

# 2025 Annual Reports and Accounts



**Acceleration  
in action**

From potential to unlimited possibility

# UniCredit Unlocked to UniCredit Unlimited

**UniCredit is a pan-European leader and commercial bank** providing best-in-class solutions and services across **Italy, Germany, Austria, and Central and Eastern Europe.**

With our structural advantages and network of empowered banks, leveraged at scale, we set a new benchmark for banking with our winning operating model, keeping our clients at the centre and unlocking the potential of our people.

UniCredit Unlocked transformed our Bank – proving what disciplined execution, empowered and motivated people and a unified operating model can achieve.

**We now shift decisively from Unlocked to Unlimited** – a new phase defined by greater ambition and a fundamental rethinking of how a European bank should operate.

## Contents

UniCredit at a glance	3
ESG	6
Letter from the Chief Executive Officer	7
Partnership with Scuderia Ferrari HP 10	10



# Our unique winning proposition. Group scale, local reach.

One core belief: an unmatched potential inherent within our bank that needed to be unlocked by leveraging our structural advantages.



**>20m**  
Clients<sup>1</sup> with >60% revenue from SMEs, Private and Affluent

---

**#1 rated**  
Bank in Europe and across our geographies each year since 2022<sup>2</sup>

---

**Leading market share**  
In Group Trade & Correspondent Banking with top 3 positions in every UniCredit country

### Attractive geographic mix

We are the only truly pan-European bank: with 13 banks + 1 embedded across Europe, with top three positions in 90% of our markets.

This gives us scale, diversification, stability, limited Foreign Exchange (FX) dispersion and lower geopolitical concentration compared with other cross border models, and it provides strategic optionality across 13+1 markets.

### High-quality client mix

We have more than 20 million primary, longstanding client relationships, skewed towards Private, Affluent and Small and Medium Enterprises (SMEs), where returns are structurally more attractive driven by a higher Return on Allocated Capital (RoAC), cross-selling and cross-over ratio.

### Targeted product mix

Our Group factories combined with our granular local reach provide a breadth and depth of offering that local competitors cannot match. We harness scale only where it genuinely creates advantage – product factories, technology, data & AI, procurement – unlocking synergies and raising effectiveness across the Group.

## A unique proposition rooted in Group scale and local reach



Clients truly at the centre, unifying the organisation around one common Vision, Purpose, Strategy and Culture.



Empowered banks and people within a clear Group framework, ensuring they are as independent as possible within one clear Group Strategy and framework.



Focused the centre on what truly adds value and benefits from scale.



A bottom-up, execution-driven culture that is delivering exceptional results.

**This federal model enhances the entire system: the Group provides platforms, capabilities and direction, while empowered local banks deliver for clients and drive superior performance.**

1. UniCredit clients c.17.5m (o/w 15m active) and Alpha clients 3.7m.

2. Awarded Bank of the Year in 2025 by The Banker in Italy, Austria, Bosnia and Herzegovina, Bulgaria, Croatia and Romania; Best Bank in Europe by Euromoney in 2025; Global Best Bank by The Banker in 2023 and 2024; Global Bank of the Year by International Financing Review in 2024.

# An unmatched federation of leading banks

## 13+1

Leading banks, including partnership with Alpha Bank

## 75,000

Talented colleagues<sup>1</sup>

## >20m

Clients with primary relationship connected across Europe

## 4

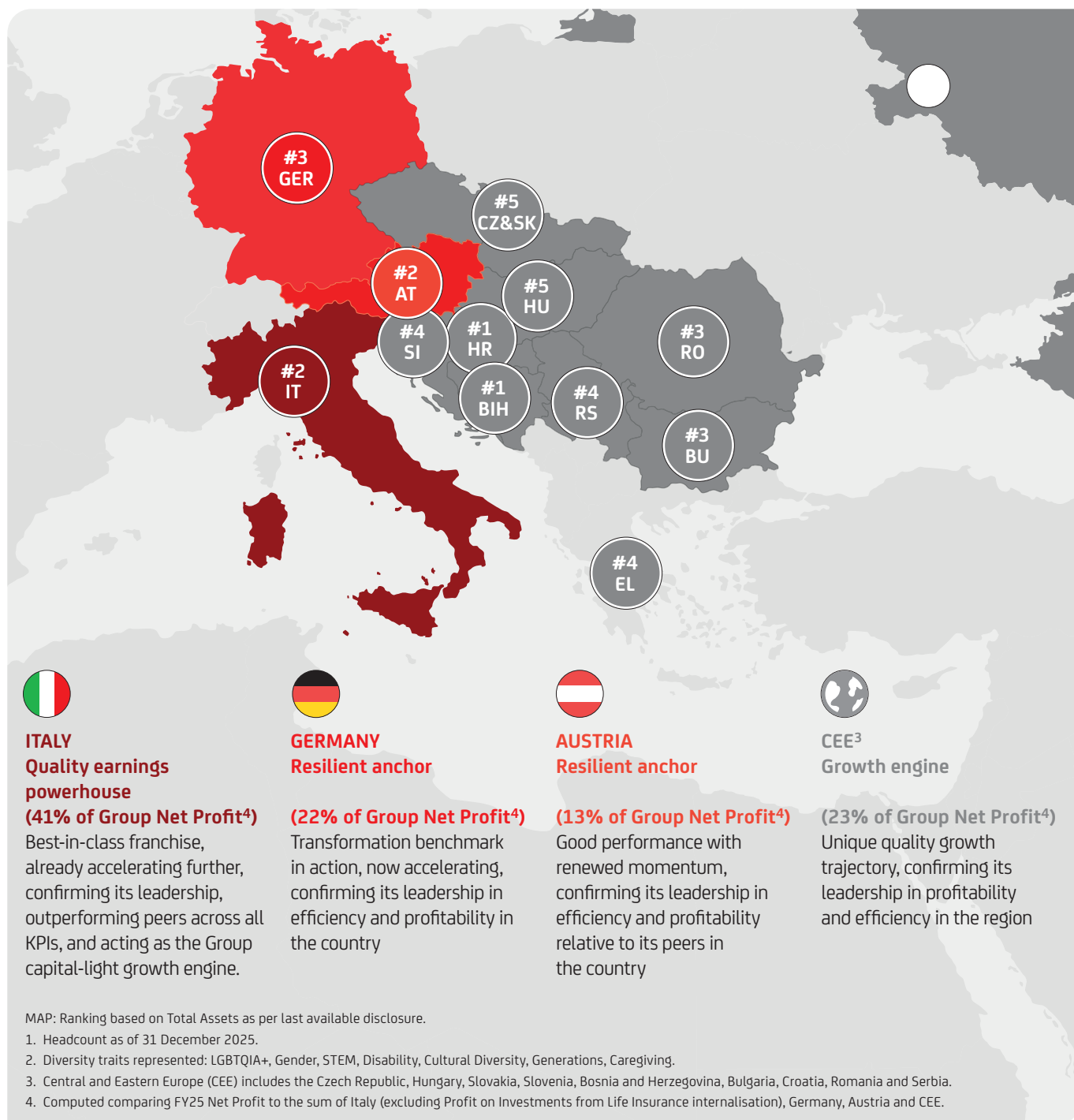
Coverage regions

## 3

Product factories

## 1,000+

Employee Networks active members<sup>2</sup>



# Record FY25, crowning five years of excellence

We have delivered a record full year and 20 consecutive quarters of quality profitable growth, reflecting five years of disciplined execution. This strong momentum is broad-based across all KPIs – delivering today while building for tomorrow.

## Financial highlights

### TOP-LINE GROWTH

**€24.5bn**

Gross Revenue  
Flat<sup>1</sup> (FY/FY)

### BOTTOM-LINE GROWTH

**€10.6bn<sup>2</sup>**

Net Profit  
+14% (FY/FY)

### RoTE

**19.2%**

+1.5 p.p. (FY/FY)

### TOP LINE QUALITY

**36%**

Fees & Net Insurance/Net Revenue  
+2 p.p. (FY/FY)

### OPERATIONAL EFFICIENCY

**38.5%**

Best-in-class Cost/Income ratio  
Flat costs (FY/FY), down -2%  
excluding new perimeter

### ASSET QUALITY

**15bps**

CoR  
+1bp (FY/FY)

### PER SHARE GROWTH

**+20% EPS**

**+31% DPS<sup>3</sup>**

**+19% TBVPS<sup>4</sup>**

### TOTAL DISTRIBUTIONS<sup>5</sup>

**€9.5bn**

+6% (FY/FY)

### SOUND NPE RATIO

**1.6%**

1. Gross revenues are flat FY/FY when adjusted for circa negative €240 million trading impact related to the hedging of our strategic portfolio, booked in 4Q25, to protect and optimise its return, or circa -1% FY/FY otherwise.
2. Stated net profit adjusted for impacts from DTAs tax loss carry forward ("TLCF").
3. FY25 DPS calculated as €1.4282 interim DPS paid in November 2025, plus €1.7205 preliminary final DPS, calculated as of 6 February 2026, based on the best estimate of the expected number of shares eligible for dividend payment. The definitive final DPS will be communicated according to the ordinary procedure.
4. FY25 interim dividend paid in November 2025 of €1.4282, or +11% FY/FY without it.
5. Subject to supervisory, board of directors and shareholders' approval. FY25 total distribution at €9.5 billion, of which €4.75 billion is a cash dividend (of this, €2.2 billion has already been paid as interim dividend in November 2025 and the remaining €2.58 billion corresponds to a preliminary final DPS of €1.7205).

# Leading by example

Thanks to our strong foundations, in 2025 we continued to make progress on our Environmental, Social and Governance (ESG) KPIs.

## Sustainability highlights



#### ESG lending, sustainable bonds and Net Zero commitments.

We grew our ESG lending and sustainable bonds, reaching a total of €11.3 billion in environmental lending and €5.9 billion in sustainable bond issuance since January 2025.

**€11.3bn**  
Environmental lending

**€5.9bn**  
Sustainable bonds issued



#### Social financing and contribution to support our communities.

Our social financing reached €5.5 billion in 2025, enabling micro-credit, impact financing and loans to disadvantaged areas. We also provided c.€71 million in social contribution through dedicated initiatives.

**c. €71m**  
Social contribution

**c. 15,600**  
Hours dedicated to volunteering by our colleagues



#### ESG-aligned remuneration, solid risk and policy framework.

We built a solid ESG governance through top management remuneration, ESG representation within the Group Executive Committee, and robust credit and policy frameworks. Enabled by our strong commitment to diversity, equity and cultivating an inclusive culture across the bank.

**53%**  
Women represented on the Board of Directors

**c. 1%**  
Gender Pay Gap in comparable roles

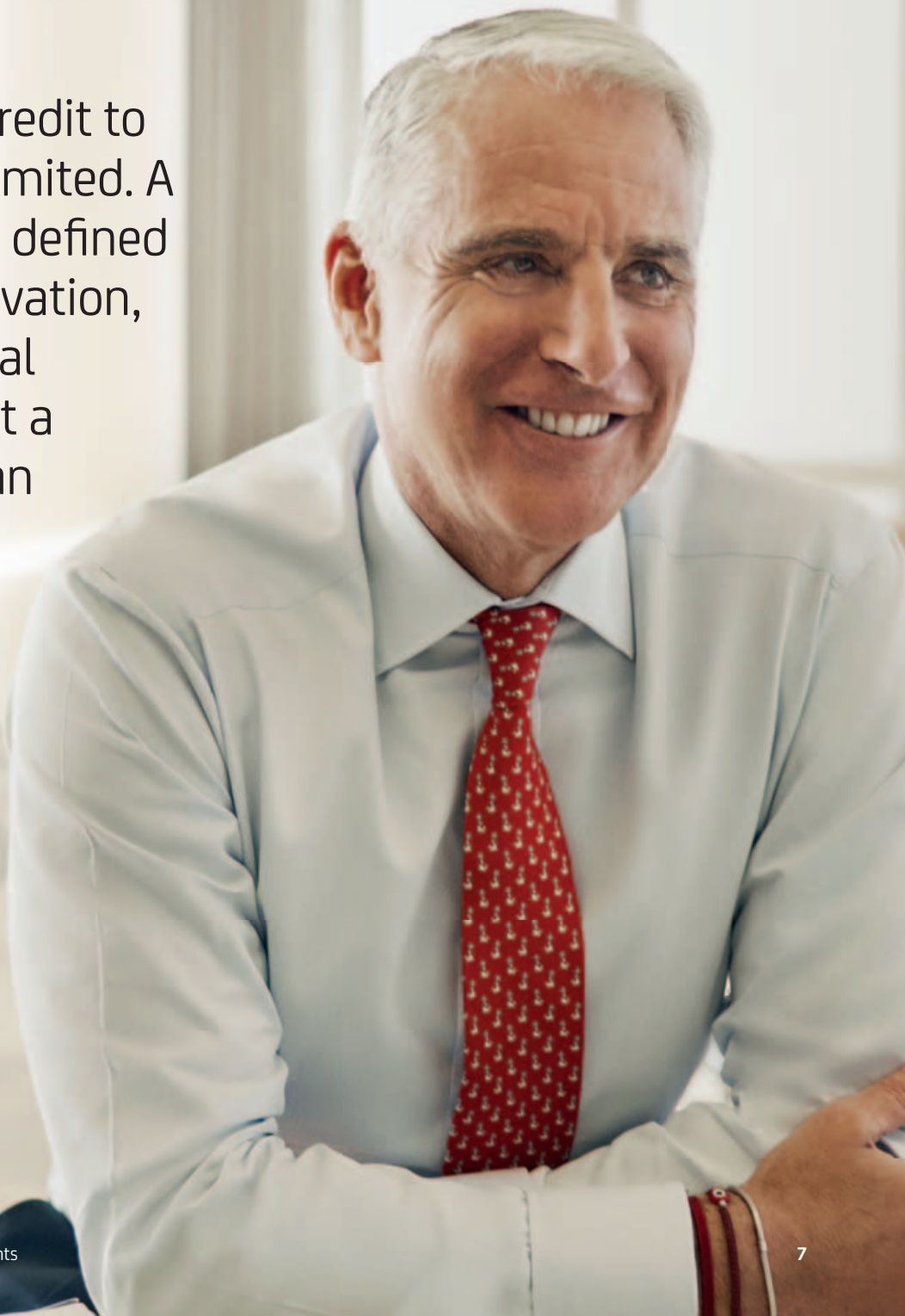
# A new path for a new era of European banking

“

It is time for UniCredit to become truly unlimited. A bold new chapter defined by ambition, innovation, and a fundamental rethinking of what a European bank can and should be.

**Andrea Orcel**

Chief Executive Officer UniCredit S.p.A.





UniCredit honoured with multiple achievements across Europe



UniCredit enters single-A territory as Fitch upgrades issuer rating to A-



UniCredit receives its second single-A rating



UniCredit obtains its third single-A rating as Moody's upgrades the issuer rating to A3



Named Bank of the Year in six countries

## Dear Stakeholders,

In recent years, UniCredit has established a track record of excellent performance across a range of economic conditions. In an environment shaped by volatility and structural change, we have delivered high-quality earnings, robust capital generation and disciplined growth; all underscored by the Group's outstanding efficiency and RoTE. These outcomes reflect deliberate choices about how we allocate capital and manage risk, demonstrating an ingrained resilience and sustainability within our strategy.

When I arrived at UniCredit in 2021, the Group faced significant challenges and required a decisive change in direction. Through our UniCredit Unlocked Strategy, we fundamentally reshaped the Bank, establishing the foundations needed to unlock its untapped potential by unifying our people around a single Vision, Strategy and Culture. This was accompanied by a fundamental overhaul of our operating model – transforming our efficiency while simultaneously investing in our people, digital capabilities, product platforms and distribution.

Together, we have moved the Group from laggard to leader in our sector, enabling us to deliver like never before for our clients, and empower communities to progress across the continent. Now, it is time to go even further by launching UniCredit Unlimited, an ambitious new chapter that will transcend traditional boundaries and rewrite what is possible within the financial sector.

### Another year of record-breaking results

Our 2025 results again mark the strongest performance in UniCredit's history, and our 20th consecutive quarter of profitable growth.

Net Profit reached €10.6 billion, up 14% year-on-year, while RoTE increased to 19.2%, underscoring the strength of our disciplined, capital-generative model.

These results were delivered notwithstanding €1.4 billion of extraordinary charges, deliberately frontloaded to further strengthen our medium-term trajectory. We closed the year with a robust CET1 ratio of 14.7% and announced a leading shareholder distribution of €9.5 billion, including €4.75 billion in cash dividends.

Operational efficiency remained best-in-class, with a cost-income ratio of 38.5%, reflecting continued discipline in execution.

Looking ahead, our ambition is to deliver approximately €13 billion of Net Profit and a RoTE above 23% in 2028, with further improvement through 2030. We remain focused on consistent outperformance through the cycle and confident in our ability to sustain profitable, capital-generative growth and superior distributions over the coming years.

### A changing financial industry

Despite another year of excellent performance, we cannot afford to stand still. The world around us continues to change at remarkable pace, and the second quarter of this century will likely represent the greatest transformation our sector has experienced for a generation. Advances in artificial intelligence, data and digital infrastructure are not simply enhancing existing models, but redefining how financial services are produced, distributed and consumed. In this context, banks cannot rely on legacy advantages or incremental improvement. Remaining competitive will instead require a willingness to constantly evolve to keep pace with a rapidly changing financial ecosystem.

