GRÁNIT BANK
PUBLIC LIMITED COMPANY
CONSOLIDATED BUSINESS REPORT
31 DECEMBER 2024

BUDAPEST, 7 April 2025

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1. Introduction to Gránit Bank

1.1 A brief history

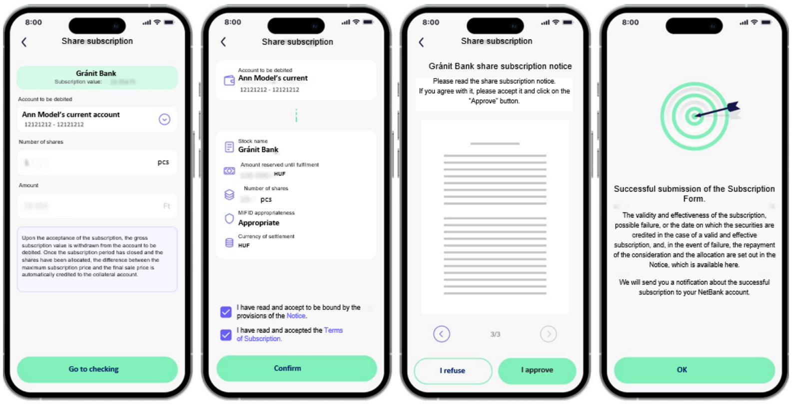
Gránit Bank closed one of its most successful business years in 2024 and became a publicly listed company through the most substantial initial public offering in 25 years, with a high valuation

In the last decade, the Bank has consistently achieved dynamic growth, and in doing so it has proved that an innovative business model that focuses on digital solutions can be as successful in Hungary as elsewhere.

The Bank started trading under the name GRÁNIT Bank in May 2010, when it was still effectively an empty, "greenfield" bank operating with total assets of barely over HUF 7 billion. After fourteen and a half years of operations, as of the end of December 2024, Gránit Bank had achieved a consolidated balance sheet total of HUF 1,672.7 billion and a consolidated pre-tax profit of HUF 23.4 billion, continuously growing the number of its retail and corporate customers, and its deposit and loan volumes.

As a result of this dynamic growth, Gránit Bank has become a banking group, and the business model it has implemented has brought it widespread professional recognition. The Bank participates in a wide range of economic development and residential programmes (MNB NHP, NKP bond programme, Gábor Baross Reindustrialisation Loan Programme, Széchenyi card/loan schemes, MFB Points, Eximbank refinancing schemes, CSOK, Green Loan Programme, etc.), has been a BUBOR market maker since 2018, actively participates in programmes aimed at improving financial literacy, is a committed supporter of environmentally conscious banking, and also supports the development of national culture and sports.

In recent years, the Bank has carried out a number of successful acquisitions in line with its long-term business strategy. By the end of 2024, it has become a Banking Group having three major subsidiaries.
In 2022, Gránit Bank acquired a majority stake in Equilor Befektetési Zrt; in 2023, it acquired Gránit Alapkezelő Zrt (formerly known as Diófa Alapkezelő Zrt), while in July 2024 the Bank acquired a 100% stake in Gránit Lízing, which was purchased from the Dutch DeLage Landen company.
Its dynamic growth makes the Bank an attractive investment opportunity for investors, as demonstrated by a steady increase in the number of owners and shareholders.
Management decided it was time for the Bank to go public, which had been a strategic objective from the outset. In December 2024, with more than three times oversubscription, the Bank completed a highly successful IPO worth HUF 17.7 billion. Through the IPO, the Company's ordinary shares were listed on the Budapest Stock Exchange. It has been the most substantial capital raising in the CEE region in the last 25 years through an IPO, involving more than 1,800 new investors, both private and institutional.



1.2 The Bank's ownership structure

Gránit Bank was established in 2010, when Sándor Demján bought the former Hungarian subsidiary of WestLB. Éva Hegedüs is one of the bank's founding co-owners (through her stake in E.P.M. Kft.). Having developed the digital business model, she has led the bank as its CEO since the outset. (Through E.P.M. Kft,) the CEO has remained a minority shareholder in the bank, and thus has an interest in increasing the bank's shareholder value not only as its chief executive officer, but also as an owner.

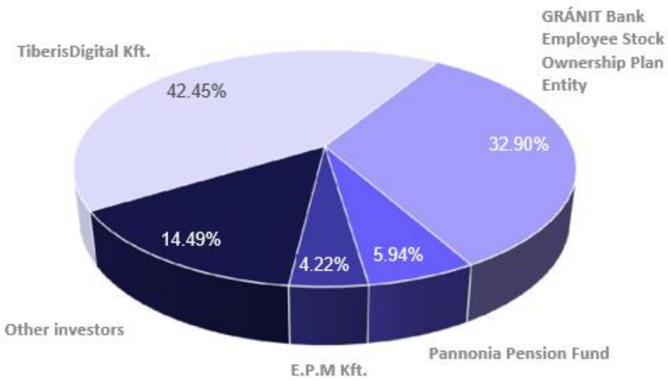
Since 2010, the Bank's ownership circle has gradually expanded to include institutional, financial and private investors.

In 2022, István Tiborcz became the Bank's key owner through Tiberis Digital Kft. The transaction was driven by the bank's innovative digital strategy and dynamic growth, while no changes were made to its strategy and management.

Gránit Bank launched its first employee share ownership programme (ESOP) in 2017, which was followed by three more. The main goal of the programmes was to further motivate employees to increase shareholder value in the long term. In October 2024, prior to the initial public offering, Gránit Bank's ESOP Entity completed a capital increase of HUF 30 billion, increasing its ownership stake to 32.90%.

During the IPO carried out in December 2024, HUF 17.7 bn of new capital was raised, 65% from private investors and 35% from institutional investors. Through the transaction, the Bank's ordinary shares were listed on the Budapest Stock Exchange. The shares were sold through Gránit Bank, Equilor Befektetési Zrt., MBH Bank Nyrt. and MBH Befektetési Bank Zrt. 61.6% of all accepted offers were subscribed with Gránit Bank; more than 90% of such subscriptions were made through the bank's mobile application, reflecting the investor community's commitment to digitalisation.

Gránit Bank Nyrt's ownership structure as at 31 December 2024



Name of shareholder	Proportion within ordinary shares
TiberisDigital Kft.	39.19%
GRÁNIT Bank Employee Stock Ownership Plan Entity	34.96%
Pannonia Pension Fund	6.31%
E.P.M Kft.	4.15%
Other small investors	15.39%
Total	**100.00%**

In the initial public offering carried out at the end of 2024, the shareholders E.P.M. Tanácsadó Kft., the GRÁNIT Bank ESOP Entity, MBH Gondoskodás Pension Fund, Pannónia Pension Fund and Tiberis Digital Kft. pledged not to sell or transfer their ordinary shares held prior to the transaction on the stock exchange or through an OTC transaction for a period until the end of the 6th month from the first day of trading of the shares (23.12.2024) (lock-up).
An exception to this commitment is the sale of the MBH Gondoskodás Pension Fund and the Pannónia Pension Fund pursuant to Section 9(1) of Gov. Decree No 281/2001 (XII. 26.) in order to comply with the law.

1.3 Ownership of securities issued by GRÁNIT Bank Nyrt. by persons performing managerial functions as at 31 December 2024

Type	Name	Job title	Start of order	End of order	Treasury shareholding
BoD	Éva Hegedűs	chairman and CEO, Chairman of the Board of Directors	2010	2027.	Indirectly, through E.P.M. Tanácsadó Kft. 61,375 preference shares and 750,143 ordinary shares

BoD	Péter Bence Jendrolovics	member of the Board of Directors, deputy CEO, Retail Division	2022	2027.	1727 ordinary shares
BoD	János Major	member of the Board of Directors, deputy CEO, IT and Subsidiaries Directorate	2022	2027	0
BoD	dr. Judit Tóth	member of the Board of Directors	2022	2027.	0
BoD	István Vida	member of the Board of Directors	2024	2027.	0
SB	Sándor Nyúl	President of the Supervisory Board	2012	2027	10,405 ordinary shares
SB	dr. Judit Gubuznai	member of supervisory board	2022	2027	0
SB	István Árkovics	member of supervisory board	2022	2027	200 ordinary shares
SB	Márton Oláh	member of supervisory board	2024	2027.	0
SB	Szabolcs Gábor Tóth	member of supervisory board	2024	2027	0
DCEO	Jenő Siklós	Deputy CEO, Financial and Operations Division (First Deputy CEO)	2011	n/a	53,934 ordinary shares
DCEO	László Balázs Hankiss	Deputy CEO, Strategic Division	2017	n/a	0
DCEO	Zoltán Nagy	Deputy CEO, Compliance Directorate	2013	n/a	100
DCEO	Zoltán Béla Tölgyesi	Deputy CEO, Corporate Division	2016	n/a	200

2. Corporate Governance Statement

GRÁNIT Bank Nyrt. is a credit institution domiciled in Hungary and therefore has a corporate governance system in accordance with the provisions of the Civil Code ('Ptk.'), which also governs businesses, and operates in compliance with the legal provisions applicable to credit institutions. In addition to the applicable legal requirements, it annually declares its compliance with the Corporate Governance Recommendations of the Budapest Stock Exchange, which is published on the website of the Stock Exchange (www.bet.hu) and the website of GRÁNIT Bank Nyrt. (www.granitbank.hu) once it has been adopted by its General Meeting.

2.1 System of internal controls

The Bank has developed and operates its internal lines of defence in accordance with the relevant legal requirements, supervisory requirements and the specificities, scope, complexity and risks of the service activities conducted by the Bank.

Accordingly, the Bank has developed and operates internal lines of defence that promote:

- the reliable and efficient operations of the Bank in accordance with laws and internal regulations,
- the protection of the Bank's assets, as well as the economic interests and social goals of its customers and owners,
- through these, the Bank's smooth and efficient operations and the preservation of trust towards the Bank.

The Bank's internal lines of defence comprise responsible internal governance and the internal lines of defence, such as the first line of defence (controls embedded in business processes), the second line of defence (risk control and compliance) and the third line of defence (internal audit). The Bank ensures the implementation of responsible internal management by establishing and operating the organisational structure, organisation and system of bodies and commissions defined in its Organisational and Operational Regulations, and by exercising management and control functions. The tools of the internal control functions are risk control functions, the compliance function and the internal audit function. The Bank's separate policies govern these tools, which are independent of each other and the functions they control.

The Bank has detailed risk management policies in place, which cover all types of risks and are in line with national and EU legislation governing prudent banking practices.

2.2 IT controls

Gránit Bank has the necessary regulatory framework in place for the operation of its IT systems, and its policies are in compliance with the applicable legal requirements.
IT investments and improvements are determined on the basis of business objectives.
The Bank's applications are developed by contracted development partners. Gránit Bank applies risk-based administrative, logical and physical control measures to protect its IT systems for data storage and management.
The Bank:

- has a data asset management system that ensures appropriate physical and logical controls are in place;
- has an IT risk management system that is capable of effectively managing risks to IT systems;

- has operational instructions and technical and accounting documents in place for the operation of its IT systems;
- has an adequate level of physical protection to safeguard its IT systems;
- access to data and systems is only possible on the basis of a predefined authorisation management process based on the necessary minimum principle (ensuring the segregation of responsibilities and regular monitoring of access rights and the timely revocation of access for staff members leaving the company);
- user authentication, authorisation assignment and password management are controlled and monitored;
- the test environment of IT systems is separate from the live environment and an appropriate change management process is in place;
- IT systems are protected by appropriate network perimeter protection and security devices, segmentation, and network communications are secured by encryption;
- the regular backup and storage of the IT system storing and managing the data are properly controlled, and
- the secure long-term retention of backup media is ensured;
- high availability of IT systems is provided to ensure business continuity and disaster resilience of the IT systems which store and manage data;
- a Disaster Recovery Plan (DRP) to recover critical systems and a Business Continuity Plan (BCP) to manage critical business processes are in place, tested and reviewed annually in accordance with internal policies;
- confidential storage, availability, integrity and authenticity of log files are ensured;
- in its regulatory system, IT security requirements are adequately ensured;
- IT and related policies are regularly reviewed and updated at the intervals specified in the relevant policies and in the event of major changes;
- ensures that vulnerability scans and penetration tests are carried out on its IT systems on an ongoing basis;
- maintains a software inventory that includes the software that can be installed, tolerated or prohibited on IT equipment;
- regularly organises data protection and IT security training and awareness campaigns for its employees.
- the protection of its IT systems against malicious code is continuous and up-to-date;
- ensures that vendor patches and updates for the environments used are installed regularly;
- implements data leakage protection solutions to mitigate data leakage risks;
- ensures continuous monitoring of its IT infrastructure and the detection and management of incidents;
- ensures that the measures implemented by the IT organisation are documented at an appropriate level, which ensures adequate traceability of the implementation of data security requirements;
- ensures the appropriate handling, safe storage, deletion and, where necessary, destruction of data media;
- enforces data protection requirements at the design stage and throughout the life cycle of the IT system storing and processing personal data;
- has appropriate Incident Management Procedures in place which adequately cover the relevant actions from the detection of an incident until its closure.

- has a procedure for teleworking in place, which includes the applicable technical and safety requirements;

2.3 Risk management

The Bank's internal lines of defence comprise responsible internal management and second- and third-line internal control functions that complement the controls built into the business processes (i.e. the first line of defence).

The second line of defence includes the risk control function and the compliance function, while the third line of defence comprises the internal audit function (collectively referred to as 'internal control functions'). The internal control functions are independent of each other and of the departments and activities they control and supervise.

The Bank's risk management organisation has been designed along the internal lines of defence.

The Bank operates a Risk Management Directorate and a Problem Case Management Department as part of its first line of defence, a Risk Management Methodology Directorate performing the risk control function as part of the second line of defence and a Compliance Directorate performing the compliance function.

The risk management organisation is complemented by a complex structure of internal committees. In the risk area, the Bank has the following committees in place:

- Lending Committee
- Asset-Liability Committee
- Problem Claims Committee

As part of its responsible internal governance, the Bank has a Board of Directors and a Supervisory Board to carry out the management and supervisory functions respectively.

In its annual report, the Bank provides information on the operation of its internal control system and the effectiveness of its risk management procedures.

The Bank manages its risks prudently and conservatively, and makes sure that its customers should not become indebted to an extent over their capacity of repayment, which must not be exceeded even during a potential economic turbulence.

The Bank's portfolio of assets is of impeccable quality thanks to the Bank's exceptionally well-regulated and conservative risk-taking policy.

The Bank develops its portfolio in compliance with conservative risk management and prudent business policy to ensure the best possible quality of it. The Bank's risk management strategy and policies are reviewed annually with the involvement of the relevant areas and are approved by the Board of Directors.

The organisational framework of the process by which risk appetite can be established, the extent of the risks undertaken can be monitored and continuously maintained, has been set out within the risk strategy. The Bank does not limit risk management activities to the risk management areas only, as being a company with a risk-conscious approach, the management of the Bank's risks is also the responsibility of its governing body, its management and employees alike.

The main principles of the policies pertaining to risk mitigation and credit risk coverage, the strategies and processes for risk mitigation and the control of the effectiveness of credit risk coverage tools, as well as the key aspects of the measurement of collateral, are set out in the Bank's Collateral measurement policy.

Key elements of the Bank's effective risk management activities

1. effective communication of risks and risk appetite within the organisation,
2. continuous improvement in the identification, measurement, monitoring and management of risks,
3. keeping key risk management processes and procedures up-to-date and user-friendly,
4. improving the performance of risk management processes; and
5. employing an appropriately skilled workforce.

2.4 Description of the Bank's internal control system

The internal control system of Gránit Bank Nyrt covers the entire operation of the Bank and the Banking Group, all members and departments of the Group, including those areas with internal control functions and special control functions and tasks, as well as its business processes and activities, including outsourced activities.

The Bank has designed its internal control system in accordance with the specific nature, scope, complexity and risks of the service activities it performs. The internal control system is based on the Bank's databases and is supported by comprehensive analyses and risk assessments.

The control system consists of embedded controls, ex-ante and ex-post management controls, as well as independent internal and external audits; it also includes a management information system.

Internal Audit is managed and supervised by Gránit Bank Nyrt's Supervisory Board in accordance with the applicable provisions of the Credit Institutions Act.

As part of managing the internal control system, the Supervisory Board approves the annual audit plan of Internal Audit, discusses and approves the reports prepared by Internal Audit at least every six months, monitors the implementation of the necessary measures and, if necessary, assists Internal Audit by hiring external experts.

The functional structure of the Bank's internal audit organisation is as follows:

- Group audit and methodological development
- General banking controls
- IT and digitalisation audit

Internal Audit draws up an annual summary report and a semi-annual periodic report on its activities and submits it to the Supervisory Board. The annual summary report drawn up by Internal Audit also covers climate change and environmental risks.

Internal Audit also forwards its audit reports to the Supervisory Board for approval as part of its half-yearly, annual and, where appropriate, ad hoc reporting.

The control system applied at Banking Group level ensures the auditing and functional control of members of the Banking Group concerned. The purpose of the system is to monitor the control environment at subsidiaries, to apply internal control methods in line with international best practices at Group level, to ensure the quality of internal control activities and to regularly inform the Bank's Management Boards of the risks identified by the audits.

Members of the Banking Group develop the internal control methodology at individual level in accordance with the Bank's Internal Control Methodology, and regularly provide data and information on the performance of the individual level control functions in order to ensure the effective operation of internal controls at Group level.

2.5 Shareholders' Meeting

The Bank's supreme governing body is the General Meeting of shareholders. The procedure for convening and operating the General Meeting, and the way in which participation and voting rights are exercised, are laid down in the Articles of Association.
The General Meeting shall be convened at least once a year by the Board of Directors. The person entitled to exercise a shareholder's rights at the General Meeting is the person whose name appears in the register of shareholders at the time of its closure. Shareholders may exercise their rights to attend the General Meeting and cast their votes there in person or by proxy. The shareholder or shareholder's proxy can participate in the General Meeting if they were registered in the register of shareholders no later than the second working day before the start of the general meeting.
Holders of ordinary registered shares of a nominal value of HUF 1,000 each (ISIN: HU0000094149) are entitled to vote per share at a rate corresponding to the nominal value of their shares. Holders of Series D preference shares (ISIN: HU0000123187) of a nominal value of HUF 1,000 each shall be entitled to ten times the voting rights attached to the nominal value of one share for the decisions described in Section IV.2(2)(b) of the Bank's Articles of Association, while they shall be entitled to the same voting rights as holders of ordinary shares for all other decisions. The Bank's Articles of Association do not restrict the transfer of ordinary shares.
The General Meeting must be convened at least thirty (30) days before its start date, by means of an invitation (announcement) published in accordance with the provisions of section XIV of the Articles of Association. A duly convened General Meeting shall constitute a quorum if it is attended by right holders representing more than half of the votes entitled to be cast. If the quorum is not present, a reconvened General Meeting shall be quorate for matters on the original agenda, irrespective of the voting rights represented by those present, provided that it is convened at least ten days and not more than twenty-one days after the original date.

Unless otherwise provided by the Civil Code or the Articles of Association, the resolutions of the General Meeting require a simple majority of the votes of the shareholders present. In matters listed in points V.1(2)(a), (b), (c), (g), (j) and (q) of the Articles of Association, the proposal for a decision shall be adopted by a majority of at least three-quarters of votes. The decision according to subsection V.1(2) point (o) must be adopted with at least 75% of the votes represented by the shares present. When adopting a resolution of the General Meeting, Section 3:19 (2) of the Civil Code shall not apply, i.e. when adopting resolutions of the General Meeting, a vote can be cast by a person who otherwise under Section 3:19(2) of the Civil Code would not have the right to vote on that decision.
The method of exercising voting rights (show of hands, use of ballot papers, etc.) shall be proposed by the Board of Directors and decided by the General Meeting under the agenda item following the election of the officers responsible for conducting the General Meeting.

Minutes of the General Meeting must be taken. The Board of Directors shall place and retain the minutes of the General Meeting and the attendance register among its own documents. The Board of Directors shall submit (a summary of) the minutes of the General Meeting and the attendance register to the court of record within thirty days of the conclusion of the General Meeting. Any shareholder may request the Board of Directors to issue a copy of the minutes of the General Meeting or an extract containing a part of the minutes.

2.6 The Bank's Board of Directors, Supervisory Board and Management

The group of managers responsible for the Bank's operational management and administration has remained virtually unchanged since the foundation of the Bank.
The table below shows the composition of the Board of Directors, the Supervisory Board and the Management as at the end of December 2024.

The Bank's management has remained almost unchanged since the beginning

Board of Directors	Supervisory Board
Éva Hegedüs (Chairperson & CEO)	Sándor Nyúl (Chairperson)
Péter Bence Jendrolovics (Deputy CEO)	István Árkovics
János Major (Deputy CEO)	Dr. Judit Gubuznai
István Vida (External member of the Board of Directors)	Márton Oláh
Dr. Judit Tóth (External member of the Board of Directors)	Gábor Szabolcs Tóth

Member of the management	Job title
Éva Hegedüs	Chairperson & CEO
László Balázs Hankiss	Deputy CEO, Strategic and Analytical Division
Péter Bence Jendrolovics	Deputy CEO, Retail Division
János Major	Deputy CEO, IT and Subsidiaries Coordination Division

Zoltán Nagy	Deputy CEO, Compliance Division
Jenő Siklós	Deputy CEO, Financial and Operations Division (First Deputy CEO)
Zoltán Béla Tölgyesi	Deputy CEO, Corporate Division

Audit Committee	Job title
Sándor Nyúl	Member of the Audit Committee
dr. Judit Gubuznai	Member of the Audit Committee
Márton Oláh	Member of the Audit Committee
Szabolcs Gábor Tóth	Member of the Audit Committee

The résumés of members are included in the Responsible Corporate Governance Report.

Changes in personnel

On 14 October 2024, the General Meeting elected Mr. István Vida as a member of the Board of Directors of the Bank for a fixed term from 13 November 2024 to 31 May 2027. The mandate of Mr. László Balázs Hankiss as a member of the Board of Directors ended on 13 November 2024.

On 14 October 2024, the General Meeting elected Mr. Márton Oláh and Mr. Gábor Tóth Szabolcs as members of the Supervisory Board of the Bank for a fixed term from 13 November 2024 to 31 May 2027. With the election of Mr. Márton Oláh and Mr. Gábor Tóth Szabolcs, the term of office of Ms. Gyuláné Lajtos and Mr. István Vida as members of the Supervisory Board ended on 13 November 2024.

On 14 October 2024, the General Meeting elected Mr. Sándor Nyúl, Ms. Judit Gubuznai, Mr. Márton Oláh and Mr. Gábor Tóth Szabolcs as members of the Bank’s Audit Committee. Members of the Audit Committee remain in office for a fixed term, i.e. until the expiry of the term of office of the members of the Supervisory Board.

2.7 Operation of Bodies

The Bank has a dual governance structure, where the Board of Directors acts as the management body of the company with governance powers, while the Supervisory Board acts as the company’s management body with supervisory powers, which is responsible for monitoring the Bank’s management, its business affairs, the legality of its operations and, among other things, for adopting the provisions of the Remuneration Policy of the Banking Group. The Audit Committee, as a body, facilitates the effective functioning of the Supervisory Board and monitors the internal control, risk management and reporting systems and the auditor’s activities. The Board of Directors has set up and maintains standing committees and other committees to support its management functions, including the Management Committee, the Asset-Liability Committee, the

Lending Committee, the Problem Claims Committee, the Subsidiaries Committee and the Committee for Preventing Money Laundering and Terrorist Financing Activities.
The Bank has other standing committees in place to ensure effective operations, including the Consequences Management and Ethics Committee, the Breach of Confidentiality Management Committee and the Fraud Management Committee.
Each year, the Bank reports on the functioning of the bodies and committees listed above in the Corporate Governance Report.
In 2024, the Board of Directors met 7 times, while the Supervisory Board was convened 6 times and the Audit Committee met 3 times. In addition to the meetings, 97 resolutions were adopted by written vote for the Board of Directors and 35 for the Supervisory Board.

2.8 Information about the voting securities issued by the Company and about the Company's ownership structure

The Bank's share capital consists of listed ordinary shares and Series D Preference Shares (Voting Preference Shares).

31.12.2024	Nominal value (HUF)	Number of shares	Number of votes per share in general issues, i.e. issues not covered by Series D preference shares	Total number of votes in general issues, i.e. issues not covered by Series D preference shares	Number of votes per share in issues covered by Series D preference shares	Total number of votes in issues covered by Series D preference shares
Ordinary shares	1,000	18,091,889	1	18,091,889	1	18,091,889
Series D preference shares	1,000	1,131,188	1	1,131,188	10	11,311,880
Total		**19,223,077**		**19,223,077**		**29,403,769**

* According to the Company' Articles of Association.

The holders of ordinary shares shall be entitled to voting rights per share as afforded them in accordance with the nominal value of the share.

Each voting preference share has ten times the voting rights attached to the nominal value of the share in the following decisions, which fall under the exclusive competence of the General Meeting according to the Civil Code, under the Articles of Association:

(a) the election, removal and remuneration of members of the Board of Directors, its Chair and Vice-Chair, and
(b) the election, removal and remuneration of members and the Chair of the Supervisory Board;
(c) the establishment and termination of the employment of the Chief Executive Officer; and
(d) the increase of the share capital or the authorisation of the Board of Directors to increase the share capital.

The Voting Preference Shares, in all other respects, confer rights equal to Ordinary Shares.

The voting preference shares have not been listed on the stock exchange.

Gránit Bank's ownership structure by share class is as follows:

Name of shareholder	Ownership and general voting ratio (%)	Indirect influence on matters relating to Voting Preference Shares (%)
TiberisDigital Kft.	42.45%	60.50%
Gránit Bank Employee Stock Ownership Plan Entity	32.90%	21.51%
Pannonia Pension Fund	5.94%	3.88%
E.P.M Kft.	4.22%	4.64%
Other small investors	14.49%	9.47%
Total	**100.00%**	**100.00%**

The voting rights attached to shares are not restricted. The Company is not aware of any agreement between its shareholders that may result in any restriction on the transfer of the issued shares or the voting rights.

2.9 Description of the powers of senior officers, in particular as regards their powers to issue and buy back shares

The exclusive powers of the General Meeting as defined in Section V.1(2) of the Articles of Association shall include (but is not limited to) the following:

a) the establishment and amendment of the articles of association (unless the Civil Code provides otherwise),
b) election, recall and determining the remuneration of the members, chair and vice-chair of the Board of Directors and of the members and chair of the Supervisory Board, decision on the establishment and termination of the employment of the CEO as the person in charge of the Company's work organisation and who performs the operative management of the Company, election, recall and determination of the remuneration of the Auditor based on the proposal of the Supervisory Board.

In matters listed in point V.1(2)(a) of the Articles of Association, the proposal for a decision shall be adopted by a majority of at least three-quarters of votes.

Unless otherwise provided by the Civil Code or the Articles of Association, the resolutions of the General Meeting require a simple majority of the votes of the shareholders present.

2.10 Description of the powers of senior officers, in particular as regards their powers to issue and buy back shares

The executive body of the Company is the Board of Directors elected by the General Meeting, consisting of the chair, the vice-chair and other members of the Board of Directors.

The work organisation of the Company is headed by the chief executive officer who performs the operative management of the Company and is also the chair of the Board of Directors, and whose duties and competence are determined by the Board of Directors. If the chair of the Board of Directors is unavailable, his/her competence is exercised by the vice-chair of the Board of Directors.

The Board of Directors carries out its activities in accordance with the legislation in force, the Articles of Association, the resolutions adopted by the General Meeting, the Company's internal regulations and the provisions of the Rules of Procedure of the Board of Directors. The Board of Directors exercises the rights conferred on it by the Articles of Association and decides on matters falling within its exclusive competence. The matters within the exclusive competence of the Board of Directors are set out in the Articles of Association.

The Board of Directors shall have exclusive competence in the following areas:

a) acceptance of the Company's organisational and operational regulations,
b) acceptance and submission to the General Meeting of the Company's financial statements under the Accounting Act, and making proposals for the use of the after-tax profit,
c) decision on the increase of the share capital based on the authorisation granted by the General Meeting,
d) decision to acquire treasury shares based on the authorisation of the General Meeting,
e) with the prior approval of the Supervisory Board, a decision on the payment of dividends in place of the General Meeting,
f) exercising of the employer's rights with respect to the employment of the Company's chief executive officer and Deputy CEO as well as the chair of the Company's Board of Directors, subject to the provisions of Article VI.1 (2) d) of the articles of association,
g) maintenance of the Company's business books in compliance with the rules,
h) appointing of the Company's employees authorised to sign for the Company,
i) acceptance of the annual business plan of the Company,
j) approving new customer limits above the amount set in the procedural rules of the Board of Directors,
k) reporting on the management and on the Company's net worth position and business policy at least once a year to the General Meeting and every three months to the Supervisory Board,
l) maintaining the Company's register of shareholders (unless the Civil Code or the articles of association provide otherwise),
m) approving decisions relating to the establishment, operation and dissolution of the ESOP entity, and on the related costs and expenses, within the limits set out in the Company's Remuneration Policy,
n) making proposals regarding the latest Remuneration Policy system,
o) being responsible for implementing the Remuneration Policy as approved and reviewed by the Supervisory Board,
p) performing other tasks as defined by law or by the authorisation granted by the statutory provisions or by resolutions of the General Meeting,
q) taking all decisions that do not fall within the exclusive competence of the General Meeting, and that are not referred to the competence of another corporate body by the Company's organisational and operational regulations or the Board of Directors' rules of procedure.

The Board of Directors is authorised to accept the interim balance sheet – in connection with the exercising of rights related to redeemable shares, the acquisition of treasury shares, the payment of dividend advances and increases in share capital that are charged to assets in excess of the share capital – subject to the consent of the Supervisory Board.

2.11 Diversity policies for the Bank's management, executive and supervisory bodies

The Bank's policy places a strong emphasis on ensuring diversity in the selection of its executive bodies and management. The promotion of diversity and inclusiveness is considered a key factor that contributes to the long-term success of the Bank. It ensures that people from different backgrounds, experiences and perspectives can work together to enhance creativity, innovation and the ability to solve problems. This is particularly important for the management and supervisory bodies, where strategic decisions are made and the Bank's direction is shaped. It is considered of paramount importance that professionalism, high-level managerial and human competences, a broad educational background and business experience are taken into account when nominating members of the Bank's managing and executive bodies. In the selection process, the Bank takes into account people's reputation for integrity and reliability. In addition, the Bank is committed to promoting diversity and pays particular attention to increasing the participation of women. In filling senior management positions, the Bank seeks to ensure that both sexes are adequately represented, while also taking into account the principles mentioned above. According to the Bank's strategy in force, the Board of Directors has two female members, while the Supervisory Board has one. As the Bank is a public limited company, the election of the members of the executive bodies is the exclusive responsibility of the General Meeting, which means that, other than the nomination of candidates, the Bank has no substantive influence on its decisions. The Bank's Board of Directors and the Supervisory Board each consist of five members, with a total of three women members in the two Boards. The Bank's management currently consists of seven members, including one female member. Overall, 58% of the Bank's employees are women, while 42% are men.

Hungary was characterised by low production rates and a weakening currency.
GDP grew in most EU countries, except Germany, Hungary's most important commercial partner.
In the EU, the negative outlook for industrial production, the ongoing Russian-Ukrainian war and the geopolitical situation that this entails pose a major risk to economic growth in 2025.

3. Macroeconomy[1]

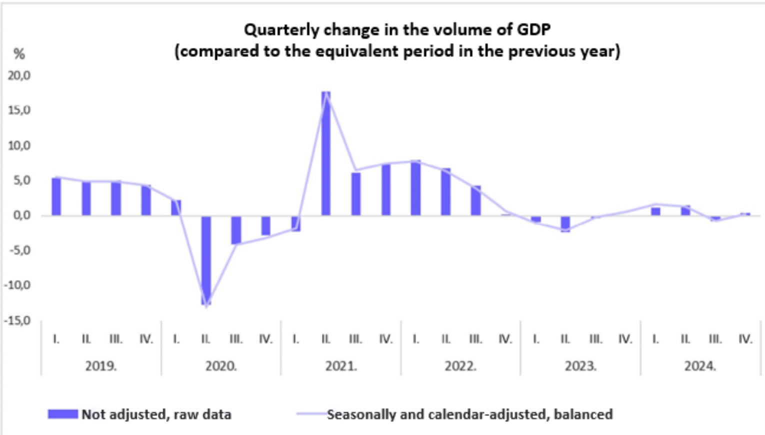
0.6% growth in gross domestic product is expected in 2024 for the Hungarian economy. Moderate growth is therefore expected in 2025, supported by rising household consumption. Prior to the pandemic, the Hungarian economy continued to grow at an annual average rate of 4.1%, which has now slowed down significantly. Inflation in Hungary has slowed to 3.7%. Hungary's credit rating with the major credit rating entities is as follows: Moody's: Baa2 (negative outlook), S&P: BBB- (stable outlook), Fitch: BBB (stable outlook).

3.1 Gross domestic product (GDP)

According to raw data, economic output was 0.5% higher in 2024 than in the previous year, while it was 0.6% higher according to seasonally and calendar-adjusted and balanced data. While the economy grew by 0.2% in the last quarter, it had contracted by -0.7% year-on-year in the third quarter. The first two quarters showed a slight increase on a quarterly basis (1.6 and 1.3 q/q). The slowdown in the second half of the year was due to a decline in industrial production in the heavy industry, construction and agriculture sectors, while there

[1]The chapter on Macroeconomy is based on the Inflation Report of the National Bank of Hungary for Q4 2024 and the Economic Report of the Hungarian Statistical Office for Q1-Q3 2024.

was growth in the services sector. Domestic consumption started to rise slowly in parallel with the rise in real wages. A sharp fall in investment restrained growth by about 4 percentage points. Investment fell in sectors producing for the domestic and export markets, in the public sector and in sectors indirectly linked to the government. This contraction was only partly offset by an increase in household investment.
The unemployment rate dropped to 4.3%. Employment in the private sector remained level. The unemployment rate for the year as a whole was at its lowest in September and October compared to the previous months, while demand for labour also declined.



Source: KSH

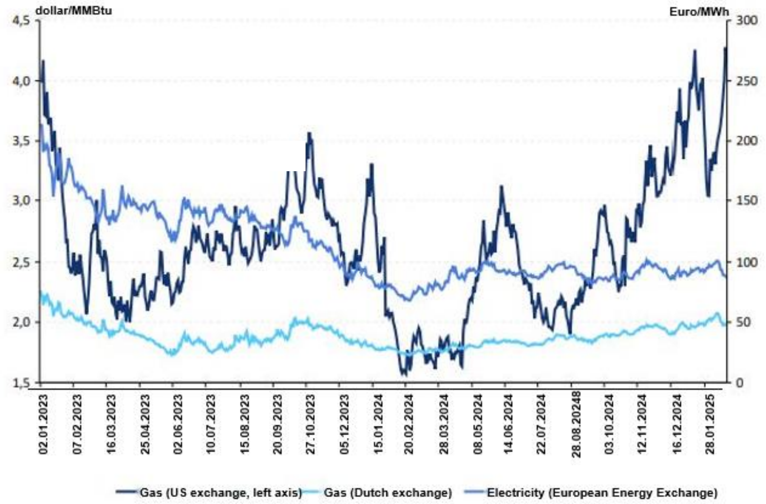
3.2 Changes in the interest rate environment

By the end of September of the period under review, the MNB cut the base rate by 425 basis points to 6.5%, leaving it unchanged ever since. Interbank interest rates (BUBOR) have fallen steadily to 6.5-6.4% in line with the base rate. Of the major central banks, the European Central Bank (ECB) cut its key policy rate by 25 basis points twice, in October and December. The Federal Reserve, acting as the US central bank, cut the federal funds rate by a quarter of a percentage point to between 4.25% and 4.5% at its December policy meeting. In the Central and Eastern European region, the Czech central bank continued to cut its base rate, while the Polish and Romanian central banks left their policy rates unchanged.

