.4	513.3
of which category 13 (Downstream Leased Assets)		37,901	21.4	37.2	0.56	0.98	3.50	3.46		
according to risk countries										
Hungary		1,711,407	369.8	864.6	0.22	0.51	3.29	3.65	179.7	422.5
Croatia		23,149	24.0	251.8	1.04	10.88	2.00	2.00	335.4	3,518.1
Germany		3,025	0.5	11.3	0.16	3.75	3.75	2.00	38.1	885.3
Romania		402	0.1	0.4	0.20	1.08	4.00	4.00	29.4	155.6
United States		1,324	0.0	0.1	0.01	0.06	4.00	4.00	13.8	62.2
Macau		29	0.0	0.0	0.17	0.41	4.00	4.00	86.7	205.1
Slovakia		1	0.0	0.0	0.86	0.30	5.00	5.00	313.9	103.6
Netherlands		0	0.0	0.0	0.52	0.90	5.00	5.00	67.5	116.5
Czech Republic		0	0.0	0.0	0.17	0.51	5.00	5.00	52.6	162.6
Poland		0	0.0	0.0	0.05	0.15	5.00	5.00	53.5	150.1
Remaining Countries		0	0.0	0.0	0.04	0.14	5.00	5.00	18.8	94.5
Total	5,760,400	1,739,338	394.4	1,128.3	0.23	0.65	3.28	3.60	183.4	513.3

¹ For details on the calculation of financed emissions see Methodology

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

³ 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.

	Credit exposure in HUF million	Credit exposure covered by emission calculation in HUF million	Financed emissions, thousand tCO ₂ e ^{1, 2}		Emission intensity (tCO ₂ e/in HUF million)	Weighted data quality (High=1, Low=5)		Weighted average carbon intensity	
			Scope 1 and 2	Scope 3 ³		Scope 1 and 2	Scope 3	Scope 1 and 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	–	–	0.94	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	–	–	–	–	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	–	–	0.07	4.00	4.00	13.8	62.2
Macau		55	–	–	0.59	4.00	4.00	86.7	205.1
Malawi		13	–	–	0.48	4.00	4.00	93.8	204.9
Cyprus		19	–	–	0.28	5.00	5.00	12.4	130.3
Slovakia		1	–	–	0.95	4.94	4.94	227.9	129.8
Netherlands		–	–	–	1.58	5.00	5.00	136.6	165.7
Czech Republic		–	–	–	0.68	4.81	4.81	46.9	125.6
Remaining Countries		2	–	–	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

¹ For details on the calculation of financed emissions see Methodology

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

³ 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 sector

Erste Hungary used its in-house customer segmentation by sectors for the purpose of PCAF measuring and disclosure of financed emissions.

The sector posting the highest financed emission intensity for Scope 1 and 2 of 0.84 tCO₂e/HUF million, was the Natural resources & commodities industry, with a credit exposure covered in the emission calculation of HUF 137,691 million.

The sector posting the highest financed emission intensity (Scope 1, 2 and 3), of 6.37 tCO₂e/HUF million, was the Energy sector, with a credit exposure covered in the emission calculation of HUF 80,459 million.

Detailed results by country

Financed emissions are broken down by country of customer risk.

Hungary's absolute level of financed emissions is 1,243.3 thousand tCO₂e, with an emission intensity level of 0.72 gCO₂e/HUF. The country with the highest emission intensity is Croatia at 11.92 gCO₂e/HUF, with absolute emissions coming to 275.9 thousand tCO₂e.

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 3.4 as of 2025 reporting (2024: 3.5). 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 discloses financed emissions calculated using PCAF factors separately from financed emissions calculated based on client-reported emissions or emissions derived from available energy performance certificates. The share of emissions based on client-reported data or energy performance certificates accounts for 53.9% (2024: 36.8%) of credit exposure (covered by emissions calculations) and 51.8% of total financed emissions. The significant improvement in data quality was driven by higher availability of Energy Performance Certificates, improved identification of vacant land and reclassification of exposure from Business Loan to Real Estate Calculation. The exposure share is higher in the real estate sector; however, it should be noted that energy performance certificates, depending on country-specific standards, partially cover only the (primary) energy demand and not actual emissions levels.

For corporate segments, emissions intensity (tCO₂e per million HUF) is lower when Erste Hungary applies PCAF factors for emissions calculations. In the case of Scope 3, this is primarily attributable to the fact that PCAF emission factors include only upstream emissions. In addition, Scope 1 and Scope 2 emissions intensity of corporate clients is higher in the client-reported emissions segment. One contributing factor may be the uneven sectoral distribution, as clients operating in carbon-intensive sectors are more likely to be subject to mandatory emissions disclosure requirements.

Financed emissions by data quality

	Credit exposure covered by calculated emissions in HUF million	Financed emissions, thousand tCO ₂ e		Emission intensity tCO ₂ e/in HUFR million		Weighted data quality (High = 1, Low = 5)	
		Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3	Scope 1 and 2	Scope 3
2025 Total	1,739,338	394	1,128	0.2	1.4	3.3	3.6
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds ¹	59,552	26	203	0.4	3.4	2.0	2.0
Business loans ¹	115,253	71	433	0.6	3.8	2.0	2.0
Project finance ¹	4,340	0	4	0.0	1.0	2.0	2.0
Mortgages ²	556,759	46		0.1		3.0	
Commercial real estate ²	201,525	5		0.0		3.0	
Total	937,428	148	641	0.2	3.6	2.8	2.0
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
Corporate bonds	21,504	2	21	0.1	1.0	3.4	3.7
Business loans	582,162	226	461	0.4	0.8	3.8	4.1
Project finance	15,225	1	5	0.1	0.4	2.4	4.3
Mortgages	148,635	17		0.1		4.2	
Commercial real estate	34,384	0		0.0		4.5	
Total	801,909	247	488	0.3	0.8	3.8	4.1

¹ Availability of reported emissions for corporate bonds / business loans: Reported emissions are available for all relevant scopes required for the calculation of financed emissions (equivalent to Data Quality score 2).

² 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).

	Credit exposure covered by calculated emissions in HUF million	Financed emissions, thousand tCO ₂ e		Emission intensity tCO ₂ e/in HUF million		Weighted data quality (High = 1, Low = 5)	
		Scope 1 and Scope 2 ³	Scope 3	Scope 1 and Scope 2	Scope 3	Scope 1, 2 and 3	Scope 3
2024 Total	1,640,956	415	671	0.3	1.0	3.5	3.6
Reported emissions / energy performance certificate available (by PCAF asset class)							
Corporate bonds ¹	59,559	21	152	0.4	2.5	2.0	2.0
Business loans ¹	76,813	35	113	0.5	1.5	2.0	2.0
Project finance ¹	5,296	0	1	0.0	0.1	2.0	2.0
Mortgages ²	424,535	44		0.1		3.0	
Commercial real estate ²	38,147	1		0.0		3.0	
Total	604,349	101	265	0.2	1.9	2.8	2.0
No Reported emissions / no energy performance certificate available (by PCAF asset class)							
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	
Total	1,036,606	314	406	0.3	0.8	3.9	4.1

¹ Availability of reported emissions for corporate bonds / business loans: Reported emissions are available for all relevant scopes required for the calculation of financed emissions (equivalent to Data Quality score 2).

² 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).

Sovereign Emissions

Erste Hungary's sovereign emissions stand at 553.3 thousand tCO₂e including land use, land use change and forestry (LULUCF) and 623.2 thousand tCO₂e 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, sovereign emissions development should follow countries' national transition plans, decreasing till 2050 according to the governments' commitments. For the calculation of Sovereign emissions, Erste Hungary applies the PCAF database as of September 2025. The database provides mainly 2021, expressed in million USD. For the calculation of sovereign emissions, the USD/HUF FX rate of the respective emission factor year is applied.

2025	Credit exposure covered by emissions calculation in HUF million	Financed emissions, thousand tCO ₂ e		Emission intensity tCO ₂ e/HUF million		Weighted data quality	
		Scope 1 incl. LULUCF ¹	Scope 1 excl. LULUCF ¹	Scope 1 incl. LULUCF ¹	Scope 1 excl. LULUCF ¹	Scope 1 ²	
Hungary	1,178,282	553.31	623.15	0.47	0.53	1.00	
Total	1,178,282	553.31	623.15	0.47	0.53	1.00	

¹ Land use, land change and forestry (LULUCF)

² no change between incl. and excl. LULUCF

2024	Credit exposure covered by emissions calculation in HUF million	Financed emissions, thousand tCO ₂ e		Emission intensity tCO ₂ e/HUF million		Weighted data quality
Country		Scope 1 incl. LULUCF ¹	Scope 1 excl. LULUCF ¹	Scope 1 incl. LULUCF ¹	Scope 1 excl. LULUCF ¹	Scope 1 ²
Hungary	1,046,021	460,0	518,0	0.44	0.50	1.00
Total	1,046,021	460,0	518,0	0.44	0.50	1.00

¹ Földhasználat, földhasználat-változás és erdőgazdálkodás (LULUCF)

² Nincs változás a LULUCF-el és a LULUCF nélkül számítottak között.