As a result, client expectations are already shifting. Our businesses and communities increasingly expect financial services to mirror the speed, simplicity and personalisation they experience in other parts of their lives.



AI is transforming interactions from onboarding and credit assessment to advice and servicing, while digital adoption and enhanced data integration enable faster, better-informed decisions. Simultaneously, fintech entrants and platform-based providers continue to raise expectations around user experience and digital responsiveness.

**UniCredit Unlimited**

Against this backdrop, it is time for UniCredit to become truly unlimited. This bold new chapter will be defined by ambition, innovation, and a fundamental rethinking of what a European bank can and should be. Our goal remains to build the Bank for Europe’s future. To achieve this, we must anticipate how people will live, work and interact with financial services, and act before these changes become expectations.

This means reimagining how capital, expertise, and technology can work together to create value for clients, communities, and our people. By combining the strength of a traditional bank, the agility of a fintech and the dynamism of a technology company, we will deliver solutions that are faster and more intuitive than ever before. In doing so, we will create a personalised offer that truly puts the client of today and tomorrow at the centre of all that we do.

UniCredit Unlimited reflects our unwavering belief in the potential of our people, our clients and our communities. I am inspired every day by the talent and dedication of colleagues across the Group, and I know they will embrace the next step of our journey with the energy and creativity required. Together, we’ll set new standards for European banking and deliver growth, service and impact without limits.

UniCredit Unlocked was a remarkable transformation for the bank. The plan we are launching now is even more ambitious, but we are moving forward with a proven track record of delivery and a powerful confidence in our abilities. I am convinced that this time we can go even further, taking UniCredit to new heights and delivering on our ambition to build the Bank for Europe’s Future.

Yours,

**Andrea Orcel**  
Chief Executive Officer UniCredit S.p.A.

## A year of partnership between UniCredit and Scuderia Ferrari HP



**Bound by Passion, United in Excellence. In 2025, our multi-year partnership with Scuderia Ferrari HP continued to evolve, uniting two renowned Italian brands that share a passion for high performance and excellence.**

Guided by the banner “Bound by Passion. United in Excellence”, the partnership has opened up new banking opportunities and exclusive experiences for our customers, clients and colleagues, and has brought our bank closer to the global community of Ferrari fans.

### **Building a global community**

From international moments to landmark events such as the Drivers’ Presentation in Milan’s Piazza Castello, which gathered more than 20,000

fans and 5,000 UniCredit employees, and through numerous local initiatives across Europe, the partnership – which began in September 2024 – has turned motorsport into a shared experience for Ferrari fans, and our clients and customers.

Across the year we brought this to life in the communities and markets we serve, with local activations, branding, displays and events in our bank branches.

### **Creating unique client experiences across Europe**

Throughout 2025, we collaborated with Scuderia Ferrari HP to develop exclusive experiences and storytelling that brought our clients closer to the world of Formula 1.

This included special invitations to 12 of the most exclusive Grand Prix events taking place in Europe and worldwide in 2025 and visits to iconic motorsport locations such as Scuderia Ferrari’s state-of-the-art headquarters in Maranello in Italy, where clients received an exclusive tour and were able to enjoy the famous test track in a Ferrari sportscar. We have also showcased our partnership at several international industry conferences.



**2025 results of  
UniCredit Bank  
Hungary group**

# Message from the Chairman and CEO of UniCredit Bank Hungary Zrt.

## Dear Readers,

The challenging international economic environment, the need to constantly adapt business operations and the changing customer needs all put the financial sector to the test in 2025. The year was characterised by a complex and rapidly evolving economic and geopolitical environment. During this period, we placed particular emphasis on stability, predictability and creating value for our customers and partners also for the long term.

That is why I am particularly proud that we managed to close 2025 with outstanding results again: a consolidated balance sheet total of HUF 5,026 billion and a profit after tax of HUF 81.4 billion.

In recognition of the professional quality of our work, UniCredit Bank was once again voted the best bank in trade finance in Central and Eastern Europe in 2025, along with having a market-leading position in Hungary. This result confirms our consistent development direction towards simpler, more transparent and digitally supported solutions and customer experience, while continuing to focus on risk management and customer safety. Equally valuable professional recognition for us was the fact that UniCredit Bank was also ranked the best in project finance in Central and Eastern Europe last year, in which achievement our business partner relations also played an important role. This award reflects not only our experience gained in complex financing structures, but also our ability to support sustainable investments in the region that reflect long-term thinking. Our Private Banking business also excelled, thanks to the deep market



knowledge and excellent partnerships maintained by our colleagues, while our Treasury and Custody businesses were also recognised with international awards.

We continued to pay particular attention to small and medium-sized enterprises, an important pillar of the domestic economy, and in strengthening customer relationships we built on the partnership that UniCredit signed with Scuderia Ferrari HP Formula 1 team in early 2025.

At the same time, we are convinced that banking performance cannot be measured solely by

business indicators, therefore sustainability and social responsibility remain equally part of UniCredit Bank's everyday life. By continuing and expanding UniCredit Foundation's Re-power Your Future education programme, we have reached tens of thousands of young people in Hungary, supporting their career choices and financial literacy. Furthermore, with our children's glasses donation programme, we provided tangible help for communities, families and children for whom having a basic health tool can make a significant difference to learning and life prospects.

These results are attributable to the professional commitment, social awareness and dedication of our colleagues, the trust of our customers and the

cooperation with our partners. The work carried out in 2025, and its consequences confirmed again that it is possible to operate responsibly, consistently and effectively even in a challenging environment.

While, according to the forecasts, 2026 will be a demanding year, we will continue to work with a solid foundation and true determination towards remaining a stable and trusted partner for our customers' successes and for the long-term development of society.

**Tóth Balázs**

Chairman and CEO  
UniCredit Bank Hungary Zrt.



# Table of contents

<b>Financial Highlights</b>	<b>15</b>
<b>Management report</b>	<b>17</b>
Macroeconomic environment and the banking sector in 2025	18
International economic and financial environment	18
Domestic macroeconomic developments	18
The performance of the Hungarian banking sector	19
Operations of UniCredit Bank Hungary group	21
Quantitative and qualitative indicators and indices of performance measurement	21
Lending risk	21
Market risk	21
Liquidity management	22
Employment policy	22
Anti-bribery and anti-corruption programme	23
Research and development	24
Sustainability report	24
Events after the balance sheet date	24
<b>Non-financial information</b>	<b>25</b>
Report on the divisions	26
Corporates Division	26
Retail Division	28
People&Culture	31
Report on UniCredit Jelzálogbank Zrt.	35
<b>Independent Auditor's Report</b>	<b>37</b>
<b>Financial statements</b>	<b>47</b>
<b>Supervisory Board and Management Board</b>	<b>121</b>
<b>ESG in Hungary</b>	<b>124</b>
<b>Calendar</b>	<b>127</b>
<b>Network units</b>	<b>129</b>



# Financial highlights

# Financial highlights

## UniCredit Group Hungary – IFRS – consolidated

### Profit figures

	2025	2024
Operating result	96,455	94,522
Profit before taxes	95,972	94,844
<b>Profit after taxes</b>	<b>81,381</b>	<b>80,303</b>

### Balance Sheet figures

	2025	2024
<b>Balance Sheet Total</b>	<b>5,025,675</b>	<b>5,194,313</b>
Loans and Advances to customers (net)	2,446,581	2,290,288
Deposits from customers	3,404,453	3,209,794
Shareholder Funds	504,628	485,396

### Indicators

	2025	2024
Return on Equity before taxes	19.39%	19.68%
Return on Equity after taxes	16.44%	16.66%
Return on Average Assets (ROA) before taxes	1.88%	1.84%
Return on Average Assets (ROA) after taxes	1.59%	1.56%
Cost Income Ratio*	58.73%	59.42%
Net fee income in percentage of Total Operating Income	33.62%	30.46%

### Indicators prescribed by NBH

	2025	2024
Regulatory Capital	482,341	458,011
Risk Weighted Assets	1,817,247	1,872,013
<b>Total Capital Ratios</b>	<b>26.54%</b>	<b>24.47%</b>

### Average headcount

	2025	2024
<b>Average headcount</b>	<b>1 722,44</b>	<b>1 743,43</b>
Number of locations	52	52
Number of branches	50	50

\* Based on standard of Consolidated Financial Statement



# Management report

## Macroeconomic environment and the banking sector in 2025

### International economic and financial environment

In 2025, protectionism continued to strengthen, public debt increased, and uncertainty and market volatility intensified due to escalating geopolitical tensions (the Russian–Ukrainian war, the Israeli–Iranian conflict). The tariff war triggered by US President Donald Trump, who took office at the beginning of the year, and especially its rapidly and unpredictably changing conditions, strained international supply chains, restructured trade relations and forced global economic actors to reassess their investment strategies. Meanwhile, concerns grew about the independence of the Fed, the US central bank, leading to a significant depreciation of the dollar. Elevated US bond yields, driven by fiscal risks, could not support the dollar either. The restructuring of USD-centric hedging strategies commonly used in financial markets also curbed demand for the dollar.

Although the world economy avoided recession despite tariff and geopolitical shocks, growth slowed worldwide, helping to sustain disinflation amid inflationary and profit pressures caused by higher tariffs. The trend in US inflation followed a modest deceleration in 2025, interrupted by a mid-year rebound, its 12-month rate – remaining above the Fed’s 2% inflation target throughout the year – slowed from 3% in January to 2.7% in December. The euro area HICP strengthened from its May low to 2.3% in December. Consumer prices reached the inflation target neither in the US nor in the euro area.

In response to moderating inflation and gradually easing labour market, the Fed cut interest rates three times in 2025, lowering its benchmark rate by 25 basis points to 3.50–3.75% in December, justifying the move with rising labour market risks and persistent uncertainty. The European Central Bank (ECB) gradually slowed the easing cycle it had begun earlier in 2025, leaving its benchmark interest rate unchanged at 2% at the end of the year, while emphasizing its data-dependent assessment of the outlook.

The existing divergence in growth dynamics of major economic centres persisted in 2025. So far, the US economy remained resilient to the stress of the tariff war, with growth accelerating from 2% in the first quarter to 2.3% in the third quarter. Strong consumption and exports were the main drivers. The economic performance remained very heterogeneous: on the one hand, it depicts a strong AI-based investment boom and continued consumption by wealthier households, on the other hand, it suffers from declining investment in traditional economic sectors and weakening labour market demand.

Euro area GDP expanded by 1.5% in 2025, driven by a modest pick-up in domestic demand and investment. The weak point in the currency union is the heavily export dependant German economy, which has been struggling for five years and is severely affected by the displacement effects of China’s aggressive export offensive in automotive industry. Among the EU’s major western Member States, rapid growth in Spain, supported by traditionally strong tourism along with real estate demand

and brisk domestic consumption, stood out. Central and Eastern Europe economies continued to outperform the EU average in 2025, especially in regard fast expanding domestic use. Poland and the Czech Republic were the region’s leaders, thanks to strong domestic consumption and investment supported by EU funds. Hungary was among the lagging countries in the region, with slow growth, high inflation and fiscal risks. Compared to other regions, European growth is weighed down, among others, by the Russian–Ukrainian conflict, due to the additional costs of energy-supply related risk management. The European growth outlook improved somewhat as German economic policy abandoned its previously rigid stance on fiscal austerity and announced significant fiscal stimulus measures. The EU agreement on increasing military spending, reached as part of the continent’s renewed security policy, provides scope for further fiscal easing.

Overall, China maintained growth of around 5% throughout the year. Cautious domestic demand, corporate indebtedness and weaknesses in the real estate sector have held back momentum, while periodic strong export performance could offset structural problems.

### Domestic macroeconomic developments

Rising household demand, cost-side repricing pressures, the pass-through effect of the 2024 tax increases and the weakening of the forint at the beginning of the year gave a new boost to inflation, which accelerated from its October 2024 low of 3.2% to 5.6% by February 2025. To curb the higher-than-expected price rises, the government introduced a margin cap on certain foodstuffs in mid-March, which was later extended to include goods sold by drugstores. Margin caps, as well as price and fee reductions by telecommunications companies, insurance companies, banks, and price restriction commitments by pharmaceutical manufacturers and wholesalers, temporarily contributed to easing inflation. Although inflation figures fell significantly in the wake of the interventions, internal price pressures remained relatively high because, in a stagnant economic environment, it continues to be a serious challenge for players in the competitive sector to recover their costs (regulatory fee increases, wage costs). On the other hand, the strengthening of the forint compared to (relative to) the beginning of the year had cooling effect on inflation. The pace of price inflation decelerated to 3.3% by December, resulting in an annual average inflation rate of 4.4%.

The central bank maintained its monetary policy stance regardless of the inflation reduction effects of the margin regulations and did not change the policy rates kept at 6.5% since September 2024. Since, in addition to inflation trends, domestic currency performance is also a key inflation driver, the Central Bank of Hungary (CBH) sought to protect the forint, exposed to recurring financial market turbulence in 2025, by maintaining interest rate level and maintaining a strict forward-guidance communication to preserve the existing relative regional interest rate advantage. Partly due to this and the weakening of the dollar, the Hungarian currency strengthened persistently to below 390 against the euro by December 2025.

With GDP recording a modest 0.4% year-on-year increase in 2025, the economy remained close to stagnation. Industry faced external demand constraints and inventory cycle problems, while agriculture was hit by weather-related and animal health factors. While expanding household demand boosted services in particular, industry was hardly able to benefit from this due to strong competition from foreign products. The inflow of imported consumer goods was supported by the strengthening forint, which also cooled domestic inflation at the same time, and by the margin cap, which encouraged retailers to find cheaper supply for goods not covered by the measure. The contribution of net exports to growth was negative in 2025 due to the surplus of imports generated by rising domestic consumption.

Export-oriented flagship industries underperformed due to adverse global economic developments – US tariffs, Chinese overproduction and export dumping, weak German demand. In addition to general demand constraints, structure-specific factors also weighed on the Hungarian economy. The prolonged crisis in the German automotive industry, the Hungarian economy is heavily exposed to through the excessive automotive sector, had a negative impact on the operations of global companies that had invested heavily in this area in recent years, hampering the rump-up of newly created capacities – especially in battery production.

Investment activity continued to weaken, as firms, amid low-capacity utilization and weak earnings, confined capital expenditures mainly to depreciation replacement projects and, due to structural labour shortages, no major layoffs were made. Investment was also held back by unfavourable macroeconomic environment, lack of demand and uncertain growth prospects, as well as subdued public projects and slower EU payments.

In 2025, the central budget had to be revised several times due to a worse-than-expected macroeconomic path, lower EU revenues, revenue shortfalls caused by numerous unplanned mid-year tax benefits and expenditure-increasing payments and allowances. The cash deficit target was raised for the first time in June, from HUF 4,123 billion (4.6%) to HUF 4,774 billion (5.4%). The GDP proportional target for the accrual-based deficit was also lifted from 3.7% to 4.1%. To finance the higher deficit, the Government Debt Management Agency (GDMA) increased its foreign currency issuance plan mid-year. In June, foreign currency bonds worth USD 4 billion were issued; in July, panda bonds worth CNY 5 billion were also launched on the market as part of diversification efforts. The second increase in the deficit target took place in November: the cash-flow deficit target was raised by HUF 281 billion to HUF 5,055 billion (5.7%) and the accrual-based deficit was revised to 5%. According to preliminary data, the cash-based deficit amounted to 6.6% of the GDP in 2025.

Public debt was pushed up by the higher cash deficit, moderated by the good performance of the forint in the money market and the high GDP deflator, resulting in a gross debt-to-GDP ratio close to its 2024 level.

Despite the weak Hungarian exports, the external balance remained stable. Both the current account balance and the capital account balance closed in positive territory.

Money market interest rates moved within the interest rate corridor of the NBH. Over the year, 3-month Discount Treasury Bill (DTB) yields hovered around 6.0%–6.2%, implied swap yields were slightly higher, and interbank yields followed the central bank base rate. The government bond yield curve remained stable with a moderately positive slope. Unlike in Poland and the Czech Republic, the Hungarian base rate could not fall in line with the easing of inflation, keeping the short end of the yield curve elevated. Amid growth hindering economic adversities, high yield levels might play a crucial factor in the lingering stability of the forint. Hungarian 10-year asset swap spreads remained in positive territory for most of the year, disrupted only intermittently government bond purchases by banks motivated by tax incentives. The spread of the 10-year Hungarian government bond benchmark over the German Bund hovered in the range between 400–450 basis points, lower than Romania's, but significantly higher than that of most regional peers.

## The performance of the Hungarian banking sector

According to the CBH's November 2025 Stability Report, the domestic banking sector remains stable with strong liquidity and capital positions. Profitability is high, supported by the interest rate environment, excess liquidity and the government bond portfolio. The funding structure and liquidity remain balanced, with ongoing dominance of deposits and moderate risk from foreign currency rate movements.

The credit institutions sector achieved a significant net profit on a non-consolidated basis in the first three quarters of 2025, somewhat below the same period of the previous year. Net interest income decreased moderately year on year, while fee and commission income increased significantly. Operating revenues increased overall, but operating costs rose at a much faster pace, mainly due to the increase in the extra profit tax and the transaction fee. Overall, net impairment and provisioning improved the results.