The 10-year US bond yield rose to 4.24%, while the German yield dropped to 2.12%. Long yields rose by 10 to 40 basis points across the region. The US dollar strengthened significantly against emerging market currencies towards the end of last year, while it appreciated by 6% against the euro, 4.3% against the Swiss franc and 7.1% against the Japanese yen. In contrast to other currencies in the region, the Hungarian forint weakened significantly toward the end of last year. Both government bond yields and interbank market yields rose.

The MNB’s NHP GO! and NKP programmes were exhausted by the end of 2021 and have not been renewed. In 2023, the Hungarian government launched the Gábor Baross Re-industrialisation Loan Programme for enterprises with a budget of HUF 700 billion. In October 2021, the MNB launched the Green Home Programme as a continuation of the Growth Loan Programme (NHP). For domestic individuals, the ‘baby loan’ programme was launched, the first phase of which expired in 2022 and was extended until the end of 2024.

The per barrel price of Brent crude oil saw significant fluctuations. Its price fluctuated around USD 70-82 in October, around USD 70-75 in November and around USD 71-74 in December. In Europe, the prices of natural gas and electricity were at levels last seen before the Russian-Ukrainian conflict, while prices on the global market fluctuated around EUR 40-50 per MWh.



Source: Bloomberg.

The exchange rate of the Euro fluctuated between HUF 377 and HUF 415, closing the year at HUF 410.09. Market forecasts suggest that the HUF/EUR exchange rate could move between HUF 410 and HUF 450 in 2025.
Hungary’s country default spread (CDS) rose to 125 points in 2024.

3.3 Financial institutions sector

The unconsolidated balance sheet total of credit institutions was 6.6% higher at the end of 2024 than a year earlier. The annual growth rate of loans to customers (including bonds issued by businesses and credit institutions) was 8.0% in 2024. Of that growth, loans to non-financial corporations grew by 5.3%, while loans to households increased by 10.7%.

To boost lending to small and medium-sized enterprises and support SME growth, on 1 June 2013, the MNB launched the Funding for Growth Scheme

(FGS), which revitalised lending to the SME sector in two phases. The NHP had a positive impact on investment activity, employment and economic growth. In early 2016, the third phase of the FGS was launched as part of a growth support programme to help banks to switch to market-based lending; at the end of 2018, the MNB announced a new FGS Fix programme to maintain the growth rate of lending to the SME sector, and in 2019 it also announced the Bond Funding for Growth Scheme for companies. On 20 April 2020, the MNB launched the FGS Go! scheme, as part of the FGS, to provide micro, small and medium-sized enterprises with a fast and reliable solution for financing their latest investments and their operations, in order to mitigate the negative economic impact of the coronavirus and avoid disruptions in the credit market.

In 2021, the FGS Go! and Bond Funding for Growth Schemes were exhausted. For the rest of the year, lending was supported by the Garantiqa crisis guarantee schemes, the schemes available under the Széchenyi programmes and those offered by MFB and Eximbank. In October 2021, the NHP Green Home scheme was introduced in order to promote environmental sustainability in the domestic housing loan market, which could contribute to stimulating the demand for and thereby the supply of green homes.

In February 2023, the Government launched the Gábor Baross Reindustrialisation Loan Programme (Baross Gábor Újraiparosítási Hitelprogram, BGH), which was available to businesses and had an overall budget of HUF 700 billion. With this, in 2023 the Government will provide financing sources of approximately HUF 3,000 billion, equivalent to 4 percent of GDP, to companies through the loan and capital programmes of the Hungarian Development Bank (*Magyar Fejlesztési Bank*, MFB) and Eximbank, as well as the Széchenyi Card (SZKP) programmes. The BGH can be used for any credit purpose on a forint and euro basis. The Programme provided an additional interest discount for investments that improve energy efficiency.

An important contributing factor to the growth in household loan volumes was the borrowing linked to the "babaváró" support scheme for expectant mothers launched in July 2019, a product that has served as a catalyst for growth in retail lending in general in 2022, while the measures launched under the Family Protection Action Plan will also provide support for an upswing in demand for loans.

In October 2024, the Hungarian government announced a 21-point economic policy action plan, which includes recovery measures. As part of those measures, the Worker Loan scheme was launched in January 2025 to encourage young workers without a college degree to take out loans. The Village Home Renovation Programme was launched at the same time. As part of the Economic Policy Action Plan, a large-scale equity financing programme for SMEs, the Sándor Demján Programme, an SME Investment Incentive Programme, was also launched in January 2025, followed by the EXIM Bank Export Support Programme.

3.4 Outlook

In 2020 the fight against the coronavirus epidemic and in 2021 the economic recovery determined economic developments. In 2022 it was the consequences of inflation and the Russian-Ukrainian conflict (high inflation, sanctions, fluctuating energy prices) that shaped monetary and economic policy responses, while 2023 was about falling inflation and interest rates, as well as a shrinking and stagnating economic growth. In 2023, consumer prices remained high but increased at a decelerating rate from the second half of the year, and interest rates were still high on an annual average basis. 2024 saw a decline in both the

growth rate of consumer prices and the interest rate environment and the rate of inflation came within the MNB's tolerance band, while gross domestic product growth remained low. The Russian-Ukrainian conflict has remained unresolved while a new war-torn situation has emerged in the Middle East.
In 2024, consumer prices in Hungary rose by 3.7% on an annual basis. In January 2025, inflation continued to rise, temporarily creeping above the MNB's tolerance band. However, it is expected to fall during the year and will probably reach the desired 3% rate only in January 2026. In 2025, we will see a depreciation of the foreign exchange rate and changes to the consumption tax regime. Core inflation will remain at the current level of around 4.5% in the coming months, before it starts to moderate from spring 2025 to around 3% in the second half of the year. Inflation is expected between 4.5 and 5.5 percent in 2025 and between 2.5 and 3.9 percent in 2026 and 2027.
In the real economy, GDP growth will primarily be driven by the services sector, while industrial output, construction are expected to weigh on growth, along with agriculture due to adverse weather conditions in 2024.
In terms of growth in 2025, domestic consumption by households and net exports should contribute to growth, while investments are expected to decline. Growth may resume in the world and in Europe in mid-2025.
In 2025, investment levels will stabilise in both nominal and real terms. Domestic industrial production and exports will be driven by external economic activity, such as a recovery in exports, vehicle manufacturing and battery production.
The Hungarian economy is expected to grow by 1.8-2.5 percent in 2025, 3.7-4.7 percent in 2026 and 2.5-3.5 percent in 2027.

4. Gránit Bank's business strategy

Gránit Bank's digital strategy has remained unchanged since its foundation, using innovative digital channels to provide high quality financial services to businesses and individuals.

Gránit Bank is committed to improving the competitiveness of the Hungarian economy, aims to serve household customers and companies as a strategic partner, and to provide innovative and integrated financial services as a result of which finances can be managed simply, conveniently and quickly, as well as flexibly in terms of time and space.

A key element of Gránit Bank's strategy is to provide corporate and retail customers with clearly understandable, yet high-quality and value-added financial services through customised solutions in the context of a cost-effective operating model. Gránit Bank wishes to leverage all the technological advances of the digital development to provide a fast, safe and convenient customer service, while at the same time considering the environmental and sustainability ramifications of its business, and for this reason it ascribes a key role to the provision of services through electronic channels.

Gránit Bank is a partner in the pre-financing and co-financing of state and EU subsidies, and has an interest in the long-term operation of the projects thus implemented. In this regard the Bank relies, in strategic terms too, on relationships with large corporations that, with the Bank's active involvement, can help stimulate the small and medium-sized enterprise sector.

Other key areas of the Bank's strategy include the provision of retail payment services, the sale of diversified account packages and bank cards based on varied customer requirements, the provision of investment services, and the sale of home loans, home improvement loans, "babaváró" loans, green loans and overdrafts to its customers. The Bank also builds on the owners and employees of its corporate clients using financial services, who can also conduct their daily personal banking at Gránit Bank on favourable terms.

The basis of the Bank's strategy is to develop its services for retail and corporate customers in line with the latest developments in electronic banking, and at the same time to optimise its internal processes for this purpose. The changes in the available means of using banking services as well as their development, in parallel with the spread of the internet and mobile devices (laptops, smart phones, tablets), have generally resulted in the vast majority of transactions already being conducted electronically, while a considerable proportion of sales are no longer generated by the traditional branch networks, and sales of financial services – including the opening of first accounts – over the internet are also growing.

The Bank's digital business model uses resources efficiently while supporting a sustainable economic structure.

Gránit Bank's business model results in lower costs compared to the average for the banking sector (in terms of operating costs/total assets, Gránit Bank's 1.0% figure is already significantly better than the 2.3% average for the banking sector, net of bank tax and extra profit tax), and this allows the Bank to provide customers with sustainably competitive terms while still achieving a high rate of return and profitability. Gránit Bank's adjusted operating cost/balance sheet total (net of bank tax, extra profit tax and transaction tax) ratio is 0.89%. This banking strategy is in line with the changes in customer habits, as numerous international and domestic research studies show that the proportion of people who bank online, and more specifically, on their mobile phones, is growing.

The Bank achieved profitable operations significantly sooner than the international benchmark, in its fourth full business year, and has consistently posted a profit ever since, and 2024 was its eleventh profitable year.

The Bank has achieved an average balance sheet growth of 45% over the past fourteen and a half years, proving that customers satisfied by high-quality, innovative financial services offered at favourable terms can be acquired even in a highly competitive environment.

Innovative digital solutions simplify everyday finances

Innovation is the driving force behind Gránit Bank's growth and the cornerstone of its strategy, with which the Bank aims to simplify and facilitate for its customers what are traditionally considered complex financial transactions. Gránit Bank regards the continuous expansion of its range of convenience services provided to customers as a fundamental business objective.
Gránit Bank has always been at the forefront of online banking. It was already possible to open a retail account online simply and quickly, but on 20 July 2017, immediately after it had fulfilled the required legal conditions, Gránit Bank became the first in the country to launch an online retail account-opening function linked to video-based authentication, with its state-of-the-art Gránit Bank VideoBank service. Thanks to this development, the Bank's prospective retail customers are able to open a fully usable retail bank account from anywhere in the country without having to show up in person or visit a branch. For the first time in Hungary, with this innovative service a bank account can be opened on a smartphone, laptop or desktop computer. An account can be opened in as little as 15 minutes, during which time the customer receives their contract and can already transfer money to the account they have opened. Experience shows that more than 99% of the Bank's retail customers open their account in VideoBank or via another online channel.

Customers can manage their day-to-day financial matters via NetBank, using a computer or an application optimised for smartphones, and monitor their card transactions via text message. Gránit Bank uses electronic signatures, so all bank certificates and documents are available to customers via the NetBank. If the customers have questions, they can use the live-voice call centre or VideoBank, which provides the personal banking experience mentioned earlier. The VideoBank service, introduced in 2012, has created a unique opportunity on the Hungarian market for customers to deal with a member of the Bank's staff in person, receive official banking documents and perform various banking transactions without travelling or standing in line.

In 2014, the Bank introduced the innovative Gránit eBank service, which has been continuously developed since then for the convenience of customers. The award-winning mobile app not only makes day-to-day financial management faster and simpler, but also more cost-effective and environmentally friendly for customers. The application includes a number of innovative, security and convenience features. The new feature in 2015 was that customers would receive free iSMS messages after their transactions, instead of the previous SMS format.

Launched in 2016 as the first service of its kind to be introduced in Europe, Gránit Pay is a new-generation mobile banking wallet, which is able to digitise a bank card in a few seconds, after which the NFC compatible Android phone can be used to pay at touch-pay enabled POS terminals.

In the summer of 2018, for the first time in the Hungarian banking market, Gránit Bank's mobile banking application (Gránit eBank) was extended to include a cost-

analysing financial management function (My Finance), a function that until then had not been integrated into any mobile banking application. The module of eBank shows the expenditures and revenues, which are represented by the app's self-learning algorithm on charts, in a monthly breakdown, categorised by type.
Customers were able to block and unlock their card through the app before, as well as to set limits on card transactions (separately for purchases via a physical POS terminal, for ATM cash withdrawals and for online purchases), and in 2018 it became possible to launch payments and open term deposits through the app.
With these services, customers can effectively hold their personal bank branch in their hands via their smartphones, reflecting the Bank's slogan "My mobile is my branch". The application can be downloaded from the App store, the Android marketplace or the Google Play webshop. This solution is becoming more and more popular among customers, as the smartphone is effectively the new bank branch that can be accessed at the touch of a button without having to travel or queue, and through which customised solutions needed to achieve private or business goals are immediately accessible.
New additions in 2019 include, as part of the drive to expand digital functionality, the option of opening a securities account and purchasing government securities through VideoBank, which is also available via the internet banking system. Besides this, the Bank introduced a function enabling retail customers to apply for a "babaváró" loan online, and added ApplePay to its own GránitPay function.

Among the innovations introduced in 2020 are the launch and acceptance of payment requests through the Instant Payment System and the possibility to make payments based on the MNB standard QR code. The account opening process has been revolutionised by artificial intelligence, which enabled Gránit Bank to be the first in Hungary to introduce the selfie-based account opening function, which means that a full-fledged retail bank account can be opened from home, without the help of an administrator, in just a few minutes. Another development is the Gránit Digital Card Service, which provides new customers with a plastic-free digital bank card suitable for purchases, as early as on the next day after account opening; Gránit Bank was also the first among Hungarian banks to introduce this service.

In 2020, the FGS Go! business loan first became available in Hungary at Gránit Bank with instant online pre-screening and fast online application. In the field of lending, the Bank has launched a unique digital smart calculator for household customers. With the Kiszámítható Mortgage Calculator, customers can calculate precisely, in just 5 minutes and with just a few swipes or clicks, what size mortgage (home loan) they can apply for, and what the repayments will be.

In 2021, the Bank has optimised the entire mortgage lending process for the digital channel. The customer can use the calculator to set up the optimal combination of loans and available state schemes (home loan, "babaváró" loan, CSOK). Customers can submit and monitor the entire loan process through the digital customer account.

Gránit Bank was one of the first banks in the world – and the first commercial bank – to introduce the Mastercard Carbon Calculator on 15 November 2021, which allows cardholders to see the impact (CO_2 emissions) of their purchases on the environment in their mobile bank. In the eBank app, this impact can be offset with one click by financing tree planting. The function is popular among customers; thousands of trees have already been planted.

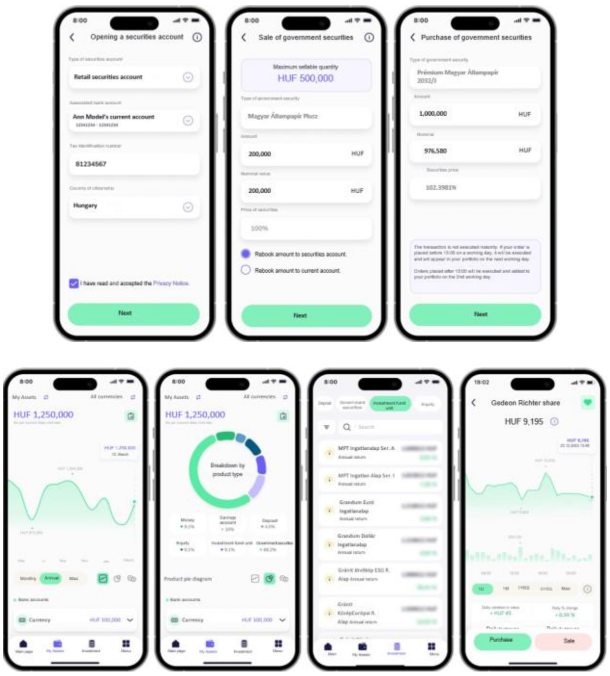
The digital busi-

At the same time as the Eco Calculator, the "My Assets" function was added to the app, which customers can use to track their total assets (current account, *ness model protects the environment and contributes to healthier living conditions.*

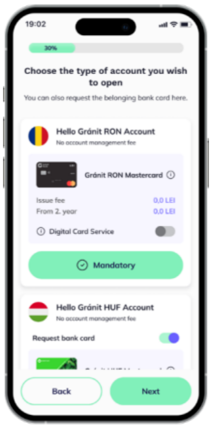
savings account and long-term savings account balance, fixed deposits and government bonds).
The Bank has introduced a green bank card, which is made of a rapidly degradable, environmentally friendly material. In the spirit of environmental awareness, the letters accompanying the cards and even the envelopes are made from recycled paper.

The Gránit Family app was a market-leading innovation of 2022: it gives 6-18-year-olds a tool they can use to take control of their finances and improve their financial literacy under the safety of parental supervision. The app is paired with the Gránit end-to-end user experience and a design tailored for children. The Bank also launched the FairPay service, which is a payment request-based electronic payment solution integrated with the Neptun system used in higher education.

In 2023, we made available the opening of securities accounts, the buying and selling of government securities and discounted foreign exchange at the mid-market rate up to a monthly limit of HUF 550,000 in the eBank mobile app. By redesigning the application process for a “babaváró” (baby) loan, the application can be completed in just 30 minutes. New bank card functions were added to the eBank mobile application, allowing customers to apply for a new bank card and view their card details and PIN code.



In 2024, the Banking Group acquired a new subsidiary. By acquiring two Hungarian subsidiaries of the Dutch DeLage Landen company, the Bank has entered the leasing market under the name Gránit Leasing.
In 2024, the Bank launched its cross-border services in Romania, currently offering bank account, payment and foreign exchange services.



In 2024, the eBank mobile banking application was enhanced with new features such as a home insurance calculator and Gránit GURU, a mortgage loan assistant powered by a generative AI solution.
At the end of 2024, the Bank also launched investment services for customers through the mobile application.

In 2024, the Bank started to develop a number of business processes related to lending based on a generative AI solution in order to improve the efficiency of processes.

All of these innovative solutions and services, tailored to suit customer needs, are a part of the “Bank of the Future Today” concept being implemented by Gránit Bank.

5. Sustainability

The Banking Group applies a sustainable business model and conducts an increasingly wide range of CSR activities

Since its establishment in 2010, Gránit Bank's strategic goal has been to make financial transactions simpler, faster and more convenient through innovative digital solutions. In implementing the strategy, the Bank considers its mission to be strengthening environmental awareness among its counterparties and customers, in addition to developing financial awareness. The radically innovative digital operating model applied by the Bank focuses on customer needs and aims to enhance the customer experience, while operating in a cost-effective manner and promoting environmentally conscious and sustainable economic operations through the full digitalisation of financial management. We are convinced that Gránit Bank's digital operating model contributes to the social realisation of responsible and sustainable development.

The basis of Gránit Bank's sustainability strategy is the development of services based on digital banking solutions. As a result of the rapid development of information technology, society is becoming more and more digitally oriented, creating new needs in the financial sector and enabling banks to increasingly contribute to the provision of environmentally conscious, resource-efficient financial services through digital technology. Gránit Bank is committed to minimising the environmental impact of retail customer acquisition and financial transactions through electronic channels (as opposed to the branch banking model, which leaves a significantly larger ecological footprint), thus enhancing customer experience and reducing harmful environmental impacts.

Gránit Bank structures its sustainability strategy around ESG (Environmental, Social and Governance) factors.

The Bank's 2024 Sustainability Report is contained in Annex I.

Gránit Bank is proud to contribute to the spread of environmentally conscious digital banking through its digital services and processes.
Gránit Bank has identified 4 priority objectives within the environmental aspects.

Environmentally conscious internal operations	Reducing pollutant emissions
Reducing energy use	Promoting sustainability

The Bank's digital processes and products have a positive impact on the following measurable environmental key performance indicators (KPIs):

Use of paper: Gránit Bank, by promoting digital banking and its financial products, contributes significantly to the significant reduction of paper use by the Bank and its customers, and in some cases to paperless operations.

CO_2 emissions: Gránit Bank, as a digital bank, strives to enable customers to bank from home with as little travel as possible, in a convenient and environmentally conscious way, thus saving travel time and cutting down on harmful emissions.

Electricity consumption: Gránit Bank serves its tens of thousands of customers with only one large central branch and one small sales point. By using digital technology, Gránit Bank, unlike traditional financial institutions, does not need to set up an extensive, expensive and energy-intensive branch system, as a result of which it saves significant amounts of electricity, paper, construction-related emissions and waste.

Environmentally conscious lending: Gránit Bank is continuously striving to finance environmentally conscious, 'green' projects in its corporate lending, while the MFB lending point operating at the Bank also targets energy efficiency in the SME and retail sectors. The FGS Green Home Scheme provided a retail green mortgage loan during 2021 with unique favourable conditions in the market through a digital application process.

Continued expansion of the range of green banking products: At Gránit Bank, 94 percent of retail bank accounts are opened fully online with an electronically downloadable bank account agreement. During 2021, the Bank digitised its loan application processes. The online application process for the "Babaváró" Loan was moved to a 100 percent digital platform with the conclusion of contracts in VideoBank, while in the case of the Market Home Loan and the FGS Green Home Loan an end-to-end digital loan application process was developed, which is unique in the domestic market. In 2021, Gránit Bank became one of the first banks in Hungary to start issuing bank cards made of environmentally friendly materials while recycled PVC will be used for the production of 100% of all new bank cards from mid-2024.

Gránit Bank considers it its mission to strengthen environmental awareness among its customers, in addition to developing financial awareness. In this context, it was the first in Hungary to introduce the Carbon Calculator solution based on a cooperation between Mastercard and Doconomy, a Swedish company, which calculates the estimated size of the individual ecological footprint of cardholders based on their spending and, with the help of the Eco Calculator downloadable from the Gránit eBank application, offers its Customers the opportunity to monitor and – with a donation intended for tree planting – reduce their ecological footprint.

As a result of the business model and principles applied, since 2011, we and our customers have saved a total of more than 1,495 tonnes of paper, saved 14,952 trees from felling and prevented 128,808 tonnes of CO_2 emissions.

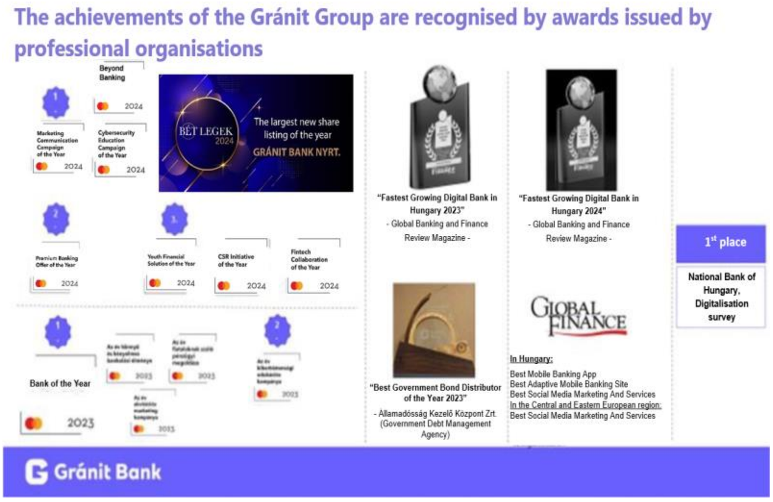
Since the closed business year of 2020, the Bank has completed the Scope 1 and Scope 2 modules of the official Carbon Footprint calculation every year to obtain a more realistic and accurate picture of the extent of its carbon emissions. By offsetting Scope 1 and Scope 2 emissions calculated based on the internationally recognised methodology of the GHG Protocol, the Bank's operation is carbon neutral.

As the financial institution with the smallest ecological footprint in Hungary, Gránit Bank was awarded third place in the category "Sustainable Bank of the Year" in the Mastercard Bank of the Year competition in 2021.

In 2023, Gránit Bank was awarded 4 first places in Mastercard's 'Bank of the Year' competition, and was a joint winner of the prestigious 'Bank of the Year' award. In 2024, the Bank received the Beyond Banking Award, winning first place in the categories 'Marketing Communication Campaign of the Year' and 'Cybersecurity Education Campaign of the Year', second place in the category 'Premium Banking Offer of the Year' and third place in the categories 'Youth Finance Solution of the Year', 'CSR Initiative of the Year' and 'Fintech Collaboration of the Year'.
In total, the Bank has thus won 51 awards at this competition, which has been organised since 2012.

In 2024, the Bank's performance was acknowledged through six awards

Gránit Bank won 4 awards in the 2024 digital retail banking competition of the New York-based financial magazine 'Global Finance'. It was awarded first prize in the categories Best Mobile Banking App, Best Adaptive Banking Website and Best Social Media Marketing and Services in Hungary, topping the latter category in the entire Central and Eastern European region. In 2024, Gránit Bank was awarded the 'Fastest Growing Digital Bank in Hungary' prize for the second time by the renowned British Global Banking and Finance Review Magazine.



Gránit Bank makes sustainable, cost-effective banking available to a wide range of consumers through new, high-tech digital solutions that are free for customers. The VideoBank, NetBank and eBank applications come as free basic functions with the account packages, and the chat function that is available in VideoBank helps people with disabilities to manage their finances. The 100% digital, paperless bank-account and securities-account opening, government securities purchase and "babaváró" loan application process enables a significant reduction in environmental impact.

Under its corporate social responsibility (CSR) strategy, in 2024 Gránit Bank supported the improvement of quality of life and social inclusion for a wide range of people, and people in difficult situations. The Bank's strategic partner in achieving the set goals is the Interchurch Aid.
In 2024, the Bank provided an exceptional grant of HUF 5 million to the relief organisation to help those affected by the biggest floods in a decade and to support the relief work of Interchurch Aid. Several Bank employees also volunteered to help filling sandbags. Employee donations helped raise hundreds of thousands of forints for the young residents of the Kaposvár institution of the relief organisation. They received toys, sweets and baking supplies for Easter and Christmas through the fund-raising campaign. More than 20 mothers attend the institution, many of them single mothers, while 95 percent of the families are disadvantaged or severely disadvantaged. In autumn 2024, Bank staff also joined the charity's Back to School fund-raising campaign, donating several boxes of school supplies.
Gránit Bank sponsors the athletes and mass sports events of the Hungarian Canoeing Federation under a multi-year framework agreement, which was renewed again in 2024. The Bank is also a key sponsor of the Hungarian Water Polo Federation, which is also supported by the Bank's CEO as a social chair.

The Bank has been the principal sponsor of the outstanding exhibitions of the Museum of Fine Arts for over 10 years. In 2024, the Bank was involved in the opening, for the first time, of a comprehensive exhibition of the works of internationally renowned photographers of Hungarian origin. The representative exhibition featured photographs by world-famous photographers including André Kertész, László Moholy-Nagy, Robert Capa and Martin Munkácsi. In 2024, the Bank supported the

'Earthly Wonders Exhibition and Immerse Show', presenting the latest works of Karolina Sávolt, a young painter who has gained international fame.
Every year, staff volunteers plant hundreds of saplings, including those purchased from donations received through the Eco Calculator feature of the Bank's app. With support from the Bank and with the active participation of President and CEO Éva Hegedüs and students and parents of Ady Endre Secondary Grammar School in Budapest, Hungary's first Miyawaki forest was planted in a schoolyard in 2024.
As part of the Bank's corporate social responsibility programme, financial education is a key focus of the Bank's activities. To support these efforts, volunteers from the Bank's senior management team have been participating for years in the national Money7 programme for financial education in schools, while they have also regularly given lectures at universities to introduce young people to the latest banking trends and technology, and to broaden their knowledge on banking and finances.
In addition to educating the younger generation in finance, the Bank also organises cultural programmes for young people. In cooperation with the Museum of Fine Arts, in 2024 it offered high school students the opportunity to participate in a guided tour of the museum, which explores the relationship between money and art.

6. Figures of the 2024 business year

Main profit items (mHUF)	YTD											
	2022 FY	2022 PL	FY/PL'22	2023 FY	2023 PL	FY/PL'23	2024 FY	2024 PL	FY/PL'24	Y/Y '23/22	Y/Y '24/23	CAGR '24/22
Share of parent company's owners in profit after tax	11,390	4,265	*167.1%*	19,892	11,795	*68.6%*	19,216	16,283	*18.0%*	74.6%	-3.4%	129.9%
Share of non-controlling owners in profit after tax	448	168	*167.1%*	1,689	617	*173.6%*	1,944	963	*101.8%*	276.9%	15.1%	208.3%
Consolidated profit after tax (accounting)	11,838	4,432	*167.1%*	21,581	12,413	*73.9%*	21,160	17,246	*22.7%*	82.3%	-2.0%	133.7%
Profit before tax (post-adjustments)	16,183	6,374	*153.9%*	28,476	18,053	*57.7%*	27,274	23,818	*14.5%*	76.0%	-4.2%	129.8%
Gross revenue	26,828	15,753	*70.3%*	46,230	35,323	*30.9%*	52,349	48,335	*8.3%*	72.3%	13.2%	139.7%
Total operating costs (adjusted)	-9,368	-8,670	*8.0%*	-16,249	-19,258	*-15.6%*	-23,683	-23,207	*2.1%*	73.5%	45.8%	159.0%
Total risk costs (adjusted)	-1,278	-708	*80.4%*	-1,504	-1,548	*-2.8%*	-1,392	-1,311	*6.2%*	17.7%	-7.4%	104.4%
Main balance sheet items (mHUF)	**YTD**											
	2022 FY	**2022 PL**	***FY/PL'22***	**2023 FY**	**2023 PL**	***FY/PL'23***	**2024 FY**	**2024 PL**	***FY/PL'24***	**Y/Y '23/22**	**Y/Y '24/23**	**CAGR '24/22**
Balance sheet total	1,062,856	757,629	*40.3%*	1,312,714	1,090,974	*20.3%*	1,672,730	1,461,400	*14.5%*	23.5%	27.4%	125.5%
Loans to customers* (net)	451,068	368,551	*22.4%*	551,931	470,319	*17.4%*	771,021	622,158	*23.9%*	22.4%	39.7%	130.7%
Loans to customers* (gross)	451,786	369,687	*22.2%*	553,458	472,606	*17.1%*	773,182	624,311	*23.8%*	22.5%	39.7%	130.8%
Impairment on loans granted to customers	-718	-1,137	*-36.8%*	-1,527	-2,287	*-33.2%*	-2,161	-2,153	*0.4%*	112.7%	41.5%	173.5%
Customer deposits	698,904	487,437	*43.4%*	912,946	739,547	*23.4%*	1,187,418	1,066,409	*11.3%*	30.6%	30.1%	130.3%
Equity	59,101	47,794	*23.7%*	81,520	72,585	*12.3%*	148,075	98,407	*50.5%*	37.9%	81.6%	158.3%
Share of parent company's owners	36,825	29,780	*23.7%*	78,024	69,472	*12.3%*	144,273	95,880	*50.5%*	111.9%	84.9%	197.9%
Non-controlling interests	22,275	18,013	*23.7%*	3,496	3,113	*12.3%*	3,802	2,527	*50.5%*	-84.3%	8.8%	41.3%

* Claims from customers, loans granted to banks and securities issued by debt securities companies and credit institutions

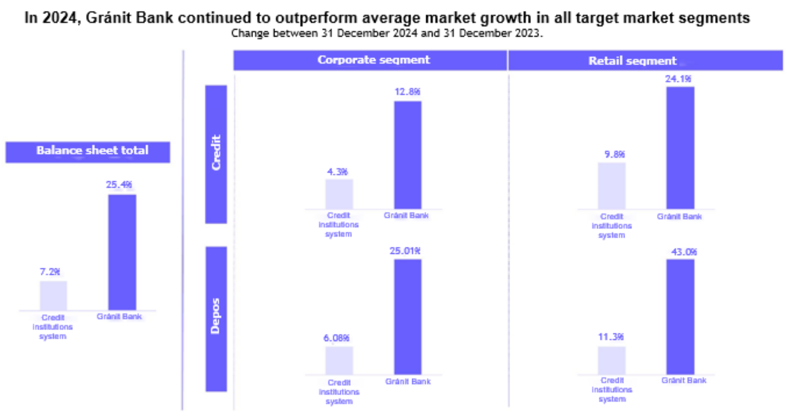
Performance indicators (%) Based on adjusted and accounting profit figures	YTD					
	2022 FY	2023 FY	2024 FY	Y/Y '23/22	Y/Y '24/23	CAGR '24/22
ROAE aT (Return on Average Equity after Tax)	27.6%	27.2%	23.0%	-0.4%-pt	-4.2%-pt	91.2%
ROAE bT (Return on Average Equity before Tax)	37.7%	35.8%	29.6%	-1.9%-pt	-6.2%-pt	88.6%
ROAA (return on average assets)	1.4%	2.7%	1.4%	1.3%-pt	-1.2%-pt	102.9%
TRM (Total Revenue Margin - adjusted)	3.5%	4.2%	3.6%	0.7%-pt	-0.6%-pt	100.9%
CIM (Business margin - adjusted)	3.0%	4.1%	3.3%	1%-pt	-0.8%-pt	104.0%
NIM (Net interest margin - adjusted)	2.9%	3.5%	2.2%	0.6%-pt	-1.3%-pt	87.3%
NCM (Net Commission Margin - adjusted)	0.2%	0.6%	1.1%	0.4%-pt	0.5%-pt	254.0%
C/TA (Operating cost / balance sheet total - adjusted)	0.9%	1.2%	1.42%	0.4%-pt	0.2%-pt	126.7%
CIR (Cost/revenue ratio - adjusted)	34.9%	35.1%	45.2%	0.2%-pt	10.1%-pt	113.8%
C/AGL (Operating cost/Aver. gross loans)	2.4%	3.2%	3.6%	0.8%-pt	0.3%-pt	120.9%
Risk% (Risk costs(+) rate)	0.3%	0.3%	0.3%	0.1%-pt	-0.1%-pt	96.3%
EPS (Earnings Per Share)	HUF 794.7	HUF 1,292.1	HUF 1,218.9	62.6%-pt	-5.7%-pt	123.8%
Stock indicators (%)	**YTD**					
	2022 FY	**2023 FY**	**2024 FY**	**Y/Y '23/22**	**Y/Y '24/23**	**CAGR '24/22**
Impairment/balance sheet total	0.07%	0.12%	0.19%	0.05%-pt	0.07%-pt	164.7%
CAR (Capital Adequacy Ratio)	20.01%	17.6%	23.4%	-2.4%-pt	5.8%-pt	108.2%
RWA/balance sheet total	22.3%	29.4%	32.4%	7.1%-pt	2.9%-pt	120.52%
LTD (Loan-to-Deposit Ratio)	64.5%	60.5%	64.9%	-4.1%-pt	4.5%-pt	100.3%
NPL% (Non-Performing Loans)	0.02%	0.02%	0.20%	-0.01%-pt	0.18%-pt	287.3%

The 2024 financial result of Gránit Banking Group was 37.0% higher compared to its strategic scenario and 14.5% higher compared to the plan. The Banking Group's growth and key financial indicators have also been consistently higher in recent years compared to the targets set out in the strategic and business plans.

Looking at the 2022-2024 period collectively, adjusted profit before tax (net of the bank tax and extra profit tax) increased by 29.8% on annual average. Gross income increased by 39.7% on average per annum between 2022 and 2024; in particular, net interest income increased by 20.9% while commission income increased by 251.7%.

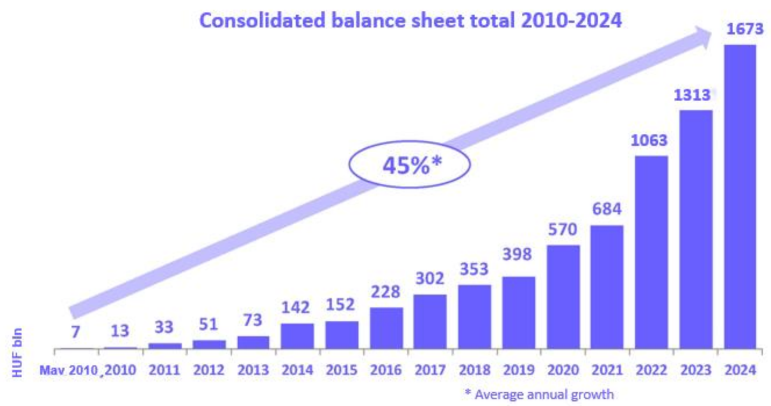
The consolidated result of the Gránit Banking Group was affected by various individual items in 2024 compared to 2023. Simultaneously with a change in the interest rate environment, the Bank implemented a number of improvements to increase its future profitability (investment services, cross-border services, eBank upgrades, Gránit Guru), which resulted in additional costs compared to the previous year.