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. According to the estimates of the World Economic Forum, more than half of the world's total GDP depends on nature and its services. Biodiversity loss can lead to the extinction of species and the depletion of genetic variations and it represents systemic risks for the global economy and the Hungarian financial sector. According to an MNB study on assessing nature-related risks in Hungary, financial institutions face significant exposure to biodiversity drivers through their lending and investment portfolios. These risks are not only environmental but also financial, as they can affect asset values, creditworthiness, and long-term resilience.

Erste Bank Hungary is committed to assessing, disclosing and mitigating its impacts on biodiversity, as well as its dependencies, risks and opportunities related to biodiversity. For Erste Hungary, the most material biodiversity-related pressures arise indirectly through financed activities in sectors such as real estate development, agriculture. Erste Hungary recognises the indirect impact its investments can have on biodiversity through the identified subtopics:

- Land-use change – including soil sealing, deforestation, and habitat fragmentation.
- Freshwater-use change – through water abstraction, pollution, and alteration of river ecosystems.

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

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
E4- Land-use change, fresh water-use change and sea-use change	Potential negative impact	Any financing that significantly affect land and water environments can contribute to environmental pressures such as habitat change, water availability challenges, and pollution, which may impact local biodiversity.	Portfolio	All time horizon
E4-Soil sealing	Negative 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	All time horizon (actual in short-term)
	Potential negative 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	All time horizon (potential medium- to long-term)

Land-use change, fresh water-use change and sea-use change

According to an MNB study, Hungarian banks have substantial dependencies on freshwater ecosystems, with approximately 43% of assets linked to surface water and 41% to groundwater. This underscores the importance of integrating water-related risks into credit risk assessment and ESG due diligence. Similarly, land-use change—particularly soil sealing—has been identified as a key negative impact driver in real estate financing, increasing flood risk and reducing ecosystem services. As stated in the MNB study, Agriculture, Forestry and Fishing and Manufacturing sectors represent 5.1% and 15.3% of the Hungarian banking system's lending portfolio to nonfinancial

corporates. These sectors rely heavily on both surface and groundwater resources. In Hungary, manufacturing is particularly water-intensive, making the sector vulnerable to future regulatory measures and physical risks associated with water extraction. Hence, the risks to these sectors may lead to financial as well as economic risks.

Erste Bank Hungary's approach aligns with the EU Biodiversity Strategy for 2030 and the Kunming-Montreal Global Biodiversity Framework, embedding biodiversity considerations into its Responsible Financing Policy and risk management processes. By addressing these drivers, the bank aims to mitigate nature-related risks, comply with ESRS E4 disclosure requirements, and support Hungary's transition toward a sustainable economy.

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 BIODIVERSITY AND ECOSYSTEMS

Land-use change, fresh water-use change and sea-use change

Erste Bank Hungary recognizes that biodiversity loss and ecosystem degradation pose systemic risks to the financial sector. While the bank's direct operational footprint is limited, its indirect impacts through financing activities—particularly in real estate development, agriculture, and infrastructure—are material. Key biodiversity drivers addressed above are integrated in the bank's Responsible Financing Policy and ESG risk framework. Erste Bank's strategy regarding land-use change, fresh water-use change and sea-use change aligns with the EU Biodiversity Strategy for 2030 and the Kunming-Montreal Global Biodiversity Framework, ensuring resilience planning and compliance with EU directives on environmental impact assessment.

Soil sealing

Erste Bank Hungary recognizes that soil sealing – as one of the most significant forms of land-use change – carries indirect yet substantial environmental and economic risks. Soil sealing increases exposure to floods and inland water, reduces ecosystem services, diminishes agricultural productivity, and contributes to the formation of urban heat islands. These impacts can generate financial risks in both the real estate and corporate lending portfolios in the medium term, especially in areas where water management challenges and soil degradation are already evident. Although quantifying these risks is currently limited, biodiversity-related risk factors published by the MNB indicate that managing land-use change and water-related physical risks is becoming increasingly important within the Hungarian banking sector. While the bank's direct operations involve only minimal land use, its financed activities—particularly in real estate development, agriculture, and infrastructure—have a significant indirect impact on the expansion of soil sealing. Accordingly, soil sealing-related risks have been integrated into the Responsible Financing Policy and the ESG risk framework, which, through exclusion criteria, DNSH-based assessments, and environmental due diligence, ensure that financed projects do not contribute to the degradation of protected areas or areas of high natural value. The bank's resilience is further strengthened by the full integration of ESG due diligence into credit approval processes, as well as regular training for relationship managers to support the identification of biodiversity and

land-use-related risks. The strategy is aligned with the Group-level framework and with the EU's biodiversity objectives for 2030.

E4-2 – POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Land-use change, fresh water-use change and sea-use change

Erste Hungary did not yet develop a comprehensive policy to address this sustainability matter. However, as part of its Group Responsible Financing Policy, Erste Group has made restrictions to finance projects according to the following biodiversity safeguards:

- Land-use change: Erste Group has expanded its Responsible Financing Policy to include exclusion criteria for activities and construction projects in protected areas and for projects causing ecosystem degradation, deforestation, or conversion of forest land to non-forest use. This policy is fully implemented by Erste Hungary and aims to reduce biodiversity loss linked to real estate development and infrastructure projects.
- Freshwater-use change: Recognizing the sector's dependency on surface and groundwater, Erste Group prohibits financing for projects that fail to protect surface waters or comply with EU Directive 2006/118/EC on groundwater protection.
- Marine ecosystems: Alignment with EU ocean protection principles; exclusion of activities harming marine biodiversity.

These policies apply to all lending and investment decisions and are reinforced through sector-specific ESG guidelines.

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 BIODIVERSITY AND ECOSYSTEMS

Land-use change, fresh water-use change and sea-use change

Erste Hungary acknowledges the critical importance of biodiversity and ecosystems and is committed to mitigating negative impacts associated with land-use change, freshwater-use change, and sea-use change. While specific actions at the local level are still under development, Erste Group has taken foundational steps to address these drivers. Screening tools are applied to projects to identify potential risks related to water stress and marine ecosystem exposure. In addition, advisory restrictions have been introduced for high-risk sectors such as real estate and agriculture, where biodiversity impacts are most pronounced. To strengthen internal capabilities, the bank provides training programs for relationship managers, enabling them to better assess biodiversity-related risks. Furthermore, ESG due diligence has been fully integrated into credit approval processes, ensuring that biodiversity considerations are embedded in lending decisions.

These actions represent the first stage of implementation. Building on the DMA findings, Erste Hungary will develop specific targets, monitoring frameworks, and resource allocation plans to ensure measurable progress on biodiversity-related commitments.

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 BIODIVERSITY AND ECOSYSTEMS

Land-use change, fresh water-use change and sea-use change

Erste Bank Hungary has not yet established quantitative biodiversity targets at the institutional level. However, the bank acknowledges that international, EU, and domestic frameworks set clear goals for biodiversity protection and restoration by 2030. These include:

- Protected areas: The EU Biodiversity Strategy for 2030 requires at least 30% of land and sea areas to be protected, with 10% under strict protection. According to an MNB study, in 2022 22.2% of Hungary's territory was designated as protected, meaning an additional 7.8% must be secured by 2030 to meet EU and international targets. This is below the EU average of 26%, and only 13.3% of Hungarian habitats are assessed as having good conservation status (European Commission, 2019; European Environment Agency, 2023).

To overcome these challenges, in the upcoming years Erste Hungary will develop quantitative targets for biodiversity impact reduction by 2026, aligned with ESRS E4 and EU biodiversity objectives; integrate land-use, freshwater-use, and marine ecosystem considerations into ESG risk frameworks and credit policies; and establish KPIs for soil sealing, water stress, and marine biodiversity exposure to monitor financed activities.