Lending dynamics were moderate but showed signs of picking up. Demand in the retail segment remained strong in the first half of the year, when market-based lending dominated. With the emergence of new government programmes such as Home Start (Otthon Start) and Workers' Loan (Munkáshitel), the dynamics accelerated further. In the case of Home Start, the run-up in loan volumes occurred in the last two months of the year; the programme has a significant carry-over effect into the following year.

Launched in autumn 2025, the Home Start Loan Programme offers fixed-rate interest-subsidised housing loans to a broader population than the earlier forms of family policy schemes. The aim of the programme is to improve the affordability of home purchases, which is expected to generate significant additional demand in the housing market. This will stimulate mortgage lending in the short term but could have a price-push effect due to supply constraints, increasing overvaluation in the housing market. For banks, this means an increase in the loan volumes and rising capital requirements. The accounting standard are the same as for the previous subsidised loans.

Launched at the beginning of 2025, the Workers' Loan is a preferential interest rate scheme to improve housing opportunities for blue-collar workers. The accounting standard are the same as for the previous subsidised loans (Childbirth Incentive Loan, Family Housing Allowance), so it has similar effects on banks' balance sheets and risk profiles. The programme contributes to the growth of subsidised household loans, which in the short-term stimulates demand, but may carry risks in the longer term if borrowers' income situation deteriorates.

Banks should pay increased attention to risk parameters and prudent lending practices. The CBH has already indicated that it plans to introduce a sectoral systemic risk buffer for exposures backed by real estate to mitigate systemic risks. From 1 January 2026, credit institutions are also required to hold a systemic risk capital buffer of 1% each for exposures backed by domestic residential and commercial real estate. The income threshold that allows for higher income-to-debt ratios rises to HUF 800,000, in line with wage developments in recent years. To support smooth lending process, the central bank abolished the age restriction associated with preferential loan-to-value requirements for first-time home buyers in September 2025 (own funds requirement). In addition, requirements for stable funding of mortgage loans will be further tightened from October 2026.

Overall, mortgage loan quality is stable, with no increase in the early default rate. A higher share of fixed interest rates mitigates repricing risk, but programmes that support credit growth may increase the vulnerability of the most leveraged (high DTI/LTV) borrowers through higher loan amounts.

The risk of personal loans and overdrafts is relatively higher due to lack of collateral. Banks are actively cleaning these portfolios through NPL sales and closely monitoring the evolution of early default rates.

Corporate lending remained subdued, reflecting weak investment sentiment and market uncertainty. The CBH introduced new incentives (e.g. Qualified Corporate Loan) to stimulate market-based lending. Subsidised loans continued to play a significant role in 2025, notably through the Széchenyi Card Programme, EXIM Bank's export promotion and investment support programmes, and MFB Bank's Green Loan Programme. In addition, business development loan programmes under the Economic Development and Innovation Operational Programme (GINOP) contributed to the increase in volumes.

The quality of the corporate loan portfolio is good, and the probability of default (PD) did not increase significantly. Risk varies by sector: export-oriented firms with natural currency hedging are more balanced, while sectors more dependent on domestic demand and energy prices may be more vulnerable.

Subsidized programmes temporarily improved refinancing options, but their intermittent availability makes the funding environment volatile, increasing PD volatility for SMEs.

Overall, exposure to the corporate sector declined, collateral ratios are favourable, though differences exist across segments. Office markets face pressure from occupancy and yield conditions, the segment of retail real estate is affected by the transformation of consumer and tenant preferences, while logistics remain relative resilient.

The banking system is stable in the short term, but housing market overvaluation, weak corporate loan demand and regulatory tightening may pose challenges in the future. Digitalisation, improving customer experience and sustainability considerations remain strategic priorities.

## Operations of UniCredit Bank Hungary group

### Quantitative and qualitative indicators and indices of performance measurement

The balance sheet total of UniCredit Bank Hungary group at the end of 2025 was HUF 5,026 billion, a decrease of HUF 169 billion (-3.2%) compared to the end of 2024.

Net receivables from customers amount to HUF 2,447 billion (+HUF 156 billion y-o-y), up 6.8% due to an increase in business activity. Cash and cash equivalents and receivables from credit institutions and the CBH amounted to HUF 1,265 billion, 25.6% lower than in the previous year.

The group's liabilities to customers closed 2025 at HUF 3,404 billion (+6.1%), while the loan-to-deposit ratio at the end of the year was 71.9%, slightly above the 2024 level (71.4%). The group's profit after tax for the year was HUF 81.4 billion, up 1.3% on the previous year. The increase in profit after tax is mainly due to higher commission and trading income and lower extra profit special tax. Operating costs rose below inflation, and net impairment charges exceeded the previous year's level.

The group's performance indicators (relative to profit after tax) were as follows:

ROA <sub>2025</sub> = 1.59%	ROE <sub>2025</sub> = 16.44%
ROA <sub>2024</sub> = 1.56%	ROE <sub>2024</sub> = 16.66%

Return on assets exceeded the previous year's level, mainly reflecting the lower average balance sheet total. By contrast, return on equity declined year-on-year, driven by the higher average capital base recorded in the reporting period.

### Lending risk

#### Retail lending

Lending to retail customers is implemented and executed under an exhaustive lending governance framework based on ECB guidelines, UniCredit Group standards and local regulatory requirements. The established lending policies and processes are designed to ensure a prudent approach to risk-taking consistent with the risk appetite and credit risk strategy of the Group. The portfolio's performance is monitored by way of rigorous key performance indicators (KPIs), which enables the early detection of any deviations from the defined risk targets and timely interventions.

In 2025, the focus was placed on further standardising lending processes, upgrading systems and improving the efficiency of online and branch application processes. In addition, the bank broadened its product range by introducing the state-subsidised Home Start Loan (Otthon Start Hitelprogram) and Workers' Loan (Munkáshitel) products. Based on regular, close monitoring, the loan portfolio in 2024–2025 shows strong resilience and stable quality; risk indicators remained within the defined risk strategy and no KPIs were breached.

The Early Warning System (EWS), monitoring and recovery management (collection) processes are designed and operated in accordance with the retail credit strategy and the macroeconomic environment. Regular reviews and updates ensure the prevention of NPE (non-performing loan exposure) inflows, support efficient recovery measures, and facilitate effective closing and sale (disposal) activities.

#### Corporates

In 2025, the main objective for the corporate portfolio was to protect the quality of the existing portfolio. Regarding the corporate loan portfolio, the group's lending policy is differentiated by sectors, requiring a selective risk approach for new transactions with the most vulnerable sectors. The sectoral approach to risk policy has become even more important in the current exceptional geopolitical situation, and our actions were also taken on a sectoral basis. Our monitoring activities were focused on the sectors that had been hit hardest by the spill-over effects of the geopolitical situation, and on any other economic risks that may have had arisen. Our lending activity continued to rely heavily on forward-looking analysis, with special regard to economic effects, other economic risks, energy and input price rises, interest rate risk, trade linkages, supply chain issues, sectoral special taxes and US tariffs on trade. Our new lending activities were also selected based on the crisis sensitivity or resilience of each sector. Beside the individual assessments, we also prepared quarterly portfolio analyses on spill-over effects and ad-hoc portfolio analyses on the impact of US tariffs on trade and of the foot and mouth disease in order to assess direct and indirect risks, identify problematic clients and carry out appropriate stage classifications.

Thanks to a prudent underwriting policy, the loan portfolio is balanced in terms of sectoral composition. Reflecting the industry-level economic challenges, as in the previous year, the construction and the automotive sectors played a prominent role in 2025 in terms of clients subject to special treatment.

### Market risk

UniCredit Bank Hungary group measures market risks according to several risk factors and levels and limits them with the associated limit system. For each of its portfolios, monitors their value at risk (VaR), calculated by historical simulation on a daily basis. VaR reflects the value the bank would, given its current position, lose on the 2.5th worst day out of the past 250 working days (a confidence level of 99 per cent).

The VaR values are broken down according to 5 main risk factors: exchange rate, interest, unique interest premium, stock and option volatility factors. The value at risk at the end of 2025 was EUR 6.9 million, i.e. HUF 2.7 billion. The distribution of risk factors at the end of the year was as follows: HUF 3.2 billion is the unique risk of bonds, HUF 0.6 billion represents the interest rate risk, HUF 52 million represents the exchange rate risk, while volatility risk is HUF

5 million. Once again in 2025, the group did not have any equity exposure. The sum of the individual parts exceeds the total value at risk due to the diversification effect.

In addition to the VaR model applied, limits on volume and loss warning levels also help reduce market risks. For the interest rate risks, in turn, time band and all basis point value limits have also been determined per currency, i.e. changes resulting from parallel movements of the yield curve and from its per-band parallel movements are also quantified and limited (Basis Point Value: BPV). A separate issuer risk premium above the interest rate risk (Credit Spread Point Value: CPV) is determined for individual bond positions.

The year-end interest sensitivity of the main currencies according to BPV level is summarised in the following table (where negative values expressed in euros indicate a long position):

BPV 31.12.2025	0-3M	3M-1Y	1Y-3Y	3Y-10Y	10Y-	Összesen
CHF	-91	22	0	0	0	<b>-70</b>
EUR	-10,572	-13,605	31	28,376	4,426	<b>8,656</b>
GBP	-55	1	0	0	0	<b>-54</b>
HUF	-21,545	-2,208	-78,482	-49,796	-9,099	<b>-161,130</b>
USD	-544	181	-2	40	2	<b>-323</b>

## Liquidity management

Liquidity means the bank's ability to finance and meet its growth in assets and maturing liabilities without incurring significant unplanned losses. Liquidity risks include maturity transformation for the sake of profitability (maturity risk), massive withdrawals of funds before maturity (drawdown risk), the renewability of funds, changes in the cost of funds (renewal risk), and uncertainties concerning environmental effects and the potential behaviour of other market participants. Liquidity risk management is an integral part of the bank's overall risk management structure. The bank is required to maintain a balance sheet structure that ensures its solvency at all times, to establish policies that quantify the bank's liquidity position, to identify structural liquidity risk and to prepare a sound financing plan.

According to the liquidity coverage ratio (LCR), credit institutions must maintain a sufficient liquidity buffer to cover the net liquidity outflow of a thirty-calendar-day stress period. The liquidity coverage ratio is regulated in EU law by Commission Delegated Regulation (EU) 2015/61, which has been applicable since 1 October 2015. EU legislation provides that the liquidity indicator must be met to 100 per cent.

The group continuously monitors and manages the evolution of the LCR. At the end of 2025, the LCR value was 156.7%, i.e. the group met the regulatory requirement. During the year, the LCR ranged between 146% and 160%.

In 2025, the indicator quantifying the adequacy of regulatory long-term funding (NSFR: Net Stable Funding Ratio) was in the range of 137%–146%, while its year-end value was 138.6%. The group thus complied with both the supervisory limits and its internal limits throughout the period.

The Group has introduced several internal "management indicators" to measure and monitor liquidity risks. Similar to regulatory indicators (LCR, NSFR), those internal risk indicators reflect the bank's stable and secure liquidity position.

The bank's consolidated loan-to-deposit ratio ranged between 66% and 77% during 2025 and stood at 71.1% at the end of the year. The indicator increased by 1 percentage point year-on-year.

The last time the UniCredit Hungary group raised funds from supranational institutions was in 2022. At the end of 2025, the total loan volume drawn down from the EIB refinancing credit lines amounted to EUR 68 million. With the above scheme, after a net decline of HUF 10 billion the value of the refinanced loan stock amounted to HUF 54 billion at the end of 2025. At the end of the year, the amount of refinancing loans provided by the EXIM Bank was HUF 138 billion (with an annual decline of HUF 30 billion), while the MFB refinancing funds amounted to HUF 1.8 billion (with an annual decline of HUF 0.2 billion).

UniCredit Hungary group's issued mortgage bonds amounted to HUF 229.1 billion at the end of 2025, representing an increase of HUF 26.2 billion year-on-year. Moreover, the bank held MREL (Minimum Requirement for own funds and Eligible Liabilities) bonds of HUF 251 billion at the end of 2025, and HUF 52 billion of Tier2 capital was raised.

## Employment policy

The set of values of UniCredit is based on Integrity, Ownership and Caring as sustainable conditions to transform profit into value for stakeholders. A simple guiding principle – our mission to facilitate the progress of communities – ensures that we live these values every day.

By upholding the standards of sustainable conduct and the values which drive the Group's purpose, the compensation strategy represents a key enabler to enhance and protect the Group's reputation and to create long-term value for all stakeholders. The remuneration policy contributes to the implementation of the business strategy, long-term interests and the achievement of UniCredit's sustainability objectives.

Sustainability forms a central part of everything UniCredit does and is fully integrated into business and decision-making processes: leading by example in UniCredit's business, helping clients navigate through a just and sustainable transition, and contributing to a better society. It is a key lever for the business strategy and a critical component of the bank's success.

Through appropriate compensation mechanisms, UniCredit aims to create a best-in-class inclusive work environment, fostering and unlocking individual potential to attract, retain and motivate highly qualified global employees capable of creating a competitive advantage for the Group. Individuals are rewarded based on merit and performance in terms of sustainable results, behavioural standards, and adherence to Group values.

UniCredit believes in inclusion as a strategic business driver, and is committed to creating an inclusive, positive and accessible work environment for its diverse workforce, where everyone is empowered to perform and grow. Employees are expected to contribute to creating and maintaining a work environment that is respectful, safe and inclusive, and where any difference, whether it is gender identity, age, race, ethnicity, sexual orientation, ability, cultural background, religious or ethical values system and political beliefs or any other category protected by law in the local jurisdiction, is embraced and promoted.

Relying on the governance model of UniCredit, the Group Remuneration Policy sets the framework for a coherent and consistent design, implementation and monitoring of compensation practices across the entire Group.

Within this common policy framework, guidelines are defined to implement compensation programmes and plans that reinforce sound risk management policies and the long-term strategy and generally pursue long-term value creation and the sustainability of the company. In doing so, the Group effectively meets the specific and evolving needs of the different businesses, market contexts and employee populations while ensuring that business and people strategies are always appropriately aligned with the remuneration approach including, where applicable, external networks and agents, as prescribed by regulation.

To ensure the competitiveness and effectiveness of remuneration as well as transparency and internal equity, the principles of sustainable conduct and performance define the key pillars of the Group Remuneration Policy.

## Anti-bribery and anti-corruption programme

The Anti-Bribery and Anti-Corruption (ABC) Programme consists of several components that, taken together, set a minimum standard for the anti-corruption programme of the legal entities within the UniCredit Group, and thus also apply to the bank. Main pillars are:

- anti-corruption risk assessment;
- controls;
- policies and written procedures;
- culture, training;
- arising doubts or suspicions;
- management information and periodic reporting.

Corruption risk assessments shall be performed by each UniCredit Group company on a regular basis, at least every three years. Periodic reports shall be compiled, at least once a year, for the CEO or/and other relevant board members/committee on the effectiveness of the ABC Programme. Anti-bribery and anti-corruption training has been implemented at all legal entities. Employees are required to confirm the completion of the training by passing a test at the end of the training.

To increase the awareness of employees on the importance of anti-bribery and anti-corruption topics, UniCredit's top management publishes alerts periodically, emphasising the importance of anti-corruption compliance, requesting employees to stay alerted to any possible wrongdoing and raise concerns where appropriate.



## Gifts and business hospitality

Gifts and Business Hospitality (G&BH) may only be given or received where all the following requirements are satisfied:

- they are of appropriate/modest value and are offered or accepted in the course of common business practices;
- the value, nature and frequency are appropriate to the status and seniority of the recipient;
- they are in compliance with applicable local laws and the group's internal regulations.

Cash or cash equivalents (e.g. gift cards, vouchers, coupons) are not acceptable. All expenditures related to gifts and business hospitality must be accurately and completely recorded and disclosed in the group's books and records.

## Management of third party risk

The use of a third party can present one of the highest risks of being involved in acts of bribery and corruption. No third party should be retained unless the relevant group member's legal entity has conducted the due diligence process. Group legal entities should not use third parties known or suspected of paying bribes or having corruption issues. The business sponsor is required to evaluate the risk of bribery and corruption associated with the third party.

## Charity, sponsorship, donation and membership fees

Charitable contributions/donations, sponsorships and membership fees must be legal and consistent with applicable local legislation and the Group's internal rules. In determining whether a contribution can be given, it is important to consider the risk that a charitable contribution/donation, sponsorship or a membership fee might be perceived as a means of exerting influence to obtain some undue advantage and damage the Group's reputation. In general, the risks associated with these contributions are higher if public officials are involved. Therefore, UniCredit legal entities shall minimise the number of charitable contributions/donations, sponsorships and membership fees associated with public officials.

## Employment

Overriding principles – such as competitive, fair and transparent process – are to be applied to each and every employment-related activity (hiring, transfers, promotions, specific training courses, compensation reviews).

## M&A (Mergers & Acquisitions) and significant investments

Corruption risk under such circumstances may occur, inter alia, where corruption has been, or continues to be, present in the target's business practices. The due diligence process is designed to discover

and determine the likelihood of both current and past corruption at the target company.

## Whistleblowing – unacceptable conduct report

To promote a corporate culture based on ethical behaviour and good corporate governance, UniCredit provides its employees and third parties with adequate communication channels to report unacceptable conduct within the Group.