The bank tax and extra profit tax burden is HUF 3.85 billion, an increase of HUF 205 million compared to the previous year.



6.1 Report on business operations in 2024

In 2024, the Banking Group continued its bank-building process in line with the long-term strategy adopted by the General Meeting. As a result of the growth in business activity, the Bank's consolidated balance sheet total was near HUF 1,673 billion by the end of 2024, a 27% increase compared to the previous year.



The Bank closed its 14th business year in 2024 with an outstanding result.
In its fourteenth profitable business year, the Bank achieved a consolidated pre-tax profit of HUF 23,425 million.

The Bank's balance sheet total exceeded HUF 1,673 billion

Gránit Bank broke into profit in 2014, its fourth full business year, as a result of the capital investments it had made until then and the building of an excellent portfolio. In 2024, the Banking Group achieved an excellent pre-tax profit of HUF 23,425 million, representing 94% of the previous year's profit.

Customer savings (deposits and securities and investment fund units held by customers) at the Banking Group exceeded HUF 3,135 billion.

The Bank's total exposure (credit, bonds, guarantees) was HUF 833.2 billion, 39.5% up from the end of the preceding year. Within the loan portfolio, the share of loans of the SME sector was 31.4% as at the end of 2024. The quality of the portfolio remains excellent: the ratio of performing loans is 99.80%, principally as a result of the Bank's continuous conservative lending policy.

In 2024, the number of Gránit Bank's customers grew even more dynamically than in the previous year, the number of retail and corporate customers increased by 71% and 4.0% respectively. On average, one and a half times as many accounts were opened every day during the year compared to a year earlier, thanks to innovations focused on customer experience, convenience and ease of banking, a number of new features available in the eBank app, and effective marketing communication activities. Almost one out of four new retail accounts were opened with Gránit Bank in the country. The satisfaction of customers and rapidly growing awareness of the Banking Group have helped to drive the dynamic growth in the number of customers. Digital platforms play an important role in raising brand visibility, which is also reflected in the marketing presence. Although the Banking Group was featured on television and in print last year, communication campaigns were launched on a number of new digital channels, including TikTok, involving influencers. The share of digital account opening using a selfie increased strongly, with more than 94% of customers opening their account with Gránit Banking Group via fully digital means (mobile app or VideoBank). Another 5% of customers started the process digitally, but eventually decided to go to a branch to complete the process. This means that 99% of our customers initiated their account opening digitally.

The change in the number of customer accounts managed by the Bank is illustrated by the following graph:

It is important to highlight that satisfied customers are also helping to grow the customer base, since nearly one third of new customers say they chose the Bank as a result of a recommendation from an existing Gránit Bank customer.

99% of our customers initiated their account opening online.

In 2023, Gránit Bank won first place in three categories, second place in one category and tied for the title of Bank of the Year in the Mastercard – Bank of the Year 2023 competition, the most prestigious competition for banks in Hungary.
The Bank received the “Fastest Growing Digital Bank Hungary 2023” award from Global Banking and Finance Review Magazine.
Gránit Bank was awarded second place in the category “Retail Government Securities Distributor of the Year” at the awards ceremony of the Államadósság Kezelő Központ Zrt. (Government Debt Management Agency Private Company Limited by Shares).
Gránit Bank was awarded “Most Dynamically Growing Refinancing Partner 2023” at the Exim Bank Awards Gala.

In the Mastercard – Bank of the Year awards, Hungary’s most prestigious banking competition, Gránit Bank won first place in two of the nine categories in three segments and was the winner of the Beyond Banking segment in 2024. The independent jury awarded Gránit Bank first place in the categories ‘Cybersecurity Education Campaign of the Year’ and ‘Marketing Communication Campaign of the Year’, second place in the category ‘Premium Banking Offer of the Year’ and three third places in the ‘Financial Solution of the Year for Young People’, ‘CSR Initiative of the Year’ and ‘Fintech Collaboration of the Year’ categories. The awards recognised Gránit Bank’s business strategy, which set the Bank apart from its competitors through continuous innovation and premium solutions that deliver outstanding customer experience.

6.2 The Bank’s key financial indicators

At the end of December 2024, the Banking Group’s consolidated balance sheet total exceeded HUF 1,673 billion, which is 27% higher than the year-end balance sheet total of 2023.

The Banking Group’s consolidated equity as at 31 December 2024 was HUF 148.1 billion, which is 81.6% higher than the previous year-end figure.

Gránit Banking Group is one of the most liquid banks in Hungary

Balance Sheet, Profit (HUF million)	2023	2024	Change
Balance sheet total	1,312,714	1,672,730	127%
Loans to customers*	551,931	771,021	140%
Customer deposits	912,946	1,187,418	130%
Equity	81,520	148,075	182%
Regulatory capital	68,002	114,511	168%
Regulatory capital, expected after audit	68,002	126,935	187%
Profit before tax	24,832	23,425	94%
Profit after tax	21,581	21,160	98%

* Claims from customers, loans granted to banks and securities issued by debt securities companies and credit institutions

The Banking Group achieved a consolidated pre-tax profit of HUF 23,425 million and a consolidated after-tax profit of HUF 21,160 million in 2024, which is 94.3% of the previous year's consolidated pre-tax profit of HUF 24,832 million and 98.0% of the consolidated after-tax profit of HUF 21,581 million.

International experience shows that 6-8 years are usually required following launch to reach the profit-generating phase, and so it can be regarded as an exceptional achievement that Gránit Bank was already operating profitably by its fourth full year of business. This exceptional result was due to the excellent quality of its portfolio and to its cost-effective digital business model.

The Bank's financial ratios developed favourably again in 2024: return on average equity (ROAE) is 23.0%. Return on average assets

Indicators		2023	2024	Change
EPS (profit after tax/number of shares)	HUF	1,292	1,219	94%
CIR (operating costs/[net business profit/loss+other profit/loss])	%	44.8%	54.7%	122%
ROAA (return on average assets)	%	2.7%	1.4%	54%
ROAE (return on average equity)	%	27.2%	23.0%	85%
Non-performing loan ratio	%	0.02%	0.20%	0.18%

The Banking Group also ensured the fulfilment of the capital adequacy ratios specified in the legal conditions during 2024.
The Gránit Bank Group's total capital adequacy ratio as at 31 December 2024 was

(ROAA) is 1.4%.

21.2% (as against 17.6% at the end of 2023). Currently, the indicator does not yet include the full 2024 earnings, only the first half-year's earnings that can be included as part of the Tier 1 capital with the MNB's approval. The capital adequacy ratio calculated on the basis of the second-half result of 2024 is 23.4%.

Capital adequacy	**2023**	**2024**	Change
Total capital adequacy ratio	17.6%	21.2%	120%

In 2024, in line with the significant increase in business activity, the average annual number of employees at the Banking Group – alongside a 92% growth in profits of the previous year, a 39% increase in the asset portfolio and a 30% rise in deposits – increased by 121, to 592 persons (meaning the average annual number of employees grew by 26%).

Average number of employees (persons) - Banking Group	**2023**	**2024**	Change
Annual average number of persons on the payroll	471	592	126%

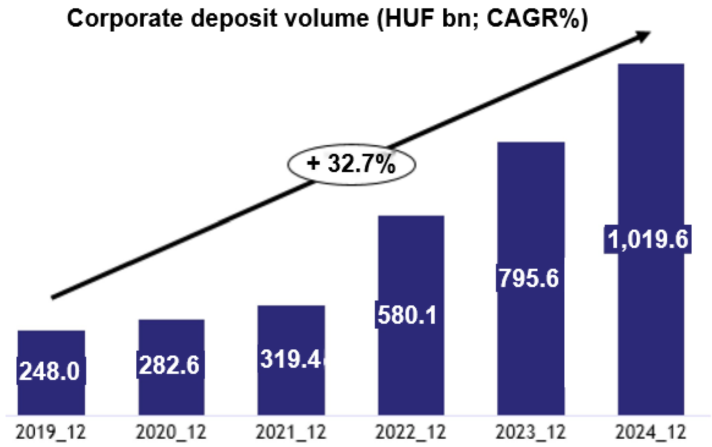
6.3 Liabilities

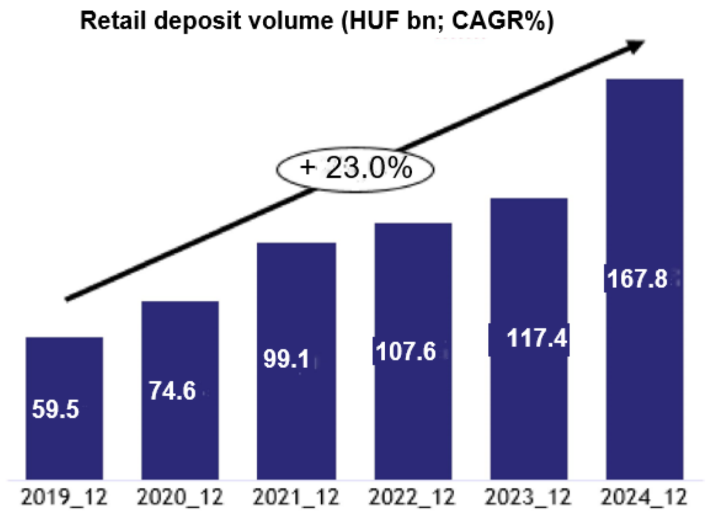
The Banking Group was able to continuously provide favourable offers to its customers in the falling interest-rate environment, and as a result, the deposit portfolio had increased by 30% by the end of 2024 compared to the end of 2023, exceeding HUF 1,187 billion. The average annual growth in deposits was 45% between the time of the Bank's foundation and the end of the reporting period. Customer savings (deposits and securities and investment fund units held by customers) at the Bank exceeded HUF 3,135 billion.

The Banking Group has significant refinancing on the liabilities side as a result of the intermediation of refinanced facilities.

Overall, the Banking Group remains Hungary's most liquid bank, with a loan-to-deposit ratio of around 65%, and loans are financed in a diversified funding structure.

The graphs below show the changes in corporate and retail deposits:





6.4 Receivables, lending

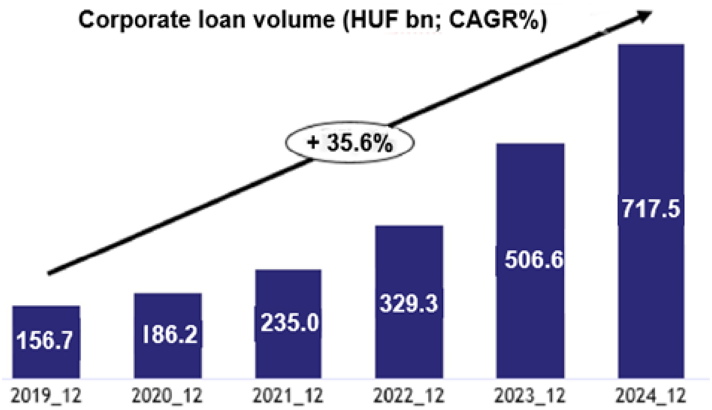
On the asset side, the Banking Group continued to hold a significant volume liquid assets in 2024 – central-bank and interbank deposits, government securities – in line with its prudent and conservative business policy. The share of debt securities in the balance sheet at the end of 2024 is 29.5%.

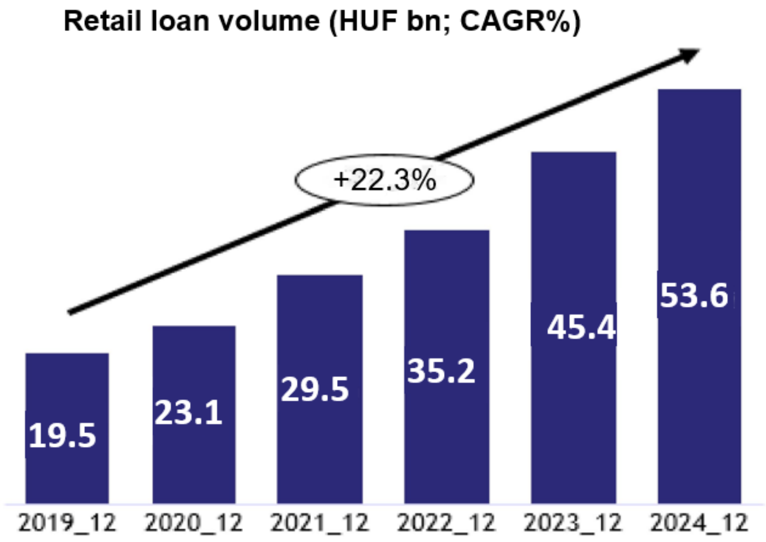
The Banking Group's loan portfolio is growing steadily every year, while the quality of the portfolio is constantly excellent

The Banking Group's receivables from customers (credit institution and corporate bonds) was HUF 771 billion at the end of 2024, which was 39.7% higher than the previous year-end figure. The average annual growth in the portfolio from the Bank's foundation to the end of the reporting period was 63.5%. The consolidated asset portfolio (loans, guarantees provided, corporate and financial institution bonds) amounted to HUF 833 billion at the end of 2024, with an average annual growth of 65.4%.

The quality of the portfolio is excellent, and the Bank's asset portfolio is 99.80% problem-free. In 2024, the Banking Group recognised an expected credit loss of HUF 1,530 million in accordance with IFRS 9, which is the result of the expected-loss-based impairment methodology that forms the basis of the IFRS standard, including gain or loss due to modification. The outstanding portfolio quality is due to the Bank's highly regulated and conservative risk-taking policies and practices.

The Banking Group is an active participant in the MNB's Funding for Growth Scheme (FGS) and Bond Funding for Growth Scheme (BGS), besides which the Bank offers a full range of lending products, from plain vanilla loans to complex financing facilities, in accordance with their needs.
The graphs below show the changes in corporate and retail lending:





6.5 Treasury

During the year, Treasury grew its business activity further while ensuring stable liquidity management remained a priority.

On the assets side, in parallel with the increase in loans, part of the asset-side activity of the balance sheet was managed by Treasury using money and capital market instruments. The gains from managing the securities portfolio made a positive contribution to the Bank's profit for the year.

During the year, the number of customers carrying out spot and forward FX (hedge), deposit and securities transactions with the Bank's Treasury department continued to grow.

In the course of the Bank's liquidity management and its management of currency and interest-rate risk, the Treasury also successfully made use of the altered range of options provided by the MNB, thus contributing substantially to the Bank's positive profit figure.

6.6 Risk management

The management of the Banking Group considers risk management to be key in terms of protecting depositors, operating profitably over the long term and thus increasing shareholder value. In its risk management standards, the Banking Group has taken a very conservative approach since its inception. One of the most important elements of the risk management policy is that there is virtually no purely collateral-based lending; all customers must primarily fund their loan repayments from cashflow, although in all cases the Banking Group tries to minimise credit risk by requesting additional collateral.

The primary objective of risk management practices is to protect the financial strength and reputation of the Banking Group, to contribute to the use of capital for competitive business activities, and thereby to increase shareholder value.

Prudent risk management is one of the key pillars of the Banking Group's business philosophy

The Bank, in its risk management system, identifies, measures and analyses its various types of risk exposures. During the process of risk management, the Bank processes the information, analyses the portfolio, formulates risk-taking rules, maintains a limit system, and operates the daily processes involved in risk management. The Bank extends its risk management system to relevant risks in accordance with the profile of its subsidiaries.
In the multi-stage business decision-making process for loan transactions, a thorough assessment is made of the macroeconomic environment, the customer's activity and the specified objective of the loan. In the course of this, the Banking Group pays special attention to providing financial instruments for the objectives of companies that, through their stable and efficient operation, create value for themselves and the economy as a whole.

Credit risk is the risk that the Banking Group will incur a loss due to the failure of the debtor, customer or counterparty to fulfil its contractual obligations to the bank. Before assuming credit risk, the Banking Group rates the creditworthiness of its customers and partners and classifies them into debtor and counterparty rating categories. Risks can only be undertaken with respect to customers of a suitable rating. The creditworthiness of customers and counterparties is regularly monitored.

Strict regulations are applied regarding the range of acceptable collateral, the way these are evaluated, and the coverage ratio. The Banking Group uses a wide range of collateral to reduce risk, in particular loan guarantees, cash collateral, securities collateral, payment guarantees, mortgages, and pledges established on receivables and/or movable assets.

The Banking Group uses benchmark-based pricing or offers fixed interest-period schemes. As part of this process, in the case of self-funded loans the Banking Group applies regularly repriced, margin-based interest rates tied to a market reference rate and adjusted to the currency of the loan, in a manner that is transparent for the customer. For refinanced products, the interest rate risk is also minimised. In the case of fixed interest rate schemes, the interest rate risk is covered by the Banking Group.
Market Risk Management works with the business departments to oversee the entire portfolio in terms of the matching of the repricing periods of liabilities and assets.

Ensuring liquidity is a fundamental part of banking and financing activity. The Banking Group ensures its liquidity by matching the maturities of its receivables and liabilities, and at the same time, while maintaining solvency at all times, it performs limit-restricted maturity transformations to help ensure the Bank's profitability.

Currency risk is kept at a low level in accordance with both strategic and short-term business objectives. Depending on market circumstances, wherever possible the FX open position arising in the course of its business operations is immediately hedged.

The assessment of asset and liability matching is performed separately for each currency, to ensure the maintenance of matching by currency.

The Banking Group's trading book typically contains transactions aimed at the management of liquidity, the servicing of partner banks and customers and the conclusion of hedging transactions, primarily with spot FX and securities transactions and currency forwards.

Owing to its conservative product policy, at present the Banking Group does not deal in high-leverage options or volatile commodity and precious metal trades.

In the course of the risk management of liquid-market transactions, as a part of the limit system the partner bank and customer limits, margin requirements, decision-making levels and limits, and market variable-based exposure rates, are all regulated.

The objective of operational risk management is to support efforts to keep operating costs low, and to promote efficient organisational operations. The Banking Group primarily manages operational risks, concentrating on prevention, through the establishment of suitable internal regulations and procedures, the appropriate training of employees participating in the work processes, and the provision of built-in control mechanisms.

Measurement of the levels of risk takes place through the continuous gathering of data on events that occur, and regular self-assessments based on forward-looking estimates made at the level of the individual departments. These surveys outline the patterns in the distribution of the events, thereby helping to identify the areas where intervention is necessary. The process is supported by a network of operational risk officers appointed in each department of the organisation.

6.7 Income statement

The Banking Group closed 2024 with an after-tax profit of HUF 21,160 million.

The net business profit of HUF 54,473 million is 14%, or HUF 6,686 million, higher than in 2023, which is a result generated from the growing business portfolio, the rising interest rate environment, and the increase in revenue resulting from the active use of banking services by customers. Within this, interest income fell by 17.6% compared to the previous year.

In 2024, the Banking Group paid HUF 1.70 billion in bank tax, HUF 2.14 billion in extra profit tax and HUF 2.77 billion in transaction tax. The impact of the economic loss calculated for the interest rate freeze at the end of 2024 was lower compared to the previous year's calculation, thus the net income impact in 2024 was HUF 27 million.

The increase in operating expenses was due to the growth in business activity, the implementation of digital innovations and to more intensive marketing activity, as well as to the increasing depreciation recorded on capital investments.

Income statement (HUF million)	2023	2024	Change
NET BUSINESS PROFIT	**47,787**	**54,473**	**114%**
Net interest income	38,650	31,861	82%
Net fee and commission income	7,761	18,381	237%
Other business profit	1,376	4,231	307%
Other profit	-71	314	-442%
Risk costs	-1,504	-1,392	93%
NET OPERATING PROFIT	**46,211**	**53,395**	**116%**
Operating costs	-21,379	-29,970	140%
PROFIT BEFORE TAX	**24,832**	**23,425**	**94%**
Income taxes	-3,251	-2,265	70%
PROFIT AFTER TAX	**21,581**	**21,160**	**98%**

The ***after-tax profit of the Banking Group was HUF 21,160 million, 98.0% of the previous year's profit. The net business profit of the Banking Group increased by 14%.***

7. Equilor Befektetési Zrt.

The 35-year-old Equilor began its operations at the same time as the restructuring of the Hungarian capital market and the Budapest Stock Exchange, just a few days apart. It provides professional, client-focused and personalised investment services, portfolio and wealth management, as well as corporate financial advice to its private and institutional clients.
Over the past years and currently as well, alongside the continuous development of its services, it has endeavoured to assure its clients fast and reliable access to the ever-expanding world of money and capital markets, as well as to provide support through well-founded financial advice and thoroughly researched analyses in order to increase assets under management.
As a result of its dedicated efforts of the past years, Equilor Befektetési Zrt. is constantly growing in terms of client numbers, managed assets and profitability, and at the same time it aims to maintain the direct contact with its clients that they are accustomed to. The assets managed by the Equilor group exceeded HUF 646 billion at the end of 2024.
Thanks to the long period of time that it has spent in the domestic investment market, Equilor Befektetési Zrt. has over the years become an increasingly dominant player in the domestic securities and foreign exchange market. Thanks to its conservative business policy, it has managed to maintain the trust of its clients in the face of ever-increasing competition in the market, combining the security expected of an investment company with flexible, client-focused services.
Equilor Beketetési Zrt. was a founding member of the Budapest Stock Exchange in 1990, participated in the creation of the Investor Protection Fund in 1997, of which it has been a member ever since, and joined the Hungarian Venture Capital and Private Equity Association in 2006. It has been a full member of the Warsaw Stock Exchange since 2010 and of the Prague Stock Exchange since 2011.
Capital market services constitute one of the world's fastest growing financial services sectors, and so in order for Equilor Befektetési Zrt to be able to offer suitable investment services to its private and corporate clients, it continues to make continuous improvements not only in terms of product structure, but also in terms of technology. It places great emphasis on stability and the provision of reliable, transparent information, which is the basis of responsible investment services and is also in line with the ever-tightening market regulations.
In recent decades, its corporate consulting wing has participated in numerous major stock-exchange and OTC securities issues, the arrangement of syndicated financing deals, venture capital and private equity transactions, and corporate acquisitions on behalf of high-profile players both in Hungary and internationally.

These extensive services are provided by Equilor Befektetési Zrt. together with its two subsidiaries Equilor Corporate Advisory Zrt. and Equilor Fine Art Kft.
Equilor Corporate Advisory Zrt. provides consulting services to corporate clients to help them implement their growth and acquisition plans, as well as to secure their financing needs.
Equilor Fine Art Kft. provides art investment advice and consultancy in relation to the funding of art projects.
In 2022, Gránit Bank acquired a share of 50% +1 vote in Equilor Befektetési Zrt, as a result of which the company can provide the entire range of its services now backed by a bank, and with even greater liquidity at its disposal.
In recognition of its work of the past decades, the independent professional judging panel of the Budapest Stock Exchange has awarded Equilor Befektetési Zrt. the "Investment Service Provider of the Year" as well as "Team of the Year" and "Stock-Exchange Credit Issue Arranger of the Year" awards several times in recent years.

8. Gránit Alapkezelő Zrt.

Gránit Bank Zrt. became the majority shareholder of Tarragona Holding Zrt., which owns Diófa Alapkezelő Zrt. and Diófa Ingatlanüzemeltető Kft., on 31 October 2023. The subsidiary of the Holding is Diófa Alapkezelő Zrt. and Diófa Ingatlanüzemeltető Kft.
From 10 January 2024, the fund manager will continue its activities under the name Gránit Alapkezelő Zrt. With the name change, the fund manager will focus its real estate services and objectives under the Grandum name and brand.
The property management subsidiary, established in 2023, will continue its activities under the name Grandum Ingatlankezelő Kft.

Gránit Alapkezelő was established in 2009, originally to manage private pension funds. Since then, its activities have expanded significantly and it now offers a wide range of products for both retail and institutional investors.
At the end of 2024, Gránit Alapkezelő managed 32 investment funds, broken down by primary asset category: 20 securities funds, 7 real estate funds and 5 private equity funds. The real estate fund portfolio accounts for nearly 36.2% of assets under management and plays a key role in the company's fund management activities, both in terms of assets under management and income.
The total net asset value of the securities, real estate and private equity funds managed by the Fund Manager was HUF 862.7 billion on 31 December 2024. In addition, portfolios of HUF 225.0 billion and HUF 27.1 billion are held by institutional clients and premium private and corporate clients respectively.
On 31 December 2024, Gránit Alapkezelő had a gross market share of 5% compared to the aggregate net asset value of investment funds managed by BAMOSZ members, making Gránit Alapkezelő the 6th largest player in the Hungarian investment fund management market (based on BAMOSZ.hu data)

9. Gránit Leasing

The transaction was completed on 31 July 2024, and resulted in Gránit Bank acquiring an ownership stake in the domestic subsidiaries of the Dutch global leasing company De Lage Landen International B.V., with a 76.66% stake in De Lage Landen Finance Zrt. and a 100% stake in De Lage Landen Leasing Kft. Following

the takeover, the leasing companies continued to operate under the names Gránit Pénzügyi Lízing Zrt. and Gránit Lízing Kft.
The acquired leasing companies have been present on the Hungarian market for more than 30 years, providing the full range of leasing market services.
In the segments where they operate, they have a 9.4% share, while in the entire market they have a 2.9% share, ranking 10th in the Hungarian leasing market, calculating based on the financed amounts.

The Gránit Lízing group's lease portfolio at the end of 2024 is HUF 56.8 billion, of which 43.3% is financial leasing, 56.7% is loan leaseback and 0.01% is operational leasing.

10. Strategic collaboration

In December 2023, Gránit Bank and Gránit Biztosító Zrt. (formerly Wáberer Hungária Biztosító Zrt.) signed a strategic agreement aimed at exploiting the mutual synergies of existing resources. Under the agreement, Wáberer Zrt. was given the opportunity to rebrand itself, as a result of which it changed its name to Gránit Biztosító Zrt. in 2024. However, the rebranding did not create an ownership relationship between the Bank and Gránit Biztosító Zrt.

11. Overview of the Banking Group's business plan for 2025

The results of the last fourteen and a half years have confirmed that the implementation of the conservative portfolio building and digital banking strategy launched by the Bank in 2010 has been successful, and that the business model has been well received by customers. Accordingly, in the 2025 business year the Bank will continue its business operations in accordance with the approved 10-year strategic plan. The most important objective is to increase shareholder value through sustainable, balanced business and profit growth over the long term. Along with the digital strategy already launched, the Bank will continue to strengthen its market role, and increase its market share and its recognition.

In line with its performance in recent years, the Banking Group expects business activity to increase in excess of the market average in 2025, in an economic environment characterised by lower inflation and slightly rising growth. In an economy that is expected to support slower growth, the Banking Group has set the goal of implementing major IT developments and of establishing new services by 2025 in order to access a broader range of business opportunities over the medium term. The plan is to build a conservative loan portfolio by providing the appropriate stable resources and taking advantage of the available guarantee facilities. The Banking Group plans to grow above the market average, both in terms of customer loans and customer deposits in both the corporate and retail divisions. In addition to lending, the increase in customer numbers will be driven by the growing awareness of the Bank among the public and through the constant development and launch of innovative new services.
To enhance the customer experience and increase business volumes, new products and services will continue to be developed in 2025, including the introduction of credit cards as unsecured credit products and innovative payment solutions based on instant payments. The Bank will continue its international expansion in other countries and to apply generative AI-based solutions in various areas.

Bank won a non-refundable grant within the framework of the “Support for Market-Driven R&D and Innovation Projects (2019-1.1.1-MARKET RDI)” tender, with its development concept for “A Progressive Payment Solution Focusing on Bulk Invoice Issuers”, which was completed in 2023 and then entered its maintenance period.

The aim of the Banking Group is to make greater use of co-operation opportunities between the subsidiaries in the coming period, while the individual companies continue to expand their already successful operations through business development methods that have worked well so far.

The Banking Group’s operations and 2025 earnings will certainly be affected by loan demand trends driven by interest rates and business opportunities, the availability of government-subsidised schemes, the global economic growth rate, inflation developments and further escalation of geopolitical tensions. The Banking Group will implement a fully digital model and adopt a conservative lending approach that allows for greater flexibility as uncertainty increases. The Banking Group is continuously monitoring changes in its customers’ financial situations and, in accordance with government and MNB measures, is working hard to serve the changing needs of customers and play an active role in countering the potential negative economic effects and in stimulating the economy.

…………………………………………………….
Board of Directors, Gránit Bank
Nyrt.

12. Annex I: Consolidated Sustainability Report for the business year 2024

GRÁNIT BANK

NYILVÁNOSAN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG [GRÁNIT BANK PUBLIC LIMITED COMPANY]

CONSOLIDATED SUSTAINABILITY REPORT

FOR THE BUSINESS YEAR 2024

BUDAPEST, 7 April 2025

CHAIRMAN & CEO'S WELCOME SPEECH

Dear Reader,

The founding of GRÁNIT Bank in 2010, in the very midst of the global economic and financial crisis, appeared to be a particularly brave decision. With decades of experience in finance behind me, I believed from the very beginning, along with my colleagues, that a bank should be built differently than it had been done before.

I was convinced, and this has not changed since then, that the rapid adoption of digital technology, the high level of internet penetration and the omnipresence of smartphones is changing the way we live, and customers are increasingly open to digital financial solutions. This, however, represents not only a digitally innovative, but also a socially committed, sustainable and green direction, as without an actual branch network, Bank's ecological footprint is much smaller than that of a traditional bank. Furthermore, since 2020, we have ensured carbon-neutrality by neutralising CO_2 emissions from our operations annually, by supporting reforestation or other environmentally friendly Gold Standard certified projects.

It is gratifying to see that the expectations set at the time of founding have been met, and the Bank has determined a unique course of development over the past 15 years as one of the most dynamically growing, consistently profitable banks in the region, with operations twice as efficient as the sector average and a loan portfolio of excellent quality. These achievements laid the foundations for its IPO on 23 December 2024.

We are delighted to present GRÁNIT Bank's first sustainability report based on the guidelines of the Corporate Sustainability Reporting Directive (CSRD). This milestone is not only a regulatory obligation for us, but also an important opportunity to transparently demonstrate our commitment to sustainable financial practices.

Our work is characterised by a commitment to environmental awareness, safety, predictability and reliability at all times. Together with my dedicated colleagues, we are constantly working to provide our customers with services that not only help their economic development, but also contribute to a more sustainable future. Our bank cards are manufactured from environmentally friendly recycled materials, we are continuously expanding our end-to-end digital services, we have launched new agentic AI-based services and we were among the first in the world to integrate the Eco Calculator into the Bank's mobile app, which allows our customers not only to see their CO_2 emissions from their bank card purchases, but also to neutralise them by planting trees. We believe that sustainability is not only a challenge but also an opportunity to create long-term value for our customers, employees and society as a whole. Without the shareholder's support provided to the Bank's operations, these achievements would not have been possible.

Sincerely,

Éva Hegedüs
Chairperson & CEO

1. GENERAL INFORMATION

1.1. Basis for preparing the statements

1.1.1. [BP-1] General basis for preparing the sustainability report

GRÁNIT Bank Nyrt. (hereinafter "GRÁNIT Bank", "Bank", "Banking Group", "GRÁNIT Group") has prepared this sustainability report in accordance with Act C of 2000 on Accounting, the European Union's Corporate Sustainability Reporting Directive[2] (hereinafter: CSRD), which has been in force since 2023, the European Union's Taxonomy Regulation[3] (hereinafter: Taxonomy Regulation) and the related European Sustainability Reporting Standards[4] (hereinafter: ESRS). The Sustainability Report has been prepared on a consolidated basis, with the same scope of consolidation as the Banking Group's financial statements.

List of consolidated companies	Value of direct shareholding
GRÁNIT Bank Nyrt.	The parent company
Gránit Lízing Kft.	100.00%
Gránit Pénzügyi Lízing Zrt.	76.66% (23.34% owned by Gránit Lízing Kft.)
Tarragona Holding Zrt.	95.00%
Equilor Befektetési Zrt.	50.01%
GBG Szolgáltató Kft.	100.00%
GRÁNIT Bank ESOP Entity	9.09%
Gránit Alapkezelő Zrt.	0.00% (solely owned by Tarragona Holding Zrt.)
Grandum Ingatlankezelő Kft.	0.00% (solely owned by Gránit Alapkezelő Zrt.)
EQUILOR FINE ART Kft.	0.00% (solely owned by EQUILOR Befektetési Zrt.)
EQUILOR Corporate Advisory Zrt.	0.00% (90% owned by EQUILOR Befektetési Zrt.)

The Bank's sustainability report covers both its upstream and downstream value chains. The Banking Group conducted an assessment of its value chain, including the activities in the value chain, the related relevant parties and stakeholders, and assigned he Bank's relevant internal departments to it. The assessment was taken into account in the double materiality assessment and in determining the Bank's stakeholders.

The Banking Group's report focuses primarily on the policies, measures and targets of GRÁNIT Bank Nyrt. as the parent bank, as the regulations created by it are applicable to the Group as a

2 DIRECTIVE (EU) 2022/2464 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting

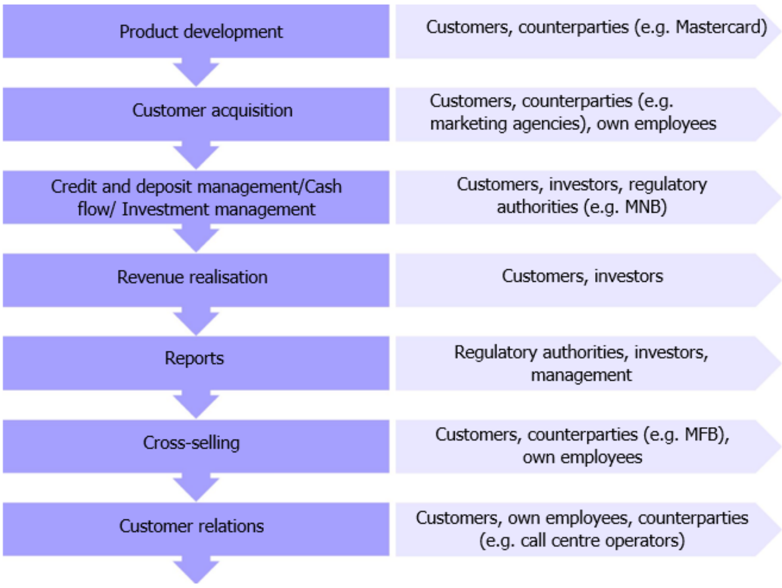
3 REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

4 COMMISSION DELEGATED REGULATION (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards

whole. The subsidiaries contribute mainly with numerical data to the report. Where the Banking Group acts differently, this is clearly indicated in the report.

Some of the Bank's policies cover issues relating to customers and suppliers in addition to its own operations.

The Bank's established value chain is illustrated in the figure below:



The Banking Group did not take the opportunity to omit any specific information corresponding to intellectual property, know-how or innovation results.

The Bank took the opportunity to omit information[5] classified as sensitive from the report and therefore does not disclose the GAR Template 2 Sector Information in Annex VI to Delegated Regulation (EU) No 2021/2178 (the EU Publication Regulation)[6].

The Banking Group did not avail itself of the possibility of exemption from disclosing information on pending developments or matters under negotiation.

Sections 95/I(1) (individual) and 134/J(1) (consolidated) of the Accounting Act require the Bank to prepare its business report in the electronic reporting format (XHTML) specified in the Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) and to mark the sustainability disclosures specified by the ESEF taxonomy in the sustainability report using the XBRL markup language, including the disclosures required by Article 8 of Regulation (EU) 2020/852. Given that the ESEF taxonomy for sustainability report has not yet been adopted and published, the Bank has not been able to perform the XBRL marking.