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 BIODIVERSITY AND ECOSYSTEMS

Land-use change, fresh water-use change and sea-use change

Current reporting under ESRS E4 at Erste Bank Hungary is primarily qualitative, focusing on policies and actions. However, the bank is preparing to introduce quantitative biodiversity metrics by 2026, in line with regulatory expectations and industry best practices. These metrics will enable transparent monitoring of biodiversity-related impacts across financed activities.

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
S1-Gender equality and equal pay for work of equal value	Negative impact	At Erste Hungary, the gender pay gap may adversely affect staff.	Own operations	Short-term
S1-Training and skills development	Potential positive impact	Employee participation in various professional training programs increases job satisfaction, as it provides them with the opportunity to develop and update their knowledge.	Own operations	Long-term
	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	Potential positive 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
	Potential negative impact	Workplace discrimination can profoundly impact vulnerable groups of employees by fostering a hostile and unsafe work environment. These issues can lead to heightened stress and anxiety, making these employees feel unsupported and excluded and might affect their mental and physical health.	Own operations	Long-term

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. Erste Group recognizes both positive and potential negative impacts related to diversity. Erste Group's positive impact is visible in the support provided to vulnerable groups by fostering an open, supportive environment that values and empowers the respective groups (such as people with disabilities, queer people and women).

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

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

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 Bank'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. This policy is fully adapted in the local Hungarian environment. 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 and respectful communication 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 Group Diversity and Inclusion Policy addresses both the positive and potential negative impacts IROs. In terms of positive impact, fostering an inclusive corporate culture includes supporting employee networks that represent demographics that might otherwise face potential exclusion, the policy defines diversity dimensions such as ethnicity, gender, sexual orientation, gender identity, social economic status, age as well as cognitive dimensions. In terms of potential negative impact, the policy highlights the importance of creating a discrimination-free workplace as a foundation for an inclusive culture. This is reinforced through designated focal persons (such as an ombudsperson or anti-discrimination officer) who handle complaints accessible processes for all employees and track the frequency and type of complaints related to discrimination, as well as, ongoing training, such as unconscious bias and anti-harassment programs that strengthens awareness and prevention.

The Diversity and Inclusion Policy addresses sustainability matters related to diversity and gender equality. Promoting diversity within the organization 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. Promotion of diversity outside of the entity is also a crucial part of the core mission; Erste's community is mirroring the challenges of clients and pursues to find relevant answers to their challenges (like accessible banking). This approach helps employees to act openly and in a sensitive manner in their daily work and innovations.

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 (cooperating with Local Diversity Manager), 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

In 2024, Erste Group's internal social network was successfully launched for all employees. It is part of the communication platform 'echo.' The internal social network 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 a unique and shared employee experience. Additionally, this tool is useful 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 2025, Erste Hungary conducted an employee engagement survey to measure employee engagement and help make Erste Hungary the best workplace it can possibly be. 3478 people were invited, and 3132 employees participated, achieving a response rate of 90 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 initiated its own local resource group named Erste Colours, 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 carpool. 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, organizational design, leadership, employer branding 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 2025, 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 2024 and 50% to 2025. 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 FKİ is a fact-based index model which examines how women's careers develop in organizations and which Framework Conditions are essential for this in the company. The

FKİ is a valuable indicator of permeability, openness and transformation capability in companies. 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.

Compared to all companies indexed in the FKi, Erste Bank Hungary has achieved a total index value well above the average of all companies with its index total index value of 81 point (out of 100). All sub-indices also achieved a score above average. Sub-index 3 is even close to the average of the top 25 companies.

According to the Global Context Analyser of the FKi indexing, Hungary has experienced a downward trend in gender equality in recent years. Although education is very well developed and high education is accessible and used by both genders, women are rarely found in leading positions in business or politics. Furthermore, women spend significantly more time doing unpaid care work. Women are generally part of the labor force, but only a fraction make it into management positions. The political development in the country is complicating the topics around DEI.

Target agreements with corresponding measures have been defined and being regularly evaluated.

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. Dedicated training program for early stage woman leaders called Wings is also part of the offer palette and supports woman leadership development.

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 2025, Erste Hungary's employees completed on average 28.70 hours of professional trainings. Employees in management positions completed an average of 33.05 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 emphasis 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 2025, appraisal talks were held with 91.99% of all employees of Erste Hungary, of whom 63.15% were women and 36.85% men; 12.40% were management-level staff and 87.60% employees without management responsibility.

Action 6

Diversity Initiatives: ErsteColours, Erste Women, Erste Green

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

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

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

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

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

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 25th until December 10th.

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 2025, 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 2025 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 2025. 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

			Minimum target
	Percentage	Year	Target
Gender representation in board	% underrepresented gender	2028	30%
Gender representation on the supervisory boards of local banks ¹	% underrepresented gender	2028	30%
Gender representation in top management (board-1) ¹	% underrepresented gender	2028	33%

¹ 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)	
	2025	2024	2025	2024	2025	2024	2025	2024
Female	11	10	28.9%	26.3%	1	1	16.7%	16.7%
Male	27	28	71.1%	73.7%	5	5	83.3%	83.3%
Other	0	0	0%	0.0%	0	0	0.0%	0.0%
Not reported	0	0	0,0%	0.0%	0	0	0.0%	0.0%
Total Employees	38	38	100.0%	100.0%	6	6	100.0%	100.0%

S1-6 – CHARACTERISTICS OF THE UNDERTAKING'S EMPLOYEES

In the 2025 reporting period, Erste Hungary had 3 532 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 2025.

Table S1-6.1: Employee headcount broken down by gender'

2025	
Gender	Number of employees - headcount (as of 31.12)
Male	1,350
Female	2,182
Other	0
Not reported	0
Total Employees	3,532

2024	
Gender	Number of employees - headcount (as of 31.12)
Male	1,301
Female	2,188
Other	0
Not reported	0
Total Employees	3,489

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

2025	Female	Male	Other	Total
Number of employees (headcount)	2182	1350	0	3531
Number of permanent employees (headcount)	2082	1283	0	3365
Number of temporary employees (headcount)	100	67	0	167
Number of full-time employees (headcount)	1891	1265	0	3156
Number of part-time employees (headcount)	291	85	0	376
Number of non-guaranteed hours employees (headcount)	0	0	0	0

2024	Female	Male	Other	Total
Number of employees (headcount)	2188	1301	0	3489
Number of permanent employees (headcount)	2098	1244	0	3342
Number of temporary employees (headcount)	90	57	0	147
Number of full-time employees (headcount)	1903	1221	0	3124
Number of part-time employees (headcount)	285	80	0	365
☐ Number of non-guaranteed hours employees (headcount)	0	0	0	0

Table S1-6.3: Employee turnover (including retirements)

	2025
New hires	474
Female	267
Male	207
Other	0
Not reported	0
Leavers	437
Female	289
Male	148
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.*

	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%

In 2025, 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 957 non-employee workers (headcounts as of 31.12.2025), 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 IT, Retail & Private banking business area. As in our operations, employees' contracts prevail over non-employees' contracts, this group of workers represents only 27.07% 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

2025		
Gender	Top Management** (headcount)	Top Management** (share)
Female	11	28.90%
Male	27	71.10%
Other	0	0%
Not reported	0	0
Total Employees	38	1.09%

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

2025		
	Number of employees (headcount)	Share of employees (headcount)
under 30 years old	491	13.90%
between 30-50 years old	2315	65.53%
over 50 years old	726	20.57%
Total Employees	3532	100%

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%
Total Employees	3489	100%

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 27 employees with health disability (physical or mental above 50% or equivalent severity grade) in Erste Hungary as of 31. December 2025 which represents 0.76% 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

2025	
Average training hours	28.70
Female	28.68
Male	28.72
Other	0
Not reported	0
Management functions	33.05
Non management functions	28.12

2024	
Average training hours	16.01
Female	15.67
Male	16.59
Other	0
Not reported	0
Management functions	13.72
Non management functions	16.34

In 2025, Erste Hungary's employees completed on average 28.70 hours of professional development, thereof women 28.68 hours and men 28.72 hours. Employees in management positions completed an average of 33.05 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 2025, appraisal talks were held with 91.99% 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

	2025
Percentage of employees that participated in regular performance and career development reviews	#
Female	63.15
Male	36.85
Other	0
Not reported	0
Management functions	12.40
Non management functions	87.60
	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 2025. In 2025 we recorded 4 of work-related accidents. Rate of recordable work-related accidents of 0.65 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 5.26 average sick leaves days per headcount (as of 31.12).