## Research and development

The bank is not engaged in any kind of research and development activities.

## Sustainability report

The content of the sustainability report is defined in Section 95/E of the Accounting Act and in more detail in the European Sustainability Reporting Standards (ESRS), set out in the Regulation of the European Commission [Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards].

The Group applies the exemptions provided for in the legislation and (pursuant to Section 95/F of the Accounting Act) is exempted from the obligation specified in Section 95/E (1) to (11) because the ultimate parent company (UniCredit S.p.A. head office: IT 20154 Milan, Piazza Gae Aulenti 3, Italy) includes the bank and its subsidiaries in its consolidated sustainability report prepared in accordance with the Sustainability Reporting Standards. The consolidated sustainability report is available at <https://www.unicreditgroup.eu/en/investors/financial-reporting/financial-reports.html>.

## Events after the balance sheet date

In relation to one customer, the Group identified an event that occurred in January 2026 concerning items recognized in the Group's records as receivables arising from lending activities and financial guarantees as a subsequent event for the year ended December 31, 2025. In the Group's opinion, the outstanding exposure became non-performing and impaired in view of the event that occurred, and at the same time, the Group recognized an additional impairment loss of HUF 2,257 million on outstanding receivables and recognized an additional provision of HUF 474 million related to the outstanding financial guarantee in its financial statements as of December 31, 2025.

Dividend of HUF 65,104 million is expected to be declared with regard to 2024 and is expected to be paid in 2026.



# Report on the divisions

# Report on the divisions

## Corporates Division

2025 was essentially defined by stagnating inflation for the Hungarian economy, which did not allow the Central Bank of Hungary to continue its monetary easing cycle. That notwithstanding, the weakening dollar and the higher domestic interest rate environment relative to other major currencies were key drivers of the forint's strengthening in 2025.

Investment and the related lending demand remained subdued amid weaker-than-expected GDP growth, decelerating external demand and the absence of EU transfers. In 2025, the Corporates Division was able to increase its deposit and customer base significantly, while continuing to focus on asset quality and digitalisation; however, growth in loans outstanding was below expectations. With a 9.4% market share in corporate loans and a 10.5% market share in corporate deposits, UniCredit Bank is one of the leading financial institutions in the Hungarian market in the small, medium and large corporate segment. The Corporates Division continues to be the leading pillar of the bank.

Awards received from prestigious forums and even more importantly, the feedback from our clients confirm our excellent reputation. Based on the customer satisfaction survey, it can be said that in 2025 the division of UniCredit Bank Hungary Zrt. continued to be one of the market leaders in Hungary. Our bank effectively supports the international activities of customers, facilitating their further growth. Our customers specifically emphasised how pleased they were with their dedicated relationship manager in the Corporates Division.

UniCredit Bank remained a leader in financing the green economic transition and actively supported the development of the Hungarian renewable energy sector in 2025, as well. The structured financing area developed specific solutions aligned with the changing market environment to provide financing for large-scale battery energy storage systems (BESS) and hybrid solar energy storage systems, which are playing an increasingly essential role in optimising energy production and ensuring the flexibility and stability of the electricity grid. Despite the novelty of the technology and the complexity of the multi-revenue business model, the area successfully structured and closed several transactions of high importance for the domestic energy sector, drawing on our expertise and extensive market insight. As a result, we increased our share in the renewable energy sector further, while helping our customers with sustainable financing structures that support market entry and long-term operations. In addition to renewable energy projects, in 2025 we also participated in the financing of several major corporate and M&A transactions. We strengthened our leading position in corporate structured financing further by acting as coordinator, mandated lead arranger and lending and collateral broker in several new transactions of international importance. We continued to maintain the high quality of our portfolio.

The loan portfolio managed by the Real Estate Financing Department continued to grow, while we also maintained the outstanding quality of the portfolio. While maintaining our strong market position in commercial real estate finance, we also re-opened our financing to residential property development, in line with the demand in

the market. In the bank's residential lending activity, sustainable, green and energy-efficient solutions were considered priorities. At the same time, the gradual expansion of residential property financing contributes to the further diversification of the loan portfolio.

In the current interest rate environment, we continue to believe that it is important to provide our customers with subsidised loan schemes, and UniCredit Bank successfully offers subsidised and refinanced loan structures in Hungary (Széchenyi Programme, EXIM Demjén Sándor Loan Programme). Local guarantee institutions – Garantiqa, the Agribusiness Credit Guarantee Foundation (AVGHA) and the guarantees offered by Start Garancia, as well as individual guarantees from the MFB and EXIM Bank – play an important role in providing our customers with a suitable value proposition.

Complementing the financial instruments provided by domestic guarantee institutions, the EIF InvestEU portfolio guarantee continued to be available to our customers in 2025 as well. The EIF InvestEU guarantee supports the financing of innovation or sustainability-oriented investments by SMEs and small- and mid-cap enterprises from the financial resources of the European Union.

The calls for proposals under the Common Agricultural Policy Strategic Plan (CAP SP) announced in 2025 created the opportunity for our agri-food customers to apply for substantial non-refundable grants for their development projects. Within the Agricultural Working Group of the Hungarian Banking Association, our bank played an active role in the development of a complex CAP SP interest rate subsidy scheme for investment loans to supplement the own contribution of supported projects, coordinated by the Ministry of Agriculture.

In the area of cash management, important structural projects have been undertaken to enhance the international payment infrastructure and to increase the efficiency and transparency of cash management pricing processes.

We managed to increase our business volume in the area of Documentary Operations resulting in a gradual increase in our market share. As an important milestone in the area of guarantees, we launched the development of our new front-end and back-end systems, which, once implemented, will enable significant efficiency improvements and a more modern customer service. Regarding our receivables financing and factoring business, our highly automated processes improved customer satisfaction further and contributed to our growing turnover. In the field of international and domestic cooperation, we remain active members of the Hungarian Factoring Association and the Factors Chain International (FCI) network, which help us offer our clients state-of-the-art solutions that are consistent with international standards.

In 2025, the Correspondent Banking area achieved balanced results: we successfully maintained our leading position in correspondent banking relationships in the Hungarian market. The high quality of

# Report on the divisions (FOLYTATÁS)

our services and the provision of complex settlement solutions allow us to continue to be a preferred partner for international financial institutions and a key player in the provision of HUF settlement and payment services.

In the area of Custodian services, the bank's Global Securities Services (GSS) business maintained its market leadership and achieved significant growth through the acquisition of new institutional clients and the organic expansion of existing ones. As in several consecutive years, in 2025, as well, we received Global Finance Magazine's award for Best Sub-Custodian Provider in Hungary, a testament to the reliability and quality of our services. Maintaining and enhancing the best service model for our customers is a core element of our operations and strategy; our goal is to be a flexible, innovative and reliable partner for our existing and future customers.

Corporate Treasury Sales Department closed yet another outstanding year in 2025. While the backbone of its service offering continued to be foreign currency transactions, the share of foreign exchange derivatives showed an increasing trend, supported by the introduction of a new FX hedging product (knock-in forward). Our derivatives sales were boosted by interest rate hedging transactions and commodity hedging products. Similar to previous years, numerous personal meetings and customer events took place at which the department presented, in addition to the current macroeconomic outlook, its tailored exchange rate, interest rate and commodity market hedging solutions. Last year, the bank continued its national Treasury Roadshow series where – besides hedging solutions – they presented and promoted among our customers the investment products available to companies. The department continued to promote digitalisation, thanks to which around two thirds of foreign currency transactions were concluded through UCTrader (the bank's online trading platform). In recognition of their FX market services, UniCredit Bank was named the Best Foreign Exchange Provider in Hungary at the Euromoney FX Awards and at the Cash Management Survey awards.

In 2025, UniCredit Bank's Advisory Department reinforced its position in the domestic financial advisory market. The team played a key role in the successful completion of several major transactions, while supporting the strategic objectives of customers. In the field of M&A, the department acted as sell-side advisor to a leading regional insurer on the sale of its interests in South East Europe. In DCM, it acted as exclusive arranger for a USD 400-million bond issue for a leading domestic industrial company, and in ECM, it supported the preparatory work for a capital markets transaction by successfully completing a complex company valuation project. These achievements are a clear indication that UniCredit Bank's Advisory Department delivers outstanding professional performance in the domains of M&A, DCM and ECM, and continues to provide excellent client-oriented solutions in the domestic corporate finance advisory sector.

In 2025, UniCredit Leasing Zrt., a subsidiary of UniCredit Bank, operated with a stable market position in the domestic leasing market, while implementing a strategic transformation to strengthen the bank's cross-selling model. As part of the strategic transformation, the retail auto business line was closed as of 31 December 2025. Effective 1 January 2026, the bank no longer accepts new retail transactions and focuses solely on managing the existing retail portfolio. In the course of its business, the company continued to actively broker the subsidised financing schemes available to its customers, mainly in the context of the Széchenyi Programmes and EXIM funds. In order to ensure a balanced operation of its sales channels, the company maintained and improved its supplier relationships and paid increased attention to strengthening its role in ESG-relevant market sub-segments. Although 2025 continued to see fierce price competition in the market, the company kept focusing on value-based, accredited deals, leveraging its existing sales channels and full product set.

## Retail Division

In 2025, UniCredit Bank Hungary Zrt.'s Retail Division continued to place great emphasis on flexibly adapting to market changes and on customer satisfaction in an economic environment of constant challenges.

Our business policy continues to be centred around the establishment and development of long-term cooperation with customers, and on offering products and services built on customer needs. In addition to customer acquisition, our bank paid particular attention to customer retention and to increasing customer activity in digital channels in 2025, as well. By continuously updating our product range, we strive to satisfy customer needs as comprehensively as possible in the fields of daily banking transactions, savings, investment, and lending. The success of our efforts is confirmed by a steady annual increase in the number of retail customers whose income is regularly transferred to their UniCredit Bank accounts, while a large number of small business customers also consider UniCredit Bank Hungary Zrt. as their primary bank.

In 2025, we remained committed to digitalisation: we increased the number of E2E digitally processed account openings, and improved customer experience further by incorporating lessons learned through experience into our processes. We continuously adapted our range of bank accounts and conditions to market needs, exploiting the opportunities offered by our multichannel sales strategy, and thus managed to exceed our account acquisition plans.

In 2025, we continued C.A.R.E.S. – our bank-wide customer experience programme launched three years ago –, which aims to improve customer satisfaction continuously, at every point of contact with our customers. As part of that effort, we have been systematically collecting and analysing customer feedback, which has resulted in more than 80 improvement measures to date among retail customers. We also regularly monitor key service and customer satisfaction indicators.

At the end of 2025, UniCredit Bank's recommendation index among its retail customers was significantly higher than in the previous year, which – based on a survey by Kantar Market Research – continues to place us at the forefront of Hungarian financial institutions. According to surveys on the services provided at our branches, retail, micro and small business customers continue to be satisfied with the service quality offered, UniCredit Bank advisors, the financial advice tailored to their financial needs, and consultations on the next steps to be taken. Satisfaction both among individual customers and micro/small business customers has stabilised at a high level (branch TNPS: Transactional Net Promoter Score – internal research).

To serve our customers and prospective customers even more conveniently, we raised the number of our personal bankers who provide advice and services outside the bank branch.

Online appointment booking has become available in all branches, providing our customers with predictable access to the services

requiring personal attention. According to customer surveys, willingness to recommend our bank remains high, with customers happy to recommend the institution to their acquaintances, family members and business partners.

As a result, the division now has nearly 340,000 customers, of which 33,000 are micro enterprises and more than 2,000 are private banking customers.

In addition to maintaining the stable and prudent management of our business in a constantly changing environment, 2025 proved to be yet another outstanding year for lending, as we achieved significant growth in our market share for both personal loans and mortgages. Thanks to our competitive offers and customer-oriented administrative processes, the retail loan portfolio increased by more than 23% during the year. We supported personal loan sales with ongoing campaigning and promotions. Online channels continue to play an important role in product sales, and this year we continued to improve the relevant process. We have also introduced Workers' Loan (Munkáshitel), and developed a favourable scheme for the employees of our corporate clients. Our partnerships have expanded and the quality of cooperation has improved, which enhanced the importance of the online channel further.

We entered the market with our credit card value propositions (renewed at the end of 2024), which led to a significant improvement in the quality of card services. We made front-end improvements to our mobile application service, introduced digitalised statements and simplified the credit card application process significantly.

In mortgage lending, we have opened up to new home financing (CSOK+ and green loans), launched the Home Start (Otthon Start) Scheme for used and new home financing, and built in significant initial discounts for appraisals by revising the list of municipalities to enable the bank to provide financing with a downpayment of 10% as widely as possible.

The micro enterprise loan portfolio grew by nearly 19% over the year, primarily driven by an increase in demand for overdraft and working capital loans. In 2025, the Széchenyi Card MAX+ Programme continued to be the flagship of micro enterprise lending.

The division's loan portfolio grew by more than HUF 145 billion in 2025 overall, closing the year at HUF 769 billion, and its market share in the retail segment was 5.7% at the end of December.

The savings portfolio of the Retail Division increased by HUF 114 billion in 2025, up 6% year-on-year, closing at HUF 1,923 billion at the end of the year. The bank's market share in deposits held by households stood at 4.7% at the end of December 2025. The customer assets managed by the private banking segment exceeded HUF 483 billion. In 2025, the segment won the Euromoney Awards 'Hungary's Best International Private Bank' and 'Hungary's Best for High-Net-Worth.'

# Report on the divisions (FOLYTATÁS)

Within the savings portfolio, the investment funds portfolio grew significantly, by more than 16%. In response to customer demand, we further expanded our range of investment products with new onemarkets Fund investment products (capital protected products, new markets, products issued in HUF) and regular certificate offerings. From December 2025, our existing customers can open a securities account conveniently on their mobile phone, and they can also complete a MiFID test via their mobile app.

Mindful of the significant changes in customer needs and habits, we paid special attention to the development of customer-oriented digital solutions, whereby we create value for our customers. More than one million individual visitors visited the unicreditbank.hu website in 2025, giving consent to the bank to save their visitor data. There is a growing interest in opening accounts and applying for personal loans online.

Over 90% of the customers of the Retail Division are contracted to have the possibility to manage their finances via the telephone banking channel. The fact that the response rate to customer calls reached 89% by the end of the year played a significant role in improving the quality of customer service. The average waiting time dropped to 1 minute 10 seconds.

The replacement of the call centre call handling system was completed in 2025. In this project, we also made new automated services available, including the instant blocking of digital channels and cards from the IVR and the mobile app to support fraud prevention effectively ('panic button'). We also introduced an automated service to unblock retail digital channels blocked due to incorrect user login and to send activation/one-time login codes enabling their use.

With a focus on our customers' needs and on the strengthening of our customers' financial culture and in line with the Mobile 2.0 strategy, we continued to develop our mBanking mobile application for our private individual customers and our mBanking Business mobile application for the bank's micro business customers. We continued to promote these two digital channels and communicate their features widely to our customers.

In 2025, the focus of developments for the private individual mobile application was on the complete management of investments. At the end of the year, we made our online securities account opening available to our customers, and promoted the option of distributing previously launched savings products through the mBanking mobile app.

Throughout 2025, we continued to promote the possibility to distribute savings products through the eBanking internet banking platform. More than 300,000 customers were eligible to use the eBanking and Spectra systems. Among our customers using the mBanking app, we continued to promote the Card+ Discount Programme, a loyalty programme linked to the use of bank cards, available for both debit and credit cards.

In both channels, we worked continuously to comply with accessibility directives by enhancing our platforms for users with disabilities.

The mBanking application continues to enable our private individual retail customers, after possibly logging in with biometric ID, to activate their new and renewed debit cards through the application, place new standing transfer orders, payment requests, qvik orders and direct debit orders, and manage existing orders. In the app, they can conveniently manage their credit card repayments and the associated limits, check their reserved debit and credit card transactions, register their Google Pay and Apple Pay cards, view the PIN codes of their cards, temporarily suspend/unblock their debit cards, and re-enter their transfer orders once they have been entered and booked. In addition, our customers can authenticate their transactions in HUF and EUR using biometric identification on their fingerprint-enabled mobile devices.

Customers using the activated mBanking application continue to receive push notifications of their debit and credit card transactions, incoming transactions, expiring deposits, or rejected and cancelled account transactions and orders. The app enables customers to categorise their expenses and use the cost analysis function to re-plan their expenses or apply for a personal loan from the app. The mToken service allows customers, even after receiving a push message, to authenticate their transactions initiated via the eBanking internet banking platform and to approve their online card purchases via push notification. The cardless cash withdrawal service (mCash) continues to be available in the mobile application, providing cash withdrawals from any local UniCredit Bank ATM without the use of a bank card. The number of customers using the mBanking mobile app service at least once a month exceeded 200,000.

For its micro business customers, the bank introduced the option of reactivating the app without a personal visit to the branch and continued to promote the mBanking Business mobile app among its small business customers. The mBanking application continues to enable the bank's micro business customers, after logging in with a biometric ID, to activate their new and renewed debit cards through the application, place new standing transfer orders, payment requests, qvik orders and direct debit orders, and manage existing orders. In the app, they can conveniently manage the limits associated with their debit cards, check their reserved debit and credit card transactions, register their Google Pay and Apple Pay cards, view the PIN codes of their cards, and re-enter their transfer orders once they have been entered and booked. In addition, our customers can authenticate their transactions in HUF and EUR using biometric identification, even with multiple signatures, on their fingerprint-enabled mobile devices. Customers using the activated mBanking Business application can also receive push notifications of their debit card transactions, incoming transactions, expiring deposits, and rejected and cancelled account transactions and orders based on their role and authorisation at the company. In 2025, the number of customers using the mBanking Business service at least once a month exceeded 10,000.