[5] See Annex I, point 7.7 of the ESRS

[6] COMMISSION DELEGATED REGULATION (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

1.1.2. [BP-2] Disclosures on specific circumstances

During the double materiality assessment serving as the basis for reporting, the Bank defined the time horizon in accordance with the guidelines of the ESRS 1 reporting standard. Impacts, risks and opportunities were defined according to the following three-time horizons:

I. Short term: If the positive or negative impact of a sustainability topic is already present in the current financial year, all topics identified as factual fall into this category.

II. Medium term: If the positive or negative impact of a sustainability topic is already present in the current financial year, but does not yet have a significant impact on the environment and/or society, it is expected to be felt within 5 years after the reporting period.

III. Long-term: Where the positive or negative impact of the sustainability issue is expected to be felt only after 5 years, assuming a time horizon of up to 10 years.

The Banking Group did not carry out a value chain assessment when establishing the metrics.

The Banking Group's metrics do not show a high degree of measurement uncertainty. For energy consumption and GHG emissions, the reliability of the baseline data used is high, with no uncertainty greater than 5% based on expert estimates. The assumptions used and the calculation methodology are presented in subsection 2.2.9 Gross and total GHG emissions in scope 1, 2, 3. Given that the Bank's other reported metrics are based on factual data, there is no measurement uncertainty.

This is the first sustainability report of the Banking Group prepared in accordance with ESRS standards and complying with the CSRD Directive, and therefore changes in sustainability information and identified reporting errors, if any, will be disclosed in the next report.

In calculating its GHG emissions, GRÁNIT Bank took into account the guidelines of the GHG Protocol Corporate Standard, an internationally recognised and widely applied standard for measuring and reporting carbon dioxide emissions and other GHGs. The results of the calculation are presented in subsection 2.2.9 Gross and total GHG emissions in scope 1, 2, 3.

The information incorporated by reference in the sustainability report of the Banking Group is presented in the table in Chapter 5 ESRS Index.

As the average number of employees at the balance sheet date was less than 750, the Banking Group opted for the exemption from detailed disclosure in its first reporting period, in accordance with the provisions of Appendix C of ESRS 1. Accordingly, it does not report in detail on S1 (own employees) and S4 (customers and end-users), which the Bank considers to be material. However, as required by the standard, the Bank describes its policies, measures, targets and metrics related to these topics in subsections 3.1 Own workforce and 3.2 Consumers and end-users.

1.2. Governance

1.2.1. [GOV-1] The role of the administrative, executive and supervisory bodies

The Management Committee

The administrative body of GRÁNIT Bank is represented by the Management Committee. The Management Committee is the standing committee established by GRÁNIT Bank's Board of Directors. It has decision-making rights in the implementation of the strategy adopted by the Board of Directors, which includes, inter alia, determination of trends for product development, sales, marketing and risk assumption. The Management Committee does not limit the tasks and powers of the other standing committees of GRÁNIT Bank (Asset-Liability Committee, Lending Committee, and Problem Claims Committee). The Management Committee regularly monitors and controls GRÁNIT Bank's daily operations, the implementation of business objectives, and the regulated operation and, if justified, makes the necessary decisions. The Management Committee discusses the consolidated strategy, the annual financial, capital policy and investment plans and submits them to the Board of Directors for approval. It monitors, on a monthly basis, the performance of the members of GRÁNIT Banking Group in connection with the controlling reports.

The Rules of Procedure of the Management Committee are aligned with the principles and regulations laid down in the Bank's Organisational and Operational Regulations.

Board of Directors

The management body endowed with governance powers at GRÁNIT Bank is represented by the Board of Directors.

The executive body of GRÁNIT Bank is the Board of Directors, consisting of the chair, the vice-chair and other members of the Board of Directors. The Board of Directors consists of five members.

The work organisation of GRÁNIT Bank is headed by the chief executive officer who performs the operative management of the Bank and is also the chair of the Board of Directors, and whose duties and competence are determined by the Board of Directors.

The Board of Directors shall have exclusive competence in the following areas:

- acceptance of the Bank's organisational and operational regulations,
- acceptance and submission to the General Meeting of the Bank's financial statements under the Accounting Act, and making proposals for the use of the after-tax profit,
- decision on the increase of the share capital based on the authorisation granted in the articles of association,
- with the prior approval of the Supervisory Board, a decision on the payment of dividends in place of the General Meeting,
- exercising of the employer's rights in relation to the employment relationship of the Bank's CEO and Deputy CEOs and the Chair of the Board of Directors with the Company, maintenance of the Bank's business books in compliance with the rules,
- appointing of the Bank's employees authorised to sign for the Company,
- acceptance of the Bank's annual business plan,
- approving new customer limits above the amount set in the procedural rules of the Board of Directors,
- reporting on the management and on the Bank's net worth position and business policy at least once a year to the General Meeting and every three months to the Supervisory Board,

- maintaining the Company's register of shareholders (unless the Civil Code or the articles of association provide otherwise),
- approving decisions relating to the establishment, operation and dissolution of the ESOP (Employee Stock Ownership Plan) entity, and on the related costs and expenses, within the limits set out in the Company's Remuneration Policy,
- making proposals regarding the latest Remuneration Policy system,
- supervising the implementation of the Remuneration Policy as approved and reviewed by the Supervisory Board,
- performing other tasks as defined by law or by the authorisation granted by the statutory provisions or by resolutions of the General Meeting,
- taking all decisions that do not fall within the exclusive competence of the General Meeting, and that are not referred to the competence of another corporate body by the Bank's organisational and operational regulations or the Board of Directors' rules of procedure.

The detailed rules of operation of the Board of Directors and the division of responsibilities and competences among its members are set out in the rules of procedure of the Board of Directors.

Supervisory Board

The management body endowed with supervisory powers at GRÁNIT Bank is represented by the Supervisory Board.

GRÁNIT Bank's Supervisory Board consists of five members, who are present in the Board as independent members.

Duties and powers of the Supervisory Board:

- monitor the management of the Bank for the General Meeting,
- ensure that the Bank has a comprehensive and effective control system in place, and once a year to evaluate the operation of the Bank's internal lines of defence,
- examine the main business policy reports as well as any proposals falling within the exclusive competence of the General Meeting,
- make proposals regarding the person and remuneration of the Auditor to be elected,
- oversee the Bank's internal audit function,
- audit the Bank's annual and interim financial reports,
- prepare an annual report for the General Meeting,
- elaborate recommendations and proposals based on the findings of the audits conducted by internal audit,
- accept and regularly review the principles of the remuneration policy,
- performed the duties of the Audit Committee for as long as the company operated as a private limited company,
- perform other duties as stipulated by law.

The detailed rules of operation of the Supervisory Board shall be set out in the rules of procedure established by the Supervisory Board and approved by the General Meeting.

Measures to ensure the suitability of the members of the management bodies

Only persons against whom there are no grounds for exclusion under the statutory regulations and who fulfil the relevant legal requirements may be nominated and elected as members of a management body. Members of the management bodies shall notify the management body without delay if any grounds for exclusion are identified.

The management bodies are responsible for ensuring that GRÁNIT Bank performs its licensed activities in accordance with the provisions of the Credit Institutions Act[7] and the Investment Firms Act[8], and other separate laws, and that its operation complies with the relevant provisions. The members of the executive bodies shall always act with due care and professionalism – in accordance with the strict professional requirements of their position – taking into account the interests of the GRÁNIT Bank, its shareholders and its customers, and in accordance with the statutory regulations.

GRÁNIT Bank has internal regulations in compliance with the law and with Recommendation No. 1/2022 (I.17.) of the National Bank of Hungary on the assessment of the suitability of members of the management body and key function holders[9]. The relevant regulations provide for the assessment of the suitability of members of the management body, individually and collectively, and of the key function holders. The Bank's Management Committee is composed of internal members of the management body with governance powers and key function holders.

The Bank, as a governing credit institution subject to supervision on a consolidated basis, sets the rules for the assessment of suitability at group level, and expects all group members to comply with the requirements of the relevant regulations, taking into account the relevant statutory requirements.

Criteria for assessing individual suitability include the following:

- the time spent in performing the function,
- knowledge, skills and experience,
- good business reputation and integrity,
- freedom from influence.

Criteria for assessing collective suitability include the following:

- a separate assessment for the management body with governance powers and the management body with supervisory powers as to whether the members of each individual body collectively have the knowledge, skills and experience necessary to perform the functions of the body concerned,
- the diversity of the management body and whether the members of the management body with governance powers are collectively able to perform their tasks, to make informed decisions about the business model, risk appetite, strategy and markets of the Bank, effectively manage and control the operations of the Bank and the Bank Group, with an overview of the operations and risks of the Bank and the Banking Group as a whole,
- whether the members of the supervisory body are collectively able to understand and evaluate the proposals, explanations and information formulated by the management body with governance powers, monitor the application of the Bank's strategy, risk appetite and policies, and evaluate the performance of the members of the management body with governance powers.

Individual and collective suitability is assessed in specific cases (e.g. election, appointment, prolongation, etc.), at regular intervals (every two years for the Bank) and in cases that justify re-evaluation.

The assessment of the individual and collective suitability of board members and the suitability of key function holders at the institutional level is the responsibility of the management body with supervisory powers. The result of the assessment may be submitted to the management

[7] Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises

[8] Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and the Regulations Governing their Activities

[9] Policy HRF-001/2024 on the assessment of the suitability of members of the management body and key function holders

body with supervisory powers for decision-making if the management body with governance powers recommends its adoption to the management body with supervisory powers.

The Bank shall inform the National Bank of Hungary of the results of the individual and collective suitability assessment of the members of the management body.

In 2024, GRÁNIT Bank completed the suitability assessment of the individual members of the management body and the key function holders that become necessary. The next collective assessment of the suitability of the members of the management body will be carried out in 2025.

Oversight of impacts, risks and opportunities in management bodes

In 2024, the Bank carried out its first comprehensive assessment of the range of impacts, risks and opportunities that are material to it, by conducting a double materiality assessment (DMA). The detailed process is described in sub-section 1.4.1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities. The Bank will repeat the DMA process in each reporting period.

The management of the impacts, risks and opportunities (IROs) identified by the Bank is not carried out by the management bodies. Responsibility for the appropriate management of the IROs concerned lies with the identified responsible departments. Each area has reporting obligations to the relevant management body, with frequencies varying from quarterly, semi-annually, to annually, depending on the area. The reports are in writing and are reviewed and commented on by the management bodies. On the basis of these reports, the management bodies determine and monitor the objectives for the areas concerned.

Overseeing sustainability issues

The Bank's management entrusted the Risk Management Methodology Directorate with the task of ensuring that the Bank complies with sustainability-related regulations and that the appropriate expertise is available in the organisation to manage and improve those regulations. Accordingly, the Bank launched a comprehensive ESG project in 2024, which is intended to ensure compliance with regulatory expectations and improve the Bank's culture on sustainability issues. The Bank has also established an ESG expert position[10] within the Risk Management Methodology Directorate to provide for the appropriate expertise.

In order to ensure proper elaboration of the sustainability report, the Bank took advantage of training provided by external experts, which was also attended by the members of the Bank's management, ensuring a proper understanding of the reporting process and regulatory requirements. The Bank's operational management (CEO and Depuy CEOs) actively participated in the DMA process, and its final approval was made by the Board.

Composition of the management bodies

The composition of the management bodies of GRÁNIT Bank is presented in the table below:

10 An additional ESG expert position will be opened in 2025

Item	The Management Committee	Board of Directors	Supervisory Board
Number of female members	3	2	1
Number of male members	11	3	4
Gender breakdown in percentage [11]	21%	40%	20%
Number of internal members	14	3 (employees)	-
Number of external (independent) members	-	2 (delegated by the owner)	5 (none of them are members delegated by employees)
Number of executive members	11	3	-
Number of non-executive members	3	2	-

1.2.2. [GOV-2] Information provided to the administrative, executive and supervisory bodies of the company, and the sustainability issues they address

GRÁNIT Bank completed its first DMA in 2024, and therefore the reporting process related to the material impacts, risks and opportunities identified in the DMA is not yet conducted in a regulated manner.

During the DMA process, the Bank appointed a team of ESG experts, whose members were selected from senior employees of the Risk Management Methodology Directorate, the Compliance Division and the Finance and Operations Division. The ESG expert team is responsible for the CSRD reporting of GRÁNIT Bank, while also carrying out strategic supervision over the business activities. Their role is to actively support ESG reporting and to participate in the DMA implementation and validation process and in the IRO assessment. The ESG expert team is also responsible for liaising and communicating with representatives of the Bank's departments and with the management of subsidiaries.

The ESG expert team reported to the Bank's Board of Directors on the progress and results of the DMA process.

The specialist departments inform the Bank's management about the impacts, risks and opportunities identified during the DMA in different ways, depending on the topic, not through a separate channel but integrated into the departments' communication practice.

[11] The gender breakdown is presented as the average ratio of female to male members.

It is not yet explicitly declared to the management bodies and their committees how sustainability impacts, risks and opportunities are taken into account during the supervision of the Banking Group's strategy, decisions on major transactions and risk management procedures. The bodies take their decisions in the long-term interests of the Banking Group, and their consideration is based on generally applied principles. The Board of Directors' objectives and activities particularly focus on increasing shareholder value, effectiveness and efficiency, managing risks, operating in full compliance with external provisions, i.e. ensuring the most effective implementation of business, ethical and internal control policies. It is the duty of the Board of Directors to provide for the effectiveness of the internal lines of defence, to ensure a sustainable business model that takes into account all risks, including ESG risks.

During the reporting period, the members of the operational management were informed by the ESG expert team of the impacts, risks and opportunities identified based on the results of the double materiality assessment. The operational management proposed that cyber risks be included in the material topics and agreed to the impacts, risks and opportunities related to the other identified material sustainability topics. Subsection 1.3.3 Material impacts, risks and opportunities and their interaction with the strategy and business model provides a detailed elaboration of the material issues and their associated impacts, risks and opportunities, as well as the Bank's approach to them.

1.2.3. [GOV-3] Integrating sustainability-related performance into incentive mechanisms

Currently, the Bank does not take climate-related considerations into account in the remuneration of members of its administrative, executive and supervisory bodies. The reason for this is that the Bank's strategy and operations focus primarily on the quality of customer service, on innovation and on maintaining financial stability. Although we are committed to sustainable operations, our current remuneration system does not include criteria that directly link the assessment of the managers' performance to the fulfilment of GHG emission reduction targets or other climate-related indicators as well. The Bank continuously monitors regulatory changes related to sustainability, and may, in the future, consider integrating climate considerations into its performance evaluation and remuneration system, if necessary.

The fulfilment of the tasks set out in the MNB Green Recommendation has been included, as a qualitative indicator, among the performance evaluation indicators for the Bank's employees responsible for the performance of their tasks, which indirectly contributes to the Bank's environmental risk management and more sustainable operations.

1.2.4. [GOV-4] Statement on due diligence

The following table summarises the basic due diligence elements of the Banking Group – also applied to this report – which relate to impacts on people and/or the environment and to the manner in which these are reflected in the relevant policies, in the various bodies' duties and in measures.

Basic elements of due diligence	Paragraphs of the sustainability report
a) integration of due diligence into governance, strategy and business model	– [GOV-1] The role of the administrative, executive and supervisory bodies

Basic elements of due diligence	Paragraphs of the sustainability report
	– [GOV-2] Information provided to the administrative, executive and supervisory bodies of the company, and the sustainability issues they address – [GOV-3] Integrating sustainability-related performance into incentive mechanisms – [SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model
b) co-operation with relevant stakeholders, in all key stages of due diligence	– [GOV-2] Information provided to the administrative, executive and supervisory bodies of the company, and the sustainability issues they address – [SBM-2] Interests and views of stakeholders – [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities
c) definition and evaluation of adverse impacts	– [SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model – [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities
d) implementing measures to address the above adverse impacts	– [SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model
e) monitoring and communicating the effectiveness of these efforts	– [GOV-2] Information provided to the administrative, executive and supervisory bodies of the company, and the sustainability issues they address – [GOV-5] Internal controls for risk management sustainability-related reporting

1.2.5. [GOV-5] Internal controls for risk management sustainability-related reporting

The Bank's Board of Directors adopted a revision and extension of Disclosure Policy CONT-004/2011 at the end of 2024. The revised policy now includes the methodology and the steps for the preparation and disclosure of the sustainability report. This sustainability report has been prepared in accordance with the methodology and steps set out in the Disclosure Policy.

According to the Disclosure Policy, the department responsible for the proper elaboration of the Sustainability Report is the Strategy and Analysis Division and its final approver is the Board of Directors.

As the Bank is publishing its first sustainability report – in compliance with ESRS – the related Disclosure Policy did not identify any risks or measures intended to mitigate them. The Bank will evaluate the process following the approval and publication of the report, and then, based on its experience, it will identify the related risks and develop procedures to mitigate them. The risk assessment will include an evaluation of internal control processes.

1.3. Strategy

1.3.1. [SBM-1] Strategy, business model and value chain

Gránit Bank's activities and services provided

GRÁNIT Bank's goal has been to make financial transactions simpler, faster and more convenient through innovative digital solutions. The Bank considers it its mission to also strengthen environmental awareness among its counterparties and customers, in addition to developing financial awareness. The radically innovative digital operating model applied by the Bank focuses on customer needs, resulting in an outstanding customer experience while operating in an extremely cost-effective manner and promoting environmentally conscious and sustainable economic operations through the full digitalisation of financial management. **GRÁNIT Bank is convinced that its digital operating model contributes to the social implementation of responsible and sustainable development.**

Since 2010, the Bank has been emphasising to its customers that digital solutions can help them save money, time and energy and may lead to a more efficient use of resources, thereby contributing to the modernisation of economy. The feedback from customers clearly reflects that these values are a key factor for them when choosing a bank.

In 2024, the Banking Group conducted a value chain assessment, which includes all the reasonable and supportable information available to the Bank Group during the reporting period. On the upstream side of GRÁNIT Bank's value chain suppliers and counterparties necessary for the development of products and the operation of the Bank are identified, the most significant of which are the companies providing software and infrastructure for the operation of digital platforms, as well as counterparties related to services such as Mastercard. The most important elements of the Banking Group's downstream value chain are the counterparties involved in the cross-selling of products and services, as well as the customers themselves. The sustainability report describes the Banking Group's own activities, including, where relevant, policies and measures that address the Bank's upstream and downstream value chains.

The Banking Group currently operates in Hungary, with a significant customer base in Romania among the neighbouring countries, thanks to the cross-border project. The Bank is committed to providing its customers with modern, digital and innovative financial solutions through its cross-border services, while continuously developing its operations in line with the principles of sustainability and cost-efficiency. EQUILOR Befektetési Zrt., a member of the Banking Group, became a full member of the Warsaw Stock Exchange and the Prague Stock Exchange in 2011.

The Banking Group does not provide services that are subject to prohibitions in certain markets.

The Bank operates in three customer segments: it tailors its range of services to the needs of the **retail customers, SMEs and large corporates**.

More than 100,000 customers can find the right package of services for their needs in the Bank's range of services. Retail customers can choose between account packages with free account management fees (Champ, Digital, Star, Student, Student Loan and Interest Plus packages), or account packages that can be opened with a video call or a selfie.

It offers a special account package for managing class money (Class Money Account), for depositing foreign currency (Foreign Currency Account), and its Hero account package is specifically designed for health care professionals.

It also offers its customers various deposit options and deposits, a permanent savings account and a government bond subscription facility.

We offer various current account and mortgage loan schemes with favourable credit terms. The “Babaváró” loan is available even with a VideoBank contract, with a 30-minute processing time from 2023, and in the case of mortgages, the Bank will conduct a preliminary credit appraisal online in minutes.

For SMEs, the Bank offers a range of standard or even customised bank account packages, corporate foreign currency account management in EUR, USD or GBP currencies, as well as separate packages tailored to the needs of start-up companies.

At the end of 2023, a fully online, unrestricted, full-service corporate account opening and management service was launched, which allows for fully online account opening regardless of the company’s size, legal form, number of signatories and bank signatories.

For large companies, the Bank provides documentary transactions, treasury transactions, financing solutions and payment services, applying digitalised solutions similar to retail products.

The bank cards offered by and available at the Bank include the Gránit Neo Mastercard and the Gránit Standard Mastercard, and customers can also apply for the Gránit Platinum Mastercard and Gránit World Elite Metal cards, which provide premium services. Also available is the Gránit EUR/USD Mastercard embossed bank card, which can be used for payments and cash withdrawals related to foreign currency accounts.

In line with the principles of sustainability and environmental awareness, since 2022, all new bank cards issued are made of environmentally friendly, rapidly degradable plastic, which contains a component that allows the PVC to be degraded by microbes within 60 days under appropriate waste management and composting conditions.

As a result of this dynamic growth, GRÁNIT Bank has now become a mid-sized bank, and the business model it has implemented has brought it widespread professional recognition. The Bank participates in a wide range of economic development and residential programmes (MNB FGS, BGS bond programme, Gábor Baross Reindustrialisation Loan Programme, Széchenyi card/loan schemes, MFB Points, Eximbank refinancing schemes, CSOK, Green Loan Programme, etc.), and has been a BUBOR market maker since 2018.

Information on the Bank’s employees is presented in section 3.1 Own workforce.

Detailed information on turnover is available in the Banking Group’s consolidated financial statements (link). The Banking Group does not engage in activities related to the exploration, storage or transport of fossil fuels, is not involved in the trade in controversial weapons and does not engage in activities related to tobacco cultivation.

The main activities of the subsidiaries of GRÁNIT Bank are presented in the table below:

A subsidiary	Main activity
Gránit Lízing Kft.	Rental of various assets
Gránit Pénzügyi Lízing Zrt.	Financial Leasing service
Tarragona Holding Zrt.	Asset management (holding)

A subsidiary	Main activity
GBG Szolgáltató Kft.	Complex administrative service
GRÁNIT Bank ESOP Entity	Auxiliary financial activity
Gránit Alapkezelő Zrt.	Investment fund management, portfolio management
Grandum Ingatlankezelő Kft.	Property management
Equilor Befektetési Zrt.	Stock and commodity exchange agency activity, provision of investment services
EQUILOR FINE ART Kft.	Developing art collections, acquiring works of art, obtaining analyses of the art market, consultation on preserving the value of art assets
EQUILOR Corporate Advisory Zrt.	Provision of financial advisory services for companies

GRÁNIT Bank's strategies and goals

GRÁNIT Bank aims to offer its customers cutting-edge online banking solutions and digital financial services both in the Hungarian and cross-border markets to provide an outstanding customer experience in terms of convenience, security and speed, and to be a stable partner for value-added businesses, all this while operating effectively.

<u>Customer relations based on trust</u>

- Mutual trust and long-term customer relations
- Clear and unambiguous communication through all channels
- Reliable and consistent operations, secure financial services

<u>Customer-driven innovation</u>

- Market-leading digital banking services that are tailored to the customer's needs and give them a great experience
- By realising digital banking without brick-and-mortar bank branches, the developments simultaneously serve both convenient and fast everyday banking and sustainability

<u>Dedicated owners and management</u>

- The owners and management are motivated by increasing the Bank's shareholder value and customer satisfaction

<u>Efficient operation</u>

- Clean organisation, effective local decision-making
- Transparent operations; well-structured, predictable and conservative processes

GRÁNIT Bank is the first digital bank in Hungary, offering market-leading solutions which

- - make the management of finances simpler, more convenient and sustainable;
- upon request, can be combined with personal consultancy;
- ensuring personalisation and cost-effective solutions.

Developing simple, convenient and cost-effective solutions for retail customers by providing innovative electronic banking and financial services in order to deliver a superior customer experience and to support sustainability.

Offering sustained favourable conditions for customers through a cost-effective business model that is based on digital tools and opportunities, ensuring the long-term stable functioning of the Bank.

Providing comprehensive financial and funding solutions for corporate clients.

GRÁNIT Bank's three strategic pillars

Innovative digital banking services

- The proliferation and potential of smart and mobile devices are bringing the management of finances to a whole new level.

Conservative lending practices

- \- In addition to innovation, conservative lending is at the heart of the Bank's operations.

High liquidity, cost-effective operating model

- The Bank's business model ensures high liquidity and cost-effective operations, which translate to permanently favourable conditions for customers.

The Bank achieved profitable operations significantly sooner than the international benchmark, in its fourth full business year, and has consistently posted a profit ever since, and 2024 was its eleventh profitable year in a row.

In recent years, the National Bank of Hungary has issued guidelines on the operation of green credit institutions[12], and in this spirit GRÁNIT Bank is continuously working to incorporate green professional aspects into the Bank's lending, risk management and corporate governance processes.

The Bank's business areas regularly consult with qualified ESG experts, participate in the Sustainability Working Group of the Hungarian Bank Association and occasionally attend conferences. The Bank's employee performance evaluation indicators include the implementation of the tasks included in the green recommendation, as a qualitative indicator.

In line with the MNB's Green Recommendation, the Bank has also started to incorporate environmental risks into the credit rating and risk management processes, which is reported in detail in section 4.2. Environmental, social and climate change risk management.

The recommendation encourages banks to develop green financial products and services, which the Bank reports in detail in section 4.4 Integrating ESG into products.

As part of our green transition actions:

- GRÁNIT Bank provided a green loan to the population under the FGS Green Home Programme, which also meets the requirements the Green Home Capital Requirement initiative provided by the MNB. In addition, the Bank also participates in the MNB's Green Corporate and Municipal Capital Requirement Discount programme, in the framework of which the Bank is able to apply capital discount on loans for renewable energy production financing (solar energy-based energy production) and corporate green bonds for corporate customers.

[12] Recommendations 10/2022 (XII. 2.) and 9/2024 (IX.24.) of the National Bank of Hungary

- In the credit risk management process, for the purpose of identifying, quantifying and evaluating ESG risks during credit assessment, we currently use OPTEN's ESG indicator system (the so-called ESG Index), which is based on more than 75 parameters and shows the ESG risk level of an individual company.

The Bank will fully implement the MNB's Green recommendations by the third quarter of 2025, and in this context the Bank's additional policies related to sustainability and climate change, as well as the regulations and procedural rules intended to enforce the policies, will be prepared and put into effect.

Green strategy

In implementing its strategy, the Bank considers its mission to strengthen environmental awareness among its counterparties and customers, in addition to developing financial awareness. The radically innovative digital operating model applied focuses on customer needs and aims to enhance the customer experience, while operating in a cost-effective manner and promoting environmentally conscious and sustainable economic operations through the full digitalisation of financial management.

The basis of our green strategy is the development of services based on digital banking solutions.

As a result of the rapid development of information technology, society is becoming more and more digitally oriented, creating new needs in the financial sector and enabling banks to increasingly contribute to the provision of environmentally conscious, resource-efficient financial services through digital technology. GRÁNIT Bank is committed to minimising the environmental impact of retail customer acquisition and financial transactions through electronic channels (as opposed to the branch banking model, which leaves a significantly larger ecological footprint), thus enhancing customer experience and reducing harmful environmental impacts.

We structure our green strategy around ESG (Environmental, Social, Governance) factors:

<u>Environmental factor</u>

Bank is proud to contribute to the spread of environmentally conscious digital banking through its digital services and processes. It identifies four priority objectives within the environmental aspects:

- Environmentally conscious internal operations

  In the spirit of environmentally conscious internal operations – in line with the spread of digital service solutions – the Bank has significantly reduced its paper consumption. It intends to break with the traditional bank branch system by utilising the achievements of 21st century technological development. By conducting its business in the virtual space, it saves significant resources and minimises its ecological footprint.

- Reducing carbon emissions and energy use

  As a digital bank, it strives to enable its customers to bank with as little travel as possible and in an environmentally conscious manner, saving time and pollutant emissions associated with travel, thereby contributing to reducing carbon dioxide emissions and thus restraining global warming. The Bank aims to lead by example in terms of environmental awareness and to promote the objectives set out in the Paris Agreement signed in 2015. Renewable energy production is one of the cornerstones for addressing environmental problems. For this reason, it actively supports the achievement of climate protection objectives, giving priority in its lending to financing developments linked to green energy production. Environmentally friendly, clean energy production makes a major contribution to the decarbonisation of the corporate sector, which is the driving force of the Hungarian economy, and thus to sustainable economic development as well. Since the environmental impacts of climate change also affect the financial sector, it is necessary to identify and take account of these impacts and to develop the necessary procedures to address them. Nevertheless, the Bank believes that the digital business model will enable the delivery of sustainable, environmentally friendly financial services. The Bank has not yet conducted a survey of Scope 3 financed emissions, which represents the largest emissions category for the Bank. In the next reporting period, however, it will be obliged to measure and publish these data. To this end, it launched a comprehensive ESG project at the end of 2024 to ensure compliance with the rules and contribute to the achievement of its sustainability objectives.

More information on our climate change data and related policies and measures are available in section 2.2 Climate change.

- Promoting sustainability

  The Bank also wishes to promote sustainability among its customers through products that are recognised as "green" internationally as well. Its long-term objectives include the continuous development of green products that meet society's needs, and the further expansion of this product range. It continuously reviews its portfolio and adapts it to the objectives set. Accordingly, it offers the following specific green services:

  - Green bank account (possibility of 100% online opening);
  - Green corporate loan (to increase energy efficiency, increase renewable energy use or finance CO_2 emission reduction);
  - Green residential mortgage loan (secured real estate energy efficiency or renewable energy investment loan).

Social factor

In keeping with its social responsibility strategy, GRÁNIT Bank continuously strives to increase the population's environmental awareness. It considers the fight against climate change as a common cause and therefore actively participates in interbank co-operation. By reducing its ecological footprint, operating in an environmentally conscious manner and supporting environmental projects, it wishes to further contribute to the reduction of the impact of climate change and to Hungary's development. The Bank has also developed a corporate social responsibility strategy, which is described in more detail in section 3.4 Community involvement.

Corporate governance factor

The Bank's operating model is consistent with the achievement of environmental objectives. The Bank's management continuously assesses the effectiveness of the Bank in meeting its sustainability objectives, and actively supports sustainability education for relevant employees, thereby increasing the necessary expertise. Its Code of Ethics requires all members of the Bank to adopt an environmentally conscious approach and mindset, which is described in detail in subsection 4.1.3 Corporate culture and business conduct policies and corporate culture.

1.3.2. [SBM-2] Interests and views of stakeholders

In order to prepare its double materiality assessment, GRÁNIT Bank surveyed the group of its stakeholders. During the survey, the Bank distinguished between internal and external stakeholders and then assessed them based on their interests and influence in the Bank. On this basis, a distinction was made between primary and secondary stakeholders, the results of which are shown in the following table:

Primary stakeholders	Secondary stakeholders[13]
Operational management	Sectoral organisations and Trade unions
Managers and representatives of operational units related to ESG areas at the Banking Group level	Suppliers and subcontractors
Managers / representatives of subsidiaries	Customers
Own employees	Regulatory authorities
ESG expert team	Media
Investors and shareholders	NGOs
	Educational institutions, academies
	Competitors
	Local communities

Each member company of the Banking Group maintains contact with the stakeholder groups in line with its organisational characteristics and the particularities of the stakeholder groups. The Banking Group co-operates with its key stakeholders, and one of the objectives of stakeholder relations is to reveal their opinions. During the double materiality assessment process, the identified stakeholders were involved directly or indirectly, the exact process of which is explained in more detail in the following section 1.4 Addressing impacts, risks and opportunities – Disclosures on the materiality assessment process.

The materiality assessment and due diligence process did not cover the identification of the external stakeholders' positions and interests in relation to strategy and business model. The interests and positions of internal stakeholders such as employees, regional managers and the Bank's management bodies are reflected in the Bank's business strategy, which is presented in sub-section 1.3.1 Strategy, business model and value chain.

The Bank will engage with primary stakeholders in the double materiality assessment in the following ways:

Primary stakeholders	Method of co-operation	Purpose of co-operation	Method of taking results into consideration
Operational management	Participating in DMA validation workshops	Final evaluation and validation of the DMA	In developing the final form of the DMA

13 In the case of identified secondary stakeholders, the methodological approach was to identify the approach of relevant stakeholders within the framework of a desktop research based on publicly available information, which is how it was taken into account in the double materiality assessment.

Primary stakeholders	Method of co-operation	Purpose of co-operation	Method of taking results into consideration
Managers and representatives of operational units related to ESG areas at the Banking Group level	Conducting interviews to identify IROs, participating in IRO workshops	Identifying, evaluating and validating IROs	Incorporating identified IROs into the DMA, taking account of the evaluation
Managers / representatives of subsidiaries	Participating in IRO workshops	Evaluation and validation of IROs	Taking account of the evaluation
Own employees	Participating in IRO workshops (through representatives)	Identifying, evaluating and validating IROs	Incorporating identified IROs into the DMA, taking account of the evaluation
ESG expert team	Participating in IRO workshops, ensuring expert evaluation	Identifying sustainability topics, establishing relevance, identifying, evaluating and validating IROs	Incorporating identified potentially relevant topics and IROs into the DMA, taking account of the evaluation
Investors and shareholders	Participating in DMA validation workshops (through representatives)	Final evaluation and validation of the DMA	In developing the final form of the DMA

There were no significant differences in the positions of the primary stakeholders, the respondents agreed with the directions identified in the double materiality assessment, and the Bank will adapt its ESG strategy accordingly in the coming years, while repeating the DMA process annually.

During the future double materiality assessments, the Bank will seek to involve secondary stakeholders more closely in the process and develop an appropriate methodology to ensure an even broader and more accurate position when determining material topics.

Among the Bank’s administrative, executive and supervisory bodies, the Board of Directors actively participated in the double materiality assessment through the Operational Management; they received regular updates from the ESG expert team on the progress of the process and participated in the final validation of the DMA, thus being informed of stakeholders’ positions and the potential material impacts, risks and opportunities they identified.

1.3.3. [SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

1. Environmental information

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
GHG emission - Responsible area: Risk Management Methodology Directorate				
Negative impact	Greenhouse gas emissions contribute to global warming.	Current - short-term	Primarily downstream	ESRS E1-6
Financial risk	If the Bank has high GHG emissions, this could be a reputational risk and could affect the company financially as well.	Potential - medium-term		
The Bank's approach	The Scope 1 emissions of the Banking Group originate from the fuels used in vehicles and the use of natural gas in building engineering during its operations, which amounted to ~ 293.22 tCO2e in 2024. Scope 2 emissions are calculated from electricity consumption necessary for the company's operations and purchased district heating and cooling, and the indirect GHG emissions calculated from this in 2024 are ~295.62 tCO2e. The Banking Group does not yet measure Scope 3 emissions, which is the largest emissions category including financed emissions. The environmental impact of the Bank's operations is lower than the sectoral average, primarily due to its digital operations.			
Energy consumption during own activities - Responsible area: Risk Management Methodology Directorate				
Negative impact	High levels of fossil energy consumption pollute the environment and contribute to global warming.	Current - short-term	Direct activity and downstream	ESRS E1-5
Financial opportunity	By reducing energy consumption, the Bank can reduce its energy costs.	Current - short-term		
The Bank's approach	The direct impacts of the Bank's operations result from general operations and the maintenance of an energy-intensive digital infrastructure. Although its operating model has lower energy consumption compared to maintaining a traditional branch network, its digital solutions require significant energy due to the continuous operation of its data centres, servers, and online services. Despite its national coverage and presence, only one head office and two customer branches serve the customers' daily financial needs, which contributes to its energy efficiency.			

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Environmental impact of financial products - Responsible area: Corporate Division, Retail Division, Treasury Directorate				
Positive impact	The provision of green financial products has a positive impact on the environment, as they are used to finance activities that in some way advance environmental sustainability.	Current - short-term	Primarily downstream	Entity-specific
Negative impact	Through its services and business activity, the Bank contributes to the emissions of individuals and companies, which can have a negative impact on the environment.	Current - short-term	Primarily downstream	
Financial opportunity	The provision of green financial products means a financial opportunity for the Bank.	Potential - medium-term		
Financial risk	If the Bank's financed emissions are high, this could lead to reputational risk and regulatory fines in the long run.	Potential - medium-term		
The Bank's approach	The Bank's strategy is to increase the proportion of green financial products in its portfolio, both in the corporate and retail segments. This includes increasing energy efficiency, expanding the use of renewable energy and financing CO_2 emission reductions. Green loans are also being introduced in retail and corporate lending, and the Bank plans to introduce a green product in its start-up investment service. The Bank's liquidity policy is showing an interest in green bonds, which the Bank prefers over conventional bonds.			