Table S1-14: Health and safety metrics

	2025
Number of fatalities related to work-related injuries / ill health	0
Number of recordable work-related accidents	4
Rate of recordable work-related accidents	0.65
Number of cases of recordable work-related ill health	0
Number of days lost to work-related injuries/ill health/fatalities	110
	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 2025 is 32.92%. This covers all own employees in scope where remuneration data was available through payroll systems.

Variable remuneration for performance 2025 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 2026. For the pay gap 2025 the estimate of variable remuneration based on performance 2024 (granted 2025) 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 2025, 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 2025 fiscal year is 24.16 (21.8 in 2024). 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 2025, no incidents related to human rights have been reported.

Affected communities

This chapter focuses on Erste Group's impact on communities it touches - defined as people whose community life is influenced by the Group's activities. It focuses on the sustainability topic of Social Banking, highlighting positive contributions such as improving access to products and services for vulnerable groups and fostering financial inclusion.

The first savings bank in Austria was founded more than 200 years ago. Its purpose was to enable people from all walks of life to create savings for their future. Today, it is one of the largest banks in Central Europe and can look back at a wealth of tradition. Over the years and through all crises, it has remained true to its goal of creating real and lasting prosperity.

A section in the Erste foundation charter that sounds almost revolutionary reads: "No age, no gender, no social standing, no nation shall be excluded from the benefits that the Spar-Casse offers every depositor." Banks, in contrast, were open only to the state, major companies and financially strong citizens.

Not far from the place where "Erste oesterreichische Spar-Casse" was founded, "Zweite Sparkasse" – a bank that offers basic financial services to those without access to a bank account, is opened in 2006. This is Social Banking – our contribution to economic and social inclusion.

[Unsere Geschichte von 1819 bis heute | Erste Group Bank AG](#)

S3 SBM-3 – MATERIAL IMPACT AND ITS INTERACTION WITH STRATEGY AND BUSINESS MODEL

Sustainability matter	Type of IRO	IRO description	Value chain	Time horizon
S3- Social Banking	Positive impact	By ensuring that all banking products and services are accessible to financially vulnerable people, Erste Hungary promotes their autonomy, social and professional integration and active participation in community life. Focus on the financial inclusion of marginalized individuals by developing underserved social enterprises and organisations.	Portfolio	Short-term

SOCIAL BANKING

Providing support to society was one of the founding ideas of Erste Oesterreichische Spar-Casse and this continues to shape the Group to this day. Erste Group's responsibility goes beyond simply financial business to support institutions, initiatives and projects relating to social issues. Therefore, a key aspect of Erste Group's strategy and business model is to provide financial services to socially vulnerable people, small enterprises and social organisations, including those who would otherwise be excluded from access to financial goods and services, positively impacting those effected. Initiatives supporting the financial health, transparency and inclusivity of these groups are key to its value proposition and helps build long-term relationships while improving their financial autonomy and subsequent wider social impact: through capacity building for small enterprises and subsequent job creation and retention. Furthermore, Social Banking engages with various social organisations to ensure the effectiveness of its impact throughout the regions it operates in. These efforts ensure a strong socio-economic environment to form the basis for sustainable success. The activity is carried out by dedicated Social Banking divisions in the countries of the Erste Group. The Social Banking activity in Hungary is carried out by 3 dedicated resources as an organizational unit of the Strategic Management area.

S3-1 – POLICIES RELATED TO AFFECTED COMMUNITIES

SOCIAL BANKING

Social banking at Erste Group seeks to strengthen and support communities in the regions where the Group operates (Austria, Czechia, Slovakia, Hungary, Romania, Croatia, Serbia), focusing on vulnerable groups who might otherwise be excluded. This is achieved indirectly by supporting social organisations such as NGOs and social enterprises in increasing their impact and directly by improving access to financial goods and services for vulnerable groups and underserved enterprises. Indirect support focuses on enabling social organisations to deliver essential services and address social challenges more effectively. To achieve this, Erste Group provides them with financial instruments such as bridge and investment loans and capacity-building programs. These measures help social organisations enhance their operational resilience, expand their reach and amplify their social impact. Direct support targets individuals and small businesses such as starting entrepreneurs that face financial exclusion.

This support contributes to the overarching goal of fighting poverty and increasing prosperity. In order to support sustainable and inclusive/social investments, innovation and job creation, Social Banking benefits from support programs such as EIF guarantees funded by the European Union under the InvestEU Programme. These overarching objectives are linked to specific targets that Group Social Banking has set related to financing and job creation and retention. Further information on these targets can be found in chapter 'S3-5 - Targets related to advancing positive impacts'.

Group Social Banking, which reports to the CEO is responsible for the overall implementation of the policy. In a bi-annual impact report, Erste Group Social Banking publishes information related to its activities as well as the direct and intended outcomes of its clients. Data in the previous bi-annual impact report was collected through country-level client interviews within its client base. The report is publicly available on Erste Group's website.

A dedicated Group Social Banking Risk Policy has been established to provide a structured and locally adaptable framework for managing credit risk in social banking, while also supporting the inclusion of disadvantaged clients by facilitating their access to financial services across the targeted segments. This policy is localized in each country as well as in Hungary.

Furthermore, the Social Banking strategy establishes principles with consideration to Erste Group's retail customer base through implementing UN Sustainable Development Goals 1 (no poverty), 3 (good health and well-being), 4 (quality education), 5 (gender equality), 8 (decent work and economic growth), 10 (reduced inequality), 11 (sustainable cities and communities), 13 (climate action) and 17 (partnerships for the goals).

S3-2 – PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

SOCIAL BANKING

Erste Group engages with affected communities through a combination of indirect engagement via social organisations and direct engagement with vulnerable individuals and underserved enterprises on an ongoing basis. These processes aim to identify needs, assess impacts and continuously improve the effectiveness of financial and non-financial support. Social Banking departments are established in all core markets with dedicated full-time employees. The Management Board is entrusted with the responsibility for engaging with affected communities with regards to social banking.

Indirect engagement through social organisations

Social organisations such as NGOs and social enterprises act as key partners in reaching vulnerable groups and addressing social challenges. Engagement occurs through partnership programs and advisory exchanges to understand emerging needs and co-design solutions. Capacity-building initiatives such as SEEDS+ in Hungary, the High-Impact Enterprises Scaling Programme (MARC), launched in 2024, provide mentoring, training and technical support to strengthen business models and ensure financial sustainability for social enterprises. MARC Impact report available: https://hu.marc-impactprogramme.net/wp-content/uploads/2025/09/Marc_Impact_Report_2024_2025.pdf

Feedback mechanisms are integrated into the programs to ensure continuous improvement. The 2025 Social Banking Impact Report includes findings from participating organisations, confirming the relevance and value of non-financial support in improving operational resilience and social impact.

Direct engagement with vulnerable clients and underserved enterprises

Engagement with individuals and micro-entrepreneurs occurs through advisory and mentoring sessions - depending on country setup - in branches and online, supported by an advisory framework that promotes active customer engagement and financial health. Financial education and readiness programs, including bespoke counselling and training, promote financial literacy and strengthen participants' resilience.

Impact Assessment and Continuous Improvement

Erste Group monitors the effectiveness of its social banking activities through a structured impact assessment process. Every two years, a comprehensive social impact assessment is conducted, including ex-post client surveys, to evaluate the outcomes of financial and non-financial support. The results are published in the Social Banking Impact Report, which serves as a key tool for transparency and accountability.

In 2025, the assessment included 1,266 client interviews, providing detailed insights into how social banking initiatives contribute to improving financial stability, social inclusion and organisational resilience. These findings inform product design, risk management and strategic priorities. For example, identified gaps in business know-how led to the development of the High-Impact Enterprises Scaling Programme (MARC), which addresses capacity-building needs among social enterprises.

This ongoing evaluation process ensures that Erste Group's social banking activities remain relevant and effective, while client feedback indicates necessary steps to maximise positive impacts for customers and communities.

S3-4 – TAKING ACTION ON MATERIAL IMPACTS ON AFFECTED COMMUNITIES AND MANAGING THE EFFECTIVENESS OF THOSE ACTIONS

Social Banking identifies necessary and appropriate actions in response to actual impacts on the affected communities through structured processes embedded in the Group Social Banking Risk Policy. To ensure that the company's practices do not cause or contribute to material negative impacts Social Banking works in close cooperation with social organisations and individuals and performs an impact assessment with its clients to assess the effectiveness of the defined actions.

The Social Banking exists as a separate department within the group and is assigned a budget based on a proposal to the management board. The effectiveness of the following actions are tracked through the 2025 Social Banking Impact Report, including feedback from the intended recipients in the form of surveys and interviews.