Currently, we serve our customers with a total of 194 ATMs. In 2025, in order to enable our customers to deposit cash at any time of the day regardless of the opening hours of branch offices, we maintained the number of ATM machines suitable for cash deposits. At the end of

## Report on the divisions (FOLYTATÁS)

2025, this function was available at 94 ATMs. At the same time, we continued to replace existing ATMs. The new machines meet customer needs better: by the end of the year, 91 former cash deposit machines were replaced, with uninterrupted operation. We also started the installation of ATMs in rural municipalities, as expected.

Environmental protection is a priority for our bank: the option of requesting electronic statements is now available for credit cards as well. An increasing number of customers prefer e-statements to printed bank account statements: by the end of 2025, 94% of our retail customers chose that option.

## People&Culture

### Strategy and values

The pillars of our People and Culture (P&C) strategy are the key enablers for enhancing and protecting the reputation of UniCredit Bank Hungary Zrt. and UniCredit, and for creating long-term value for all stakeholders. The P&C strategy contributes to the business strategy, long-term interests and sustainability of UniCredit with its remuneration policy and by reinforcing a positive working environment and accelerating the growth of employees.

The P&C department supports the bank with solutions that are innovative, sustainable over the long-term and focused on effective recruitment and selection processes. Improving our employee experience is a key priority with a strong focus on fostering equal opportunities, providing flexible ways of working, building a strong succession pipeline and outstanding talent management, as well as on providing competitive compensation packages and excellent HR services to employees.

UniCredit believes that a diversified workforce encourages sustainable growth, fosters innovation, and contributes to an engaging working environment. UniCredit is therefore committed to building an organisation that makes full use of its talent, skills, experiences and different cultural perspectives, in which individuals feel respected and valued and can fulfil their potential. In addressing the need for diversity, UniCredit takes a multi-stakeholder approach that accounts for the diverse needs of our customers, employees and communities.

#### Supporting business processes

The P&C strategic partner model focuses on the understanding and the client-oriented support of specific business areas and activities in the bank in terms of attraction, acquisition, onboarding, assessment and development, engagement and retention, and offboarding. The P&C strategic partners, as contact points for each business area, are responsible for understanding business needs (business acumen), for supporting the organisation in change management activities, and for partnering with the business leaders in taking decisions with a data-driven approach.

The flexible approach of the P&C department also supports the allocation of resources, consistent with short-term priorities and different market challenges.

#### Recruitment and selection

Since UniCredit Bank continues to pay special attention to employees' mobility in the organisation and to the utilisation of their expertise on both national and international levels, before evaluating any external applications, management considers first the internal applications by colleagues for any vacancies or newly opened positions.

The selection of our employees is assisted by a wide range of tools supporting in-depth assessment; examples include competence-based and behavioural interviews, professional assignments, as well

as work attitude tests. We are applying a tailor-made sourcing and selection strategy aligned with the needs of business areas to ensure the most effective way of attracting and hiring the best candidates.

In 2025, the bank hired 118 new FTEs (Full-time Equivalents) – excluding leased workforce and colleagues from abroad –; the annual bank turnover was 7.6 per cent.

Apart from improving our recruiting process, several initiatives were launched to boost sourcing and employer branding activities: we introduced our new Career Portal, continued the employee referral programme, strengthened cooperation with universities further, and launched graduates' programmes in additional areas.

Relationships with universities and investments in students allowed us to provide over 150 trainees with the opportunity to gather experience in our bank during the year.

#### Onboarding and integration

We believe that nurturing the engagement of our employees starts from the first moments; therefore, we further improved our onboarding process, aiming at providing the newcomers with a simple process, easy-to-access information, and regular check-up points. The first 3–6 months of the new joiners are supported by P&C generalists. Our structured integration process was extended to trainees and colleagues returning from long-term absence.

#### Employee satisfaction and retention

Employee satisfaction surveys and the implementation of subsequent action plans are of key importance not only for UniCredit but for UniCredit Bank as well. Feedback demonstrates that the services and benefits provided by P&C are continuously improving.

#### Employee surveys

The bank is constantly looking for 'listening moments' with all colleagues, as UniCredit cares about employee's engagement and satisfaction. In 2025, we continued to collect feedback from the employees at different stages of the employee lifecycle. We continued to 'take the pulse' of the company, including a survey of general employee experience, as well as onboarding and offboarding surveys.

UniCredit Bank continuously monitors the engagement and satisfaction of new colleagues through the new joiners' survey. It covers the following topics: general experience of integration (working environment, team, managerial support, tasks), attractiveness (employer branding), recruitment and selection process, onboarding, development opportunities and engagement (mentoring). The survey is an anonymous online questionnaire completed on a voluntary basis.

To improve our organisation and the processes, it is important to understand the reasons why our colleagues decide on leaving the company; consequently, in 2025 we continued the practice of previous years in this regard.

## Training and development, talent management

The goal of P&C area is to achieve excellent results in learning and development, ensuring that learning becomes an integral part of the company culture. In addition to continuously keeping the knowledge up-to-date within the organisation, our Learning & Development (L&D) team is strongly focused on meeting high business expectations. Developing corporate culture, our values and the associated behavioural changes continue to be part of the leadership development programmes related to corporate culture transformation. The L&D team regularly measures the effectiveness of training and maintains continuous communication about training opportunities, ensuring the commitment to learning.

In 2025, we put in place numerous training and development opportunities reflecting several strategic directions:

- Strengthening the culture of learning and making it accessible: we regularly organise training courses, workshops and lectures that are open to anyone wishing to attend. Our goal is to open learning opportunities for everyone and attract the interest of all colleagues rather than limiting training to participants in dedicated programmes (e.g. leaders, special talents). Our dedicated programme and the training portfolio of our in-house training team also support such open training opportunities.
- Supporting business areas with professional training to enhance technical knowledge and develop soft skills.
- In order to develop effective adaptation techniques to constantly changing circumstances, employees in several areas have participated in change management training programmes. Commenced in 2025, the upgrade of our head office has also brought major changes and posed new challenges for our colleagues. To support them, the internal training team held regular change management workshops focused on the refurbishing of the head office.
- Investing in leadership capabilities and improving leadership skills continue to be a key pillar of the P&C team's activities to support employee engagement and the transformation of corporate culture. In 2025, we continued our leadership development programmes both for newly appointed and experienced leaders, at multiple organisational levels.
- A key element of the company's corporate culture strategy is talent management, which is intended to identify employees with exceptional potential, skills, and expertise, and to support the realisation of their career plans. With that in mind, we operate a talent programme.

## Digital learning

In 2025, we continued to offer our colleagues access to the Coursera learning platform, the GoFluent language learning platform, and MyLearning PLUS, which provides over 30,000 e-learning materials on various topics.

## Equal opportunities

After Hungary had joined the international Gender Balance programme in 2013, we introduced our gender balance policy. The objective of the policy is to ensure equal treatment in all areas, from employee selection to promotion and work-life balance. We continue to monitor

nationwide changes under this policy at the international level, and senior management regularly receives reports based on Group-level indicators. The policy was reviewed in 2021 and adopted without changes. In terms of equal pay, our bank has achieved significant results, reducing the pay gap for the same positions to nearly zero (0.25%).

Our bank is EDGE certified: the internationally recognised assessment and business rating methodology helps us enhance our equality ambitions.

## Diversity, equity and inclusion initiatives

- Our bank monitors pay levels for the same jobs/positions continuously to eliminate pay disparities and ensure gender equality in remuneration.
- Attention is also paid to succession planning and promotion to ensure a gender-balanced and diverse pool of candidates and talent when planning leadership succession.
- The recruitment process allows for a wide range of candidates to apply, regardless of gender identity.
- We promote the values of diversity, equity and inclusion in our internal P&C newsletter on a continuous basis.
- We celebrated diversity-related world days with various events.

## Generation Z programme

To shape the community of our Generation Z colleagues, the bank has set up a common communication platform and organised informal gatherings. We also strive to ensure that trainees become part of the community and are informed about the opportunities, training and lectures available to them.

## Career support for women

- The composition of the extended management team, including department heads and competence group leaders, is exceptionally balanced, with 44% female representation.
- In 2025, we continued the EmpowHer programme aimed at assisting women's careers by creating a supportive environment where participants get practical help from each other while sharing experiences. It creates opportunities to learn from each other, build confidence and, in the long term, strengthen the role of women within the organisation. The programme is open to all female applicants.

## Return from maternity leave

In 2019, our bank introduced a new form of employment for colleagues on maternity leave. Flexible working arrangements allow mothers to return to work in part-time, remote positions. This initiative helps female colleagues stay connected with work during maternity leave while balancing their personal lives, and it also provides the respective business areas with additional workforce. Originally introduced in the Retail and Corporates Divisions, this programme has been expanded across the entire organisation over recent years.

## Wisdom Programme

Knowledge sharing based on age diversity is the cornerstone of the Wisdom programme, which is relaunched annually. This allows our senior colleagues with decades of experience to mentor and support

# Report on the divisions (FOLYTATÁS)

the professional and personal development of less experienced, usually younger colleagues. We support mentors by way of mentor preparation training, periodic skills workshops, community-building events and knowledge-sharing forums. The programme was launched on Group level in 2025, and it provided the means for international mentoring.

## **Performance evaluation**

As part of reinforcing the feedback culture and succession planning, the L&D team is responsible for the annual performance evaluations of all employees. The three UniCredit values remain integral parts of the performance evaluation process, and we continued to support leaders in the preparation phase of the performance cycle.

## **360-degree feedback**

At the end of the year, we conducted another 360-degree feedback for Board Members and B-1 level leaders as part of the Group-level evaluation.

## **ESG**

As ESG is a key priority for our company, we also promote Group-level and Central and Eastern European ESG-development trainings on local level among employees and leaders.

## **Well-being initiative**

We also continue to focus on the well-being and health of our colleague. Organised on Group level, the Well-being Week was complemented by a series of locally organized events focusing on mental, social, physical, financial and career well-being: panel discussions, webinars and informative presentations. At the end of 2025, we organised a four-day online lecture series, with two expert speakers sharing their experiences on sleep, eating, developing good habits and stress management. In 2025, our colleagues assisted on a volunteer basis the formation of various self-organising communities, and arranged events, including company yoga, a sports club, a book club, a community library and a nature walk.

# Next-generation call centre system improves customer service and efficiency

## Advancing our strategy to simplify operations and deliver innovative digital solutions.

In 2025, we introduced a new cloud-based call centre system in Hungary as part of the Genesys Project, designed to enhance customer service, improve efficiency and enable the implementation of more digital solutions such as AI-based voicebots and digital assistants. The project started in December 2023 and reached commercial go-live in April 2025, with all automated services available from August 2025.

The new platform, Genesys, was implemented first in Hungary following our decision to adopt a single Group-level platform.

Alongside this, we have replaced the previous core-based system with a new telephone banking interface, to help execute transfer orders and view service history for identified customers.

The redesigned IVR (Interactive Voice Response) menu structure now routes calls more efficiently, reducing waiting times and speeding up processing. Authenticated customers can access automated services without an agent, while agents benefit from immediate visibility of customer data, shortening conversations. The IVR is fully editable, allowing quick updates for new messages and menu items to manage ad-hoc events and improve customer notifications.

Automation was a key focus, with new services including a “panic button” that instantly blocks all digital channels and bank cards to prevent fraud. This feature was also added to the mBanking app in December 2024. Four additional automated functions were introduced: unblocking eBanking, sending new eBanking passwords, and issuing activation codes for mBanking and mToken.

This marks another step in our strategy to simplify operations and deliver innovative digital solutions that enhance customer experience across the Group.





# Report on UniCredit Jelzálogbank Zrt.

# Report on UniCredit Jelzálogbank Zrt.

A mortgage bank operating as a specialised credit institution, UniCredit Jelzálogbank Zrt. was established by Bayerische Vereinsbank AG on 8 June 1998, with a registered capital of HUF 3 billion. Since 22 December 2006, the sole shareholder of UniCredit Jelzálogbank Zrt. has been UniCredit Bank Hungary Zrt.

The core activity of UniCredit Jelzálogbank Zrt. is the issue of mortgage bonds and refinancing of commercial banks. Mortgage loans are primarily secured by first-ranked mortgages, independent liens or seceded liens registered on the financed property located in the territory of Hungary.

To improve efficiency, UniCredit Jelzálogbank Zrt. has gradually outsourced some of its support activities to UniCredit Bank Hungary Zrt. since 2008.

Since 1 April 2009, the tasks of specific business areas of UniCredit Jelzálogbank Zrt. have also been performed by UniCredit Bank Hungary Zrt. as outsourced activities under agency contracts. Accordingly, UniCredit Bank Hungary Zrt. serves all administration financing home buyers' private individuals, estate development, and land financing. The issuing of mortgage bonds and unsecured bonds serving as the basis for the lending and refinancing activities has remained the responsibility of UniCredit Jelzálogbank Zrt.

In line with its past practices, UniCredit Jelzálogbank Zrt. relies on long-term HUF and foreign exchange financial sources from the capital market, obtains typically medium- and long-term funding for its own and refinanced loan portfolios by issuing mortgage bonds and money-market and long-term borrowing. Issuing mortgage bonds and unsecured bonds typically occur as part of an offering programme. In this context, UniCredit Jelzálogbank Zrt. raises long-term HUF and foreign exchange funds from the capital market.

In the current business and market environment, the frequency and volume of mortgage bond issues depend primarily on the structure

of the bank's assets and liabilities, the composition of the collateral book, the maturity structure of mortgage bonds and the developments in the market yield environment and the regulatory environment. Mortgage bonds and unsecured bonds can be issued in several ways. The form of the issuance and the instruments to be issued are specified in the prevailing base prospectus.

In 2017, UniCredit Jelzálogbank Zrt. commissioned international credit rating agency Moody's Investors Service to rate its mortgage bonds. Since 29 September 2021, the mortgage bonds issued by UniCredit Jelzálogbank Zrt. have had a long-term credit rating of A1, which is in the investment category according to the rating agency's methodology.

UniCredit Jelzálogbank Zrt. joined the UniCredit Group's ESG and Green Framework in 2021. Green mortgage bonds issued under the framework support the implementation of the green strategy of the bank and its parent company. The green-based use of the amount from the issuance of green bonds is reported in an annual ESG report, verified by an external independent auditor. UniCredit Jelzálogbank Zrt. has issued several mortgage bonds with a green rating. Low-cost funding allows customers to take out green loans at more favourable rates.

In order to expand the range of products for retail customers, UniCredit Jelzálogbank Zrt. launched the issuance of retail bonds in 2023 in cooperation with UniCredit Bank Hungary Zrt.

In 2025, alongside maintaining its existing portfolios, UniCredit Jelzálogbank Zrt. increased the refinancing portfolios of its external partner banks.

Based on its balance sheet drawn up according to the International Financial Reporting Standards (IFRS), UniCredit Jelzálogbank Zrt. closed the fiscal year 2025 with a balance sheet total of HUF 406.18 billion and profits after tax of HUF 3.16 billion.



# **Independent Auditor's Report**

# Independent Auditor's Report



KPMG Hungária Kft. Tel.: +36 (1) 887 71 00  
Váci út 31. Fax: +36 (1) 887 71 01  
H-1134 Budapest E-mail: info@kpmg.hu  
Hungary Internet: kpmg.hu

## Independent Auditors' Report

To the shareholder of UniCredit Bank Hungary Zrt.

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the 2025 consolidated financial statements of UniCredit Bank Hungary Zrt. and its subsidiaries (collectively, "the Group"), which comprise the consolidated statement of financial position as at 31 December 2025, with total assets of MHUF 5,025,675, the consolidated statement of profit or loss and other comprehensive income, with profit for the year of MHUF 81,381, and the consolidated statements of changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU IFRSs) and they are prepared, in all material respects, in accordance with the provisions applicable to entities preparing consolidated annual financial statements in accordance with EU IFRSs of Act C of 2000 on Accounting in force in Hungary (Act on Accounting).

#### *Basis for Opinion*

We conducted our audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to audits of the consolidated financial statements of public interest entities as provided in applicable laws in force in Hungary, the policy on rules of conduct (ethics) of the audit profession and on disciplinary procedures of the Chamber of Hungarian Auditors and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements as applicable to audits of the consolidated financial statements of public interest entities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



## Key Audit Matters

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

### Expected credit losses on loans and advances to customers, loan commitments and financial guarantees

As at 31 December 2025, loans and advances to customers (gross): MHUF 2,237,706 and related loss allowance: MHUF 44,248, loan commitments and financial guarantees: MHUF 1,768,926 and related provision: MHUF 13,371.