2. Social information

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Social dialogue - employee feedback - Responsible area: Human Resources Department				
Positive impact	It is important for the Bank to allow employees to share their ideas and opinions, as this has a positive impact on both the corporate culture and the employees.	Current - short-term	Direct activity	ESRS S1-3
Negative impact	Failure to engage in social dialogue can lead to frustration and have a negative impact on employees and company culture.	Potential - medium-term	Direct activity	

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Financial opportunity	Employee feedback helps the Bank's management to make better informed and more far-sighted decisions, which can also benefit the company financially.	Potential - medium-term		
Financial risk	Lack of feedback can lead to higher employee fluctuation and lower employee morale, which can be financially risky for the company.	Potential - medium-term		
The Bank's approach	The Bank conducts an annual anonymous survey of employee satisfaction and feedback, and uses it to determine measures to be taken. In addition to the annual survey, the Bank provides a reporting system for employees, which they can use to report to the Compliance Officer.			
Work-life balance - Responsible area: Human Resources Department				
Positive impact	By maintaining the right balance, the Bank can contribute to the mental and physical health of its employees.	Potential - medium-term	Direct activity	ESRS S1-15
Negative impact	Failure to maintain the right balance can result in poorer work quality, which has a negative impact on the employees' mental and physical health.	Current - short-term	Direct activity	
Financial opportunity	Work-life balance is becoming an increasingly important factor in the workplace for new generations, which can affect employee attraction and retention. By maintaining the right balance, the Bank's employees can perform better at work, which contributes to the Bank's financial success.	Potential - medium-term		
Financial risk	Failure to maintain the right balance can result in poorer work quality, which may have an impact on financial performance as well.	Potential - medium-term		
The Bank's approach	Most units of the Bank are characterised by overwork and high workload, which the organisation cannot always remedy by increasing resources, so this poses an increased risk. The Bank is trying to offset these effects with employee welfare measures.			
Health and safety - Responsible area: Human Resources Department				
Positive impact	If the company properly provides its employees with the conditions for a healthy lifestyle and workplace safety, this will have a positive impact on them.	Current - short-term	Direct activity	ESRS S1-14

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Financial risk	In the event that health and safety issues are not properly addressed, absenteeism rates may increase, which poses a risk from a financial perspective.	Potential - medium-term		
The Bank's approach	The Bank pays close attention to its obligations under relevant statutory provisions on health and safety in order to ensure a safe and healthy working environment for its employees, customers and visitors. To this end, employees are required to attend annual training courses on workplace safety.			
Gender equality - Responsible area: Human Resources Department				
Positive impact	GRÁNIT Bank may have an impact on employee satisfaction and retention by promoting fair remuneration, equal treatment and equal working conditions. Increased employee satisfaction is expected to result in greater well-being.	Current - short-term	Direct activity	ESRS S1-16
Negative impact	Gender inequality may cause lack of motivation of employees and tension within the organisation.	Potential - medium-term	Direct activity	
Financial opportunity	Gender equality can have a positive impact on employee well-being and motivation. Thereby it can also contribute to more efficient working practices, thus being beneficial for the Bank financially as well.	Potential - medium-term		
Financial risk	Gender inequality may cause lack of motivation of employees and tensions within the organisation, which can also affect reputation and financial performance.	Potential - medium-term		
The Bank's approach	The Bank's corporate social responsibility strategy includes the creation of equal opportunities, which is also indispensable among the employees. Gender equality has been achieved at the Bank, as it makes no distinction in salaries and positions based on gender, but only on performance-based assessment.			
Training and skills development - Responsible area: Human Resources Department				
Positive impact	By fostering an environment that promotes continuous learning and development, the Bank can provide its employees with the tools to help them achieve their goals and progress in their careers.	Current - short-term	Direct activity	ESRS S1-13
Financial opportunity	If the Bank ensures that its employees acquire the appropriate up-to-date professional skills, this can lead to more efficient and higher quality work, which can contribute to more effective financial performance.	Potential - medium-term		

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Financial risk	If the Bank does not adequately support the development of its employees, this may lead to a deterioration in their up-to-date expertise, which may affect the Bank's financial performance.	Potential - medium-term		
The Bank's approach	Training and skills development is a key focus for all areas of the Bank, as this is the only way to ensure that the right expertise is maintained in the long term. The Human Resources Department supports the areas in their development and organisation, while the professional side is responsible for their implementation.			
Access to (high-quality) information - Responsible area: Compliance Division, Retail Division				
Positive impact	In the banking industry, it is of paramount importance to provide accurate information to customers and to protect consumers from potential abuse.	Current - short-term	Primarily downstream	ESRS S4
Financial risk	Transparency in services and contracts is indispensable, and non-transparent business practices can result in the company losing the customers' trust, which can lead to reduced cash flow and getting fines.	Potential - medium-term		
The Bank's approach	GRÁNIT Bank pays particular attention to credibility and transparency. The Bank helps its customers achieve a better understanding by providing information available online, which allows them to study documents more thoroughly than in the framework of personal administration. When submitting a loan application, the Bank specifies the amount of loan that can be borrowed, which ensures transparent lending to customers.			
Access to products and services - Responsible area: Compliance Division, Retail Division				
Positive impact	Providing access to products for a wide range of society has an indirect impact on the customers' financial stability and quality of life.	Current - short-term	Primarily downstream	ESRS S4
Financial opportunity	Providing access to products for a wide range of society is a financial opportunity for the Bank, as it can achieve better results with a wider customer base and product portfolio.	Potential - medium-term		
The Bank's approach	The Bank is continuously improving its digital products and is introducing fully digital processes in more and more cases, as a result of which customers do not need to visit the Budapest branches in person, whereby a wide range of society has the opportunity to access the services.			

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Responsible market practices – Responsible area: Compliance Division, Retail Division				
Positive impact	The Bank's responsible practices have a positive impact on consumers, especially on those groups who are highly exposed financially to the Bank's practices.	Current – short-term	Primarily downstream	ESRS S4
Financial risk	The Bank's operations are examined by several supervisory authorities, and this includes the application of responsible market practices. The Bank's failure to comply with regulatory requirements can result in financial penalties and reputational damage.	Potential – medium-term		
The Bank's approach	The Bank strives to comply with regulations and supervisory authorities, and accordingly, litigation against or by the Bank is negligible, although financial dispute settlements arising from consumer complaints do occur occasionally.			
Attracting and retaining talent – Responsible area: Human Resources Department				
Positive impact	Good talent management can lead to a more positive workplace atmosphere and higher employee satisfaction, which has a positive impact on employees.	Current – short-term	Direct activity	Entity-specific
Financial opportunity	By retaining and attracting talent, the Bank can achieve more efficient operations and better financial results.	Potential – medium-term		
Financial risk	Inadequate talent management can result in higher employee fluctuation, and therefore higher recruitment costs.	Potential – medium-term		
The Bank's approach	Maintaining an adequate quality and quantity of workforce is indispensable for the operation of the company, and attracting and retaining talent plays a key role in this.			
Social responsibility – Responsible area: Human Resources Department				
Positive impact	Through its corporate social responsibility activities, the Bank makes a positive impact on the communities in which it operates.	Current – short-term	Primarily downstream	Entity-specific
The Bank's approach	Placing an even greater emphasis on the social factor, GRÁNIT Bank has created a specific strategy for social responsibility based on three pillars: social education, equal opportunities and support for sport and culture.			

3. Governance-related information

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Compliance of regulations and rules of procedure - Responsible area: Compliance Division				
Positive impact	By adhering to the right regulations and procedures, the Bank can have a positive impact on its employees and contribute to a transparent economy.	Current - short-term	Upstream, direct operations, downstream	ESRS G1-1
Financial risk	A lack of ethical conduct, integrity and independence can increase the likelihood of risks arising from misconduct, legal problems and stakeholder relations.	Potential - medium-term		
The Bank's approach	Considering the operation of compliance processes and the availability of regulations and procedural rules, the likelihood of such risks occurring in the Bank is low. The banking sector is strictly regulated by national and EU legislation, with which the Bank is in full compliance.			
Corporate culture - Responsible area: Human Resources Department				
Positive impact	A supportive corporate culture has a positive impact on employees and, indirectly, on consumers as well.	Current - short-term	Direct activity	ESRS G1-1
Negative impact	If the Bank is unable to develop an appropriate, positive corporate culture, this can have a negative impact on employee morale.	Potential - medium-term	Direct activity	
The Bank's approach	The Bank's employee regulation provides for fair treatment, equal opportunities and protection of employees. The Bank is continuously working to maintain a positive corporate culture, which is also required for the organisation's dynamic development and growth.			
Protection of whistleblowers - Responsible area: Compliance Division				
Positive impact	Anonymous whistleblowing systems can have a positive impact on employees and other whistleblowers by providing them with a safe channel to speak out.	Current - short-term	Upstream, direct operations, downstream	ESRS G1-1
Negative impact	Inadequate whistleblowing systems, or the absence of such systems, do not give employees and other stakeholders the appropriate confidence to report.	Current - short-term	Upstream, direct operations, downstream	

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
The Bank's approach	In the past, there was no formal anonymous whistleblowing system in place at GRÁNIT Bank, but this situation has been improved recently to ensure that employees and external stakeholders can report to the Compliance Officer.			
Corruption and bribery - Responsible area: Compliance Division				
Positive impact	Preventing corruption has a positive impact on society and fair competition.	Current - short-term	Upstream, direct operations, downstream	ESRS G1-3 ESRS G1-4
Negative impact	The occurrence of corruption incidents can pose a serious reputational and financial risk and have a negative impact on society, fair competition and employees.	Potential - medium-term	Upstream, direct operations, downstream	
Financial opportunity	The prevention and detection of corruption and bribery are principles that can influence the Bank's exposure to various financial risks.	Potential - medium-term		
Financial risk	Failure to prevent and detect corruption and bribery may increase the likelihood of financial risks arising from misconduct, legal issues and deteriorated relationships with stakeholders.	Potential - medium-term		
The Bank's approach	By preventing and detecting corruption, GRÁNIT Bank can create a culture of responsibility and accountability, reduce the likelihood of ethical and legal violations, and ultimately improve its financial stability and performance. GRÁNIT Bank has rules in place to prevent corruption, and all employees are required to attend annual training courses in this regard.			
Management of environmental, social and climate change risks - Responsible area: Risk Management Directorate, Market and Operational Risk Management Department, Risk Management Methodology Directorate				
Positive impact	Environmental, social and climate change risks are now increasingly important as extreme weather events become more frequent and ESG standards and customer expectations become more stringent. Managing these risks can have a positive impact on the environment and society.	Potential - medium-term	Direct activity and downstream	Entity-specific
Financial opportunity	Addressing ESG risks can also lead to financial opportunities by opening up new business segments and reducing the Bank's risks in a broader sense.	Potential - medium-term		

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
Financial risk	Neglecting ESG risks can result in financial losses, as they can cause physical or temporary damage to the Bank's assets or its own operations.	Potential - medium-term		
The Bank's approach	The Bank currently analyses loan applicant companies on an individual basis, taking into account ESG considerations as well. During the ESG project launched in the fourth quarter of 2024, the Bank will analyse the further integration of ESG risk management into operations from several perspectives and will develop related regulations.			
Combating money laundering - Responsible area: Back Office, Compliance Division				
Positive impact	Combating money laundering can have a far-reaching and positive impact on society by building trust, promoting responsible practices and contributing to economic growth and development. Companies that prioritise the fight against money laundering not only benefit from its positive effects themselves, but also contribute to the creation of a better and fairer society.	Current - short-term	Direct activity and downstream	Entity-specific
Financial opportunity	By prioritising the fight against money laundering and having a stable risk management system in place, GRÁNIT Bank can avoid penalties and strengthen its good reputation.	Potential - medium-term		
Financial risk	Failure to properly manage money laundering risks can result in regulatory sanctions and reputational damage.	Potential - medium-term		
The Bank's approach	The Bank follows and acts in accordance with money laundering legislation.			
Integrating of ESG into products - Responsible area: Corporate Division, Retail Division				
Positive impact	Integrating ESG factors into products results in better ESG risk management, and has a positive impact on the environment and society.	Current - short-term	Direct activity and downstream	Entity-specific
Financial opportunity	Integrating ESG into products allows the bank, in financial terms, to penetrate broader sustainability markets and seize opportunities offered by regulators to make ESG-aware business decisions.	Potential - medium-term		

Material topic	Material impact, risk or opportunity	Timeliness and time horizon	Appearance in the value chain	Related ESRS standard
The Bank's approach	The Bank has green products for both corporate and retail customers and plans to incorporate ESG funds into its investment services as well.			
Data security and data protection - cyber risks - Responsible area: IT and Bank Security Department, IT Directorate				
Negative impact	In the event of a successful attack, the leakage of large amounts of processed personal data could have a negative impact on customers and the Bank.	Potential – medium-term	Upstream, direct operations, downstream	Entity-specific
Financial risk	Failure to comply with the applicable provisions or disregard for data protection can pose a number of risks to business and have financial consequences, including compliance and legal risks, security risks, risks related to reputation, and other risks such as inadvertent sharing, overburdened cybersecurity teams, theft of employee data, etc.	Potential – medium-term		
The Bank's approach	Thanks to the Bank's current data protection practices and policies, the incidence of data protection or data security issues is very low. The Bank's protection system is built up of several layers, which reduces the risk of successful attacks, but requires special attention due to the Bank's digital operations.			
Digitalisation and innovation - Responsible area: Corporate Division, Retail Division				
Positive impact	Technology and innovation can benefit the environment and society in many ways - green technologies, environmental monitoring, communication and connectivity, access to education, carbon footprint reduction, ethical AI and data protection, etc.	Current – short-term	Direct activity and downstream	Entity-specific
Financial opportunity	Digitalisation and innovation, if strategically integrated into the Bank's operations and business model, can create a range of financial opportunities that contribute to revenue growth, cost reduction, increased profitability and long-term financial success.	Potential – medium-term		
The Bank's approach	The Bank is continuously improving its products and increasing the level of digitalisation that underpins its operations as a digital bank. The Bank is striving to adopt solutions that provide a possibility for fully digital administration processes and is at the forefront of innovations in this area.			

1.4. Addressing impacts, risks and opportunities – Disclosures on the materiality assessment process

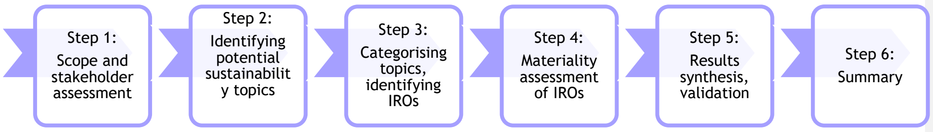
1.4.1. [IRO-1] Description of procedures for identifying and assessing material impacts, risks and opportunities

The business year 2024 is the first one in which the Banking Group publishes its sustainability report under the Corporate Sustainability Reporting Directive (CSRD)[14] and the Accounting Act. The double materiality assessment of the Banking Group was prepared based on the guidelines of the ESRS framework published by the European Union. (53 h) In 2023, the first materiality assessment of GRÁNIT Bank was prepared according to a different methodology, the Global Reporting Initiative (hereinafter: GRI). For this reason – due to the large differences between the standards – we do not draw any parallelism in this report, and we consider the ESRS analysis as the baseline for the following years. The main reason for the differences is the significant difference between double and the "simple' materiality assessments and the consolidated level approach. To perform the double materiality assessment under ESRS, the materiality assessment under GRI for the previous year was also taken into account – due to the similarity of the business activities. The Bank will review the materiality assessment during the next reporting period.

By conducting a double materiality assessment (hereinafter: DMA) and identifying its material topics, the Banking Group can ensure that it focuses its resources on those areas where it can achieve the greatest environmental and social impact or financial opportunity, and where it can reduce its negative environmental impacts and prevent its financial risks to the greatest extent possible. The reporting requirement under ESRS proposes a methodological approach to the double materiality assessment and provides criteria for determining whether a sustainability topic may prove to be material to the Banking Group's operations. Based on the assessment, the Banking Group has identified material ESG topics and related information that are disclosed in this report, presenting their relevance, associated risks, opportunities and impacts, indicators and strategic objectives. The material sustainability topics have been identified with the aim of providing clear guidance to the Banking Group for compliance with the CSRD, on the basis of the EU requirements implemented in the national law titled "Act C of 2000 on Accounting". In addition to legal compliance, sustainability is also a key strategic pillar of the Banking Group, and therefore the aim is not only to achieve legal compliance, but also to develop its services portfolio, and to fulfil the needs of customers, financiers and shareholders to the highest possible level, including accurate sustainability data reporting. The impacts, opportunities and risks detailed in the previous section have a strong impact on the company's strategic approach.

During the reporting period, the Banking Group reviewed its material sustainability topics, taking into account recent geopolitical events, changes in market and stakeholder priorities, and relevant reporting standards.

[14] Act C of 2000 on Accounting



As a first step in the double materiality assessment, GRÁNIT Bank defined the scope of the Banking Group and the related stakeholders. As the Banking Group is largely engaged in financial services, potential sustainability topics were identified in accordance with the impact of this activity. In a first step, the Bank drew up a long list of potential issues, and then, in consultation with stakeholders, narrowed it down to a short list for further analysis. On the basis of the potential topics, the Banking Group identified the arising environmental and social impacts and financial risks and opportunities (IROs). These were identified by involving the Bank's technical representatives and the management of its subsidiaries. In assessing the materiality of IROs, the Bank took into account the following criteria:

Examined criteria	Positive or negative environmental or social impact	Financial risk or opportunity
Current or potential	✓	
Period of appearance	✓	✓
Appearance in the value chain	✓	✓
Magnitude of impact	✓	✓
Scope of impact	✓	
Irreversible nature of impact	✓	
Likelihood of impact	✓	✓

On the basis of the materiality assessment, the Bank has defined a materiality threshold above which an impact is considered material.

The results of the double materiality assessment were first assessed and validated by the relevant departments and subsidiaries and then approved by the Bank's operational management.

The results of the DMA and the identified priority sustainability topics provide a starting point for the Risk Management Methodology Directorate – the department entrusted with addressing sustainability issues – in order to align the Banking Group's operational activities with ESG risks. The new objectives and actions determined as a result of the impacts, risks and opportunities identified in the DMA will be incorporated into the Banking Group's revised ESG Strategy and relevant risk management and corporate governance regulations and procedures in the coming years.

1.4.2. [IRO-2] Disclosure requirements in ESRS covered by the undertaking's sustainability statement

A list of the disclosure requirements fulfilled in the preparation of the sustainability report as a result of the materiality assessment is presented in section 5 ESRS Index, while a list of data points originating from other EU legislation is presented in section 6 List of data points derived from EU legislation.

2. Environmental information

2.1. Disclosures as per the Taxonomy Regulation

2.1.1. Introduction

According to the requirements set out in Regulation (EU) 2020/852 (the “Taxonomy Regulation”), companies that are required to prepare individual or consolidated sustainability reports under Articles 19a or 29a of Directive 2013/34/EU must report in their non-financial statement on their environmentally sustainable economic activities and the related information to be disclosed. The purpose of the report referred to in the Regulation is to make sustainable economic processes more transparent and to facilitate the flow of capital into sustainable economic activities.

Accordingly, the GRÁNIT Group publishes its Taxonomy Report for the financial year 2024 prepared in accordance with the requirements of the EU Public Disclosure Regulation.

The Banking Group’s exposures set out in the Taxonomy-eligible and Taxonomy-aligned report are based on the information available to the Banking Group, which is produced by the Banking Group’s counterparties. A significant portion of the Banking Group’s assets are related to companies or issuers that are not subject to the obligation of non-financial reporting. Furthermore, market experience and the Banking Group’s own experience show that the availability of the data required for reporting under the Taxonomy Regulation is generally limited. It may therefore occur that the Banking Group’s exposures include a higher proportion of Taxonomy-eligible or Taxonomy-aligned exposures, however, in the absence of the necessary supporting information, the Bank Group is not in a position to demonstrate this. Further information is disclosed in sub-section 2.1.3 Disclosures under the EU Disclosure Regulation.

2.1.2. Methodology

The Bank shall disclose the key performance indicators defined in Article 8 of the EU Disclosure Regulation on the basis of the prudential consolidation scope defined in Part II, Chapter 2, Section 2 of Part II of Regulation (EU) No 575/2013, using the methodology and disclosure templates set out in the Annexes to the EU Disclosure Regulation.

The Bank shall publish unique disclosure templates for itself and with respect to its investment firm and fund manager subsidiaries on the basis of the Annexes to the EU Disclosure Regulation relevant to credit institutions, investment firms and asset managers. The Bank shall disclose the value for the remaining subsidiaries integrated in the corresponding lines of its disclosure templates for credit institutions. Exceptions are financial and non-financial subsidiaries which do not have a significant impact on the results of the Banking Group.

In order to assess the financial and non-financial subsidiaries that have a significant impact on the results of the Banking Group, the Bank has set a financial materiality threshold. The applied approach is based on market best practices. Subsidiaries that do not have a significant impact on results are those that do not exceed the financial materiality threshold set by the Bank.

The Bank has completed the disclosure templates subject to the availability of the data required by the Taxonomy Regulation. In cases where, for whatever reason, the required data were not available in a documented manner with respect to the reporting period, the Bank and its subsidiaries disclose a value of 0 for the disclosure data point. The Bank and its subsidiaries have begun to take the necessary measures to ensure the availability of the data, and, if possible, they will disclose it with respect to the relevant reporting period in the next report.

2.1.3. Date of publication

2.1.3.1. KPIs for credit institutions

The GRÁNIT Group is, for the purposes of Annexes V and VI of the EU Disclosure Regulation, disclosing the following information:

GRÁNIT Bank has carried out an assessment of exposures according to the KPIs for all environmental objectives required by the Regulation, but has no data on exposures under any other environmental objective except for the 'Climate change mitigation' environmental objective, and therefore only the values in the Gross Book Value, Climate change mitigation and Sum total columns are shown. The value of exposures to environmental objectives not shown is 0.

2.1.3.1.1. 0. Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets (HUF million)	KPI[15]	KPI[16]	% coverage (within total assets)[17]	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Annex V, Section 1.1.2)	% of assets excluded from the denominator of the GAR (Article 7(1) and Annex V, Section 1.2.4)
Main KPI	**Green Asset Ratio (GAR) portfolio**	**107**	**0.01%**	**0.07%**	**0.01%**	**43.29%**	**52.52%**

		Total environmentally sustainable activities (HUF million)	KPI[15]	KPI[16]	% coverage (within total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Annex V, Section 1.1.2)	% of assets excluded from the denominator of the GAR (Article 7(1) and Annex V, Section 1.2.4)
Additional KPIs	*GAR (change in stock)*	0	0%	0%	0.00%	0.00%	0.00%
	Financial guarantees	0	0%	0%			
	Assets under management	0	0%	0%			

Note: In the reporting templates, cells shaded in black do not need to be completed.

15 Based on the counterparty's turnover KPI
16 Based on the counterparty's CAPEX KPI, except for lending activities, where the turnover KPI for general lending must be used
17 % of assets covered by the KPI compared to the bank's total assets

Note: Fees and commissions (worksheet 6) and Trading book (worksheet 7) are only applicable from 2026 and are therefore not presented.

2.1.3.1.2. 1. Assets considered for GAR calculation – Turnover-based

	HUF million	31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
	GAR-Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	66,944.77	28,925.85	107.20	0	70.77	35.84	28,925.85	107.20	0	70.77	35.84
2	**Financial corporations**	1045.00	0.06	0	0	0	0	0.06	0	0	0	0
3	Credit Institutions	570.31	0.06	0	0	0	0	0.06	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
5	Total debt securities, including the use of proceeds	570.31	0.06	0	0	0	0	0.06	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0
7	Other financial corporations	474.69	0	0	0	0	0	0	0	0	0	0
8	of which investment undertaking	474.69	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
10	Total debt securities, including the use of proceeds	474.69	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0
12	of which fund management companies	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0

HUF million		31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
14	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0
16	of which insurance companies	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
18	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0
20	**Non-financial undertakings**	9,648.24	1,636.84	107.20	0	70.77	35.84	1,636.84	107.20	0	70.77	35.84
21	Loans and advances	1,619.50	1,213.01	0	0	0	0	1,213.01	0	0	0	0
22	Total debt securities, including the use of proceeds	8,028.73	423.83	107.20	0	70.77	35.84	423.83	107.20	0	70.77	35.84
23	Equity instruments	0	0	0		0	0	0	0		0	0
24	**Households**	56,251.53	27,288.95	0	0	0	0	27,288.95	0	0	0	0
25	of which: loans secured on residential property	27,116.51	27,116.51	0	0	0	0	27,116.51	0	0	0	0
26	of which: building renovation loans	172.44	172.44	0	0	0	0	172.44	0	0	0	0
27	of which: motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0
28	**Local municipalities financing**	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0
30	Other local municipalities financing	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial property**	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	691,665.91	0	0	0	0	0	0	0	0	0	0

HUF million		[Gross] total book value	31 December 2024									
			Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
33	**Financial and non-financial undertakings**	621,542.57										
34	SMEs and non-financial corporations subject to the Non-Financial Reporting Directive	621,036.71										
35	Loans and advances	408,236.71										
36	of which loans backed by commercial property	106,888.55										
37	of which building modernisation loans	0										
38	Total debt securities	212,783.91										
39	Equity instruments	16.12										
40	Non-EU counterparties (not subject to disclosure obligations under the NFRD)	**505.86**										
41	Loans and advances	0										
42	Total debt securities	505.86										
43	Equity instruments	0										
44	**Derivative products**	0										
45	**On-demand interbank loans**	8,506.61										
46	**Cash and cash-related assets**	15,181.76										
47	**Other assets (e.g. goodwill, exchange-traded commodities, etc.)**	46,434.97										
48	**Total GAR assets**	758,610.68	28,925.85	107.20	0	70.77	35.84	28,925.85	107.2	0	70.77	35.84
49	**Assets not included in the GAR calculation**	839,157.89										
50	**Central governments and supranational issuers**	162,045.10										
51	**Central banks exposures**	657,362.45										
52	**Trading book**	19,750.34										
53	**TOTAL ASSETS**	1,597,768.57	28,925.85	107.20	0	70.77	35.84	28,925.85	107.2	0	70.77	35.84
Off-balance sheet exposures - Undertakings subject to the Non-Financial Reporting Directive												

HUF million		31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
54	Financial guarantees	60,845.24	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0
56	of which debt securities	0	0	0	0	0	0	0	0	0	0	0
57	of which equity instruments	0	0	0	0	0	0	0	0	0	0	0

2.1.3.1.3. 1. Assets considered for GAR calculation – CAPEX-based

HUF million		31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
	GAR-Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	66,944.77	28,836.48	505.77	0	493.17	2.08	28,836.48	505.77	0	493.17	2.08
2	**Financial corporations**	1045.00	0.11	0	0	0	0	0.11	0	0	0	0
3	Credit Institutions	570.31	0.11	0	0	0	0	0.11	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0

HUF million		31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
5	Total debt securities, including the use of proceeds	570.31	0.11	0	0	0	0	0.11	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0
7	Other financial corporations	474.69	0	0	0	0	0	0	0	0	0	0
8	of which investment undertaking	474.69	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
10	Total debt securities, including the use of proceeds	474.69	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0	0		0	0	0	0		0	0
12	of which fund management companies	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
14	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0
16	of which insurance companies	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
18	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0
20	**Non-financial undertakings**	9,648.24	1,547.42	505.77	0	493.17	2.08	1,547.42	505.77	0	493.17	2.08
21	Loans and advances	1,619.50	834.04	0	0	0	0	834.04	0	0	0	0
22	Total debt securities, including the use of proceeds	8,028.73	713.38	505.77	0	493.17	2.08	713.38	505.77	0	493.17	2.08
23	Equity instruments	0	0	0		0	0	0	0		0	0

HUF million		31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
24	**Households**	56,251.53	27,288.95	0	0	0	0	27,288.95	0	0	0	0
25	of which: loans secured on residential property	27,116.51	27,116.51	0	0	0	0	27,116.51	0	0	0	0
26	of which: building renovation loans	172.44	172.44	0	0	0	0	172.44	0	0	0	0
27	of which: motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0
28	**Local municipalities financing**	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0
30	Other local municipalities financing	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial property**	0	0	0	0	0	0	0	0	0	0	0
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	691,665.91	0	0	0	0	0	0	0	0	0	0
33	**Financial and non-financial undertakings**	621,542.57										
34	SMEs and non-financial corporations subject to the Non-Financial Reporting Directive	621,036.71										
35	Loans and advances	408,236.71										
36	of which loans backed by commercial property	106,888.55										
37	of which building modernisation loans	0										
38	Total debt securities	212,783.91										
39	Equity instruments	16.12										
40	Non-EU counterparties (not subject to disclosure obligations under the NFRD)	**505.86**										
41	Loans and advances	0										
42	Total debt securities	505.86										
43	Equity instruments	0										
44	**Derivative products**	0										

HUF million		31 December 2024										
		[Gross] total book value	Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)				
			of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)					of which targeted at sectors relevant to the taxonomy (taxonomy-eligible)				
				of which environmentally sustainable (taxonomy-aligned)					of which environmentally sustainable (taxonomy-aligned)			
					of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
45	On-demand interbank loans	8,506.61										
46	Cash and cash-related assets	15,181.76										
47	Other assets (e.g. goodwill, exchange-traded commodities, etc.)	46,434.97										
48	**Total GAR assets**	758,610.68	28,836.48	505.77	0	493.17	2.08	28,836.48	505.77	0	493.17	2.08
49	**Assets not included in the GAR calculation**	839,157.89										
50	Central governments and supranational issuers	162,045.10										
51	Central banks exposures	657,362.45										
52	Trading book	19,750.34										
53	**TOTAL ASSETS**	1,597,768.57	28,836.48	505.77	0	493.17	2.08	28,836.48	505.77	0	493.17	2.08
Off-balance sheet exposures - Undertakings subject to the Non-Financial Reporting Directive												
54	Financial guarantees	60,845.24	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0
56	of which debt securities	0	0	0	0	0	0	0	0	0	0	0
57	of which equity instruments	0	0	0	0	0	0	0	0	0	0	0

2.1.3.1.4. 3. GAR KPI-stock – Turnover-based

	% (compared to total covered assets in the denominator)	31 December 2024										
		Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
	GAR-Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43.21%	0.16%	0	0.11%	0.05%	43.21%	0.16%	0	0.11%	0.05%	0
2	**Financial undertakings**	0.01%	0	0	0	0	0.01%	0	0	0	0	0
3	Credit Institutions	0.01%	0	0	0	0	0.01%	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
5	Total debt securities, including the use of proceeds	0.01%	0	0	0	0	0.01%	0	0	0	0	0
6	Equity instruments	0	0		0	0	0	0		0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0
8	of which investment undertaking	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
10	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0	0		0	0	0
12	of which fund management companies	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
14	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0	0		0	0	0
16	of which insurance companies	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
18	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0

% (compared to total covered assets in the denominator)		31 December 2024										
		Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
19	Equity instruments	0	0		0	0	0	0		0	0	0
20	**Non-financial undertakings**	16.97%	1.11%	0	0.73%	0.37%	16.97%	1.11%	0	0.73%	0.37%	0
21	Loans and advances	74.90%	0	0	0	0	74.90%	0	0	0	0	0
22	Total debt securities, including the use of proceeds	5.28%	1.34%	0	0.88%	0.45%	5.28%	1.34%	0	0.88%	0.45%	0
23	Equity instruments	0	0		0	0	0	0		0	0	0
24	**Households**	48.51%	0	0	0	0	48.51%	0	0	0	0	0
25	of which loans secured on residential property	100.00%	0	0	0	0	100.00%	0	0	0	0	0
26	of which building modernisation loans	100.00%	0	0	0	0	100.00%	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0						
28	**Local municipalities financing**	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0
30	Other local municipalities financing	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial property**	0	0	0	0	0	0	0	0	0	0	0
32	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0

2.1.3.1.5. 3. GAR KPI-stock – CAPEX-based

% (compared to total covered assets in the denominator)		31 December 2024										
		Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
	GAR-Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43.08%	0.76%	0	0.74%	0.00%	43.08%	0.76%	0	0.74%	0.00%	0
2	**Financial undertakings**	0.01%	0	0	0	0	0.01%	0	0	0	0	0
3	Credit Institutions	0.02%	0	0	0	0	0.02%	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
5	Total debt securities, including the use of proceeds	0.02%	0	0	0	0	0.02%	0	0	0	0	0
6	Equity instruments	0	0		0	0	0	0		0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0
8	of which investment undertaking	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
10	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0	0		0	0	0
12	of which fund management companies	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
14	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0	0		0	0	0
16	of which insurance companies	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
18	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0

	% (compared to total covered assets in the denominator)	31 December 2024										
		Climate change mitigation (CCM)					**Total (CCM + CCA + WTR + CE + PPC + BIO)**					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
19	Equity instruments	0	0		0	0	0	0		0	0	0
20	**Non-financial undertakings**	16.04%	5.24%	0	5.11%	0.02%	16.04%	5.24%	0	5.11%	0.02%	0
21	Loans and advances	51.55	0	0	0	0	51.55	0	0	0	0	0
22	Total debt securities, including the use of proceeds	8.89%	6.3%	0	6.14%	0.03%	8.89%	6.3%	0	6.14%	0.03%	0
23	Equity instruments	0	0		0	0	0	0		0	0	0
24	**Households**	48.51%	0	0	0	0	48.51%	0	0	0	0	0
25	of which loans secured on residential property	100.00%	0	0	0	0	100.00%	0	0	0	0	0
26	of which building modernisation loans	100.00%	0	0	0	0	100.00%	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0						
28	**Local municipalities financing**	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0
30	Other local municipalities financing	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial property**	0	0	0	0	0	0	0	0	0	0	0
32	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0

2.1.3.1.6. 4. GAR KPI flow – Turnover-based

% (compared to flow of total taxonomy-eligible assets)		31 December 2024										
		Climate change mitigation (CCM)					**Total (CCM + CCA + WTR + CE + PPC + BIO)**					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
	GAR-Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43.21%	0.16%	0	0.11%	0.05%	43.21%	0.16%	0	0.11%	0.05%	0
2	**Financial undertakings**	0.01%	0	0	0	0	0.01%	0	0	0	0	0
3	Credit Institutions	0.01%	0	0	0	0	0.01%	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
5	Total debt securities, including the use of proceeds	0.01%	0	0	0	0	0.01%	0	0	0	0	0
6	Equity instruments	0	0		0	0	0	0		0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0
8	of which investment undertaking	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
10	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0	0		0	0	0
12	of which fund management companies	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
14	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0	0		0	0	0
16	of which insurance companies	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
18	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0

	% (compared to flow of total taxonomy-eligible assets)	31 December 2024										
		Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
19	Equity instruments	0	0		0	0	0	0		0	0	0
20	**Non-financial undertakings**	16.97%	1.11%	0	0.73%	0.37%	16.97%	1.11%	0	0.73%	0.37%	0
21	Loans and advances	74.90%	0	0	0	0	74.90%	0	0	0	0	0
22	Total debt securities, including the use of proceeds	5.28%	1.34%	0	0.88%	0.45%	5.28%	1.34%	0	0.88%	0.45%	0
23	Equity instruments	0	0		0	0	0	0		0	0	0
24	**Households**	48.51%	0	0	0	0	48.51%	0	0	0	0	0
25	of which loans secured on residential property	100.00%	0	0	0	0	100.00%	0	0	0	0	0
26	of which building modernisation loans	100.00%	0	0	0	0	100.00%	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0						
28	**Local municipalities financing**	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0
30	Other local municipalities financing	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial property**	0	0	0	0	0	0	0	0	0	0	0
32	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0

2.1.3.1.7. 4. GAR KPI-flow– CAPEX-based

		31 December 2024										
% (compared to flow of total taxonomy-eligible assets)		Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)					Propor-tion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sec-tors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-rele-vant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transi-tional	of which enabling			of which use of proceeds	of which transi-tional	of which enabling	
	GAR-Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43.08%	0.76%	0	0.74%	0.00%	43.08%	0.76%	0	0.74%	0.00%	0
2	**Financial undertakings**	0.01%	0	0	0	0	0.01%	0	0	0	0	0
3	Credit Institutions	0.02%	0	0	0	0	0.02%	0	0	0	0	0
4	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
5	Total debt securities, including the use of proceeds	0.02%	0	0	0	0	0.02%	0	0	0	0	0
6	Equity instruments	0	0		0	0	0	0		0	0	0
7	Other financial corporations	0	0	0	0	0	0	0	0	0	0	0
8	of which investment undertaking	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
10	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	0	0		0	0	0	0		0	0	0
12	of which fund management companies	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
14	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0		0	0	0	0		0	0	0
16	of which insurance companies	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	0	0	0	0	0	0	0	0	0	0	0
18	Total debt securities, including the use of proceeds	0	0	0	0	0	0	0	0	0	0	0

	% (compared to flow of total taxonomy-eligible assets)	31 December 2024										
		Climate change mitigation (CCM)					Total (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total covered assets
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)				
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling	
19	Equity instruments	0	0		0	0	0	0		0	0	0
20	**Non-financial undertakings**	16.04%	5.24%	0	5.11%	0.02%	16.04%	5.24%	0	5.11%	0.02%	0
21	Loans and advances	51.5%	0	0	0	0	51.5%	0	0	0	0	0
22	Total debt securities, including the use of proceeds	8.89%	6.3%	0	6.14%	0.03%	8.89%	6.3%	0	6.14%	0.03%	0
23	Equity instruments	0	0		0	0	0	0		0	0	0
24	**Households**	48.51%	0	0	0	0	48.51%	0	0	0	0	0
25	of which loans secured on residential property	100.00%	0	0	0	0	100.00%	0	0	0	0	0
26	of which building modernisation loans	100.00%	0	0	0	0	100.00%	0	0	0	0	0
27	of which motor vehicle loans	0	0	0	0	0						
28	**Local municipalities financing**	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0
30	Other local municipalities financing	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial property**	0	0	0	0	0	0	0	0	0	0	0
32	**Total GAR assets**	0	0	0	0	0	0	0	0	0	0	0

2.1.3.1.8. 5. KPI for off-balance sheet commitment – Turnover-based

% (compared to total eligible off-balance sheet assets)		31 December 2024									
		Climate change mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	0	0	0	0	0	0	0	0	0	0

2.1.3.1.9. 5. KPI for off-balance sheet commitment – CAPEX-based

% (compared to total eligible off-balance sheet assets)		31 December 2024									
		Climate change mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)					Proportion of total covered assets funding taxonomy-relevant sectors (taxonomy-aligned)			
				of which use of proceeds	of which transitional	of which enabling			of which use of proceeds	of which transitional	of which enabling
1	Financial guarantees (FinGuar KPI)	0	0	0	0	0	0	0	0	0	0
2	Assets under management (AuM KPI)	0	0	0	0	0	0	0	0	0	0

2.1.3.2. KPIs for investment undertakings

The GRÁNIT Group is, for the purposes of Annexes VII and VIII of the EU Disclosure Regulation, disclosing the following information:

2.1.3.2.1. 0. Summary of KPIs to be published by investment undertakings under Article 8 of the taxonomy regulation

		Total environmentally sustainable assets (HUF million)	KPI[18]	KPI[19]	% coverage (within total assets)[20]
Main KPI (in the case of dealing on own account)	Green Asset Ratio	0	0	0	0
		Total revenue from environmentally sustainable services and activities (HUF million)	KPI[18]	KPI[19]	% coverage (within total revenue)
Main KPI (dealing on own account services and activities)	KPI related to revenues[21]	396.05	8.25%	1.04%	8.25%

2.1.3.2.2. 1. KPIs of Investment firms - Dealing on own account services - Turnover based

	Total (HUF million)	Of which amount covered by the KPI (HUF million)	Climate change mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WMR)		
			of which assets covered by EU taxonomy (%) (taxonomy-eligible)				of which assets covered by EU taxonomy (%) (taxonomy-eligible)			of which assets covered by EU taxonomy (%) (taxonomy-eligible)		
				of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)				of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	
					of which transitional (%)	of which enabling (%)			of which enabling (%)			of which enabling (%)
Total assets invested in the framework of Dealing on own account activities of investment firms (under Annex I Section A of Directive 2014/65/EU)	1,557	0	0	0	0	0	0	0	0	0	0	0

18 Based on the counterparty's turnover KPI.
19 Based on the counterparty's CAPEX KPI.
20 % of assets covered by the KPI compared to the total assets.
21 Fees, commissions and other financial benefits.