Sub-topic	List of key-actions	Policy
S3 - Social Banking	Social organisations	Social Banking Strategy, Group Social Banking Risk Policy
	Private Individuals	Social Banking Strategy, Group Social Banking Risk Policy

Social organisations

Erste Group supports social organisations such as NGOs and social enterprises through financial and non-financial measures aimed at strengthening their capacity and impact in the communities where the Group operates. Social banking provides tailored financial solutions to social organisations, including working capital loans, bridging loans and investment loans, as part of the ongoing operations. These offerings are supported by portfolio guarantees from the European Investment Fund (EIF) under the InvestEU Programme, enabling preferential terms for eligible organisations. In addition, ERSTE Foundation provides a complementary guarantee, allowing Erste Group to finance social organisations that are not covered by EIF guarantees.

Beyond financial products, Erste Group offers free or lowered price non-financial support such as bespoke counselling, mentoring, training and technical assistance for social and sustainable entrepreneurs. In 2024, Erste Group launched the High-Impact Enterprises Scaling Programme (MARC), a capacity-building initiative designed to

strengthen and scale social businesses across key markets, including Austria, Croatia, Czechia, Hungary, Romania, Serbia and, starting next year, Slovakia. The MARC program addresses gaps in business know how and funding by helping social enterprises develop sustainable operating models. It also fosters an ecosystem for growth through knowledge exchange, networking opportunities and access to markets. The program's objective is to enable high-impact enterprises to achieve financial sustainability while amplifying their social impact. The MARC program gradually involves the countries of the Erste group over a 3-year period, and after 3 years the MARC Steering Committee evaluates the effectiveness of the program and determines the duration of its continuation. MARC Impact report available: https://hu.marc-impactprogramme.net/wp-content/uploads/2025/09/Marc_Impact_Report_2024_2025.pdf

Erste countries offer local capacity development programs such as SEEDS+ in Hungary. The Bank launched the SEEDS programme in 2017 thanks to the support of the Vienna-based Erste Foundation (Stiftung). IFUA Non-Profit Partner and SIMPACT Non-Profit Partner are also present as implementing partners in this programme for the complex development of NGOs and social enterprises. So far, more than 170 NPOs have received support, in 14 types of training and in 26 consultation projects. In SEEDS+ program helps the development of applicants through with volunteer support (liquidity management, daily efficiency), or customized advice or bootcamps (project management, financial planning, organizational change). In the first year of the latest 2year program, 85 mini projects received support so far. ERSTE Bank also relied heavily on its 40 external partners for volunteers with whom 92 volunteers were involved in the program. The program continues until 2026June.

Private Individuals

An aspect of Erste Hungary's business is to provide financial services to socially vulnerable people, including those who would otherwise be excluded from access to financial goods and services, positively impacting those effected. Initiatives supporting financial health, transparency and inclusivity of these customers are key to its value proposition and helps build long-term customer relationships while improving their financial autonomy. These efforts enhance customer trust and loyalty, contributing to the stability and resilience of its business. Social Banking Hungary offers to help individuals manage unexpected financial challenges via debt counselling since 2023 for 20 families of a partner NGO. Financial education to social workers in the field of underprivileged, mentally disabled, special need youngs, people coming from orphanage or homeless aim to empower individuals to take control of their financial situation and improve long-term stability. In 2025, 23 social workers reached 335 individuals. The format of this program ensures that the knowledge stays in the system and replicable at any time of need. Ensuring social housing advocacy services by an NGO helps families to gain access to social/affordable housing subsidiaries by pre-financing on behalf of the families. In 5 years, 37 families with near to 180 members gained access to healthy living in this program, supported by Erste Stiftung and Erste Hungary. Specially developed financial literacy booklet was downloaded more than 150x in 2025, moreover a dedicated NGO reached 300+ mentally disabled persons in special shools with this tool. The programs mentioned above are launched by Social Banking on a calendar year basis, and for this, it also performs cost planning in the second quarter of the previous year.

S3-5 – TARGETS RELATED TO ADVANCING POSITIVE IMPACTS

SOCIAL BANKING

With its initiatives and projects, Social Banking also makes a valuable contribution to the fulfillment of 9 of the 17 Sustainable Development Goals (SDGs) that the United Nations' member states have set to be completed by 2030. (1,3,4,5,8,10,11,13,17)

[Social banking - Step-by-Step | Erste Group Bank AG](#)

Target on Social Banking financing volume

Erste Group is committed to promoting social banking to improve access to products and services those who would otherwise be excluded. The set targets directly support these objectives and contribute to the economic stability of communities. The targets for social banking financing, job creation and retention as well as education support

initiatives are related to measuring the effectiveness of Erste Group's Social Banking initiatives. The targets focus on Erste Group's core markets (Austria, Czech Republic, Slovakia, Hungary, Romania, Croatia and Serbia).

The target of social banking financing volume focuses on increasing access to financial services for individuals across all core markets. This is achieved by financing social enterprises, micro companies, start-ups and individuals that do not meet regular retail lending criteria. The target related to education support participants aims to increase capacity building abilities of organisations, financial education and knowledge of employees and private individuals. These educational activities are organised and conducted in all core markets. The target of job creation and retention refers to the number of jobs created or retained as a result of social banking financing. This is assessed through regular surveys and reports. These targets are continuously monitored and evaluated to ensure their effectiveness and positive impact through the performance indicators shown below. The metrics are not validated by any external party. Social Banking evaluates the lessons learned by analyzing performance indicators, considering both quantitative and qualitative as well as methodological aspects. If a civil partner's contribution is also linked to the indicator, modification points are identified either through regular involvement of the partner or through joint evaluation at the end of the program.

By promoting social banking and achieving these targets, Erste Group contributes to the financial health and economic stability of its customers, ultimately leading to a better quality of life and a stronger market position.

	Metric	Targets							
		Baseline		Actual		short-term		medium-term	
		Year	Value	Year	Value	Year	Target	Year	Target
Social banking financing	in EUR million, cumulative	2017	115	2025	3.41	2026	2.20	2030	1000.00
Education support participants ¹	# in thousand, cumulative	2017	7	2025	3.30	2026	0.00	2030	80
Job creation and retention ²	# in thousand, cumulative	2017	20	2025	1.37	2026	0.00	2030	200

¹ The target shows the total number of persons participating in educational activities organised or initiated by Group Social Banking.

² The calculation is being performed every second year. The cumulative value for 2023 corresponds to 99 (in thousand).

Performance indicators

Erste Group has developed social banking yearly performance indicators. Part of them serve as a measure to track the progress of the social banking targets, which have been set.

Calculation of indicators

The individual yearly social banking performance indicators shown below measure the progress and summarise the social banking targets. Social banking financing includes private individuals, microfinance, start-up financing and financing for social organisations. The volume of social banking financing is reported quarterly by local entity departments to Erste Group.

The target for education support participants is based on the number of participants in educational activities organised or initiated by social banking each year. The number of educational support participants is reported annually by local entity departments, based on the report of the participating civil organizations.

Job creation and retention are assessed through the social banking impact report, performed every second year based on a representative sample of social banking clients. Due to this data only being collected once every two years, the figure in the table represents a cumulative number of both this year and the previous year.

The number of newly created or preserved jobs is calculated in two steps. First, the average number of jobs per client based on survey responses is determined. Then this average is multiplied by the total number of new financed clients within each segment, country, and timeframe. The data is not validated by an external body. The overall number of created and preserved jobs is determined using the following formula: Jobs created or preserved = Jobs created or preserved through 2023 + Average jobs created or preserved by interviewed clients X all new SB clients in 2024-2025.

Social Banking Hungary yearly performance indicators

	2024	2025
New social banking financing in EUR million	2.84	3.41
New social banking financing in number of new clients	38	41
Social organisation finance in EUR million	2.84	3.41
Social organisation finance in number of new clients	38	41
Number of supported private clients in financial difficulties	762	387
Number of education support participants	1,076	2,913
Number of preserved and created jobs (cumulative)	—	1,374

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.

As a financial services provider, Erste Group places great emphasis on responsibility towards customers and end users.

The climate crisis, demographic developments, the new political environment and economic risks are putting pressure on the savings and future well-being of European citizens.

Our strategic goal is to protect and further build well-being in our region – that is why we are strengthening our financial health offerings and becoming a key driver of the development of the financial sector.

To protect our clients' wealth, we need to make sure that our asset management, bancassurance and pension fund businesses are at the right level.