See Note 44 Exposure to credit risk

Key audit matter	Our response
<p>Impairment allowances and provisions, respectively, for loans and advances to customers and for loan commitments and financial guarantees (collectively, "loans", "exposures") represent the Group's probability-weighted estimate of expected credit losses ("ECL") associated with these exposures at the reporting date. Measurement thereof requires the Group to make complex and significant judgements and assumptions.</p> <p>ECLs on individually significant non-performing loans are based on the Group's estimates of the present value of expected future cash flows on a given loan, which are inherently uncertain. The present value of such expected future cash flows is often influenced by, among others, the estimated realizable value of the collateral and the applied discount factor thereon, the length of the recovery process, the cost of liquidation or sale process and the probability weight of each loan recovery scenario.</p> <p>Collective ECLs on performing exposures (classified as Stage 1 and Stage 2 exposures), and on individually not significant Stage 3 (non-performing) exposures, are determined by modelling techniques relying on key parameters such as the client rating, probability of default ("PD") and loss given default ("LGD"). These modelling techniques consider historical experience, identification of exposures with a significant increase in credit risk ("SICR"), forward-looking information and other areas of judgement.</p>	<p>Our audit procedures in this area, performed, where applicable, with the assistance from our own financial risk management and information technology (IT) audit specialists, included the following, among other things:</p> <ul style="list-style-type: none"> <li>— We inspected the Group's ECL methods and models including current period changes and assessed their compliance with the relevant requirements of the financial reporting framework. As part of the above, we challenged the Group on whether the level of the methodology's sophistication continues to be appropriate based on an assessment of entity-level factors, and also inspected the model validation reports by the Group's Internal Validation function, as part of our assessment of their ability to produce accurate and consistent ECL estimates;</li> <li>— We tested the design, implementation and operating effectiveness of selected controls over recognition of loans, recording and re-valuation of collaterals, client ratings, and periodic monitoring. We also tested selected IT-based controls over the days past due calculation and automated daily loan monitoring;</li> <li>— We assessed the relevance and reliability of data used in ECL estimates, such as data for loan terms, loan collateral, days past due, etc.;</li> <li>— We assessed whether the relevant standards' definitions of SICR and default, and loan staging</li> </ul>

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



In light of the spill-over effect of the evolving geopolitical events and uncertainties on global markets, the identification of SICR and estimation of exposures at default (including credit conversion factors for undrawn commitments) is associated with an increased estimation uncertainty. Management therefore applied a geopolitical overlay from 2022 to address the credit risk arising from such uncertainties that collective models may not be able to capture and this management overlay was updated to current circumstances. Overlays were being revisited in terms of new emerging risks in 2025 as well as considering potential exit strategies.

In the wake of the above factors and complexities, we considered impairment of loans and advances to customers and provision for loan commitments and financial guarantees to be associated with a significant risk of material misstatement in the consolidated financial statements, which required our increased attention in the audit and as such was determined to be a key audit matter.

criteria, were appropriately and consistently applied;

— We evaluated whether in its ECL measurement the Group appropriately considered the effects of the current market disruption and volatility. As part of the procedure, we also challenged the relevant forward-looking information and macroeconomic projections used in the ECL assessment, by reference to the European Central Bank and Hungarian National Bank forecasts.

For ECLs calculated individually:

— For a risk-based sample of exposures, we inspected the borrower loan files and challenged the key assumptions within the Group's estimates of the present value of expected future cash flows from the borrower, as follows:

- future debt recovery scenarios – by reference to credit committee proposals and decisions, history of the exposure and our experience with the borrower industry and current economic conditions;
- collateral values – by reference to asset valuations by experts engaged by the Group, whose competence, capabilities, and objectivity we independently assessed.

For ECLs calculated collectively, we:

— reassessed the underlying model set-up and reformed the calculation of its output based on the Group's data and assumptions, including reperformance of staging;

— challenged the collective LGD and PD parameters used by the Group, by reference to its historical loan experience, such as that in respect of past default occurrence and realized losses thereon, and also considering any required adjustments to reflect expected changes in circumstances.

— assessed the appropriateness of any post-model adjustments to account for risks and uncertainties not captured by the Group's ECL models. As part of the procedure, we evaluated the appropriateness of the method-model and corresponding key assumptions applied to

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



	<p>estimating the geopolitical overlay and also tested the underlying data and the model's application.</p> <p>For all loans in totality:</p> <p>We examined whether the Group's expected credit loss and credit risk-related disclosures in the consolidated financial statements appropriately address the relevant quantitative and qualitative information requirements of the applicable financial reporting framework.</p>
--	--

## Financial instruments - Level 2 and Level 3 fair value measurements and hedge accounting

As at 31 December 2025, financial instruments carried at fair value:

- financial assets using Level 2 fair value measurements: MHUF 233,217, including hedging derivatives,
- financial assets using Level 3 fair value measurements: MHUF 183,256,
- financial liabilities using Level 2 fair value measurements: MHUF 155,282, including hedging derivatives,

As at 31 December 2025, the hedge accounting-related amounts:

- accumulated amount of fair value hedge adjustments on the hedged items included in the carrying amount of hedged items: MHUF 31,838,
- cash-flow hedge reserve (loss) in the other comprehensive income, net of tax: MHUF 3,858

See Note 18 Financial instruments held for trading, Note 19 Hedging derivative instruments and Note 40-42 Derivative financial instruments held for Trading, Derivative financial instruments held for Hedging purposes, Fair valuation hierarchy respectively

Key audit matter	Our response
<p>The Group applies Level 2 and Level 3 fair value measurements (as defined by IFRS 13 <i>Fair value measurement</i>) for certain derivatives, including hedging instruments, and also for certain securities and loans failing the solely payments of principal and interest (SPPI) test.</p> <p>The instruments' fair values are determined through the application of complex valuation techniques.</p> <p>Level 2 fair value measurements are based primarily on the observable pricing inputs derived from financial instruments comparable to the target instrument subject to the valuation, often with non-significant valuation adjustments required to account for any differences in terms of the target and comparable instrument. Level 3 fair value measurements are generally based on</p>	<p>Our audit procedures in this area, performed, where applicable, with the assistance from our own financial instruments valuation, financial risk management, accounting advisory and IT audit specialists, included the following, among other things:</p> <p>— We tested the design, implementation and operating effectiveness of selected controls over the recognition of the relevant financial instruments, end-of-day reconciliations, fair value measurement and designation of hedge relationships.</p> <p>— We tested selected IT-based controls over related interfaces, automated foreign currency revaluations and automated hedging derivatives interest calculation;</p>

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



the discounted cash-flow (DCF) models, with observable and unobservable inputs and assumptions, such as, primarily, contractual cash flows, risk free interest rate and credit spread.

Significant management judgement is involved in determination of the appropriate valuation method and model assumptions and inputs. In addition, comprehensive models tend to be more susceptible to the risk of management bias, error and inconsistent application. As a result, more attention is required during the audit process in assessing the relevance and reliability of the sources used in developing the assumptions and their consistent application.

Further, for a significant portion of the financial instruments, the Group applies fair value or cash flow hedge accounting. The Group has elected to continue applying IAS 39 fair value hedge accounting for portfolio hedges of interest rate risk, as permitted by IFRS 9.6.1.3, whereas applies IFRS 9 for micro hedge relationships. Significant judgment and complex assumptions are required in the assessment of and accounting for the hedging relationships pursuant to the requirements of IAS 39 and IFRS 9.

In the wake of the above factors, coupled with increased estimation uncertainty stemming from the current volatile economic environment, we considered the area to be associated with a significant risk of material misstatement in the consolidated financial statements, which required our increased attention in the audit and as such was determined to be a key audit matter.

— We assessed the Group's fair value methods and models against the financial reporting requirements and the market practice;

— We tested the reporting-date fair value measurements for Level 2 and Level 3 financial instruments, other than loans not meeting the SPPI criterion, by developing our own independent fair value expectations. As part of the procedure, we, among other things:

- assessed the relevance and reliability of the data to be used in the valuations;
- for Level 2 measurements – applied our own models and input parameters derived from comparable bonds and markets;
- for Level 3 measurements, developed the key DCF model inputs as follows:
  - Contractual cash flows – by reference to our inspection of the underlying contractual provisions;
  - Risk-free interest rate – by reference to benchmark risk-free yield curves; and
  - Credit spread – by reference to the comparable securities approach or market curve approach, as considered relevant.

— For retail loans failing the SPPI test, we assessed the product related specific assumptions to the Group's fair value methods and models. We also challenged the input data and assumptions applied by the Group such as those for expected cash-flows, risk-free yield curves and credit-spread curve used for discounting purposes, by reference to benchmark yield curves and contractual provisions;

— In order to assess the appropriateness of the Group's hedge accounting, we:

- challenged the appropriateness of methods related to fair value and cash flow hedge accounting for both portfolio- and micro hedging relationships;

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



	<ul style="list-style-type: none"><li>• assessed whether the established hedging relationships are appropriate in light of the risk to be addressed and whether all of the hedge accounting criteria of IAS 39 and IFRS 9 are met;</li><li>• challenged both the retrospective and prospective hedge effectiveness tests performed by the Group. As part of the procedure, we independently compared the actual change in fair value of the hedged asset or liability or in cash flows with respect to the hedged risk with the change in the fair value of the hedging instrument.</li></ul> <p>— For fair value and hedge-related disclosures, we examined whether they appropriately addressed the relevant quantitative and qualitative requirements by the applicable financial reporting framework.</p>
--	---

## *Other Information*

The other information comprises the 2025 consolidated business report of the Group. Management is responsible for the preparation of the consolidated business report in accordance with the Act on Accounting and other applicable legal requirements, if any.

Our opinion on the consolidated financial statements expressed in the Opinion section of our report does not cover the consolidated business report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the consolidated business report and, in doing so, consider whether the consolidated business report is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Based on the Act on Accounting, we are also responsible for assessing whether the consolidated business report has been prepared in accordance with the Act on Accounting and other applicable legal requirements and expressing an opinion on this and whether the consolidated business report is consistent with the consolidated financial statements.

With respect to the consolidated business report, based on the Act on Accounting, we are also responsible for checking whether the consolidated business report includes the consolidated sustainability statement specified in Chapter VI/C of the Act on Accounting.

In our opinion the 2025 consolidated business report of the Group is consistent, in all material respects, with its 2025 consolidated financial statements and the applicable provisions of the Act on Accounting.

There are no other legal requirements that are applicable to the consolidated business report, therefore, we do not express an opinion in this respect.

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



We confirm that the consolidated sustainability statement specified in Chapter VI/C of the Act on Accounting has not been provided in the consolidated business report based on the exemption set out in Section 134/I § (7) of the Act on Accounting.

In addition, in light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the consolidated business report, and if so, the nature of such misstatement. We have nothing to report in this regard.

#### *Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements*

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

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

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

#### *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements*

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

As part of an audit in accordance with Hungarian National Standards on Auditing and applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

We were appointed by the shareholder on 21 March 2025 to audit the consolidated financial statements of the Group for the financial year ended 31 December 2025. Our total uninterrupted period of engagement is four years, covering the periods ending 31 December 2022 to 31 December 2025.

We confirm that:

- our audit opinion is consistent with the additional report presented to the Audit Committee of the Group dated 4 March 2026;
- we have not provided to the Group prohibited non-audit services (NASs) as set out by Article 5(1) of Regulation (EU) No 537/2014 and in terms of the member state derogations by the Act LXXV of 2007 on the Chamber of Hungarian Auditors, the Activities of Auditors, and on the Public Oversight of Auditors in force in Hungary. We also remained independent of the audited entity in conducting the audit.

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.

# Independent Auditor's Report (FOLYTATÁS)



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

Budapest, 12 March 2026

KPMG Hungária Kft.

Registration number: 000202

Zsuzsanna Csáki  
*Partner, Professional Accountant*  
Registration number: 007448

This is an English translation of the Independent Auditors' Report on the 2025 consolidated financial statements of the UniCredit Bank Hungary Zrt. issued in Hungarian. If there are any differences, the Hungarian language original prevails. This report should be read in conjunction with the complete consolidated financial statements it refers to.

UniCredit Bank Hungary Zrt. - K30 - 2025.12.31.



# Financial statements

# Financial statements

## Consolidated statement of financial position – as at 31 December 2025

### Assets

	NOTE	31 DECEMBER 2025	31 DECEMBER 2024
Cash and cash equivalents	17	654,706	1,130,267
Financial assets held for trading	18	3,666	591
Trading derivative assets	18	58,326	76,081
Hedging derivative assets	19	63,736	83,789
Loans and advances to banks	20	610,128	570,038
Loans and advances to customers	21	2,446,581	2,290,288
Investment securities	22	1,079,011	934,808
Investment properties	24	7,612	7,965
Property, plant and equipment	25	29,473	25,848
Intangible assets	26	16,594	18,945
Current tax assets	16	703	1,123
Deferred tax assets	16	15	569
Other assets	27	55,124	54,001
<b>Total Assets</b>		<b>5,025,675</b>	<b>5,194,313</b>

### Liabilities

Deposits from banks	28	346,168	680,711
Deposits from customers	29	3,404,453	3,209,794
Issued debt securities	30	479,871	473,998
Trading derivative liabilities	18	55,291	73,562
Financial liabilities held for trading	18	–	201
Hedging derivative liabilities	19	99,991	134,640
Other provisions	35, 44	15,884	15,540
Current tax liabilities	16	658	432
Deferred tax liability	16	219	75
Other liabilities	31, 32	66,052	64,117
Subordinated liabilities	30	52,409	55,795
<b>Total Liabilities</b>		<b>4,520,996</b>	<b>4,708,865</b>

### Equity

Share capital	33	24,118	24,118
Share premium	34	3,900	3,900
Retained earnings		293,207	289,665
Statutory reserves	34	92,615	84,069
Valuation reserves		9,408	3,345
Net profit for the year		81,380	80,299
<b>Total Equity attributable to the equity holder of the bank</b>		<b>504,628</b>	<b>485,396</b>
<b>Minority interest</b>		<b>51</b>	<b>52</b>
<b>Total Equity</b>		<b>504,679</b>	<b>485,448</b>
<b>Total Liabilities and Equity</b>		<b>5,025,675</b>	<b>5,194,313</b>

The accompanying notes (1–50) form an integral part of these financial statements.

## Financial statements (CONTINUED)

## Consolidated statement of profit or loss and other comprehensive income – for the year ended 31 December 2025

	NOTE	2025	2024
Interest income calculated using the effective interest method	7	260,087	294,294
Other interest and similar income	7	160,995	176,469
Interest expense and similar charges	7	(288,469)	(331,354)
<b>Net interest income</b>		<b>132,613</b>	<b>139,409</b>
Fee and commission income	8	99,604	83,095
Fee and commission expense	8	(17,174)	(12,839)
<b>Net fee and commission income</b>		<b>82,430</b>	<b>70,256</b>
Dividend income	9	281	10
Net trading income	10	1,536	1,791
Net gain and loss on hedge accounting	11	(880)	310
Net gain and loss on non-trading financial instruments	12	6,889	(2,644)
Foreign exchange result	10	22,347	22,001
<b>Operating income</b>		<b>245,216</b>	<b>231,133</b>
<b>Impairment and losses on credit products</b>	<b>44</b>	<b>(4,729)</b>	<b>909</b>
Personnel expenses	13	(31,981)	(29,873)
General operating expenses	14	(103,720)	(99,505)
Depreciation on property, plant and equipments	25	(2,862)	(2,980)
Amortization and impairment on intangible assets	26	(5,428)	(4,714)
<b>Operating costs</b>		<b>(143,991)</b>	<b>(137,072)</b>
Other income	15	3,937	2,674
Other expense	15	(3,978)	(3,122)
<b>Other results</b>		<b>(41)</b>	<b>(448)</b>
Gain / (losses) on investment properties		(483)	322
<b>Profit before tax</b>		<b>95,972</b>	<b>94,844</b>
Income tax expense	16	(14,591)	(14,541)
<b>Net profit for the year</b>		<b>81,381</b>	<b>80,303</b>
<b>Attributable to:</b>			
Shareholder of the Group		81,380	80,299
Minority interests		1	4

The accompanying notes (1–50) form an integral part of these financial statements.

## Financial statements (CONTINUED)

## Consolidated statement of profit or loss and other comprehensive income – for the year ended 31 December 2025

	NOTE	2025	2024
<b>Profit for the period</b>		<b>81,381</b>	<b>80,303</b>
<b>Items that are may be reclassified subsequently to profit or loss</b>			
Movement in fair value reserve of debt investments measured at fair value through other comprehensive income	22	(130)	2,732
Deferred income tax on movement of fair value reserve of debt investments measured at fair value through other comprehensive income	16	36	(350)
<b>Net movement in fair value reserve of debt investments measured at fair value through other comprehensive income</b>		<b>(94)</b>	<b>2,382</b>
Movement in cash-flow hedge reserves	41	5,789	(1,103)
Deferred income tax on movement in cash-flow hedge reserves	16	(654)	332
<b>Net change in cash-flow hedge reserves</b>		<b>5,135</b>	<b>(771)</b>
Movement in cash-flow cost of hedging reserves	41	83	–
Deferred income tax on movement in cash-flow cost of hedging reserves	16	(9)	–
<b>Net change in cash-flow cost of hedging reserves</b>		<b>74</b>	<b>–</b>
<b>Items that will not be reclassified to profit or loss</b>			
Movement in fair value reserve of equity investments measured at fair value through other comprehensive income	22	–	2,259
Deferred income tax on movement of fair value reserve of equity investments measured at fair value through other comprehensive income	16	–	–
<b>Net movement in fair value reserves of equity investments measured at fair value through other comprehensive income</b>		<b>–</b>	<b>2,259</b>
Revaluation on property	25	1,085	899
Deferred income tax on revaluation on property	16	(94)	(79)
<b>Net movement in property revaluation</b>		<b>991</b>	<b>820</b>
<b>Other comprehensive income, net of tax</b>		<b>6,106</b>	<b>4,690</b>
<b>Total comprehensive income</b>		<b>87,487</b>	<b>84,993</b>
<b>Attributable to</b>			
Shareholder of the Group		87,486	84,989
Minority interests		1	4

The accompanying notes (1–50) form an integral part of these financial statements.