	Total (HUF million)	Of which amount covered by the KPI (HUF million)	Climate change mitigation (CCM): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	CCM: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	CCM: of which transitional (%)	CCM: of which enabling (%)	Climate Change Adaptation (CCA): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	CCA: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	CCA: of which enabling (%)	Water and marine resources (WMR): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	WMR: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	WMR: of which enabling (%)
of which: as principal traders	1,557	0	0	0	0	0	0	0	0	0	0	0
of which on behalf of the customers	0	0	0	0	0	0	0	0	0	0	0	0

	Circular economy (CE): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	CE: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	CE: of which enabling (%)	Pollution (PPC): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	PPC: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	PPC: of which enabling (%)	Biodiversity and ecosystems (BIO): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	BIO: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	BIO: of which enabling (%)	TOTAL (CCM + CCA + WTR + CE + PPC + BIO): of which assets covered by EU taxonomy (%) (taxonomy-eligible)	TOTAL: of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	TOTAL: of which transitional (%)	TOTAL: of which enabling (%)
Total assets invested in the framework of Dealing on own account activities of investment firms (under Annex I Section A of Directive 2014/65/EU)	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: as principal traders	0	0	0	0	0	0	0	0	0	0	0	0	0
of which on behalf of the customers	0	0	0	0	0	0	0	0	0	0	0	0	0

2.1.3.2.3. 1. KPIs of Investment firms - Dealing on own account services - CAPEX-based

	Total (HUF million)	Of which amount covered by the KPI (HUF million)	Climate change mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WMR)		
			of which assets covered by EU taxonomy (%) (taxonomy-eligible)				of which assets covered by EU taxonomy (%) (taxonomy-eligible)			of which assets covered by EU taxonomy (%) (taxonomy-eligible)		
				of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)				of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	
					of which transitional (%)	of which enabling (%)			of which enabling (%)			of which enabling (%)
Total assets invested in the framework of Dealing on own account activities of investment firms (under Annex I Section A of Directive 2014/65/EU)	1,557	0	0	0	0	0	0	0	0	0	0	0
of which: as principal traders	1,557	0	0	0	0	0	0	0	0	0	0	0
of which on behalf of the customers	0	0	0	0	0	0	0	0	0	0	0	0

	Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
	of which assets covered by EU taxonomy (%) (taxonomy-eligible)			of which assets covered by EU taxonomy (%) (taxonomy-eligible)			of which assets covered by EU taxonomy (%) (taxonomy-eligible)			of which assets covered by EU taxonomy (%) (taxonomy-eligible)			
		of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)		
			of which enabling (%)			of which enabling (%)			of which enabling (%)			of which transitional (%)	of which enabling (%)
Total assets invested in the framework of Dealing on own account activities of investment firms (under Annex I Section A of Directive 2014/65/EU)	0	0	0	0	0	0	0	0	0	0	0	0	0
of which: as principal traders	0	0	0	0	0	0	0	0	0	0	0	0	0
of which on behalf of the customers	0	0	0	0	0	0	0	0	0	0	0	0	0

2.1.3.2.4. 2. KPIs of Investment firms - Other services - Turnover based

		Total (HUF million)	of which amount covered by the KPI (HUF million)	Climate change mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WMR)		
				of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)				of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)		
					of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)				of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	
						of which transitional (%)	of which enabling (%)			of which enabling (%)			of which enabling (%)
1	Income from activities other than dealing on own account (e.g. fees, commissions and other monetary benefits) (as per Annex I, Section A of Directive 2014/65/EU)	4,799	396.05	1.46%	1.13%	0	0	1.61%	1.59%	0	1.21%	0.60%	0
2	Reception and transmission of orders in relation financial instruments	0	0	0	0	0	0	0	0	0	0	0	0
3	Executing orders to the benefit of the customer	4,607.77	396.05	1.46%	1.13%	0	0	1.61%	1.59%	N	1.21%	0.60%	0
4	Portfolio management	0	0	0	0	0	0	0	0	0	0	0	0
5	Investment advisory services	0	0	0	0	0	0	0	0	0	0	0	0
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	0	0	0	0	0	0	0	0	0	0	0	0
7	Placing of financial instruments without a firm commitment basis	191.23	0	0	0	0	0	0	0	0	0	0	0
8	Operation of multilateral trading facilities	0	0	0	0	0	0	0	0	0	0	0	0
9	Operation of organised trading facilities”	0	0	0	0	0	0	0	0	0	0	0	0

		Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			
			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)		
				of which enabling (%)			of which enabling (%)			of which enabling (%)			of which transitional (%)	of which enabling (%)
1	Income from activities other than dealing on own account (e.g. fees, commissions and other monetary benefits) (as per Annex I, Section A of Directive 2014/65/EU)	1.83%	1.61%	0	1.76%	1.70%	0	0.74%	0.06%	0	8.60%	6.69%	0	0
2	Reception and transmission of orders in relation financial instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Executing orders to the benefit of the customer	1.83%	1.61%	0	1.76%	1.70%	0	0.74%	0.06%	0	8.60%	6.69%	0	0
4	Portfolio management	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Investment advisory services	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Placing of financial instruments without a firm commitment basis	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Operation of multilateral trading facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Operation of organised trading facilities”	0	0	0	0	0	0	0	0	0	0	0	0	0

2.1.3.2.5. 2. KPIs of Investment firms - Other services - CAPEX-based

		Total (HUF million)	of which amount covered by the KPI (HUF million)	Climate change mitigation (CCM)				Climate Change Adaptation (CCA)			Water and marine resources (WMR)		
				of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)				of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)		
					of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)				of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)	
						of which transitional (%)	of which enabling (%)			of which enabling (%)			of which enabling (%)
1	Income from activities other than dealing on own account (e.g. fees, commissions and other monetary benefits) (as per Annex I, Section A of Directive 2014/65/EU)	4,799	49.99	0.22%	0.08%	0	0	0.30%	0.10%	0	0.06%	0.02%	0
2	Reception and transmission of orders in relation financial instruments	0	0	0	0	0	0	0	0	0	0	0	0
3	Executing orders to the benefit of the customer	4,607.77	49.99	0.22%	0.08%	0	0	0.30%	0.10%	0	0.06%	0.02%	0
4	Portfolio management	0	0	0	0	0	0	0	0	0	0	0	0
5	Investment advisory services	0	0	0	0	0	0	0	0	0	0	0	0
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	0	0	0	0	0	0	0	0	0	0	0	0
7	Placing of financial instruments without a firm commitment basis	191.23	0	0	0	0	0	0	0	0	0	0	0
8	Operation of multilateral trading facilities	0	0	0	0	0	0	0	0	0	0	0	0
9	Operation of organised trading facilities”	0	0	0	0	0	0	0	0	0	0	0	0

		Circular economy (CE)			Pollution (PPC)			Biodiversity and ecosystems (BIO)			TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			of which income from services and activities provided to EU taxonomy-relevant sectors (fees, commissions and other monetary benefits) (%) (taxonomy-eligible)			
			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)			of which income from services and activities related to EU taxonomy-aligned activities (%) (taxonomy-aligned activities)		
				of which enabling (%)			of which enabling (%)			of which enabling (%)			of which transitional (%)	of which enabling (%)
1	Income from activities other than dealing on own account (e.g. fees, commissions and other monetary benefits) (as per Annex I, Section A of Directive 2014/65/EU)	0.23%	0.08%	0	0.26%	0.08%	0	0.01%	0.00%	0	1.08%	0.36%	0	0
2	Reception and transmission of orders in relation financial instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Executing orders to the benefit of the customer	0.23%	0.08%	0	0.26%	0.08%	0	0.01%	0.00%	0	1.08%	0.36%	0	0
4	Portfolio management	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Investment advisory services	0	0	0	0	0	0	0	0	0	0	0	0	0
6	Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Placing of financial instruments without a firm commitment basis	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Operation of multilateral trading facilities	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Operation of organised trading facilities”	0	0	0	0	0	0	0	0	0	0	0	0	0

2.1.3.3. KPIs of asset managers

The GRÁNIT Group is, for the purposes of Annexes III and IV of the EU Disclosure Regulation, disclosing the following information:

The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings as per below:		The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with the following weights for investments in undertakings as per below:	
Turnover-based:	0.00%	Turnover-based:	HUF 0
CAPEX-based:	0.00%	CAPEX-based:	HUF 0
The percentage of assets covered by the KPI relative to total investments (Assets under Management). Excluding investments in sovereign entities, coverage ratio:		Monetary value of the assets covered by the KPI. Except for investments in sovereign entities. Coverage:	
Coverage ratio:	0.00%	Coverage:	HUF 0
Additional, complementary disclosures: Breakdown of denominator of the KPI			
The percentage of derivative transactions relative to total assets covered by the KPI.		The value in monetary amounts of derivative transactions:	
	0.00%		HUF 0
The proportion of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	0.00%	For non-financial undertakings:	HUF 0
For financial undertakings:	0.00%	For financial undertakings:	HUF 0
The proportion of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:	
For non-financial undertakings:	0.00%	For non-financial undertakings:	HUF 0
For financial undertakings:	0.00%	For financial undertakings:	HUF 0
The proportion of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:		Value of **exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:	0.00%	For non-financial undertakings:	HUF 0
For financial undertakings:	0.00%	For financial undertakings:	HUF 0
Proportion of **exposures to other counterparties and assets** over total assets covered by the KPI.		Value of **exposures to other counterparties and assets:**	
	0.00%		HUF 0
Value of all the investments that are funding economic activities that are not taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding **economic activities that are not taxonomy-eligible**:	
	0.00%		HUF 0
Value of all the investments **that are funding taxonomy-eligible economic activities, but not taxonomy-aligned** relative to the value of total assets covered by the KPI:		Value of all the investments that are funding **economic activities that are not taxonomy-eligible**:	
	0.00%		HUF 0

Additional, complementary disclosures: Breakdown of the **numerator** of the KPI				
Proportion of **exposures to taxonomy-aligned financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU** over total assets covered by the KPI:			Value of **taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:**	
For non-financial undertakings:			For non-financial undertakings:	
Turnover-based:		0.00%	Turnover-based:	HUF 0
CAPEX-based:		0.00%	CAPEX-based:	HUF 0
For financial undertakings:			For financial undertakings:	
Turnover-based:		0.00%	Turnover-based:	HUF 0
CAPEX-based:		0.00%	CAPEX-based:	HUF 0
Proportion of **taxonomy-aligned exposures to other counterparties and assets** over total assets covered by the KPI:			Value of **taxonomy-aligned exposures to other counterparties:**	
Turnover-based:		0.00%	Turnover-based:	HUF 0
CAPEX-based:		0.00%	CAPEX-based:	HUF 0
Breakdown of the numerator of the KPI per environmental objective				
Taxonomy-aligned activities:				
1. Climate change mitigation	Turnover:	0.00%	Transitional activities: A (Turnover; CAPEX)	HUF 0
	CAPEX:	0.00%	Enabling activities: B (Turnover; CAPEX)	HUF 0
2. Climate Change Adaptation	Turnover:	0.00%	Enabling activities: B (Turnover; CAPEX)	HUF 0
	CAPEX:	0.00%		
3. The sustainable use and protection of water and marine resources	Turnover:	0.00%	Enabling activities: B (Turnover; CAPEX)	HUF 0
	CAPEX:	0.00%		
4. Transition to a circular economy	Turnover:	0.00%	Enabling activities: B (Turnover; CAPEX)	HUF 0
	CAPEX:	0.00%		
5. Pollution prevention and control	Turnover:	0.00%	Enabling activities: B (Turnover; CAPEX)	HUF 0
	CAPEX:	0.00%		
6. Protection and restoration of biodiversity and ecosystems	Turnover:	0.00%	Enabling activities: B (Turnover; CAPEX)	HUF 0
	CAPEX:	0.00%		

2.1.3.4. Disclosures as per Annex XI of the EU Disclosure Regulation

This methodology was valid for the completion of both the Turnover-based and the CAPEX-based template. The Bank is, for the purposes of Annex XI of the EU Disclosure Regulation, disclosing the following qualitative information.

Recognising the robustness of reporting under the Taxonomy Regulation, the GRÁNIT Group launched a comprehensive ESG project at the end of 2024 in order to ensure full compliance with sustainability obligations. In the framework of the project, the obligations set out in the Taxonomy Regulation will be assessed and a comprehensive action plan will be elaborated to address the deficiencies.

[I1] megjegyzést írt: Az eredeti szövegben egy hiányos mondat szerepel: „ , mind a CAPEX vonatkozású táblázat kitöltésére egyaránt érvényes volt.„

Emellett egy oldallal alább a 2.1.3.4.3-as pont is hiányosan zárul: „Ez a módszertan mind az árbevétel”

Úgy látjuk, ez a két mondatrész egy egészet alkot, és ennek megfelelően fordítottuk: „Ez a módszertan mind az árbevétel, mind a CAPEX vonatkozású táblázat kitöltésére egyaránt érvényes volt.”

2.1.3.4.1. *Qualitative information for disclosure as per Annexes III and IV of the EU Disclosure Regulation*

It was not feasible to produce data for the reporting year. In its template applicable to asset managers, GRÁNIT Bank reports zero values, in line with the relevant Commission Communication.

2.1.3.4.2. *Qualitative information for disclosure as per Annexes V and VI of the EU Disclosure Regulation*

The sources of the financial data required to complete the disclosure templates for credit institutions are identical to the relevant lines of the FINREP reports. The assessment of compliance with environmental objectives is based on publicly available data.

In line with the expectations, exposures to financial and non-financial corporations required to disclose a non-financial report, loans secured on residential property, building renovation loans and motor vehicle loans in the retail portfolio, as well as exposures to local municipalities and collateral obtained by taking possession, are included in the numerator.

In accordance with the Regulation, exposures to financial and non-financial corporations not required to publish a non-financial report, interbank loans, cash and cash-related assets and other assets are recognised in the denominator.

In line with expectations, exposures to central banks, governments and supranational issuers and the gross book value of the trading book are excluded from GAR assets. Off-balance sheet exposures are also presented.

For information on GAR Template 2 Sector Information relevant to the Bank, see section 1.1.1 [BP-1] General basis for preparing the sustainability report.

2.1.3.4.3. *Qualitative information for disclosure as per Annexes VII and VIII of the EU Disclosure Regulation*

The GRÁNIT Group determined the data presenting the ratio of adaptability or alignment to environmental objectives in the case of investment firms included in Template 2. KPIs of Investment firms – Other Services – Turnover-based and Template 2. KPIs of Investment firms – Other Services – CAPEX-based through individual data queries. The relevant Company regularly categorises and classifies its product range based on sustainability characteristics and parameters, thus ensuring that the Company has up-to-date records of whether the investment products marketed by the Company meet the criteria of the EU Taxonomy, and if so, how. The turnover and commission income generated by investment instruments that are categorised in this way and clearly classified under the EU Taxonomy are available in the transaction records maintained by the Company.

The summation of these values and the comparison of the partial results of the investment instruments classified under each environmental objective with the total commission income resulted in the percentage values recorded in the data table of the data reporting.

2.1.3.4.4. Consolidated KPI values of the Banking Group

Income from a business	Income[22]	As a proportion of the Group's total revenue	Turnover-based KPI	CAPEX-based KPI	Turnover-based weighted KPI	CAPEX-based weighted KPI
Financial corporations	53,525.8	98.26%				
Credit Institution	38,518.4	70.71%	0.01%	0.07%	0.00%	0.05%
Investment undertaking	6917.4	12.70%	8.25%	1.04%	1.05%	0.13%
Asset manager	8090	14.85%	0.00%	0.00%	0.00%	0.00%
Non-financial corporations[23]	947.2	1.74%				
Non-financial corporations	947.2	1.74%	0.00%	0.00%	0.00%	0.00%
Total	54,473	100%				
Average KPI					1.05%	0.18%

2.1.3.5. Disclosures as per Annex XII of the EU Disclosure Regulation

Pursuant to Article 8(6) to (7) of the EU Disclosure Regulation and Annex XII of the Regulation, the Bank makes the following disclosure with respect to the Banking Group:

Table 1: Nuclear energy and fossil gas related activities

Line	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and practical implementation of innovative electricity generation facilities that produce energy from nuclear processes and in which a minimum amount of waste is generated in the nuclear fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to the construction, safe operation and safety upgrading of new nuclear facilities using the best available technologies, the purpose of which is to generate electricity or process heat, including energy production for district heating and industrial processes, such as hydrogen development.	NO
3	The undertaking carries out, funds or has exposures to the construction, safe operation and safety upgrading of existing nuclear facilities, the purpose of which is to generate electricity or process heat using nuclear energy, including energy production for district heating and industrial processes, such as hydrogen development.	NO
	Fossil gases related activities	
4	The undertaking carries out, funds or has exposures to the construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO

[22] Net business profit
[23] Group of subsidiaries that are required to report under Annexes I and II of the EU Disclosure Regulation.

Line	Nuclear energy related activities	
5	The undertaking carries out, funds or has exposures to the construction, refurbishment, and operation of combined heating or cooling energy and electricity generation facilities using fossil gaseous fuels.	NO
6	The undertaking carries out, funds or has exposures to the construction, refurbishment or operation of heat generation facilities that produce heating or cooling energy using fossil gaseous fuels.	NO

As stated in the Commission Communication, no further templates under Annex XII are presented, in the absence of exposure.

2.2. Climate change

2.2.1. [GOV-3] Integrating sustainability-related performance into incentive mechanisms

The Bank's relevant employee performance evaluation indicators include the implementation of the tasks included in the MNB's Green recommendation, as a quantitative indicator. This is presented in more detail in sub-section1.2.3 Integration of sustainability-related performance in incentive schemes.

2.2.2. [E1-1] Transition plan for climate change mitigation

GRÁNIT Bank does not currently have a transition plan, although its plans include the development and implementation of one by the fourth quarter of 2026, thereby contributing to climate change mitigation.

2.2.3. [SBM-3] Material impacts, risks and opportunities and their interaction with the strategy and business model

A presentation of GRÁNIT Bank's strategy and business model is available in sub-section 1.3.1. Strategy, business model and value chain.

The material impacts, risks and opportunities related to environmental and climate change identified by GRÁNIT Bank are presented in sub-section 1.3.3. Material impacts, risks and opportunities and their interaction with strategy and business model.

Identified climate-related risks	Risk type
GHG emission	Physical and transition risk
Environmental impact of financial products	Transition risk

With respect to the environmental and climate change risks presented, no resilience analysis has been carried out for GRÁNIT Bank. The Bank has, however, an analysis entitled "Climate Risk Analysis and Identification for GRÁNIT Bank's Portfolio", which provides an adequate basis for future resilience assessments. The Bank is now planning to further develop and deepen this document in order to obtain a more comprehensive picture, to effectively support the long-term adaptability of the Banking Group and to comply with the requirements of the resilience analysis. In addition to all the above, the Bank is committed to identifying and managing risks related to climate change, continuously monitors regulatory requirements, and uses the tools and processes at its disposal to ensure the sustainability of its operations and the manageability of risks.

2.2.4. [IRO-1] Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The methodology used in the GRÁNIT Bank double materiality assessment is described in detail in sub-section 1.4.1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities.

The impacts, risks and opportunities related to climate change is managed in the Bank's operations as follows:

During the elaboration of the sustainability report, the Bank identifies the actual and potential sources of GHG emissions and mitigation opportunities.

- Scope 1 emissions: These are generated during operations from the fuel consumption of motor vehicles and natural gas use for building energy (~293.22 tCO_2e in 2024).
- Scope 2 emissions: These originate from electricity use and energy demand related to district heating and cooling (~295.62 tCO_2e in 2024).
- Scope 3 emissions: Originating from the Bank's activities, Scope 3, including financed emissions, is the largest category, although the Bank has not yet started measuring these.

The environmental impact of the Bank's direct operations is lower than the industry average, mainly due to the digital operating model. Energy-efficient operations contribute to reducing GHG emissions, and provide a financial opportunity by optimising energy consumption.

Managing climate-related risks:

If the Bank were to have high GHG emissions, this would pose a reputational risk, which could also have financial implications. Regulators expect emissions to be measured and targets to be set. The direct impacts of the Bank's operations result from general operations and the maintenance of an energy-intensive digital infrastructure, although the energy-efficient model contributes to mitigating risks.

Opportunities to address climate change:

The Bank's digital operations minimise energy use compared to maintaining a traditional branch network. Its national coverage is ensured by a single head office and two customer branches, which also contributes to the increase of energy efficiency.

In addition, the Bank supports the financing of renewable energy production in the corporate and retail sectors, which not only has a positive environmental impact, but also provides the Bank with a financial opportunity to meet the growing demand for renewable energy. Building up its own renewable energy resources would also be a positive step towards further developing its sustainability strategy.

Climate risk analysis and identification

The Bank's climate risk analysis and identification is presented in detail in section 4.2 Management of environmental, social and climate change risks.

2.2.5. [E1-2] Policies related to climate change mitigation and adaptation

GRÁNIT Bank has policies that address the material impacts, risks and opportunities related to climate change mitigation and adaptation. These set out expectations and guidelines, primarily pertaining to lending processes. The highest organisational level accountable for the implementation of policies is the Bank's Board of Directors.

For the time being, the Bank's policies set partial, largely narrative targets for climate change mitigation and adaptation. However, the sum of these cannot be considered as climate change mitigation or adaptation policies.

The policies contain statements of principle, but neither the strategic-level policies nor the policies laying down methodological and implementing rules based on these set out specific targets, tasks and procedures. For a detailed description of the policies listed, see sub-chapter 4.2.1 Policies adopted to manage environmental, social and climate change risks.

The formulation of a comprehensive policy on climate change has thus far taken a back seat to the delivery of annual plans that prioritise the Bank's business objectives and focus resources on these.

The Bank will complete the implementation of the MNB's Green Recommendations[24] by the third quarter of 2025. This will include the preparation and entry into force of the Bank's climate change policies and the policies and rules of procedure to enforce these.

2.2.6. [E1-3] Actions and resources in relation to climate change policies

Participation in the MFB Home Renovation Programme

The MFB Home Renovation Programme is targeted at homeowners, thus the Bank contributes to reducing retail energy consumption and creating a more sustainable housing stock. Moreover, the supported investments directly reduce carbon emissions and energy use in buildings. The MFB Home Renovation Programme is not the Bank's own product, it has been offering this as an intermediary to its retail customers since 01/07/2024 up to the allocated limit amount, and is expected to be closed in the second half of 2025. The Bank has not collected data on the expected GHG emission reductions from subsidised loans.

Investments to promote paperless, electronic (digital) sales

Since its establishment, GRÁNIT Bank has operated as a digital financial service provider, enabling its customers to conduct more than 90% of their banking transactions through digital channels – whether opening a new account or managing existing accounts.

The Bank was the first in Hungary to introduce the video banking service, which allows customers to manage their finances conveniently from their home. This not only enhances the user experience, but also significantly reduces the ecological footprint of the Bank's operations. To date, digital solutions have saved more than 14,735 trees from felling. By going paperless, the Bank has saved more than 2.5 million A4 sheets since its foundation and reduced carbon emissions by nearly 1,000 tonnes through video banking and account opening options involving

24 Recommendations 10/2022 (XII. 2.) and 9/2024 (IX.24.) of the National Bank of Hungary

selfies. Digital administration has saved an additional 85 million A4 sheets, while reducing emissions by 125,000 tonnes.

A significant part of the Bank's investments is aimed at achieving paperless operations. In 2024, more than HUF 2 billion worth of developments have been implemented to support the fully online account opening process, the expansion of digitally available loan products, the development of a paperless loan application process, the expansion of services available from the mobile app, the development of the video banking service channel and the introduction of automated document processing.

In 2025, the Bank is planning to continue to develop on a similar scale as in the previous year, further expanding the range of digital services, while enhancing the customer experience beyond the reinforcement of paperless operations.

The Bank has not yet developed an action plan to address the material negative and positive impacts related to climate change mitigation and adaptation, and is therefore unable to summarise the measures taken and the resources allocated to these.

The implementation of the actions planned by GRÁNIT Bank is closely linked to the availability and efficient allocation of resources, which includes, in addition to financial resources, the availability of human resources, infrastructure and technological capacities.

The investments needed to achieve the strategic goals of sustainability are not possible without adequate financing. The introduction of green innovative technologies or the decarbonisation of operational processes all require significant capital investment. The provision of resources directly determine the pace and depth of implementation of the measures.

The availability and capacity of skilled labour is also a critical factor. Cooperation between ESG experts and relevant departments is key to the successful accomplishment of the targets. Appropriate internal and external training and awareness raising are essential to achieve the strategic targets.

The Bank's long-term strategy ensures that the necessary resources are continuously available to implement the necessary measures.

The amount invested in the digital implementation of the sales process is shown under intangible assets in the balance sheet.

Given that the Bank has not developed an action plan, it is not able to identify specifically which CapEx and OpEx expenditures correspond to an action plan. The Bank's development expenditure and related OpEx spending are all aimed at minimising environmental impact.

2.2.7. [E1-4] Targets related to climate change mitigation and adaptation

The digital business model, which enables customers to bank from home with as little travel as possible, in a convenient and environmentally conscious way, thus saving travel time and pollutant emissions, supports the GHG reduction targets. The Bank considers the continuous expansion of its range of convenient and sustainable services for its customers as a core business objective, and is thus continuously developing its digitally accessible services, while striving to minimise its carbon footprint in the development of new products. The aim is to operate in environmentally-responsible fashion, and to continuously reduce paper use. Another objective for financing customers is to gradually develop green lending, and thereby the Bank gives priority to lending for properties less affected by climate change.

The Bank has not set quantified targets to reduce its emissions, but it does take a number of metrics into account in its operations through which it can reduce its carbon footprint. These are as follows:

Environmentally conscious internal operations

GRÁNIT Bank, by promoting digital banking and its financial products, contributes significantly to the significant reduction of paper use by the Bank and its customers, and in some cases to paperless operations. In order to monitor this, the Bank takes into account the amount of paper needed for the various administrative processes, which can be saved by digital administration.

Reducing pollutant emissions

GRÁNIT Bank, as a digital bank, strives to enable customers to bank from home with as little travel as possible, in a convenient and environmentally conscious way, thus saving travel time and cutting down on harmful emissions. In order to do this, the Bank quantifies the value of the average non-emitted pollutants per customer per trip saved.

Reducing energy use

GRÁNIT Bank serves its tens of thousands of customers with only one large central branch and one small sales point. By using digital technology, GRÁNIT Bank, unlike traditional financial institutions, does not need to set up an extensive, expensive and energy-intensive branch system, as a result of which it saves significant amounts of electricity, paper, construction-related emissions and waste.

Promoting sustainability

Gránit Bank is continuously striving to finance environmentally conscious, 'green' projects in its corporate lending, while the MFB lending point operating at the Bank also targets energy efficiency in the SME and retail sectors.

2.2.8. [E1-5] Energy consumption and mix

The energy consumption and mix of the Banking Group are presented in the table below:

Energy consumption and mix	2023	2024	Change (%)
Total fossil energy consumption (MWh)	1,498.38	1,675.52	+12%
Share of fossil sources in total energy consumption (%)	76.7%	75.5%	-1.2%
Consumption from nuclear sources (MWh)	283.73	339.28	+20%
Share of consumption from nuclear sources in total energy consumption (%)	14.5%	15.3%	+0.8%

Energy consumption and mix	2023	2024	Change (%)
Fuel consumption for renewable sources including biomass (MWh)	0	0	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	170.84	204.25	+20%
Consumption of self-generated non-fuel renewable energy	0	0	-
Total renewable energy consumption (MWh)	**170.84**	**204.25**	**+20%**
Share of renewable sources in total energy consumption (%)	**9%**	**9%**	**0%**
Total energy consumption (MWh)	**1,952.96**	**2,219.05**	**+14%**

The increase in energy consumption compared to the previous year is mainly due to the expansion of the Banking Group with 3 new enterprises and to the increase in resources linked to growing market activity.

The Bank is not active in high climate impact sectors, meaning that disclosures pertaining to these are not relevant for the Bank.

The methodology used to determine energy consumption is presented in the next chapter, together with the methodology for calculating GHG emissions.

2.2.9. [E1-6] Gross Scopes 1, 2, 3 and Total GHG emissions

In presenting its GHG emissions, the Banking Group makes use of the exemption to disclose Scope 3 emissions for entities with less than 750 employees and, therefore, only discloses Scope

1 and Scope 2 emissions. The table below shows the Banking Group's GHG emissions and their distribution:

	2023	2024	Change (%)
Scope 1 GHG emissions			
Gross Scope 1 GHG emissions (tCO_2eq)	267.52	293.31	+10%
Percentage of GHG emissions from Scope 1 regulated emissions trading systems (%)	-	-	-
Scope 2 GHG emissions			
Gross location-based Scope 2 GHG emissions (tCO_2eq)	247.93	295.81	+19%
Gross market-based Scope 2 GHG emissions (tCO_2eq)	-	-	-
Total GHG emissions			
Total GHG emissions (location-based) (tCO_2eq)	**515.45**	**589.12**	**+14%**
Total GHG emissions (market-based) (tCO_2eq)	**-**	**-**	**-**

The GHG intensity of the Banking Group for Scope 1 and Scope 2 emissions is presented in the table below:

GHG intensity based on net revenue	2023	2024	Change (%)
Total GHG emissions (location-based) per net revenue (tCO_2eq/HUF)	0.011	0.011	0%
Total GHG emissions (market-based) per net revenue (tCO_2eq/HUF)	-	-	-

In calculating its GHG intensity, the Banking Group has taken into account the total net business profit of the Banking Group, which was HUF 47.8 billion in 2023 and HUF 54.5 billion in 2024.

Methodology used to determine energy consumption and GHG emissions

Reporting year	The present calculation is based on the year of operation of the Banking Group in 2024, including the periods from 1 January 2023 to 31 December 2023 and from 1 January 2024 to 31 December 2024, based on the data provided by the Bank and its subsidiaries.
Definition of organisational boundary	The Bank has carried out the calculations in line with its previous methodology, following the principles of the GHG Protocol, taking into account the principle of operational control. In this context, the Banking Group has also taken into account emissions and energy consumption related to owned and leased assets where it has full management control.