It is part of Erste Group's DNA to advise people on what is right for them. This approach serves as a real strategic differentiator in all Erste countries.

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 recognizes 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
S4-Financial Health	Positive 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	All time horizons (actual in short-term)
	Potential positive 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	All time horizons (potential medium-to 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.	Portfolio	Long term
S4-Privacy	Negative impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Portfolio	All time horizons (actual in short-term)
	Potential negative impact	Data breaches or cyberattacks could lead to compromised sense of security and privacy for individuals, leaking private and financial data of affected customers.	Portfolio	All time horizons (potential medium-to long-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.	Portfolio	Short-term
S4-Access to products and services	Positive impact	By actively considering the diverse needs of different customer groups – including women, persons with disabilities, migrants, and older individuals – in the design of financial products and services, the company has contributed to greater financial inclusion and equity.	Portfolio	Short-term

FINANCIAL HEALTH (ENTITY-SPECIFIC)

Positive Impact

Financial Health serves as a key pillar of Erste Hungary's Retail strategy, positively impacting financially vulnerable or challenged customers through literacy programs, digital advisory, branch advisory and more, that enhance their economic stability and quality of life. These financial literacy tools develop a combination of financial awareness, knowledge, skills, attitudes and behaviors necessary to achieve individual financial well-being. Examples of financially vulnerable clients include those who are unable to meet debt repayments as well as those who experience financial exclusion and a lack of financial literacy. The outcomes of actions to improve the financial health of customers continuously inform Erste Group's strategy and business model. Further information regarding actions and outcomes can be seen under 'S4-4 - Taking action on material impacts

S4-4 - Taking action on material impacts

Opportunity

Erste Hungary believes that by actively supporting its financially challenged 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. 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. Data breaches and cyberattacks can potentially affect all customers whose personal data is processed by the bank. The outcomes of actions to address data breaches and cyberattacks continuously influence improvements to - as part of Erste Group - Erste Hungary's strategy and business model. Further information regarding actions and outcomes can be seen under S4-4 Taking action on material impacts.

ACCESS TO PRODUCTS AND SERVICES

Positive Impact

The European Accessibility Act aims to ensure more products and services are accessible for elderly people and people living with a disability. By setting common accessibility standards, it promotes inclusivity and removes barriers in everyday interactions.

S4-1 – POLICIES RELATED TO CONSUMERS AND END-USERS

FINANCIAL HEALTH

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.

The European Accessibility Act aims to ensure equal access to essential products and services for people with disabilities across the EU. By setting common accessibility standards, it promotes inclusivity and removes barriers in everyday interactions. In banking, this means simpler, more user-friendly digital platforms and services, making financial management easier and more convenient for everyone. Additionally, it drives compliance with EU regulations and fosters innovation, encouraging banks to develop accessible solutions that benefit all customers. The Act was implemented in all EU countries, including Hungary, from 28/06/2025; Erste Hungary initiated actions towards compliance.

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'.

The Hungarian National Bank (MNB) has set a key strategic objective for the upcoming period to substantially increase the proportion of electronic transactions by 2030. Under broad, general usage incentives, the target is for 60 percent of all transactions to be conducted electronically by that year. Furthermore, with the implementation of additional targeted measures, the goal is to achieve an electronic transaction share of approximately two-thirds by 2030. (source: <https://www.mnb.hu/letoltes/penzforgalom-2030-strategia.pdf>)

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, together with the policies referenced in this chapter, is approved by the Group Management Board and implemented by Erste Hungary, and 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 potential negative impact 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

Cyber security of Erste Bank Hungary operates under a robust set of group cyber security policies and procedures. The local Cyber Security Policy defines security requirements, security management objectives as well as cyber and information security principles. The overarching objective of the cyber security framework is to protect all types of information assets from cyber threats. Additionally, it outlines the organisational structure, related roles and responsibilities as well as definitions and implementation activities to be performed.

Based on the group operation the Group Chief Information Security Officer (Group CISO) is specifically accountable for cyber and information security control and management within Erste Group, including the definition of Erste 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 practices' and is executed effectively, efficiently and consistently in daily operations.

The local Information Security Management area role is to connect the Erste Group security organization and Erste Hungary. The area fulfilling the Information Security Management role is responsible for issuing the local cyber security 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 the local cyber security policy are binding for all Erste Hungary employees, contractors, or service providers who implement, manage, or operate ICT solutions used by or for Erste Hungary entities and their employees and customers.

Erste Bank Hungary regularly adapts its policies to meet changing practices and developing technologies, according to the Erste Group's guidelines and the Authorities requirements.

ACCESS TO PRODUCTS AND SERVICES

The European Accessibility Act was implemented in all EU countries, including Hungary, from 28/06/2025 as "Act XVII of 2022 on the general rules for compliance with accessibility requirements for products and services".

Erste Hungary is committed to ensure equal opportunities for persons with disabilities in accessing banking services and began preparing for compliance with the European Accessibility Act (EAA) in a timely manner. A structured approach is demonstrated to meet the digital accessibility requirements with performing a comprehensive, documented compliance assessment, establishment of an effective governance framework, and supported with proper coordination and supervision of the ongoing implementation measures. The assessment process strengthened awareness and in-house expertise.

S4-2 – PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

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.

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, providing (digital) advisory services and the right offerings for customers to help them become financially independent. Information regarding the financial health strategy, including the indicators is also available to customers online.

Erste Hungary researches its customers' needs and views on its products and services on a regular basis, enabling itself to predict trends, opportunities and threats in the upcoming mid-long term financial life of customers.

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 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.

The processes surrounding the GDPR are 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. For further information please refer to chapter S4-3.

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 Erste Hungary and implements the Erste 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.

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.

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.

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

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.

Enhancing financial awareness is essential; in line with the strategy of the National Bank of Hungary, Erste Hungary enables consumers to make informed decisions regarding account packages and services, as well as to increase the adoption of electronic payment methods. Notification of clients about their transaction outcomes and account balances, thereby improving transparency and preventing fraud is also building trust. Furthermore, comprehensive information on pricing and service characteristics is intended to encourage consumers to select cost-effective options, fostering market competition and driving more favorable conditions. In the long term, these initiatives will strengthen financial inclusion and accelerate digital transformation, ensuring broader access to modern banking solutions for all segments of society.

Erste Hungary builds a framework around its clients, as well as enhances the Erste brand. "We want our customers, including the future ones to LOVE us. Not only transactional but also relational." 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.

Enhancement of financial awareness tackles different dimensions: insights of finances, format of advisory, banking product solutions, digital tool developments, financial education in different topics and the way how Erste Hungary communicates with its clients.

Data-driven insights

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.

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.

Digital Advisory

Erste Hungary focuses on providing (digital) advisory services and the right offerings for customers. The transformation starts from inside; Erste Hungary provides all necessary tools to its employees to enhance their private and professional financial health hence the advisory is built on strong foundations. In the digital era, Erste Hungary offers personal advisory, combined with data-driven analytics. All branches use the branch advisory tablet tool which shows a 360 degree view of the client and supports enhancing the financial journey.

Erste's digital banking tool, George helps clients to handle their finances independently, at the same time safely. The tool enables the client to make smart decisions, accept tailor-made offers or draws the attention to a missed opportunity/upcoming action. This builds trust and dynamic interaction between the person and its bank.

Erste Hungary involves the upcoming generation into the conversations about money. The most effective learning approach for children is experiential, allowing them to explore and apply concepts independently. George is available for children aged 7 to 14, providing early opportunities to develop financial literacy and responsible money management skills on their dedicated accounts. Through George Junior, children gain an understanding of fundamental banking operations, including account management, card-based transactions, and savings practices. Parents maintain full oversight of all activities via their own George account, ensuring security and control throughout the process.

Beyond banking

Beyond financial decisions, Erste Hungary regularly publishes articles on its website and social media about money. It calls attention to a particular topic or supports different generations to understand a theme. (<https://www.erstebank.hu/hu/blog>).

Gamification is recognized as an effective tool for facilitating easier and more efficient learning across all age groups, and for the youngest segment, financial education is virtually inconceivable without it. Over the past decade, the bank has accumulated extensive expertise in delivering financial knowledge through interactive and game-based methods, as well as in educating diverse age cohorts. These insights have been incorporated into the development of a tale-book, talking to kids 0-7years, reinforcing Erste's commitment to making banking more accessible and human-centered.