## Financial statements (CONTINUED)

## Consolidated statement of changes in Shareholder's equity – for the year ended 31 December 2025

	NOTE	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS	STATUTORY RESERVES	VALUATION RESERVES			NET PROFIT	TOTAL	NON-CONTROLLING INTEREST	TOTAL EQUITY	
						FAIR VALUE RESERVE	COST OF HEDGING RESERVE	HEDGING RESERVE					
<b>Balance as at 1 January 2024</b>		<b>24,118</b>	<b>3,900</b>	<b>284,301</b>	<b>75,705</b>	<b>57,29</b>	<b>-</b>	<b>(8,222)</b>	<b>1,085</b>	<b>91,940</b>	<b>47,8556</b>	<b>53</b>	<b>478,609</b>
Net profit for the previous year	34	-	-	91,940	-	-	-	-	(91,940)	-	-	-	-
Net profit for the current year	34	-	-	-	-	-	-	-	80,299	80,299	4	80,303	
Net movement in fair value reserve of financial instruments measured at fair value through other comprehensive income	22	-	-	-	-	2,382	-	-	-	2,382	-	2,382	
Net movement in fair value reserves of equity investments measured at fair value through other comprehensive income	22	-	-	-	-	2,259	-	-	-	2,259	-	2,259	
Net movement in cash-flow hedge reserves		-	-	-	-	-	(771)	-	-	(771)	-	(771)	
Net movement in asset revaluation surplus	24	-	-	-	-	-	-	820	-	820	-	820	
Change of non-controlling interest		-	-	-	-	-	-	-	-	-	(5)	(5)	
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>91,940</b>	<b>-</b>	<b>4,641</b>	<b>-</b>	<b>(771)</b>	<b>820</b>	<b>80,299</b>	<b>84,989</b>	<b>(1)</b>	<b>84,988</b>
Transfers to statutory reserves	34	-	-	(8,364)	8,364	-	-	-	-	-	-	-	
Transfer of realised revaluation differences on real estate to retained earnings	24	-	-	20,	-	-	-	-	(20)	-	-	-	
Transfer of deferred tax impact of fair value reserves of equity instruments measured at fair value through other comprehensive income		-	-	(83)	-	83,	-	-	-	-	-	-	
<b>Total transfers between components of equity</b>		<b>-</b>	<b>-</b>	<b>(8,427)</b>	<b>8,364</b>	<b>83</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend to equity holder		-	-	(78,149)	-	-	-	-	-	(78,149)	-	(78,149)	
<b>Total transfers to equity holders</b>		<b>-</b>	<b>-</b>	<b>(78,149)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(78,149)</b>	<b>-</b>	<b>(78,149)</b>	
<b>Balance as at 31 December 2024</b>		<b>24,118</b>	<b>3,900</b>	<b>289,665</b>	<b>84,069</b>	<b>10,453</b>	<b>-</b>	<b>(8,993)</b>	<b>1,885</b>	<b>80,299</b>	<b>485,396</b>	<b>52</b>	<b>485,448</b>
<b>Balance as at 1 January 2025</b>		<b>24,118</b>	<b>3,900</b>	<b>289,665</b>	<b>84,069</b>	<b>10,453</b>	<b>-</b>	<b>(8,993)</b>	<b>1,885</b>	<b>80,299</b>	<b>485,396</b>	<b>52</b>	<b>485,448</b>
Net profit for the previous year	34	-	-	80,299	-	-	-	-	(80,299)	-	-	-	
Net profit for the current year	34	-	-	-	-	-	-	-	81,380	81,380	1	81,381	
Net movement in fair value reserve of financial instruments measured at fair value through other comprehensive income	22	-	-	-	-	(94)	-	-	-	(94)	-	(94)	
Net movement in fair value reserves of equity investments measured at fair value through other comprehensive income	22	-	-	-	-	-	-	-	-	-	-	-	
Net movement in cash-flow hedge reserves		-	-	-	-	-	5,135	-	-	5,135	-	5,135	
Net change in cash-flow cost of hedging reserves		-	-	-	-	-	74	-	-	74	-	74	
Net movement in asset revaluation surplus	24	-	-	-	-	-	-	991	-	991	-	991	
Change of non-controlling interest		-	-	-	-	-	-	-	-	-	(2)	(2)	
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>80,299</b>	<b>-</b>	<b>(94)</b>	<b>74</b>	<b>5,135</b>	<b>991,</b>	<b>81,380</b>	<b>87,486</b>	<b>(1)</b>	<b>87,485</b>
Transfers to statutory reserves	34	-	-	(8,546)	8,546	-	-	-	-	-	-	-	
Transfer of realised revaluation differences on real estate to retained earnings	24	-	-	43	-	-	-	-	(43)	-	-	-	
Transfer of deferred tax impact of fair value reserves of equity instruments measured at fair value through other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	
<b>Total transfers between components of equity</b>		<b>-</b>	<b>-</b>	<b>(8,503)</b>	<b>8,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Dividend to equity holder		-	-	(68,254)	-	-	-	-	-	(68,254)	-	(68,254)	
<b>Total transfers to equity holders</b>		<b>-</b>	<b>-</b>	<b>(68,254)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(68,254)</b>	<b>-</b>	<b>(68,254)</b>	
<b>Balance as at 31 December 2025</b>		<b>24,118</b>	<b>3,900</b>	<b>293,207</b>	<b>92,615</b>	<b>10,359</b>	<b>74</b>	<b>(3,858)</b>	<b>2,833</b>	<b>81,380,</b>	<b>504,628</b>	<b>51</b>	<b>504,679</b>

The accompanying notes (1–50) form an integral part of these financial statements.

## Financial statements (CONTINUED)

## Consolidated statement of cash flows – for the year ended 31 December 2025

**Cash flows from operating activities**

	NOTE	2025	2024
<b>Net profit for the year</b>		<b>81,381</b>	<b>80,303</b>
Adjustments for:			
Depreciation and amortisation	25, 26	8,290	7,694
Profit on disposal of property, plant and equipment	25, 26	(11)	(54)
Net loss/gain from cash flow hedging assets	41	(8,725)	(41,563)
Net impairment and losses in credit products	44	1,639	297
Fair value change of fixed assets (real estates)	25	(131)	(123)
Fair value change of investment properties	24	483	(549)
Fair value change and foreign exchange loss/(gain) of non-operating cash flows	22, 30	(57,913)	33,556
Other adjusting items not involving a cash flow	24	(2)	(415)
Net gain on investment securities at FVTPL	12	(8)	(19)
Net loss on sale of financial assets measured at amortised cost	12	2,350	3,276
Net gain on sale of investment securities measured at Fair value through other comprehensive	12	3,909	(240)
Net interest income	7	(132,613)	(139,409)
Dividends on equity securities	9	(281)	(10)
Business combination		–	–
Tax expense	16	14,591	14,541
<b>Total</b>		<b>(87,041)</b>	<b>(42,715)</b>
Change in financial assets held for trading	18	14,688	54,592
Change in other assets	27	(1,123)	1,596
Change in other liabilities	31	3,376	1,003
Change in loans and advances to customers	21	(136,341)	(113,399)
Change in loans and advances to banks	20	(41,201)	459,371
Change in deposits from customers	29	194,574	168,555
Change in deposits from banks	28	(334,352)	(35,995)
Change in financial liabilities held for trading	18	(18,472)	(44,012)
Interest received	7	408,432	462,792
Interest paid	7	(288,658)	(331,393)
Dividends received	9	281	10
Income tax paid	16	(13,968)	(18,293)
<b>Net cash (used in) / from operating activities</b>		<b>(299,805)</b>	<b>562,112</b>

**Cash flows from investing activities**

Proceed on sale of property, plant and equipment	25	16	79
Addition of property, plant and equipment	25	(5,276)	(3,542)
Addition of investment properties	25	(130)	–
Addition of intangible assets	26	(3,077)	(4,165)
Acquisitions of investment securities	22	(4,549,950)	(12,047,828)
Proceeds from sale of investment securities	22	4,433,067	12,223,194
<b>Net cash used in investing activities</b>		<b>(125,350)</b>	<b>167,738</b>

**Cash flows from financing activities**

Proceeds from issue of debt securities	30	30,394	38,019
Repayment of debt securities	30	(11,105)	(20,000)
Dividend paid	34	(68,254)	(78,149)
Payments of lease liabilities	32	(1,441)	(1,384)
<b>Net cash from financing activities</b>		<b>(50,406)</b>	<b>(61,514)</b>
<b>Net (decrease) / increase in cash**</b>		<b>(475,561)</b>	<b>668,336</b>
**of which net foreign exchange revaluation difference on cash held		(9,852)	6,532
Cash at the beginning of the year	17	1,130,267	461,931
<b>Cash at the end of the year</b>	17	<b>654,706</b>	<b>1,130,267</b>

The accompanying notes (1–50) form an integral part of these financial statements.

# Notes to the financial statements

## 1 General

UniCredit Bank Hungary Zrt. (“UniCredit” or “Bank”) is registered as a joint-stock company under Hungarian law and is licensed to conduct universal banking activities in Hungary.

The address of the registered head office is H-1054 Budapest, Szabadság tér 5-6. Bank’s website is available at <https://www.unicreditbank.hu>.

The Bank is a wholly owned subsidiary of UniCredit S.p.A., its location is IT 20154 Milan, Piazza Gae Aulenti 3., Italy.

Transactions with members of the UniCredit Group include credit relationships, where the related parties are borrowers, guarantors or depositors. Such transactions are conducted under substantially the same terms and conditions as applied to third parties, unless otherwise stated.

The statutory auditor of UniCredit is KPMG Hungary Kft., the responsible registered auditor is Zsuzsanna Csáki (registration number: 007448).

The financial statements are signed by Balázs Tóth, CEO (address: 2120 Dunakeszi, Déli utca 2.) and Matteo Consalvi, CFO (address: AT-1010 Vienna, Rosenbursen Strasse 8. Apt. 9)

The responsible chief accountant is Nikoletta Kerekes, IFRS chartered accountant (registration number: 213937).

The consolidated financial statements were approved by the Supervisory Board on the 12 March 2026.

## 2 Basis of preparation

### 2.1 Statement of compliance

The consolidated financial statements have been prepared with taking advantage of the opportunity provided by the Hungarian Accounting act in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU.

### 2.2 Basis of measurement

The consolidated financial statements are presented in Hungarian Forint (HUF) that is the group’s functional currency. The functional currency is the currency of the primary economic environment in which the group operates. The accounting records of the group are also maintained in this currency. Unless otherwise indicated, financial information presented in Hungarian Forint has been rounded to the nearest million. The consolidated financial statements have been prepared on a fair value basis for derivative financial instruments, trading financial assets and liabilities, loans to customers at fair value through profit or loss, securities at fair value through profit or loss and financial assets at fair value through other comprehensive income, except those for which a reliable measurement of fair value is not available. The latter items are stated at either amortised or historical cost. Other financial assets and liabilities and non-financial assets and liabilities are stated at amortised cost or historical cost.

The consolidated financial statements consolidate the accounts of the following entities: UniCredit Bank Hungary Zrt., UniCredit Jelzálogbank Zrt. (Mortgage Bank), UniCredit Leasing Hungary Zrt., as subsidiaries and Europa Investment Fund as a special purpose vehicle (together the “group”).

The following significant accounting policies have been applied in the preparation of the consolidated financial statements. These principles have been applied consistently for all the years concerned, with any exceptions indicated.

## 3 Significant accounting policies

### 3.1 Restatement of prior year financial statements

In 2025, there were no accounting policy changes that require restatement of comparative figures in the consolidated financial statements for the previous year.

### 3.2 Consolidation principles

All entities that considered significant directly or indirectly controlled by the group have been consolidated into the consolidated financial statements. These consolidated financial statements are based on the stand-alone reporting packages of the consolidated subsidiaries, which have also been prepared in accordance with IFRS Investments in shares in companies, which are not consolidated are classified as available for sale investments and recognised at their fair values if that fair value is reliably measurable.

Subsidiaries that are not considered significant are carried at cost less impairment. All investments in other non-consolidated entities are classified as financial assets at fair value through other comprehensive income or at fair value through profit or loss and are carried at fair value, with changes in fair value recognised directly in the consolidated statement of comprehensive income. In the event of impairment, the loss is recognised in the consolidated income statement. Once the circumstances that led to the impairment cease to exist, the loss is reversed.

## Notes to the financial statements (CONTINUED)

**3.3 Consolidation procedures**

When a subsidiary or associated company is acquired, the acquirer determines the related goodwill, which is recognised in the statement of financial position. Subsequently, goodwill is measured at cost less accumulated impairment losses.

The consolidation of subsidiaries begins when the group obtains control and ceases when the group loses control.

Intra-group balances, income and expenses arising from intra-group transactions are eliminated in the consolidated financial statements.

**3.4 Cash and cash equivalents**

Cash and cash equivalents include cash, unrestricted nostro accounts with the Central Bank of Hungary (CBH) and other credit institutions, and overnight deposits, which are subject to an insignificant risk of changes in fair value and which the group uses to meet its short-term obligations. Cash and cash equivalents are carried on the balance sheet at amortised cost.

The amount of cash in the statement of cash flows is equal to the cash on hand from statement of financial position item Cash and unrestricted nostros with the Central Bank (see Note 17).

**3.5 Financial instruments****3.5.1 Classification****Financial assets**

IFRS 9 contains classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The group has determined the business model on a level that reflects how classes of financial assets are managed to achieve a particular business objective. However, the determination is not dependent on management's intentions for an individual instrument, this condition is therefore not an instrument-by-instrument approach and assessment is made on a higher level of aggregation. However, the group has more than one business model for managing its financial instruments.

**The following business models were identified for IFRS 9 classification and measurement purposes:**

- **Held to Collect (HTC):** Financial instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and are managed to realise cash flows by collecting contractual payments over the life of the instrument. There is no need to hold all of those instruments until maturity. Sale is permitted if the group sells financial assets when there is an increase in the assets' credit risk, because the credit quality of financial assets is relevant to the group's ability to collect contractual cash flows. In addition, sales may be consistent with the objective of this business model if the sales are made due to an increase in the credit risk of the concentration or close to the maturity of the financial assets.
- **Held to Collect and for Sale (HTCS):** the objective is achieved by both collecting contractual cash flows and selling financial assets. The objective of the business model beside of the collecting for the contractual cash flows is to realise profit from the growth of the fair value of the instruments, and to minimise the losses arising from the increase of the fair value changes of the instruments in mid- or long-term. Compared to a HTC business model, this business model will typically involve greater frequency and value of sales.
- **Held to Benefit from Changes in Fair Value (Other):** mainly trading securities, with the objective of realising cash flows through the sale of the assets. This business model is a residual category.

The business model assessment reflects the expectations of the group, not just its intention but its ability to manage its financial assets. Consequently, this assessment is not performed on the basis of scenarios that the entity does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. Therefore, if the group plans to sell a certain portfolio or financial assets in a 'stress case' scenario, it does not affect the business model assessment, if the group does not reasonably expect it to occur.

In the assessment of the SPPI criteria's the group analyses whether the contractual cash flows of loan commitments and other debt assets contain solely payments of principal and interest, so the principal based on contract and the related interest payments are consistent with the base contract. In the base contracts the time value of money and credit risk are the most important elements of interest. In addition, the interest may also include the consideration for the principal lending risks associated with holding the financial instrument for a certain period of time, or a profit margin.

**Accordingly, the three principal classification categories for financial assets are the following:**

**Financial assets at amortised cost:**

The group measures at amortised cost those financial assets which were classified under HTC business model, furthermore the contractual terms give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Such assets comprise mainly loans and advances to customers and other banks, furthermore debt securities, cash and cash equivalents and accounts receivables.

**Financial assets at fair value through other comprehensive income (FVOCI):**

The group measures at fair value through other comprehensive income those financial assets which were classified under HTCS business model, furthermore the contractual terms give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

The group classifies those securities which comply with the above terms, furthermore those equity instruments under IFRS 9 which have been designated irrevocably as FVOCI at transition by the group. There are such investments in Fundamenta Lakáskassza Lakás-takarékpénztár Zrt. and Garantiqa Hitelgarancia Zrt.

## Notes to the financial statements (CONTINUED)

**Financial assets at fair value through profit and loss (FVTPL):**

The group measures those financial assets under this category which were classified under Other business model, or those financial assets which are under HTC or HTCS, however they do not meet the SPPI condition that contractual terms give rise to cash flows that are solely payment of principal and interest on the principal amount outstanding.

Furthermore the group measures those equity instruments under IFRS 9 as Other category which were not designated by the group as FVOCI.