Definition of operational boundary and emission sources	The calculations include the energy consumption of the Bank and its subsidiaries, as well as Scope 1 and Scope 2 greenhouse gas (GHG) emissions. The Banking Group's Scope 3 emissions were not disclosed in the reporting year due to the possibility of phasing-in under Appendix 1 C of ESRS 1, and are therefore not included in these calculations. As the Bank has taken advantage of the option of phasing-in in the first year of reporting, the next report will include the calculation of Scope 3 emissions.
Data collection process	For the data used in the calculation, the data on the energy carriers/quantities used were provided by GRÁNIT Bank and its subsidiaries, while the specific emission conversion factors were obtained from international databases and national legislation. The energy consumption data provided were determined on the basis of measurement, or measurement and calculation. The properties leased by the Banking Group are sub-lets of larger properties and in many cases do not have separate sub-meters; therefore, the base data provided as the basis for the calculation resulted from calculating in the proportion of the areas leased by the Banking Group from the total property, based on the data from the main meters. In 2023 and 2024, the following three subsidiaries of the Banking Group did not consume any direct or indirect greenhouse gas emission sources: Tarragona Holding Zrt., GBG Szolgáltató Kft., and GRÁNIT Bank's ESOP Organisation.
Estimation uncertainty	Data for natural gas, electricity, district heating and district cooling have a high reliability and no error larger than 5% can be assumed. Vehicle fuel consumption data are closely monitored by the Banking Group. The electricity consumption of the Banking Group's electric vehicles has been determined through estimation; the petrol and diesel fuel consumption of the internal combustion engine vehicles is based on invoices. The inaccuracy of the fuel consumption of motor vehicles, taking into account the relatively minimal consumption of electricity, is assumed to be less than 1%, with a possible maximum deviation of less than 1% due to administrative reasons. In summary, therefore, the reliability of the baseline data used is high, with no uncertainty greater than 5% based on expert estimates. The calculation was carried out by the Banking Group with the assistance of an external expert, taking into account the five basic principles – relevance, completeness, consistency, transparency and accuracy – set out in the GHG Protocol Corporate Standard.

Energy consumption is measured in MWh. The following types of energy were taken into account in the data collection:

1. Fossil energy consumption:

Direct and indirect fossil energy consumption:

- locally fired fuel (natural gas)
- petrol consumption of owned and leased motor vehicles
- diesel consumption of owned and leased motor vehicles
- fossil share of purchased electricity based on the national energy mix
- fossil share of district cooling and district heating purchased, based on district heating supplier data and the national energy mix

2. Nuclear power consumption:

Indirect nuclear energy consumption:

- nuclear share of purchased electricity based on the national energy mix
- nuclear share of district cooling purchased, based on district heating supplier data and the national energy mix

3. Renewable energy consumption:

Indirect renewable nuclear energy consumption:

- renewable share of purchased electricity based on the national energy mix
- electricity purchased with a renewable guarantee of origin
- renewable share of district cooling / district heating purchased, based on district heating supplier data and the national energy mix

4. Renewable energy production:

Not relevant, the Banking Group has no renewable energy production capacity.

Definition of types of GHG emissions:

Scope 1 (direct) emissions: Scope 1 includes the direct greenhouse gas emissions of the Banking Group from sources directly owned or controlled by the company. The Banking Group's Scope 1 emissions come primarily from fuels used in motor vehicles and natural gas used to heat buildings.

Scope 2 (indirect) emissions: Scope 2 represents the indirect greenhouse gas emissions from the electricity and thermal energy sources purchased by the Banking Group. This category includes emissions from the use of electricity for the operation of the Banking Group and from the use of purchased district heating and cooling energy. The Banking Group uses a fixed energy service, thus it cannot enter into individual contracts and cannot actively influence its energy sources. For this reason, the Banking Group discloses only location-based emissions based on the national average energy mix.

Scope 3 (other indirect) emissions: Scope 3 emissions have not been calculated for 2023 and 2024.

2.2.10. [E1-7] GHG removals and GHG mitigation projects financed through carbon credits

The Bank has financed projects aimed at climate change mitigation outside its value chain by purchasing carbon credits to offset its Scope 1 and Scope 2 GHG emissions between 2020 and 2023. These credits were determined and obtained by the Bank solely on the basis of its own activities, and were not used to offset emissions by subsidiaries.

The Bank has not yet purchased carbon credits to offset its 2024 GHG emissions, thus only the 2023 offset is presented.

GRÁNIT Bank has offset its 2023 Scope 1 and 2 greenhouse gas emissions of 203.36 tCO_2e by using 205 tCO_2e of carbon credits from Gold Standard certified projects in Cambodia that provide access to clean and safe drinking water.

With its previous carbon credit purchases, the Bank has sought to offset its full Scope 1 and Scope 2 emissions, but this has not been done in a regulated manner. To regulate future carbon credit purchases, the Bank will develop a policy in line with a transition plan developed down the line.

The Banking Group has not set a net zero emissions target, so the carbon credits it has previously purchased were not purchased to achieve this.

2.3. [Entity-specific] Environmental impact of financial products

As a digital bank, GRÁNIT Bank pays great attention to reducing the environmental impact of its operations. This is made possible by a fully digitalised administration process, which not only minimises the amount of paper used, but also avoids the emissions associated with travelling to the branch.

Beyond this, GRÁNIT Bank does not yet have policies or measures in place to specifically address the environmental impacts of its financial products, nor has it set any metrics or targets for the topic.

The Bank will assess the extent of its financed emissions and the environmental impacts of its financial products as part of an ESG project to be launched in 2024 Q4, and will publish the results in its sustainability report in the next reporting period.

3. Social information

3.1. Own workforce

The Bank assessed the following topics as material in relation to its own workforce:

Sub-topic	Sub-sub-topic	Materiality
Working conditions	Social dialogue	Impact materiality
	Work-life balance	Double materiality
	Health and safety	Impact materiality
Equal treatment and opportunities for all	Gender equality and equal pay for work of equal value	Double materiality
	Training and skills development	Double materiality

The Banking Group has taken advantage of the option not to disclose detailed information on its own employees in its first reporting period. However, as required by the ESRS, it presents its main policies, actions, targets and metrics on the topic.

The Bank's strategy aims to keep its employees engaged, motivated and prepared for the challenges of the future, while ensuring the long-term competitiveness of the organisation.

The Bank's strategy is to foster a sustainable and supportive workplace culture. This includes diversity and inclusion, upholding ethical standards and maintaining a work-life balance.

One of the foundations of long-term success is a motivated and satisfied workforce. To achieve this, we offer a competitive benefits package and ongoing training opportunities. Sustainable operations include supporting the physical and mental health of employees (yoga, pilates) and providing flexible working options such as home office or hybrid working.

The Bank does not have time-bound measurable targets for its own workforce.

The Bank's objective in developing and training its workforce is to ensure that its employees have the appropriate skills and competences, which is governed by the Training Policy.

GRÁNIT Bank has the following regulations and policies in place regarding its own workforce:

- Labour Policy
- Rules of Procedure for the Establishment of Employment Relationships
- Rules of Procedure for the Termination of Employment Relationships
- Fringe Benefits Policy and Rules of Procedure
- Rules of Procedure for the Operation of the Performance Assessment System
- Teleworking Policy
- Remuneration Policy
- Training Policy

Through these policies and the complementary Code of Ethics, the Bank sets out the expected behaviour of employees, working hours, the manner and circumstances in which employment is to be established and terminated, procedures for remuneration, and expectations and opportunities regarding the manner and place of work.

Each year, the Bank conducts an anonymous employee satisfaction survey, which provides employees with an opportunity to give effective and safe feedback and helps the Bank to assess key areas for improvement and potential negative or positive impacts, risks and opportunities.

In addition to the annual survey, employees have the possibility to report through the anonymous whistleblowing system, which is described in detail in the sub-chapter 4.1.3. Corporate culture and business conduct policies and corporate culture.

In addition, the Bank also seeks to develop employment opportunities for people with disabilities or reduced capacity for work.

In 2024, the total number of employees in the Banking Group was 592. Of these, GRÁNIT Bank employed 375 people at the end of 2024, a year-on-year increase of 23% compared to 304 in 2023. The age distribution of employees is shown in the table below:

	Female	Male	Total
18-25-year-old	19	16	35
26-35-year-old	66	50	116
36-45-year-old	42	46	88
46-55-year-old	59	35	94
56-65-year-old	22	12	34
65-year-old	4	4	8
Total	**212**	**163**	**375**

The Bank employed 2 employees with disabilities or reduced capacity for work, 3 fixed-term contract employees and 26 part-time employees in 2024.

The figures presented only include GRÁNIT Bank employee data; due to the gradual introduction of the topic, detailed data collection from subsidiaries will be carried out in the next reporting period.

3.2. Consumers and end-users

The Bank assessed the following topics as material in relation to consumers and end-users:

Sub-topic	Sub-sub-topic	Materiality
Information-related impacts on consumers and/or end-users	Access to (high-quality) information	Double materiality

Sub-topic	Sub-sub-topic	Materiality
Social inclusion of consumers and/or end-users	Access to products and services	Double materiality
	Responsible market practices	Double materiality

The Banking Group is taking advantage of the option not to disclose detailed information on consumers and end-users in its first two reporting periods. However, as required by the ESRS, it presents its main policies, actions, targets and metrics on the topic.

For details of the Bank's activities and the services it provides to its customers, see the sub-chapter 1.3.1. Strategy, business model and value chain.

The Bank has the following policies for its retail and corporate customers:

- *Debtor Rating and Transaction Limit Policy for Natural Persons*, which sets out the rules for the credit rating of the Bank's retail customers and sets the maximum underwriting limits for transactions with them, based on the Bank's internal and statutory requirements.
- *Customer and Counterparty Rating Policy*, which underpins the Bank's specific risk appetite for non-retail customers and characterises the creditworthiness of customers/counterparties by rating them.
- *Credit Policy*, which aims to set out comprehensive and basic rules on credit risk concepts, processes and responsibilities used by the Bank and GRÁNIT Banking Group. The Policy sets out the most important principles of credit risk management, the basic responsibilities of the participants in the lending process and the main decision-making powers.
- *Counterparty Limit Management Policy*, which sets out the decision-making processes, responsibilities and the process for setting up counterparty limits for transactions with the Bank's counterparties.
- *Rules of Procedure for Corporate Underwriting*, which sets out the Bank's underwriting process for its corporate and business customers in a single set of rules. The scope of the Policy covers the Bank's rules of procedure for underwriting for its corporate and business customers, from the submission of a loan application, through the decision and conclusion of the contract, to the execution of the commitment, including the annual limit review process, complemented by the monitoring activities and the process for handling problem loans detailed in the referenced policies.

The Bank invests significant resources in improving communication with customers, transparency and customer experience, which are particularly important factors in the Bank's digital operations.

The Bank serves its customers through two physical branches and the Digital Call Centre (DCC).

Data protection is a priority for the Bank, as it handles a large volume of sensitive information. In this context, it fully complies with the applicable legal regulations and the Bank's Data Protection Officer liaises with the business areas in developing products on an ongoing basis. The Bank's disclosure on cyber risks is available in chapter 4.5. Cyber risks.

GRÁNIT Bank strives to continuously develop its digital platforms, and the related disclosure is published in chapter 4.6. Digitalisation and innovation.

Complaint management

To handle customer complaints, the Bank has set up a Complaints Handling and Correspondence Group within the Customer Relations and Sales Department, thus increasing the efficiency of its response and minimising reputational risks arising from non-compliance with deadlines. In

2025, the Bank plans to implement an educational campaign to improve the efficiency of complaints handling and customer experience, primarily in the retail segment.

The Bank's customers can lodge complaints in the following ways:

- In person at the Customer Centre at the Bank's headquarters, at the WESTEND Customer Centre and via GRÁNIT TeleBank or GRÁNIT VideoBank.
- In writing at the Customer Centre at the Bank's headquarters, at the WESTEND Customer Centre, via email at panasz@netbank.hu, via the Bank Card transaction complaints form, via GRÁNIT NetBank, via the complaints handling interface available on the Bank's website or by post.

The Bank does not have time-bound measurable targets for its customers, but it does monitor the topics presented in relation to its customers.

The Bank monitors customer complaints in relation to its corporate customers. 69 customer complaints were received in 2023 and 93 in 2024, the majority of which were related to system errors or transaction duties.

The Compliance Division reports information on customer complaints in its quarterly report to the Board of Directors and the Supervisory Board in accordance with Recommendation No. 12/2022 (VIII.11.) of the MNB.

3.3. [Entity-specific] Attracting and retaining talent

Attracting and retaining talent is a key factor for GRÁNIT Bank's success, as customer experience, technological innovation and flexibility are key competitive factors in the financial sector. A strong team of professionals not only increases customer satisfaction, but also contributes to the sustainable growth and reputation of the company.

Examination of impacts, risks and opportunities

The Bank does not currently undertake a structured examination of the impacts, risks and opportunities arising from attracting and retaining talent, but has plans to do this, as attracting and retaining talent is critical to the Bank as it directly impacts the success, competitiveness and sustainability of the organisation. Examining the impacts of attracting and retaining talent not only provides an understanding of the current state of play, but also allows for the development of strategies for the future. This allows the Bank to respond proactively to market challenges and secure its competitive advantage in the long term.

Talented employees contribute to the company's innovation, efficiency and market competitiveness. As an innovative, digitally focused financial institution, GRÁNIT Bank builds on talented individuals who contribute to the development of technological advances and modern financial solutions. Highly skilled professionals ensure the application of the latest technological trends, such as automated customer services or banking systems supported by artificial intelligence. The creative thinking of talent contributes to the development of new products and services that differentiate the Bank from its competitors.

Having the right talent in place ensures the Bank's stable operations and continued growth, which contributes to long-term sustainability. GRÁNIT Bank's customer-centric strategy is based on providing an outstanding customer experience, which can only be achieved with a talented and committed team. Customer loyalty and the Bank's reputation in the market grows by improving customer experience. GRÁNIT Bank can create an attractive workplace culture and a strong employer brand by attracting and retaining talent, which improves the Bank's reputation in the long term.

Retaining talent is key to reducing recruitment and training costs. Low staff turnover requires fewer resources for recruitment and integration processes, allowing the Bank to focus its resources on other strategic areas.

Attracting and retaining talent helps build an inclusive, innovative and creative work culture. Talent from diverse backgrounds enrich the Bank's culture and bring new perspectives to decision-making. In a rapidly changing economic and technological environment, talent is key to ensuring flexibility and adaptation. Engaged and committed talent responds faster to market trends and regulatory changes. The presence of talent enables the Bank to be ready for the challenges of the future and to create long-term value.

Attracting and retaining talent is essential not only for day-to-day operations, but also to achieve GRÁNIT Bank's strategic targets. Dedicated and high-quality employees not only contribute to a stronger market position, but also to long-term sustainability and customer-centricity.

However, the loss of talent can entail significant costs, including recruitment, training and integration costs, which represent a financial risk for the Bank. If a key talent leaves, it can demoralise the team and reduce productivity. By luring talent away, the Bank loses valuable knowledge and experience that can be exploited by competitors, which represents risk. If it fails to attract and retain talent, the organisation can suffer from a lack of critical competences.

3.3.1. [MDR-P] [MDR-A] Actions and resources related to attracting and retaining talent

The Bank does not yet have policies on talent attraction and retention, but is taking a number of actions to address this topic.

The Bank looks at the sources of talent, the time it takes to fill positions and the cost of recruitment by analysing recruitment data. It monitors employee churn rates and the results of exit interviews to find out the reasons for this. Feedback from departing employees helps the company understand why they leave and what improvements can be made. The Bank analyses how talented employees perform against business objectives.

GRÁNIT Bank uses a questionnaire survey to measure employee satisfaction and engagement. It analyses employee satisfaction from different perspectives, such as the working environment, the quality of management or career development opportunities.

Over the past year, the Bank has implemented programmes to attract the best professionals and to ensure their long-term commitment to the organisation.

The Bank has strengthened its employer brand to make the Bank more attractive to potential employees. To this end, it presented its culture and values at Town Hall[25] events. Through its partnerships with universities and colleges, it has given fresh graduates the opportunity to learn about the Bank's operations.

[25] A Bank event to which all employees of the Bank are invited.

Employees have the opportunity to work from home; internal and external training is organised on various topics of interest to employees. In addition, the Bank motivates its employees with the "Employee of the Year" award.

To ensure a good working environment, the Bank has further developed its corporate culture and has regularly organised community programmes. These include quarterly themed breakfasts and weekly yoga classes.

The Bank has not allocated dedicated financial resources to the implementation of these measures.

3.3.2. [MDR-T] [MDR-M] Tracking effectiveness of policies and actions through targets and metrics

For the moment, the Bank does not set measurable, result-oriented targets for a number of strategic and operational reasons. The primary focus is to drive the organisation towards comprehensive and long-term strategic objectives that provide greater flexibility in a dynamic and changing market environment. The continuous transformation of the financial sector and changes in the regulatory environment require that its strategy not only focus on short-term measurable goals, but also take into account the need for sustainable growth and innovation. In addition, the Bank’s operating model is based more on encouraging performance at individual and team level, with a focus on quality customer service and improving customer relationships, as well as promoting innovation initiatives. It takes a more comprehensive approach, giving employees and managers the opportunity to continuously develop and adapt to market challenges.

The Bank monitors talent attraction and retention according to the following methods:

- analyses and surveys to understand talent expectations and job satisfaction factors.
- regular appraisals of employee performance and satisfaction to promote continuous development.
- involving talent in organisational decision-making increases engagement and innovation.

By taking these into account, the Bank can sustainably build a strong, committed and motivated team capable of contributing to the achievement of business objectives.

3.4. [Entity-specific] Community involvement

3.4.1. [MDR-P] Policies adopted to manage material sustainability matters

Placing an even greater emphasis on the social factor, Bank has created a specific strategy for social responsibility based on three pillars:

- education of society,
- creating equal opportunities, and
- supporting sports and culture.

In priority strategic areas, the Bank aims to give back to the community through direct support from its profits and by supporting initiatives that are deemed to be well-targeted and good.

The strategy was developed organically, taking into account the vision of the Bank’s management and involving internal stakeholders.

3.4.2. [MDR-A] Actions and resources in relation to material sustainability issues

Social responsibility is manifested in the Bank in two ways:

- in the form of long-term sponsorships,
- and grants given without requiring consideration.

In the context of sponsorships, the Bank also analyses the partnerships from a marketing point of view, and in the case of sports sponsorships, the results achieved by the given sport are reviewed. The Hungarian Interchurch Aid has been a partner of the Bank in catch-up programmes for several years, and the Bank discusses with the organisation the success of the supported programmes, and requests reports on the number of families reached and helped.

When awarding grants, the Bank takes into account the feedback from the previous year and the overall impact achieved, and decides on the next year's grant programmes accordingly.

The main activities of the Bank

For 10 years now, the Bank has been supporting culture through direct support for certain exhibitions at the Museum of Fine Arts. It works with the supported institution to carry out an annual analysis of the attendance of the exhibition in question, which allows it to assess the extent to which the grants have contributed to the dissemination of culture in Hungary. In 2024, GRÁNIT Bank was involved as a main sponsor in the opening, for the first time, of a comprehensive exhibition of the works of internationally renowned photographers of Hungarian origin. The representative exhibition featured photographs by world-famous photographers including André Kertész, László Moholy-Nagy, Robert Capa and Martin Munkácsi. In 2024, the Bank supported the 'Earthly Wonders Exhibition and Immerse Show', presenting the latest works of Karolina Sávolt, a young painter who has gained international fame.

The Hungarian Interchurch Aid is a strategic partner of GRÁNIT Bank in the achievement of its CSR goals of social inclusion. This partnership ensures that aid reaches those in need as effectively as possible. In 2024, the Bank provided an exceptional grant of HUF 5 million to the Hungarian Interchurch Aid to help those affected by the biggest floods in a decade and to support the organisation's relief work, while several Bank employees also participated in flood protection by volunteering and filling sandbags. Hundreds of thousands of forints were raised from the donations of the employees for Christmas gifts for the families and young children of the Kaposvár-based Sure Start Children's House operated by the aid organisation, and other supplies needed for operation. In autumn 2024, Bank staff also joined the charity's Back to School fund-raising campaign, donating several boxes of school supplies.

GRÁNIT Bank sponsors the athletes and mass sports events of the Hungarian Canoeing Federation under a multi-year framework agreement, which was renewed again in 2024. The Bank is also a key sponsor of the Hungarian Water Polo Federation, which is also supported by the Bank's CEO as a social chair.

In 2024, the Bank and its employees planted saplings purchased with donations to the Eco Calculator feature of the Bank's app, and also helped implement a special green programme: with the active participation of Chairperson-CEO Éva Hegedüs and students and parents of Ady Endre Secondary School in Budapest, Hungary's first Miyawaki forest was planted in a schoolyard in 2024.

In 2024, several volunteers of the Bank, including Chairperson-CEO Éva Hegedüs, held financial education classes as part of the national “Pénz7” (MoneyWeek) programme, and Bank representatives gave lectures at several universities to broaden students’ knowledge on conscious banking.

In addition to educating the younger generation in finance, the Bank also organises cultural programmes for young people. In cooperation with the Museum of Fine Arts, in 2024 it offered high school students the opportunity to participate in a guided tour of the museum, which explores the relationship between money and art.

The wide-scale catch-up effect for the population is that the digital services provided by the Bank also ensure access to financial instruments for people living in underdeveloped areas. The Bank’s own customers are a target group in terms of both developing financial awareness and disseminating environmental awareness. In the framework of the latter, the Bank has also developed a special function and was the first in Hungary to introduce the Carbon Calculator solution, based on the cooperation between Mastercard and Sweden-based Doconomy, into its mobile banking application.

A budget for sponsorship and grants is set aside each year to cover these activities, based on the previous year’s expenditure. On the basis of the agreed budget, the negotiation and preparatory work relating to agreements and their renewal is carried out by members of the PR team, in close cooperation with the Bank’s senior management.

3.4.3. [MDR-T] [MDR-M] Tracking effectiveness of policies and actions through targets and metrics

The Bank monitors the effectiveness, impact and achievements of its grants.

In the context of cultural support, the Bank regularly requests data on the attendance of exhibitions, as it is important to support an exhibition that contributes to the dissemination of fine arts culture.

It regularly requests data on the number of families and individuals reached in the framework of the catch-up programmes.

In any CSR programme, it is important for the Bank to contract from the outset with a partner that is a professionally recognised organisation in the field, to ensure that the funds awarded are spent appropriately.

Apart from monitoring and subsequently assessing of the effectiveness of its cooperation, the Bank has not set targets and specific metrics for the programmes supported.

4. Governance-related information

4.1. Business conduct

4.1.1. [GOV-1] The role of the administrative, supervisory and management bodies

The disclosure on the role of administrative, supervisory and management bodies of GRÁNIT Bank is contained in sub-chapter 1.2.1. Role of the administrative, supervisory and management bodies.

4.1.2. [IRO-1] Presentation of processes to identify and assess material impacts, risks and opportunities

Sub-chapter 1.4.1. Description of procedures for identifying and assessing material impacts, risks and opportunities of the Sustainability Report describes the procedures used in the Company's double materiality assessment, which are consistent with the methodologies used in the double materiality process for management information.

Our approach to identifying, assessing and prioritising impacts on society and the environment is based on the due diligence process described in sub-chapter 1.2.4. Statement on due diligence, which focuses on issues related to business conduct, such as human rights, labour practices and regulatory compliance. As part of the DMA process, a value chain map has been drawn up, which is detailed in sub-chapter 1.3.1 Strategy, business model and value chain. This map helps identify key stakeholders related to the Banking Group's activities, highlighting areas where there is an increased risk of adverse impacts. The impacts, risks and opportunities identified during the DMA process were assigned to the appropriate departments and responsible persons for further assessment and integration into business planning.

4.1.3. [G1-1] Corporate culture and business conduct policies and corporate culture

Business Conduct Policy

GRÁNIT Bank's business conduct policy is set out in Code of Ethics No. COM-003/2018, which is directly available to the Bank's employees.

The Code of Ethics sets out the obligations and rules of conduct that ensure that the Bank acts fairly in the provision of services, in the interests of its customers and counterparties. It also sets out internal standards of conduct that strengthen the trust of customers and counterparties in the Bank and promote ethical and prudent operations.

The Code of Ethics also provides guidance to the Bank's staff on the general standards to be followed in their relations with each other and in the conduct of business.

It applies to all financial and ancillary financial service activities, investment and ancillary investment service activities carried out by the Bank, and all other activities authorised by law and actually carried out by the Bank.

The Code of Ethics sets out the following uniform principles and requires compliance with them:

- the rules of conduct and work relating to the highest standards of service to customers,

- complying with the law and other legal regulations, internal policies and professional regulations in all circumstances,
- meeting professional requirements, impeccable quality of work,
- professional integrity, honesty,
- ethical business practices and conduct that is in the best interests of the Bank,
- conduct based on responsibility, professionalism and discretion,
- collegiality, teamwork,
- cooperation with partner areas.

The Code of Ethics applies to all organisational units and employees of the Bank.

The Bank selects and contracts with its contractual partners (suppliers) solely on the basis of the quality, availability and price of goods and services, subject to the internal terms and conditions set out in the policy. In the performance of the contract, the Bank's procedures ensure compliance with the spirit and provisions of the Code of Ethics.

The Bank establishes its business relations with its contractual partners in line with these principles.

The Code of Ethics of GRÁNIT Bank is prepared by the Compliance Division and approved by the management body with governance powers (Board of Directors) after a preliminary position by the management body with supervisory powers (Supervisory Board). The Code of Ethics was the responsibility of the Legal Directorate during the first half of the reporting period, and the current version was also drafted by the Legal Directorate.

The Bank has established and maintains a Consequence Management Committee (Ethics Committee) to investigate violations of the Code of Ethics.

The Code of Ethics references to the following key policies – which also set out codes of conduct – which all employees and managers are required to know and comply with:

- No. COM-002/2011 Compliance Policy and Regulation
- No. COM-002/2015 Conflict of Interest Policy
- No. COM-001/2011 Policy on Inside Information and Record-Keeping and the Prohibition of Insider Dealing
- No. JOG-002/2011 Privacy Policy
- No. JOG-011/2011 Policy on Banking Secrecy, Securities Secrecy and Trade Secrets

Failure to comply with the provisions of the Code of Ethics and internal policies, regardless of position, may have consequences under labour law.

In drafting the Code of Ethics, GRÁNIT Bank has taken into account the provisions of the following relevant legal regulations and supervisory regulatory instruments, which are referenced in the Code of Ethics:

- Act LVII of 1996 on the prohibition of unfair and restrictive market practices
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and the Regulations Governing their Activities
- Act CXII of 2011 on Informational Self-Determination and Freedom of Information
- Act C of 2012 on the Criminal Code ("Criminal Code")
- Act I of 2012 on the Labour Code ("Labour Code")
- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises ("Credit Institutions Act")
- Act V of 2013 on the Hungarian Civil Code ("Civil Code")
- Act LIV of 2018 on the Protection of Trade Secrets
- Act LIII of 2017 on the Prevention of Money Laundering and Terrorist Financing

- Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, GDPR)

In defining the Code of Ethics, the interests of all stakeholders are taken into account in an equal and balanced manner. Thus the interests of GRÁNIT Bank, employees, customers and partners, contractual partners and supervisory bodies are taken into account equally and without prejudice to each other.

Familiarity with and compliance with the provisions of the Code of Ethics is mandatory for all Bank employees, including those at the highest level of management. To ensure this, the Bank provides regular training and related examinations.

New hires are to become familiar with the provisions of the Code of Ethics within 30 days of starting their employment, agree to comply with them and take a compliance exam. The examination must be repeated annually. A short summary of this is also available in sub-chapter 4.1.4. Prevention and detection of corruption and bribery

The annual mandatory compliance training and examination focuses on corruption and its prevention. The training material is available in e-learning format on GRÁNIT Bank's internal Information Portal (Moodle). Once employees have become familiar with the training material, they can take the examination to ensure that they have acquired the appropriate level of knowledge. All new hires must mandatorily complete the training within 30 days of the start of employment, and it must be repeated annually for all employees, including senior officers and executive directors. The internal portal manages the list of those who are required to take training and examinations, and the deadlines for these. The Bank's management is informed online of whether this training and the examinations have been completed or not. The Board of Directors and the Supervisory Board do not currently receive specific training in this area. The training thus covers 97% of the functions exposed to threats.

Corporate culture

Corporate culture includes the values, norms and behavioural patterns that determine how a company operates. It also includes communication style, decision-making processes, matters relating to cooperation and willingness to innovate.

GRÁNIT Bank establishes and develops a corporate culture that supports its business objectives and its business and risk strategy – which is in line with market conventions – by enforcing the following:

- the development of an organisational structure and corporate governance system aligned with the digital bank,
- the establishment of an effective internal regulatory environment in line with legal regulations and supervisory recommendations,
- designing and implementing an adequate remuneration policy,
- providing material, human and technical conditions adapted to needs,
- establishing and operating adequate internal lines of defence,
- developing an appropriate code of ethics,
- providing internal and external professional further training for employees,
- developing and operating an effective group management system adapted to the size of the group and the nature of its activities.

Creating a positive corporate culture is essential for appropriate operation. This determines how the employees of the Bank and the Banking Group communicate with each other and how they feel at work, and thus this can have a substantial impact on productivity. In a positive corporate culture, employees are satisfied, motivated and committed to their work.

Steps to develop a positive corporate culture:

- identifying common goals and values,
- open communication within the organisation,
- recognition and reward,
- opportunities for progress and development,
- exemplary leadership.

GRÁNIT Bank and the Banking Group are continuously striving to create and maintain a positive corporate culture. Despite the dynamic development of recent years, the Bank's corporate culture continues to be dominated by the importance of personal contact and relations, which is typical of smaller companies, and which is also reflected in direct communication with managers. In order to develop and maintain the corporate culture, the Bank conducts an annual employee survey, the evaluation of which is put on the agenda of the Management Committee meeting, where employee feedback and the implementation of organisational values are discussed. The Bank organises team-building events to support employees receiving information and their personal networking, where the company's strategy and objectives are also reviewed and discussed. In addition, the Human Resources Department conducts an annual anonymous survey to gather employee opinions and comments, the results of which are also taken into account in the development of the corporate culture.

Mechanisms for identifying, reporting and investigating concerns

Section 4.2 of GRÁNIT Bank's COM-002/2011 Compliance Policy and Regulation (Internal Whistleblowing System) sets out the mechanisms for identifying, reporting and investigating concerns about infringing conduct that is in breach of the Code of Ethics or similar internal rules and regulations.

The Whistleblowing System is operated by the Compliance Division in accordance with the provisions of Act XXV of 2023 on Complaints, Disclosures in the Public Interest, and Related Rules on Reporting Abuses of Public Interest (Whistleblower Protection Act). The following can make a report in the internal whistleblowing system:

- employees and sole proprietors working or formerly working for the Banking Group,
- any contractors, subcontractors, suppliers or persons under the supervision and control of agents who have initiated a procedure for establishing a contractual relationship with the Banking Group, or who are or have been in a contractual relationship with the Banking Group;
- freelancers and consultants who work or have worked for the Banking Group,
- volunteers and trainees (paid and unpaid),
- shareholders (natural persons),
- persons with administrative, controlling, supervisory, or representative functions (hereinafter: representatives).

The whistleblowing process provides an opportunity to report breaches of public interest or integrity in the Bank and the companies of the Banking Group with the highest possible guarantees of confidentiality. The system is designed to appropriately deal with abuses that come to the attention of the whistleblower in the course of the employment relationship or through the legal and economic relationship with the Banking Group, while protecting them against possible retaliatory or discriminatory measures.

Notifications can be made via a channel available 24 hours a day, 7 days a week. The notification must include the information necessary to identify the whistleblower (name, relationship with the company and contact details), a detailed description of the facts and conduct that is allegedly infringing, and, if available, the relevant documents, the rules concerned and other information to assist the investigation. The whistleblower must also declare whether they have a personal interest relating to the notification.

Notifications can be submitted in writing to the Compliance Division's email address, in person to the Compliance Officer and/or the Deputy CEO responsible for Compliance. In addition, the whistleblower can request a meeting through the above channels to make the notification, which the Compliance Officer must schedule within a reasonable time.

The Code of Ethics of GRÁNIT Bank includes provisions on the prohibition of bribery and corruption, in line with the UN Convention against Corruption[26].

Internal channels for reporting abuse:

- in writing, by sending an electronic message to the email address specified,
- in person at the offices of the relevant department,
- by telephone through the person responsible for the relevant department,
- by anonymous reporting, in writing, in a sealed envelope placed in the "Whistleblowing" box in the Compliance Department.

Annual compliance training, also covering the topic of whistleblowing, is mandatory for all employees.

Due to the size of the Bank, it was not necessary to provide training for the staff receiving the notifications, as the Compliance Officer performs this task on their own, based on the COM-002/2011 Compliance Policy and Regulation, and has the necessary knowledge to handle the notifications appropriately.

GRÁNIT Bank's Code of Ethics includes the provision that the Bank expressly and unequivocally prohibits any legal disadvantage to employees who, in good faith, exercise their duty and right to make a whistleblowing report. Whistleblowing in good faith is not prejudicial even if it is subsequently proven that the conduct described in the whistleblowing does not constitute abuse. A manager who imposes any kind of sanction on a whistleblower because of the whistleblowing will face consequences under employment law.

Ensuring the general rule for handling whistleblowing is complete anonymity. Anonymity means that the identity of the whistleblower is known only to the designated staff in the area handling the report, even if the whistleblower reports by giving their name.

COM-002/2011 Compliance Policy and Regulation requires prompt investigation of incidents relating to business conduct, including corruption and bribery.

The Bank's jobs with an increased risk of corruption are described in sub-chapter 4.1.4 Prevention and detection of corruption and bribery.

26 The United Nations Convention against Corruption (UNCAC)

At the end of 2024, the MNB carried out a comprehensive audit at the Bank, and made findings on corporate governance, credit risk, impairment, capital adequacy and IT. The MNB concluded that the problems do not jeopardise the safe operation of the bank. The results of the comprehensive audit are available here.

4.1.4. [G1-3] Prevention and detection of corruption and bribery

In order to prevent and detect corruption and bribery, in its audit plan the Compliance Division sets out its "Compliance Audit of Ethics Standards", which examines the procedures in the relevant areas to identify risks that may give rise to corruption. If there is a suspicion of corruption, Internal Audit can also launch an extraordinary audit, even in parallel with the Compliance Division.

The Compliance Officer is responsible for the audit, which is then reviewed by the Deputy CEO responsible for Compliance. Compliance processes are monitored by Internal Audit, as the third line of defence, as set out in its annual plan. In addition, the Compliance Division prepares a quarterly report for the Board of Directors and the Supervisory Board, highlighting risks where necessary and recommending the necessary actions to be taken.

Any relevant changes to company policies – regardless of which policy is concerned – are communicated to employees by email by the Legal Directorate. If the change affects a policy applicable to the whole of the organisation, the notification is sent to all employees. In addition, the updated knowledge material is also included in the compulsory training and examinations.

Corruption and its prevention is a priority topic of the annual mandatory compliance training and examination, and is covered in detail in sub-chapter 4.1.3 Corporate culture and business conduct policies and corporate culture.

GRÁNIT Bank has identified high-risk jobs that are at risk of corruption and bribery due to their duties and responsibilities. This includes jobs where

- the employee has a large amount of cash in their custody;
- the employee shapes the internal rules of the organisation through their decisions;
- the employee is included in the organisation's list of persons with decision-making powers and/or has significant influence;
- the employee is a middle manager or above;
- the employee is responsible for preparing business decisions (strategy, purchases, transactions, etc.);
- the employee is a highly privileged user of IT;
- the employee is a member of staff or a manager in the security department;
- the principle of trust is very emphatically without control in the employee's activities;
- the stakeholder system is counterproductive from a risk (security) point of view.

The Bank does not apply additional procedures to prevent corruption in high-risk jobs. Corruption risks are minimised due to the staff count of the Bank and the appropriate functioning of the controls already in place, as well as the consistency of the lines of defence and rapid communication.

4.1.5. [G1-4] Confirmed incidents of corruption or bribery

There were no cases of corruption or bribery in the operation of the Banking Group during the reporting period.

GRÁNIT Bank pays great attention to the prevention of corruption and bribery through the measures described in the previous chapter. Appropriate preventive measures have been taken to reduce the Banking Group's risk of corruption and there were no cases during the reporting period that would have justified the introduction of further measures to this end.

The processes described above ensure that, in the event of an increase in the risk of corruption and bribery, or the occurrence of such cases, the Banking Group carries out an extraordinary investigation and takes appropriate measures.