<https://www.erstebank.hu/hu/sajto/sajtokozlomenyek/2024/09/25/cserebere-az-erdoben-a-gyerekek-penzugyi-oktatasa-czernak-eszter-uj-konyve-pagony-kiado-erste>

Erste Hungary participated as editor in another financial literacy book which explains the role of money and the functioning of the economy through colorful illustrations and clear, practical examples. The book is useful for teenagers and all readers who want to know more about money. <https://www.erstebank.hu/hu/blog/TeamErste/mindent-a-penzrol-konyvajanlo-az-erste-szakertoitol>

Clear communication

Erste Hungary acknowledges the importance of transparent and clear communication. Beyond providing transparent information on pricing, fees, and charges, Erste Hungary communicate clearly, enabling clients to understand the message much faster and more effectively; can follow instructions accurately, they return responses correctly completed and use the product as described. Clear communication saves money and time for both parties, increases engagement and builds trust in finances.

Erste Hungary markets and sells its lending products in a responsible manner. In case of financial difficulty, 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 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.

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. Erste Hungary 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.

Erste Hungary researches its customers' needs and views on our products and services. Its 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, trust-worthy and not misleading. Erste Hungary does not misuse customer data to the detriment of our customers' interests. Its standards mandate that our service providers adhere to these privacy and data protection requirements.

Support for social organizations

For more details, see S3-Affected communities

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.

By creating an environment where customers with special needs, such as those with disabilities, have adequate access to these offerings, Erste Hungary demonstrates its commitment to inclusivity. This is an ongoing effort of our entire Retail banking division and affiliates, both on Group as well as at Erste Hungary.

EU Directive 2019/882 was transposed into Hungarian law (Act XVII. of 2022), requiring all new consumer products and services to meet accessibility standards from 28 June 2025. Erste Hungary conducted a comprehensive compliance review starting February 2023, involving approximately 50 colleagues and subsidiaries, coordinated by the Diversity Officer. The assessment covered all applicable requirements, client-facing systems, and even beyond the scope of the law physical accessibility of the branches.

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

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

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

Erste Hungary modified 65 of its branch network out of 98 units following the refurbishment of the branch network, providing full access to entrance for people with reduced mobility and larger interiors. Going forward, all branch investments will be made with easy access in mind, unless physical or other barriers arise. To facilitate this, Erste

Hungary has engaged a professional auditor who has already certified 62 of our branches as accessible based on their inspection. The auditor's mapping has helped to develop new actions around branch investments: 54 branches have been equipped with devices (induction loops), all branches have installed a CONTACT sign language translation service, and staff have been trained to support the hearing impaired. Tactile lanes have been installed in 16 branches and others are being installed in an ascending manner. Mobile ramps are available in the 12 branches most frequented by wheelchair users. The entrances and glass surfaces have contrasting stickers and pictograms at the entrances help you find the way around. The menu system of the branch call 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. A dedicated website and information tool about accessible ATM usage is available at erstebank.hu.

The ATM modernization program, which will run until the end of 2026, will aim to ensure accessibility and usability for both existing and new ATMs. Currently, 74% of Erste's ATM network is accessible without barriers and 78% is usable without barriers. Since 2024 non-branch ATMs started to be replaced 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.

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

Complaint handling system tracks separately the ones related to accessibility and being regularly evaluated by Diversity Officer&Complaint team.

A dedicated policy formalizes principles for equal access to financial services for persons with disabilities and tasks related to the EAA. Product managers are required to ensure that all products and services comply with EU and local accessibility regulations, meeting criteria of being perceivable, operable, understandable, and unambiguous.

PRIVACY

Awareness 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 98% for 2025. 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). In the training material, great emphasis is put on the detection, prevention and handling of data breaches. 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.

Reported data breaches are handled by expert teams who assess the potential risks using an internally developed data breach risk assessment tool, based on the methodology provided by the European Union Agency for Cybersecurity. Remedial action is taken by active engagement, such as directly contacting the person who reported or caused the data breach and instructing them on how to remediate the threats to the rights and freedoms of the data subjects. The relevant actions range from deleting data, to changing of passwords, giving general advice on how to secure data or how to adapt processes to make them even more data protection friendly. Refresher courses and ultimately disciplinary measures are also actions that help to prevent data breaches and mitigate the associated risks.

Finally, preventive technical measures as described in the following section "Cyber Security" as well as implementing data

protection by design and by default principles, help to prevent data breaches.

Erste Hungary performs an annual assessment within the Group level Data Protection Control Framework to ensure ongoing adherence to data protection standards and to identify any areas requiring improvement. The design and operation of this framework are based on the requirements set out in the Group's data protection policies and procedures. The controls cover the principles and rules for processing personal data as defined in the GDPR. The purpose of the framework is to monitor and ensure that data protection requirements are properly implemented. A self-assessment is carried out locally each year and subsequently approved at Group level. In addition, continuous monitoring and quality assurance take place both locally and at Group level.

Cyber Security

The Erste Bank Hungary's Cyber Security Policy outlines clear objectives, governance structures and technical safeguards to protect the assets and customers' data. Due to the dynamic nature of cyber threats, Erste Bank Hungary regularly reviews and update the framework to reflect the latest developments like in technology or regulatory requirements.

Erste Group's proactive approach reflects its deep dedication to have the trust of its customers, partners and stakeholders. It

continuously invests in advanced and innovative technologies, robust infrastructure and expert teams to ensure that all the data of Erste Bank Hungary are handled in a secure and confidential manner. In today's increasing digital banking world, Erste Bank Hungary is committed to protect its assets and customer data with state-of-the-art cyber security services and tools. Erste Bank Hungary's multi-layer security architecture includes, for example, advanced

firewall technologies, distributed denial of service (DDoS) protection, comprehensive endpoint detection and response (EDR) solutions, cyber threat intelligence (CTI), security operation centre (SOC) as well as robust intrusion prevention systems (IPS). In 2025, Erste Hungary spending on the topic of cybersecurity totalled HUF xxx million (2024: HUF xxx million).

Erste Bank Hungary invests in cyber security trainings and awareness campaigns to help employees recognising and avoiding cyber threats like phishing campaigns or social engineering attacks. Therefore, Erste Bank Hungary regularly educates its employees, executives, board members, and specific user groups (such as branch office employees, newcomers, and trainees) through Erste Bank Hungary's cybersecurity awareness programme, including mandatory annual web-based training, as well as phishing simulations and security awareness events. In addition to the cyber security awareness program focusing on internal and external personnel, Erste Bank Hungary also sets activities to help its customers strengthening their cyber security awareness. Erste Bank Hungary offers best-practice recommendations and cyber security awareness sessions to educate on how to detect, prevent and respond to cyber threats. Furthermore, Erste Bank Hungary publishes current warnings of cyber threats (e.g. social engineering attacks, phishing, fake calls) on different channels like George online banking system, on the website in the "Security Center" but also on social media channels

S4-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

FINANCIAL HEALTH

Information on the target of Social Banking financing can be found under S3-5 - "Targets related to managing material negative impacts and advancing positive impacts".

PRIVACY

Due to the high level of regulation within the fields of data protection and cybersecurity, Erste Group has set no additional 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.

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, with potential negative 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
G1- Protection of whistleblowers	Potential negative impact	The potential lack of protection for whistleblowers interferes with freedom of expression, potentially leading to retaliation and reprisal, social exclusion, and psychological stress for whistleblowers.	Own operations	All horizons time
G1- Corruption and bribery - Prevention and detection, including training	Potential negative impact	A lack of awareness and internal measures could potentially lead to corruption or bribery incidents with legal consequences including labour law sanctions as well as civil and criminal proceedings for employees.	Own operations	All horizons time
	Potential negative impact	A lack of awareness and internal measures could potentially lead to corruption or bribery incidents with legal consequences including labour law sanctions as well as civil and criminal proceedings for employees.	Own operations	All horizons time

G1-Incidents

Protection of whistleblowers

The established protection mechanisms for whistleblowers at Erste Hungary play a crucial role in preventing individual risks for whistle-blowers. Without these secure and confidential reporting channels, individuals who expose misconduct, could face serious consequences, such as retaliation, professional disadvantages, or social exclusion. Such outcomes could also have a lasting impact on trust in the organisation. The established reporting channels for all stakeholders serve to prevent individual whistleblowers from facing isolation or disadvantage resulting from inadequate protection. They limit potential harm to single cases, as regular audits and transparent processes ensure the effectiveness of the mechanisms.

Corruption and Bribery – Prevention and detection including training

Training programs aimed at preventing and detecting corruption and bribery are a key pillar of Erste Hungary's anti-bribery and corruption (ABC) strategy. Offered to all employees, these initiatives play a crucial role in fostering awareness and understanding of ethical conduct. Without such measures, a lack of knowledge and sensitivity to conflict of interest (CoI) and ABC risks could result in employees failing to identify corrupt practices or becoming unintentionally involved in them, whether through active or passive participation.