4.2. [Entity-specific] Management of environmental, social and climate change risks

The Bank's management is developing a risk culture that applies to the whole of the Bank and is consistent with the Bank's risk appetite and risk tolerance. To ensure this, the Bank identifies, measures and manages arising risks. The Bank pays particular attention to identifying, measuring and managing climate change and environmental risks. The primary means of doing this include internal policies, regulations, guidelines, appropriate communication, and training tailored to the roles and responsibilities of employees in underwriting, risk management and risk control, covering the Bank's activities, applicable regulatory requirements, credit risk strategy, policies and related procedures.

Physical risks are risks impacting the Bank arising from the physical effects of climate change.

a) *Acute physical risks* are risks arising from specific events, in particular weather-related events such as storms, floods, fires or heat waves, which can damage production facilities and disrupt value chains.
b) *Chronic physical risks* are risks resulting from longer-term changes in climate, such as changes in temperature, rising sea levels, declining water resources, loss of biodiversity and changes in soil fertility.

The Bank manages the impact of climate **physical risks** on its assets and business activities according to the methodology set out in the *Climate Risk Analysis and Identification for GRÁNIT Bank's Portfolio* drawn up in 2022. The analysis has been prepared in accordance with Recommendation No. 5/2021. (IV.15.) of the National Bank of Hungary[27]. In the analysis, the Bank first identified the relevant sectors and physical risk factors and then categorised their sensitivity as low, medium or high. Exposure was projected for Hungary as a whole, and the risk matrix was analysed for the four regions with the highest exposure. Based on this assessment, the Bank has identified gross physical risks.

The list of sectors and geographic areas considered in the analysis, as well as the interpreted portfolio size, were compiled by the Bank based on data as at March 2022 and, as such, the study also bases its analyses on these data.

In the analysis, the Bank identified the main physical risks related to climate, in particular those related to temperature, precipitation, water and land cover. The analysis identified the relevant sectors and risk factors, and then categorised the sensitivity (low, medium, high) according to their likelihood, magnitude and duration.

[27] The MNB Recommendation referred to was still in force at the time of the analysis and was repealed by Recommendation No. 10/2022. (VIII.2.) of the National Bank of Hungary on climate change and environmental risks and the integration of environmental sustainability aspects in the activities of credit institutions on 15 September 2022

The Bank has not defined separate short, medium and long-term time horizons, but has applied a general approach to identifying potential climate hazards and monitoring risks. In the absence of time horizons, risk management is primarily aimed at understanding potential climate impacts, not directly linked to capital allocation or strategic planning decisions.

The **transition risks** identified in the climate risk analysis have been incorporated into the risk management processes. Based on the document entitled *Situation assessment and action plan on climate change and environmental risks and the integration of environmental sustainability aspects in the activities of the credit institution* prepared in 2021, the transition risks have been integrated into the risk management processes. RISK-013/2011 Underwriting Policy specifies what risks the Bank considers to be transition risks.

Transition risks are the risks to the Bank arising from the transition to a low-carbon and climate-resilient economy.

a) *Policy-regulatory risks*, for example those arising from energy efficiency requirements, carbon pricing mechanisms that increase the price of fossil fuels, or policies that promote sustainable land use.
b) *Technological risks*, for example when a technology with a less harmful impact on the climate replaces a technology with a more harmful impact on the climate.
c) *Market risks*, for example if consumer and corporate customer preferences and demand shift towards less climate-damaging products and services.

In order to identify and assess climate-related transition risks and opportunities, the Bank currently interprets environmental risks through its customers and treats these as factors that could negatively affect its customers' operations.

The Bank applies the double materiality approach to the identification of environmental factors:

Risks related to climate change and environmental risks cover two main areas:

- risks arising from climate change related *to the Bank's situation*, including in relation to its customers and its own operations; and
- negative impacts *arising from the Bank's activities* that may pose risks to the climate.

Unless otherwise specified in the Bank's policies, references to climate change and environmental risks include the risk of negative impacts on the Bank and its risk of negative impacts on the environment and climate.

Climate-related risks can be expressed in terms of their impact on the financial situation of customers, which are distinguished as transition risks and physical risks.

The Bank examines a number of factors in its individual and model-based underwriting processes. In individual underwriting, the assessment of ESG aspects is related to the credit risk of the various customers/transactions, such as the exposure of collaterals to climate risks or the preparedness of the management of the borrowing company to manage these risks. The former can have a positive or negative impact on the LGD (loss given default) of transactions, while the latter on the PD (probability of default) of customers.

In addition to the above, in order to more accurately estimate credit risk and capital calculation models, it is important to address ESG in risk management procedures, for example due to the different climate stress tolerance of each sector.

In the credit risk management process, for the purpose of identifying, quantifying and evaluating ESG risks during credit assessment, the Bank currently uses OPTEN's ESG indicator system, which is based on more than 75 parameters and shows the ESG risk level of an individual company. The possibility of using a climate stress factor derived from the sectoral affiliation of customers has been incorporated into the credit risk stress tests.

The Bank does not currently have a comprehensive scenario analysis to identify and assess climate risks, but the results of the climate risk study presented earlier have been partially incorporated into the Risk Management Policy. In this context, the sectoral and geographical risks identified were used to strengthen risk processes and support decision-making. In its retail lending, the Bank primarily lends in relation to properties located in regions less exposed to climate change, using the list of towns and settlements specified in its Collateral Valuation Policy. This procedure indirectly reduces exposure to physical risks.

The Bank does not yet have a comprehensive process that includes the identification of climate-related transition events in the short, medium and long-term and their impact on assets and business activities, and the Bank has not yet identified assets and business activities that are not compatible with the transition to a climate-neutral economy or for which significant efforts would be required to be compatible with the transition to a climate-neutral economy.

4.2.1. [MDR-P] Policies adopted to manage environmental, social and climate change risks

The Bank's risk management policies include the following, which contain detailed rules and regulations for managing climate change and environmental risks:

Name of policy	**Main content of policy**	**Highest level person responsible for the policy**
RISK-013/2011. Underwriting Policy	The purpose of the Policy is to set out the basic principles of underwriting by the Bank, including a) identifying the mode and process of risk assumption, b) stipulating the decision-making powers and competences related to risk assumption, c) setting requirements for the regular monitoring of risk assumptions. In line with the risk culture, the Policy stipulates that "in developing its risk culture, the Bank seeks to identify, measure and manage climate change and environmental risks." The Policy defines climate change and environmental risks in a separate section, but does not yet link these to risk management processes: "The Bank considers climate change and environmental risks to be risks to which it is exposed through its customers which are potentially negatively impacted by environmental factors, including	Board of Directors

<table>
<tr><th>Name of policy</th><th>Main content of policy</th><th>Highest level person responsible for the policy</th></tr>
<tr><td></td><td>those arising from climate change and other environmental degradation.

The Bank applies the double materiality approach in respect of environmental factors:

Climate and environmental risks include both

a) risks to the Bank's position arising from climate change, in relation to its customers and its own operations, and
b) risks of negative impacts on the climate resulting from the Bank's activities.

Consequently, unless otherwise provided for in the Policy, references to climate change and environmental risk include both the risk of negative impacts on the Bank (transition risks and physical risks – see below) and the risk of the negative impacts of the Bank on the environment and climate."</td><td></td></tr>
<tr><td>JOG-003/2011 Organisational and Operational Regulations</td><td>The purpose of the OOR is to define the structure of GRÁNIT Bank as an organisational unit, the tasks, responsibilities, operations, internal and external communication of the individual departments, and to define the main functions and activities through which the activities of the organisational units contribute to the Bank's profitability and the achievement of its strategic and financial targets.

The Deputy CEO responsible for Strategy and Analysis, also identified as the CRO, has been designated as the executive responsible for managing and controlling environmental risks.

The Bank has appointed dedicated sectoral contact persons for the activities of the Retail MFB Point Plus Department. One of these is the Sustainability Officer (Risk Management Methodology Directorate):

they are responsible for ensuring compliance with horizontal environmental sustainability (DNSH principle, climate resilience) requirements and principles, as well as for validation and quality assurance tasks related to the provision of data on indicators and metrics related to the achievement of the European Green Agreement targets.</td><td>Board of Directors</td></tr>
</table>

Name of policy	Main content of policy	Highest level person responsible for the policy
RISK-003/2011. Collateral Valuation Policy	For the time being, the environmental risks in the Policy are only reflected in the context of retail collateral, as follows: – In the context of environmental risks, the Bank limits the scope of towns and settlements that it accepts as the location of property collateral. The Policy regulation uses the currently effective National Climate Change Strategy adopted by the National Assembly. – The Policy stipulates that when classifying the market value of a property, the environmental risks must be assessed taking into account the energy rating of the property.	Board of Directors
RISK-002/2011. Credit Policy	The aim of the Credit Policy is to set out comprehensive and basic rules on credit risk concepts, processes and responsibilities used by GRÁNIT Bank and GRÁNIT Banking Group. The Policy sets out the most important principles of credit risk management, the basic responsibilities of the participants in the lending process and the main decision-making powers. The Policy, together with the Underwriting Policy and the Capital Adequacy Policy, is one of the fundamental documents defining the objectives, financial and risk assumption plans and risk appetite of the Bank and the Banking Group in its lending activities. The Policy stipulates that in addition to business risks, environmental risk information and analyses must also be taken into account when formulating risk appetite. The methodology and process for this is not developed in the Policy.	Board of Directors
RISK-001/2016. Capital Adequacy Policy	The purpose of the Policy is to provide a comprehensive description of the internal capital adequacy assessment process and methodology (ICAAP) of GRÁNIT Bank and GRÁNIT Banking Group. The Policy sets out that climate change and environmental risks as part of the ICAAP are managed through processes as part of operational risks, in such a way that the Bank and the Banking Group continuously and gradually implement ESG-related legal requirements and supervisory recommendations in its policies and processes. However, under the Policy, the Bank and the Banking Group	Board of Directors

Name of policy	Main content of policy	Highest level person responsible for the policy
	do not build capital under Pillar 2 for climate change and environmental risks. Of the capital discounts provided by the MNB, the Bank makes use of the Green Home Capital Requirement Discount and the Green Corporate and Municipal Capital Requirement Discount.	
LAK_HIT_02 Retail Mortgage Lending Policy	The Retail Mortgage Lending Policy aims to define the rules for the Bank's mortgage lending to retail natural person customers. The Policy sets out the terms and conditions of the MNB FGS Green Home Programme, but does not assign any implementing rules.	chief Executive Officer
RISK-002/2014. Recovery plan	The Recovery Plan is a policy drawn up on the basis of the applicable provisions of the Credit Institutions Act and the Investment Firms Act, the purpose of which is to determine the steps to be taken by the institution in the event of a situation that seriously threatens its liquidity or solvency, which will ensure the stabilisation of the institution's financial situation without the need for extraordinary state financial support. The Policy sets out the following in relation to risk appetite: "Among environmental risks, the Bank also takes into account its customers' climate change risks in the development and review of its Sustainability Strategy[28] and CSR Strategy[29], which are published on its website. As part of this, for example, in retail lending, the Bank lends in relation to properties located in regions less exposed to climate change, using the list of towns and settlements specified in its Collateral Valuation Policy; the Bank's marketing campaigns focus on digital operations. The Bank encourages its customers to bank in an environmentally-conscious way with the free and advanced VideoBank, NetBank and eBank services. The Bank also supports sustainability through its business model: its ecological footprint is significantly smaller by banking standards due to its two-branch business model (the Bank operates	Board of Directors

[28] https://granitbank.hu/aktualis/2021/01/01/ismerje-meg-granitbank-zold-vilagat/
[29] https://granitbank.hu/aktualis/2019/09/30/granitbank-csr-fenntarthatosagi/

Name of policy	Main content of policy	Highest level person responsible for the policy
	with eight times less branches compared to competitors with similar customer numbers). Part of the Bank's strategy is to gradually scale up green lending to help meet the targets set by the Paris Climate Agreement. The Bank measures the amount of paper saved by digital operation and how many trees are saved from being cut down. The Bank continuously measures and publishes the amount of carbon dioxide saved through its digital operation."	
KOCK-001/2016 Rules of Procedure for Corporate Underwriting	A proposal template for use by corporate customers is attached as Annex 1 to the Rules of Procedure for Corporate Underwriting. Section "VI.1. Evaluation of customer/customer group activities and management; assessment of the relevance of ownership and customer group, internal and owner's loans, ESG" of these Rules of Procedure presents the ESG information relevant to the given customer/customer group. Detailed instructions on how to complete the template are contained in the completion guide. The assessment and the content of the proposal are fine-tuned in the context of the ESG project underway at the Bank. According to the methodology described above, ESG-focused assessment in relation to proposals is the responsibility of risk management. The Corporate Division was consulted during the development of the Policy, and the responsibilities and documentation background were defined in agreement with the Division.	Chief Executive Officer

The Bank plans to add or develop new policies and procedures to address climate change and environmental impacts and risks as part of the ESG project to be launched in 2024 Q4. These measures are designed to ensure that the Banking Group continuously adapts to environmental and sustainability requirements and ensures that its operations comply with the latest legal and industry guidelines.

4.2.2. [MDR-A] Actions and resources in relation to environmental, social and climate change risk management

The Bank strives to fully implement Recommendation No. 10/2022. (VIII.2.) of the National Bank of Hungary on climate change and environmental risks and the integration of environmental sustainability aspects in the activities of credit institutions ("MNB Green Recommendation") and Recommendation No. 9/2024 (IX.24) of the National Bank of Hungary on the use of a minimum set of questions to assess environmental, social and governance information in the underwriting, measurement, management and control of credit risk ("MNB ESG Recommendation"). To achieve this, and to perform the tasks under Act C of 2000 on Accounting ("Accounting Act") relating to its Sustainability Report, it launched an ESG project in the fourth quarter of 2024 with the involvement of an external consultant. The Bank intends to deepen its ESG risk management, both in its policies and procedures.

The Bank has institutionalised a double materiality assessment (DMA) in the preparation of the Sustainability Report for 2024. In this context, the group of stakeholders was defined, which is described in sub-chapter 1.3.2. Interests and views of stakeholders.

After 2024, the Bank will repeat the DMA process every year when preparing the Sustainability Report.

The Bank is committed to achieving its ESG objectives and, as such, is continuously integrating ESG considerations into its operations. In its budget planning, the Bank takes into account the financing needs of sustainability initiatives and strives to use these resources effectively to support the Bank's strategic objectives. The Bank also provides financial support to programmes that contribute to improving environmental and social impacts, as described in more detail in the sub-chapter 3.4. Community involvement.

In order to further develop the identification, measurement, management and control of environmental risks, and to define and support the implementation of the related wide range of banking tasks, in May 2024 the Bank decided to involve an external expert and to launch an ESG project.

The primary purpose of involving an external consultant is to enable the Bank to assess the full range of ESG-related tasks and expectations and to gradually meet and improve ESG expectations and compliance. A further priority is to fully develop and implement a framework of tasks for sustainable operations and underwriting, and the corresponding internal culture.

In the context of the implementation and record-keeping of ESG-related tasks, the Bank has created a new function within the Strategy and Analysis Division (ESG Specialist) from September 2024, thus making the organisation, monitoring and administration of related tasks more efficient. The 2025 Business Plan shows that the Bank plans to recruit a senior ESG expert to join the existing junior ESG expert from April 2025.

OpEx and CapEx expenditures related to the listed 2024 measures have been planned for in the Bank's financial plans, but the expenditures have not been separated in dedicated manner in the plans, thus the exact resource requirements for these measures cannot be shown.

4.2.3. [MDR-T] [MDR-M] Tracking effectiveness of policies and actions through targets and metrics

The Bank plans to define targets and metrics related to sustainability in 2025. The Bank has not previously set quantifiable and measurable targets in this area, as the Bank's size, the complexity of its activities, its operational form ("digital bank") and regulatory compliance have not yet justified doing this.

GRÁNIT Bank is growing dynamically, becoming a complex Banking Group in 2024 and a public limited company at the end of 2024, with its shares listed on the Budapest Stock Exchange. This evolution and the growth in the size of the Bank now justifies and requires the Bank to put in place appropriate group-wide ESG risk management processes, as well as setting targets and metrics to monitor these.

4.3.[Entity-specific] Combating money laundering

Combating money laundering (Anti-Money Laundering, AML) in the banking sector is not just a regulatory requirement, but an essential safeguard against the infiltration of illicit funds from activities such as drug trafficking and terrorist financing. AML is a priority for banks, supporting financial security, regulatory compliance and ethical business operations. It serves as a primary protection against the infiltration of illicit funds, which can destabilise the financial sector and, in the wider sense, the entire economy.

4.3.1. [MDR-P] Policies adopted to combat money laundering

Organisationally, the AML area at GRÁNIT Bank is structured as follows:

The Compliance Directorate within the Compliance Division currently has two AML officers. The head of the organisational unit is the Deputy CEO, who reports directly to the CEO and the Board of Directors.

The AML area has separate regulations and policies in line with the model regulations developed by the MNB. The main task of this area is to ensure that internal policies and banking operations comply with the requirements of applicable legal regulations, the MNB's recommendations and the recommendations made during audits.

Two main stakeholder groups can be identified in respect of the topic of AML: the Bank as a service provider, for which the legislation sets precise expectations, and customers, who are subject to AML investigations and continuous monitoring. The Bank is affected within its own sphere of activity if it has to refuse a customer relationship, for example on the basis of a risk-based decision. In such cases, it may miss out on significant transactions and therefore revenues, but the supervisory and reputational risks outweigh these financial implications.

4.3.2. [MDR-A] Actions and resources in relation to combating money laundering

The day-to-day operational tasks of the AML area include ongoing transaction and customer monitoring. This includes day-to-day actions that provide the basis for risk-based decisions such as regulatory notifications, fulfilling regulatory data requests, or even terminating customer relationships.

The AML area does not apply any measures beyond its general operations, and therefore there are no separate, dedicated resources for this purpose.

4.3.3. [MDR-T] [MDR-M] Tracking effectiveness of policies and actions through targets and metrics

The AML area has no quantified targets or associated metrics. Its key objectives are to ensure that the Bank operates prudently and without fines imposed. The Bank ensures that these objectives are met by taking into account the following qualitative objectives:

- protecting customer interests,
- meeting the requirements of the authorities and legal regulations,
- managing reputational risks,
- keeping customer experience in mind,
- avoiding undue hindrance to profit.

The Bank fully complies with the above points and does not intend to change these objectives and operating principles in the future.

4.4. [Entity-specific] Integration of ESG into products

Increasing the share of green financial products in the portfolio, both in the corporate and retail segments, plays an important role in the Bank's strategy. In this context, it focuses on increasing energy efficiency, expanding renewable energy use and financing products that aim to reduce GHG emissions. These products have a positive impact on the environment while also offering financial benefits to the Bank through regulatory incentives.

GRÁNIT Bank's mission is to strengthen environmental awareness among its customers, in addition to developing financial awareness. In this context, it was the first in Hungary to introduce the Carbon Calculator solution, based on the cooperation between Mastercard and Sweden-based Doconomy. The purpose of solution is to calculate the estimated size of the individual ecological footprint of cardholders based on their spending and – through the GRÁNIT eBank application – with the help of the Eco Calculator to offer its customers the opportunity to monitor and – e.g. with a donation intended for tree planting – reduce their ecological footprint.

The Bank also offers green loans in retail and corporate lending, and plans to introduce green products in its start-up investment service.

4.4.1. [MDR-P] [MDR-A] [MDR-T] [MDR-M] Minimum disclosure requirements under ESRS 2

GRÁNIT Bank does not yet have policies or measures in place to integrate ESG into its products, nor has it set any metrics or targets for the topic.

The Bank will develop policies and procedures to manage environmental and climate change risks in line with the MNB's Green Recommendations[30] as part of the ESG project launched in 2024 Q4. The project also aims to promote the integration of ESG aspects in products and to

[30] Recommendations 10/2022 (XII. 2.) and 9/2024 (IX.24.) of the National Bank of Hungary

develop new products that support sustainability. The results of the project are expected by the end of 2025.

4.5. [Entity-specific] Cyber risks

Cybersecurity for GRÁNIT Bank is a set of processes, recommended practices and technology solutions that help protect critical systems and networks from digital attacks.

Managing cyber risks is of paramount importance to the Bank to ensure that banking secrecy and the personal data of customers and employees are protected during the use of its IT systems, and to ensure that data security requirements are met. To this end, unauthorised access, as well as the modification and unauthorised disclosure of data must be prevented. To achieve this objective, it is essential to ensure the confidentiality, integrity, availability and authenticity of data and information handled in IT systems, as well as the integrity and availability of the components of IT systems, through closed, complete, continuous and risk-proportionate protection.

It is essential for the Bank to prevent, report and manage fraud and abuse, and to establish internal lines of defence and internal control functions within the Banking Group to this end. In the course of its activities, the Bank aims to ensure the following:

- to prevent fraudulent activities from occurring to the fullest extent possible, to support loss prevention or mitigation;
- to prevent damage caused by fraud, and also to reduce the amount of funds spent on fraud investigations or recovery of assets;
- to regulate the investigation and handling of suspected fraud, attempted fraud and successful fraud incidents, and set out relevant rules of procedure;
- to determine effective and efficient responses and actions in respect of abuse that comes to its knowledge (notified, detected, hereinafter collectively referred to as “notification” or “reported incident”);
- to ensure legal compliance and the necessary expertise in fraud management processes; and
- to facilitate effective prevention in the future by building feedback into the process.

4.5.1. [MDR-P] Policies adopted to manage cyber risks

In respect of the management of cyber risks, the Bank has strategy jointly formulated with IT, as well as a separate security policy and regulation, and a security manual.

The IT strategy of GRÁNIT Bank is defined for a two-year period and includes the directions of the technical and organisational development of IT, based on the current level of the IT environment and business, security, prudential, legal and other professional requirements.

The IT strategy includes an examination of the relationship between the business strategy and the IT strategy, an assessment of the objectives of the previous period, the objectives for the next period, the projects planned and how the strategy will be monitored.

With regard to cyber risks, the strategy also includes project plans for data and IT security.

The Bank applies additional security measures to protect its systems, including access management, incident management, firewall management, virus protection, change management, risk management, service continuity, development and test management, operational policies and policies for cloud services.

Some of the policies listed fall under the scope of responsibility of the IT Directorate, while others are the responsibility of the IT and Bank Security Department, under the direct supervision of the Bank's Chairperson-CEO.

The Bank will prepare a separate Digital Resilience and IT Security Strategy in the near future and will also regulate the use of artificial intelligence.

4.5.2. [MDR-A] Actions and resources in relation to managing cyber risks

At the Bank, cyber risks are managed in several layers along the following guiding principles:

Regulation and ensuring compliance therewith:

- formulation and regular review of strategies, policies, regulations and rules of procedure;
- ongoing risk assessment and management;
- carrying out regular audits.

Technological compliance:

- technological tests and their back-testing;
- continuous monitoring, detection and response;
- use of automated self-defence mechanisms;
- continuous use of external expert support;
- maintaining a continuous IT security level and using services to develop this (e.g. Brand protection, DDoS protection);
- implementing industry best practices and standards.

Management of human risk:

- regular internal security awareness training (e.g. awareness-raising circulars);
- regular internal general and specific security training;
- customer education (in cooperation with CyberShield), maintenance of a cybersecurity sub-page, social media campaigns, education through eBank and NetBank.

The measures described are an integral part of the Bank's operations and were, therefore, implemented during the reporting period. In addition, the Bank's project to support fraud prevention continued, with the pro-rata implementation of the various elements completed in 2024.

The measures have been developed by taking into account risk assessments of the stakeholder groups, industry best practices, ongoing audits and sector-specific trends.

The management of cyber risks is a part of the Bank's core operation, to which the organisation pays particular attention. Accordingly, the IT and Bank Security Directorate's annual budget includes the resources required to address cyber risks, but these are managed together with other activities in the area, and the Bank is, therefore, unable to show the exact resource requirements for the dedicated cyber risk activities described in this chapter.

4.5.3. [MDR-T] [MDR-M] Tracking effectiveness of policies and actions through targets and metrics

The Bank does not have targets or metrics in respect of cyber risks but, regardless, it monitors such incidents and risks on an ongoing basis.

The Bank must report to the Banking Supervision Authority the fraud rate calculated on the basis of the 90-day rolling average as set out in Commission Delegated Regulation (EU) 2018/389[31] (hereinafter: SCAR) and the cases where the calculated fraud rate for any of these transaction types exceeds the reference fraud rate set out in the SCAR as a condition for the risk-based exemption. The reports include the percentage of card fraud losses, and the percentage of frauds not involving cards.

GRÁNIT Bank continuously assesses the data and trends from the reports at the departmental level and reports to the Bank's management.

4.6.[Entity-specific] Digitalisation and innovation

The appropriate management of digitalisation and innovation is a priority for GRÁNIT Bank. As a digital bank, it has only two physical branches, with the Bank focusing on digital channels to serve its customers. A high level of digitalisation and ongoing innovation is essential to ensure a good customer experience, which the Bank ensures as described in this chapter.

4.6.1. [MDR-P] Policies adopted to manage digitalisation and innovation

GRÁNIT Bank addresses the issue of digitalisation and innovation through the document entitled Digital Transformation Strategy, which applies to the entire organisation of the Bank.

The aim of the Digital Transformation Strategy is to break down GRÁNIT Bank's strategy in relation to the contents of Recommendation No. 4/2021. (III.30.) of the National Bank of Hungary on the digital transformation of credit institutions into concrete steps aimed at further developing personalised and customer-centric digital services, promoting the financial innovation of GRÁNIT Bank, improving the competitiveness and stability of the Bank and maintaining the continuous protection of consumer interests.

The strategy is reviewed annually by the Bank and the results of the review are sent to the MNB.

4.6.2. [MDR-A] Actions and resources in relation to digitalisation and innovation

In the course of developments aimed at retail customers, the Bank adopts a "mobile first" or "mobile only" approach, i.e. it develops new services and products so that they are fully accessible and usable without a visit to a bank branch, thus ensuring sustainable operation. In its developments, the Bank strives to be among the first to introduce new technologies at national and regional level. When designing developments, the Bank aims to make them accessible and useful to the widest possible range of customers. The Bank aims for each upgrade and development to either further increase the level of existing digitalisation in the given system or to achieve new digitalisation by introducing the development.

In the reporting period, one of the Bank's innovative measures was to switch to using recycled materials for its bank cards, thus reducing their environmental footprint in terms of both production and waste management.

[31] Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication

In addition, the Bank is continuously implementing digitalisation and innovation developments to achieve its business objectives and enhance the customer experience. The Bank operates a separate Electronic Channels Development Department for this purpose. In addition to the developments related to business needs, one of the priority areas for the development of internal processes that support the operations of the "banking business" is the continuous improvement of digitalisation supporting operational processes.

The resources needed for actions related to digitalisation and innovation are included in the annual cost plans of the Bank's responsible areas, but there are no dedicated resources for these activities in the cost plans.

4.6.3. [MDR-T] [MDR-M] Tracking effectiveness of policies and actions through targets and metrics

The area does not have a separate target and metric (related to the topic).

The Bank monitors the effectiveness of its policies and actions related to digitalisation and innovation indirectly. In the case of service-related developments, it assesses the success of the given development based on customer satisfaction and the revenues generated by the development. In the case of digitalisation projects implemented within the organisation, the success of the activities is indicated by the increase in process efficiency and the improvement of user experience.

5. ESRS Index

ESRS Standard		Disclosure requirement		Place of disclosure in the report (page number)	Note
ESRS 2	General dis-closures	BP-1	General basis for the preparation of sustainability statements	47	
		BP-2	Disclosures in relation to specific circumstances	49	
		GOV-1	The role of the administrative, management and supervisory bodies	50	
		GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	54	
		GOV-3	Integration of sustainability-related performance in incentive schemes	55	
		GOV-4	Statement on due diligence	55	
		GOV-5	Risk management and internal controls over sustainability reporting	56	
		SBM-1	Strategy, business model and value chain	57	
		SBM-2	Interests and views of stakeholders	62	
		SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	65	For the information required under article 48(e) of ESRS SBM-3,

ESRS Standard		Disclosure requirement		Place of disclosure in the report (page number)	Note
					the Bank has made use of the phase-in option.
		IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	75	
		IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	77	
ESRS E1	Climate change	ESRS 2 GOV-3	Integration of sustainability-related performance in incentive schemes	108	
		E1-1	Transition plan for climate change mitigation	108	The Bank has no transition plan
		ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	108	
		ESRS 2 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	109	
		E1-2	Policies related to climate change mitigation and adaptation	110	
		E1-3	Actions and resources in relation to climate change policies	110	
		E1-4	Targets related to climate change mitigation and adaptation	111	
		E1-5	Energy consumption and mix	112	
		E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	113	

ESRS Standard		Disclosure requirement		Place of disclosure in the report (page number)	Note
		E1-7	GHG removals and GHG mitigation projects financed through carbon credits	117	
Entity-specific disclosures		-	Environmental impact of financial products	117	
ESRS S1	Own workforce	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Phased-in disclosures	
		S1-1	Policies related to own workforce	Phased-in disclosures	
		S1-2	Processes for engaging with own workers and workers' representatives about impacts	Phased-in disclosures	
		S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	Phased-in disclosures	
		S1-4	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	Phased-in disclosures	
		S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phased-in disclosures	
		S1-6	Characteristics of the undertaking's employees	Phased-in disclosures	
		S1-7	Characteristics of non-employee workers in the undertaking's own workforce	Phased-in disclosures	
		S1-8	Collective bargaining coverage and social dialogue	Phased-in disclosures	

ESRS Standard		Disclosure requirement		Place of disclosure in the report (page number)	Note
		S1-9	Diversity metrics	Phased-in disclosures	
		S1-13	Training and skills development metrics	Phased-in disclosures	
		S1-14	Health and safety metrics	Phased-in disclosures	
		S1-15	Work-life balance metrics	Phased-in disclosures	
		S1-16	Remuneration metrics (pay gap and total remuneration)	Phased-in disclosures	
		S1-17	Incidents, complaints and severe human rights impacts	Phased-in disclosures	
ESRS S4	Consumers and end-users	ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	Phased-in disclosures	
		S4-1	Policies related to consumers and end-users	Phased-in disclosures	
		S4-2	Processes for engaging with consumers and end-users about impacts	Phased-in disclosures	
		S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	Phased-in disclosures	
		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	Phased-in disclosures	
		S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	Phased-in disclosures	
Entity-specific disclosures		-	Attracting and retaining talent	121	

ESRS Standard		Disclosure requirement		Place of disclosure in the report (page number)	Note
Entity-specific disclosures		-	Community involvement	123	
ESRS G1	Business conduct	ESRS 2 GOV-1	The role of the administrative, supervisory and management bodies	126	
		ESRS 2 IRO-1	Presentation of processes to identify and assess material impacts, risks and opportunities	126	
		G1-1	Corporate culture and business conduct policies and corporate culture	126	
		G1-3	Prevention and detection of corruption and bribery	131	
		G1-4	Confirmed incidents of corruption or bribery	131	
Entity-specific disclosures		-	Management of environmental, social and climate change risks	132	
Entity-specific disclosures		-	Combating money laundering	140	
Entity-specific disclosures		-	Integrating of ESG into products	141	
Entity-specific disclosures		-	Cyber risks	142	
Entity-specific disclosures		-	Digitalisation and innovation	144	

6. List of data points derived from EU legislation

Disclosure requirement	Related data point	Place of disclosure in the report (page number)	Note
ESRS 2 GOV-1	Board's gender diversity paragraph 21 (d)	50	
	Percentage of board members who are independent, mentioned in paragraph 21 (e)	50	
ESRS 2 GOV-4	Statement on due diligence, paragraph 30	55	
ESRS 2 SBM-1	Involvement in activities related to fossil fuel activities, paragraph 40 section (d) subsection i	Not material	
	Involvement in activities related to chemical production, paragraph 40 section (d) subsection ii		
	Involvement in activities related to controversial weapons, paragraph 40 section (d) subsection iii		
	Involvement in activities related to cultivation and production of tobacco, paragraph 40 section (d) subsection iv		
ESRS E1-1	Transition plan to reach climate neutrality by 2050, paragraph 14	108	The Bank has no transition plan
	Undertakings excluded from Paris-aligned Benchmarks, paragraph 16 (g)	108	
ESRS E1-4	GHG emission reduction targets, paragraph 34	111	
ESRS E1-5	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors), paragraph 38	Not material	
	Energy consumption and mix, paragraph 37	112	

Disclosure requirement	Related data point	Place of disclosure in the report (page number)	Note
	Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Not material	
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions, paragraph 44	113	
	Gross GHG emissions intensity, paragraphs 53 to 55	113	
ESRS E1-7	GHG removals and carbon credits, paragraph 56	117	
ESRS E1-9	Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66	Not material	
	Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a)		
	Location of significant assets at material physical risk, paragraph 66 (c)		
	Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c)		
	Degree of exposure of the portfolio to climate-related opportunities, paragraph 69		
ESRS E2-4	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not material	
ESRS E3-1	Water and marine resources, paragraph 9	Not material	
	Dedicated policy, paragraph 13		
	Sustainable oceans and seas, paragraph 14		
ESRS E3-4	Total water recycled and reused, paragraph 28 (c)	Not material	

Disclosure requirement	Related data point	Place of disclosure in the report (page number)	Note
	Total water consumption in m^3 per net revenue on own operations, paragraph 29		
ESRS 2 - IRO 1 - E4	Paragraph 16 section (a) subsection i	Not material	
	Paragraph 16 section (b)		
	Paragraph 16 section (c)		
ESRS E4-2	Sustainable land / agriculture practices or policies, paragraph 24 (b)	Not material	
	Sustainable oceans / seas practices or policies, paragraph 24 (c)		
	Policies to address deforestation, paragraph 24 (d)		
ESRS E5-5	Non-recycled waste, paragraph 37 (d)	Not material	
	Hazardous waste and radioactive waste, paragraph 39		
ESRS 2 - SBM3 - S1	Risk of incidents of forced labour, paragraph 14 (f)	Not reported due to phasing-in	
	Risk of incidents of child labour, paragraph 14 (g)		
ESRS S1-1	Human rights policy commitments, paragraph 20	Not reported due to phasing-in	
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		
	Processes and measures for preventing trafficking in human beings, paragraph 22	Not material	
	Workplace accident prevention policy or management system, paragraph 23	Not reported due to phasing-in	
ESRS S1-3	Grievance/complaints handling mechanisms, paragraph 32 (c)	Not reported due to phasing-in	

Disclosure requirement	Related data point	Place of disclosure in the report (page number)	Note
ESRS S1-14	Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Not reported due to phasing-in	
	Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)		
ESRS S1-16	Unadjusted gender pay gap, paragraph 97 (a)	Not reported due to phasing-in	
	Excessive CEO pay ratio, paragraph 97 (b)		
ESRS S1-17	Incidents of discrimination, paragraph 103 (a)	Not reported due to phasing-in	
	Non-respect of UNGPs on Business and Human Rights and OECD, paragraph 104 (a)	Not material	
ESRS 2 - SBM3 - S2	Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Not material	
ESRS S2-1	Human rights policy commitments, paragraph 17	Not material	
	Policies related to value chain workers, paragraph 18		
	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines, paragraph 19		
	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		
ESRS S2-4	Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Not material	
ESRS S3-1	Human rights policy commitments paragraph 16	Not material	

Disclosure requirement	Related data point	Place of disclosure in the report (page number)	Note
	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines, paragraph 17		
ESRS S3-4	Human rights issues and incidents, paragraph 36	Not material	
ESRS S4-1	Policies related to consumers and end-users, paragraph 16	Not reported due to phasing-in	
	Non-respect of UNGPs on Business and Human Rights and OECD guidelines, paragraph 17		
ESRS S4-4	Human rights issues and incidents paragraph 35	Not reported due to phasing-in	
ESRS G1-1	United Nations Convention against Corruption, paragraph 10 (b)	126	
	Protection of whistle-blowers, paragraph 10 (d)	126	
ESRS G1-4	Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	131	
	Standards of anti-corruption and anti-bribery, paragraph 24 (b)	131	