In the event of a corruption-related incident, the consequences can be severe. The resulting loss of trust in the organisation would be difficult to restore and could necessitate extensive and prolonged remediation efforts. Moreover, such incidents may lead to significant reputational damage, financial losses and even criminal consequences for the individuals involved or the company itself.

Ultimately, these preventive initiatives help cultivate a strong business conduct for the sake of zero tolerance to bribery and corruption, reinforcing Erste Hungary's reputation as a principled and trustworthy financial institution.

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 Col and ABC. 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 such 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 reporting 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 / Anti-Financial Crime 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 / Anti-Financial Crime team is responsible for implementing this Policy.

Whistleblowing policy 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 Col and ABC directly addresses the potential negative impacts 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 Col, confidential Col, and Col 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 Col 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 based on changes in legal acts or recommendations from public authorities. 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 / Anti-Financial Crime independently of business units (including staff and management).

The policy is made available through the intranet (with dedicated page on ABC) 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 / Anti-Financial Crime 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 /Anti-Financial Crime 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 Col.

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 /Anti-Financial Crime at local level, which operates independently from the chain of management, ensuring unbiased and thorough investigations.

Anti-Financial Crime 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. In 2025, a revised second version of the Group Policy on Col an ABC was implemented in Erste Hungary. It places enhanced emphasis on conflicts of interest arising from political mandates held as secondary occupations, as well as on donations and sponsorships in favour of political parties and politically linked groups, aiming to address potential risks more precisely and further strengthen Erste Hungary's integrity.

Group Conduct Compliance monitors the completion of the e-learning modules with support from colleagues locally responsible for implementation of and the monitoring of the e-learning and for escalating in cases of non-completion. Completion rates vary depending on local factors such as the technical infrastructure of the e-learning platform, assignment dates and logic, escalation processes and the scope and definition of management across entities in Erste Group.

In 2025, significant steps were taken to harmonise training records across the Group. Through the CSRD Manual, key measures related to Col and ABC were standardised and newly defined at Group level. This provides a consistent foundation for the assignment and tracking of training content.

The following data includes the completion rates for the COI and ABC WBT of staff at risk, defined as all employees including management (but excluding supervisory board members). For the purpose of this report, all employees are considered staff in risk functions. Nevertheless, the table presents the data in a manner by distinguishing between staff-at-risk (all employees) and management bodies/management board.

Table G1-3 Anti-corruption and bribery training

		2024		2025	
		Staff at-risk functions	Management Bodies	Staff at-risk functions	Management Bodies-Board Members
Training coverage (%)		100%	86%	99%	88%
Total completed (#)	trainings	3397	27	3439	21

Erste Group implements a comprehensive training concept to prevent corruption, bribery and conflicts of interest, The foundation is a mandatory groupwide WBT on Col and ABC, which is also available in locally adapted versions. Training data are based on the completion of this localised version of the groupwide WBT on Col and ABC.

The training provides practical knowledge on typical forms of conflicts of interest, corruption and bribery, as well as on their prevention and reporting. It is based on Erste Hungary's legal/regulatory framework and the group-wide Col and ABC Policy, which establishes zero-tolerance approach towards all types of corruption and -bribery . The total duration of the WBT is approximately 60 minutes, with 45 minutes dedicated to the theoretical part and 15 minutes to a final knowledge check.

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 treated with utmost seriousness, in accordance with the Policy on COI and ABC: Erste Hungary maintains a strict zero tolerance approach towards any form of bribery or 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 in 2025. This mirrors the situation from the previous year, where both convictions and fines were also zero (2024: zero). The data is not validated by an external body.

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 COI and ABC. 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 (see G1-1 and G1-3 for further details). The progress of these actions is monitored through evaluations of the web-based training, data analysis of the reporting tool, checks and risk assessments (see G1-3). Compliance, with support from the HR department monitors the completion rates of the e-learning programmes and escalates cases of non-completion.

Events after the balance sheet date

Change in the mandatory reserve ratio

Effective 1 March 2026, following the decision of the Monetary Council, the Hungarian National Bank reduced the compulsory reserve requirement for banks from 8% to 6%.

Reduction of the base rate

Starting from 25 February 2026, the Hungarian National Bank reduced the base rate by 25 basis points to 6.25%.

Conflict in the Middle East

The conflict in the Middle East does not have a direct impact on Erste Hungary, as the Group's exposures to the affected countries are not significant; therefore, no risk provisions are required in relation to the conflict. However, certain indirect effects must be considered, such as increased volatility in financial markets and secondary impacts on customers arising from disruptions in supply chains. Further geopolitical tensions may lead to economic difficulties; however, their impact cannot be reliably estimated at this time.

Dividend

The proposed dividend to be presented at the Annual general meeting is amounting to 120 billion forint.

Budapest, 10 April 2026

Jelasky Radovan
President and CEO

Manfred Schmid
Deputy Chief Financial Officer

Annex 1: Erste Hungary's branch network as of 31 December 2025:

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.
2000 Szentendre Duna korzó 18.
2310 Szigetszentmiklós Losonczi u. 1.
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 Igmándi u. 19-21.
8060 Mór Köztársaság tér 1.
8000 Székesfehérvár Palotai út 4
2890 Tata Országgyűlés tér 3.
2800 Tatabánya Fő tér 20.
5600 Békéscsaba Andrássy út 20.
2700 Cegléd Népkör u. 2.
5700 Gyula Városház utca 16.
6800 Hódmezővásárhely Andrássy 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 Szilfákalja 4.
5300 Karcag Kossuth tér 6.
3700 Kazincbarcika Egressy utca 44.
4600 Kisvárd 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 Sáropatak 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 2025

ERSTE HUNGARY CORPORATE GOVERNANCE REPORT FOR THE YEAR 2025

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 Corporates and Financial Markets 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 2025 and currently the CEO), and his deputies (in 2025 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 2025 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 2025

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.

András Kaliszky, Deputy CEO, COO (01.01.2025 -)

Mr Kaliszky graduated from the Budapest University of Technology with a degree in Civil Engineering in 1991, with a degree in Teaching Engineering in 1993, and with a Master of Business Administration degree from the University of Wisconsin Milwaukee in 1996. Afterwards, he worked in banking systems development and operational strategy at PwC from 1997 and at IBM from 2003. From 2004 he worked as a program manager at HVB Bank in the framework of the bank's retail expansion strategy program, from 2006 he was Head of Operations at Unicredit Bank, and from 2008 he was a member of the Board of Directors responsible for IT and Operations. From 2014, he was Head of IT and Operations at Raiffeisen Bank Hungary, and from 2018, he was Head of IT and Operations at Sberbank CZ, and member of the Board of Directors. 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 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.

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

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

2.2. Members of Supervisory Board on 31 December 2025

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.

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

Ms Selényi is the Head of the Retail Collection and Workout area of the Company

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

Thanks to her strategic approach, she has achieved significant successes in leading the Risk Management and Workout areas, contributing to the Bank's collections objectives. Her approachable and direct personality has built trust and commitment among her direct colleagues.

Attila István Balla, Supervisory Board member, representing employees (06. 12. 2018. - 15.01.2026)

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 2025

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

András Kaliszky, Managing Director, Deputy CEO IT and Operation

Róbert Cselovszki, Managing Director, Deputy CEO Corporate and Financial Market Officer

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

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

The quorum at the 2025 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 2025 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 2025, the Audit Committee held four meetings, the Committee had a quorum at all of them.

In 2025 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 2025

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 2025, the Risk Governance Committee held four meetings, the Committee had a quorum at all of them.

In year 2025 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 2025:

Damien Charron, 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 2025 the Committee held two meetings; the Committee had a quorum at both meetings.

In 2025 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 2025:

dr. János Rudnay, Chairman

Rainer Hauser, Deputy Chairman

Damien Charron

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 2025 the Committee held two meetings; the Committee had a quorum at both meetings.

In 2025 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 2025:

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):

<https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/erste-bank-hungary-zrt/vallalatiranyitas/hivatalalos-kozzetetelek>

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 2025 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 Act² 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 2025:

² Act CXX of 2001 on the Capital Market

- 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 exclusion 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

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): <https://www.erstebank.hu/hu/ebh-nyito/bankunkrol/erste-bank-hungary-zrt/vallalatiranyitas/javadalalmazasi-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.