Based on Other business model the group principally holds shares, bonds and derivative contracts that are not designated as effective hedging instruments. All non-hedge derivatives in a net receivable position (positive fair value), are classified as financial assets, held for trading. All trading derivatives in a net payable position (negative fair value), are classified as financial liabilities, held for trading. The group decided not to use the possibility of the optional, irrevocable classification of its financial instruments as financial instruments at fair value through profit or loss.

**Hedging instruments:**

The purpose of transactions to hedge risks ("hedges") is to neutralize the potential losses that could be incurred in respect of a given instrument, due to volatility in a given financial risk factor (e.g., interest rates, inflation, exchange rates, market prices, etc.), through gains that can be made on a different instrument, with the objective of offsetting the changes in the fair value or cash flows of the hedged item with those of the hedging instrument.

Hedge accounting aims to remove the volatility which would occur in the profit and loss account when the native accounting classification of hedged item and hedging instrument requires them to be treated differently (e.g., the hedged item is recognized at amortized cost, while the hedging instrument, normally a derivative, is recognized at fair value).

For hedging transactions, since 1 July 2025 the group has adopted the provisions of Chapter 6 of IFRS 9.

As allowed by IFRS 9 6.1.3, the group will continue to apply IAS 39 rules on hedge accounting for fair value hedge strategies referred to the interest rate exposure of a portfolio of sight deposits, interbank funds, retail mortgage loans and other retail loans measured at fair value ("Macro Fair Value Hedge").

Upon transition, the following drivers have been adopted by the group:

- all hedging relationships established under IAS 39 have been confirmed as qualifying hedges under IFRS 9 and re-designated accordingly as continuing hedging relationships (in this context, no rebalancing needs have been assessed);
- with reference to hedging relationships for which the group separates the foreign currency basis spread of the financial instrument and excludes it from designating the financial instrument as a hedging instrument, the group has decided not to apply retrospective accounting in accordance with IFRS 9, paragraph 6.5.16.

In view of the above, the mid-year transition had no impact on the results or the hedging assessment of the relationships, as the reclassification did not result in the termination of the hedging relationships, and the designation of the relationships did not change either. The transition only affected the updating of the background documentation, so the mid-year nature of the transition did not result in any deviation from standard treatment.

The group only qualifies a hedge relationship accounted for under IFRS 9 as eligible for hedge accounting if all of the following criteria are met:

- the hedging relationship consists only of eligible hedging instruments and eligible hedged items;
- at the inception of the hedging relationship there is formal designation and documentation of the hedging relationship and the entity's risk management objective and strategy for undertaking the hedge, including the identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements (including its analysis of the sources of hedge ineffectiveness and how it determines the hedge ratio);
- the hedging relationship meets all of the following hedge effectiveness requirements:
  - ✓ there is an economic relationship between the hedged item and the hedging instrument,
  - ✓ the effect of credit risk does not dominate the value changes that result from that economic relationship,
  - ✓ the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the entity actually hedges and the quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item, provided that designation shall not reflect an imbalance between the weightings of the hedged item and the hedging instrument that would create hedge ineffectiveness.

In the case of macro fair value hedges established in accordance with IAS 39, the group assesses both at the inception of the hedge relationship and on an ongoing basis whether the hedging instruments are expected to be highly effective in offsetting changes in the fair value or cash flows of the hedged items over the period for which the hedge was designated, and whether the actual results of each hedge fall within the 80-125 percent range.

When a derivative is designated as the hedging instrument in a hedge of the change in fair value of a recognised asset or liability or a firm commitment that could affect profit or loss, changes in the fair value of the derivative are recognised immediately in profit or loss together with changes in the fair value of the hedged item that are attributable to the hedged risk.

There are certain derivatives that are designated as hedging instruments in cash flow hedges. They serve as hedges against the variability of cash flows within the framework of the group's asset-liability management activities.

Variable-rate interest receivables, payments on variable-rate assets and liabilities are swapped for fixed-rate interest payments, primarily by means of interest rate swaps. Interest rate swaps are also used to hedge the exposure to changes in the fair values of fixed rate securities at fair value through other comprehensive income attributable to changes in market interest rates.

## Notes to the financial statements (CONTINUED)

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss related to the ineffective portion is recognized immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income from the period when the cash flow hedge was effective remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss. In a fair value hedge relationship, any adjustment to a hedged item for which the effective interest method is used, is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life. However, if amortizing using a recalculated effective interest rate is not practicable, the adjustment shall be amortized using the straight-line method.

The group uses cash flow hedging to hedge its foreign currency monetary exposures through cross-currency interest rate swaps, in which case the group has decided to separate the currency basis spread and exclude it from the designation of the instrument as a hedging instrument in accordance with IFRS 9 6.2.4 (b) of IFRS 9. The group presents changes in the fair value of the hedging instrument related to the currency basis spread separately in other comprehensive income under the Cost of hedging reserve line.

When calculating hedge ineffectiveness, the group considers the fair value changes excluding valuation adjustments such as FVA, CVA, DVA, FuVA. All fair value changes related to valuation adjustments are recognised in the statement of profit and loss.

The accounting for derivative financial instruments held for hedging purposes, hedged instruments and hedge ineffectiveness is presented in Supplementary Note 41.

### Financial liabilities

The group measures financial liabilities at amortised cost, except for those financial liabilities which are valued at fair value through profit and loss. The latter comprises financial liabilities held for trading, held for hedging and derivative financial liabilities.

The group decided not to use the possibility of the optional, irrevocable classification of its financial liabilities as financial liabilities at fair value through profit or loss.

### 3.5.2 Recognition and de-recognition

The group recognises financial assets and liabilities using settlement date accounting. On initial recognition, the group measures financial instruments at fair value, plus or minus transaction costs that are directly attributable to the issue or acquisition of the financial asset or financial liability.

For financial instruments at fair value through profit or loss, gains and losses arising from changes in the fair value of assets and liabilities between the trade date and the settlement date are recognised in the income statement if the asset or liability is at fair value through profit or loss or in equity if the asset is a financial asset at fair value through other comprehensive income. Loans and receivables are recognised on the date on which the amount is paid to the counterparty of the transaction.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the group has transferred substantially all risks and rewards of ownership. If the group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, the group shall determine whether it has retained control of the financial asset. In this case, if the group has not retained control, it shall derecognise the financial asset and recognise separately as assets or liabilities any rights and obligations created or retained in the transfer.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expired.

### 3.5.3 Measurement

#### Initial measurement

Financial assets are initially recognised at fair value. The related transaction costs are recognised in accordance with the valuation model applied to the financial asset. Typically, fair value of financial instruments agree with the consideration paid.

If the group determines that the fair value at initial recognition differs from the transaction price (for example, loans disbursed or borrowed at below-market interest rates, so-called off-market loans), the group applies the following accounting treatment at initial recognition of the financial instrument:

- If the fair value of the financial instrument is evidenced by a quoted price in an active market (i.e. a Level 1 fair value input) or if the fair value measurement is based on a valuation technique that uses inputs from observable markets only, the Bank recognises the difference between the fair value and the transaction price as a gain or loss on initial recognition and immediately recognises it in profit or loss.
- In all other cases, recognition of the difference between the initial fair value and the transaction price at initial recognition through profit or loss is deferred and the calculated initial fair value difference (i.e. the first day loss) is deferred by the Bank with reference to IFRS 9 B5.1.2A (b). This means that, at inception, the initial fair value difference is separated from the receivable or payable arising from the underlying loan transaction and, at the same time, an accrual is created (as other receivable or other payable, depending on the nature of the transaction) that reverses over the life of the

## Notes to the financial statements (CONTINUED)

loan, in parallel with the amortisation of the financial instrument using the effective interest method, which means that the net result of reversing the accrual and amortising the financial instrument is zero in subsequent periods.

**Subsequent measurement**

Subsequent to initial recognition all trading and hedging financial assets and liabilities and all financial assets at fair value through other comprehensive income are measured at fair value.

The financial assets at amortised cost are measured at their amortised cost less accumulated impairment losses. Premiums and discounts are included in the carrying amount of the related instrument and are amortised. For detailed rules on the recognition of impairment of financial assets, see note 4 Risk management policy.

**Fair value measurement principles**

The fair value measurement principles, applied by the group, are described in Note 5.

**Gains and losses on subsequent measurement of FVTPL and FVOCI assets**

Gains and losses arising from a change in the fair value of trading financial assets and financial liabilities are recognised in the statement of profit or loss. Gains and losses arising from a change in the fair value of financial assets at fair value through other comprehensive income are recognised in the Fair value reserve, except for those designated as hedged items in qualifying fair value hedge relationships, where changes in fair value attributable to the risk being hedged are recognised in statement of profit or loss. Gains and losses arising from a change in the fair value of derivatives, designated as effective hedging instruments in a cash flow hedge relationship are recognised in the Cash flow hedge reserve. Any impairment loss on financial assets at fair value through other comprehensive income is recognised in the statement of profit or loss.

At derecognition the cumulated balance in the revaluation reserve needs to be transferred. In case of debt instruments the transfer needs to happen against the statement of profit or loss, and in case of the equity instruments designated as FVOCI, the cumulated revaluation is transferred to retained earnings.

**3.5.4 Changes to financial assets and liabilities**

When the group renegotiates a financial instrument, modifies its contractual terms or replaces it with a new financial instrument, it carries out an evaluation. On the basis of the valuation, if the renegotiated cash flows are materially different from the contractual cash flows of the original instrument, the original financial asset is derecognised and the renegotiated financial asset is recognised instead.

The group considers the following changes to be substantive, significant changes that result in derecognition accounting:

- Inclusion of a factor in the contract that violates SPPI criteria in the contract;
- Contract modification due to intervention by government authorities, or contract modification due to a natural disaster. These types of modifications are assessed by the Bank on a case-by-case basis to determine whether they are significant and thus require derecognition of the original exposure. The assessment of government actions for 2024-2025 is presented in Supplementary Note 6;
- Change in the currency of the financial instrument;
- Change in the debtor's identity;
- Change in the type of interest rate (fixed/variable);
- Change from non-revolving to revolving loan or vice versa;
- Commercial reason modifications, which change the basic parameters of financial instruments (e.g. maturity) by applying market conditions for customers who are not in financial difficulty and the contracts are to modify the cash flow of the contracts primarily to avoid the loss of existing customers of existing customers.

If the contract amendment is not a substantive change, the group will determine the reason for the contract amendment.

Contract amendments due to changes in credit risk:

- have been the result of a deterioration in the debtor's credit risk that has put in doubt the recovery of the amount lent,
- are designed to maximise the group's return and not specifically to increase the credit risk of the parties by rebalancing the cash flow conditions.

For contractual amendments resulting from changes in credit risk that are not substantive modifications, the group recalculates the gross carrying amount of the financial asset and recognises the difference between the new gross carrying amount and the gross carrying amount before modification as a gain or loss on modification in profit or loss.

The group derecognises a financial liability if its terms have changed and the cash flows from the modified financial liability are materially different.

The group considers the terms to be materially different if the discounted present value of the new cash flows, including fees paid net of fees received and discounted at the original effective interest rate, differs by at least 10 per cent from the discounted present value of the remaining transaction cash flows of the original financial liability.

In addition to the 10 per cent threshold, the group also considers the following amendments to be significant changes that result in derecognition accounting:

- Contract modification due to intervention of governmental authorities or contract modification due to natural disaster – These types of adjustments are assessed by the Bank on a case-by-case basis to determine whether they are significant and thus require derecognition of the original exposure. The assessment of government measures for 2024-2025 is presented in Supplementary Note 6;
- Change in the currency denomination of a financial liability;
- Exchange of debt instruments;
- A significant change in the maturity of the liability compared to the total maturity;
- Significant change in interest rate terms (e.g. fixed / variable).

## Notes to the financial statements (CONTINUED)

If the cash flows from the modified financial liability measured at amortised cost are not materially different from those before the modification, the modification does not result in derecognition of the original financial liability. In such a case, the group recalculates the amortised cost of the financial liability and recognises the difference between the new amortised cost and the amortised cost before the modification as a gain or loss on the modification in profit or loss.

### 3.6 Transactions in foreign currency

Foreign currency transactions are translated into the functional currency using the daily MNB exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss, except when deferred in equity as qualifying cash flow hedges.

### 3.7 Property, plant and equipment

The group applies the revaluation model for buildings and land owned and used by the group (together referred to as „Properties“). The group revalues the Properties at least every six months and carries them at a revalued amount equal to their fair value less any subsequent accumulated depreciation and any subsequent negative fair value losses.

At each revaluation date, the accumulated depreciation recorded is remeasured in proportion to the change in the gross carrying amount of the asset so that, following the revaluation, the carrying amount equals the revalued amount. The amount of the adjustment arising on the restatement or derecognition of accumulated depreciation forms part of the increase or decrease in the carrying amount.

For machinery and equipment that is not property, plant and equipment, the group measures its property, plant and equipment using the cost model, and such property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

### 3.8 Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation and accumulated impairment losses. Intangible assets are reviewed periodically and items which are considered to have no further value are impaired in full. The group has no intangible assets with an indefinite useful life.

### 3.9 Depreciation and amortisation

The depreciation of property, plant and equipment and intangible assets is determined on a straight-line basis, taking into account the expected useful life and the residual value.

For real estate, depreciation is based on the revalued gross value.

The annual rates of depreciation used are as follows:

	Depreciation Rate (%)
Buildings	2 – 6
Property rights	10
Office equipment	14.5 – 33
Hardware	25
Motor vehicles	20
Rental rights	10
Licenses	10
Software	20

The estimate of the useful life and residual value is reviewed each year at the balance sheet date and adjusted if necessary, and if there is an indication that they have changed.

### 3.10 Investment properties

The group's investment properties are buildings held for rental or capital appreciation, or both. The group carries investment property at fair value. Investment properties are valued periodically by an independent property valuation company in accordance with the applicable legislation. The valuation method used by the property valuation company complies with IFRS 13.

### 3.11 Impairment of non-financial assets

The group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If there is an indication of impairment that a non-financial asset (property, plant and equipment or intangible asset) is impaired, the asset's carrying amount is compared with its recoverable amount (the higher of the fair value less costs to sell and its value in use, being the net present value of estimated future cash flows expected to arise from the asset). The difference between the two comparisons is recognised in profit or loss. If circumstances no longer exist that indicate impairment and, as a result, the impairment loss is reversed, the increased carrying amount shall not exceed the amount at which the asset was carried before the impairment loss was recognised.

## Notes to the financial statements (CONTINUED)

**3.12 Loans and advances**

Loans granted by the group are included in financial assets at amortised cost and financial assets at fair value through profit or loss. Purchased loans that the group has the intent and ability to hold to maturity and that meet the SPPI criteria are classified as financial assets at amortised cost.

The group's exposures that do not meet the SPPI test and are required to be recognised as financial assets at fair value through profit or loss include the following:

- State subsidised loan types under the Family Home Loan Facility, where the contractual interest rate is quantified by adding a risk premium to a specified percentage of the average yields of the ÁKK other than one hundred percent. The group has classified the multiplier applied to the ÁKK average yield as leverage that is inconsistent with a core lending arrangement, and therefore the cash flows for these loan facilities are not classified by the group as interest-only payments on principal outstanding.
- With effect from September 1, 2025, Government Decree 227/2025 (VII.31.) on fixed 3% home loans provided under the Home Start program expanded the range of loan schemes financing home purchases to include loans for young people buying their first home. (VII.31.) on the FIX 3% home loan provided under the Home Start program, the range of loan schemes financing home purchases has been expanded to include a loan scheme supporting young people in purchasing their first home. The total market-based interest cost of the scheme consists of the interest subsidy paid by the state and the maximum 3% interest paid by the customer. The state's calculation logic used to determine the subsidy interest rate, which is based on the difference between the current market interest rate and the fixed customer interest rate, results in a leverage effect similar to that of the state-subsidized loans introduced earlier. In the group's opinion, this complexity of the interest rate structure cannot be considered as an interest payment based solely on the principal and its time value, as required by a basic loan agreement. In connection with this loan scheme, the method of determining the interest paid by the Hungarian state is aligned with the previously introduced state-subsidized loan types described above, and accordingly, based on the group's rating, they are also reported among loans to customers that do not pass the SPPI test.
- Baby Support Loans have been introduced as part of the Hungarian Government's Family Support Action Plan under Government Decree 44/2019 (III.12) on Baby Support. According to the regulatory framework in 2019, couples can get a state-subsidised loan of up to HUF 10 million under the scheme on condition that they have at least one child within five years. They will receive additional state support - in the form of loan debt relief - after the birth of the second child (30% relief) and the entire loan debt will be forgiven after the birth of the third child. The loan is interest-free for the borrower during the period of the interest subsidy, and individuals pay only a principal repayment and a guarantee fee to the budget. For the period of the State interest subsidy, the commercial interest rate to be paid by the central budget is the monthly weighted arithmetic average of the 5-year nominal government bond auction yields published monthly by the ÁKK, plus 110% of the average of the weighted average of the 5-year nominal government bond auctions held in the three calendar months preceding the publication, plus a fixed percentage point. The group has classified the multiplier applied to the average yield as leverage that is inconsistent with a core lending arrangement, and therefore the cash flows on the Baby Support Loans are not classified by the group as interest-only payments on principal outstanding.
- In 2025, the group introduced a worker loan scheme in line with Government Decree 372/2024 (XI.29.) on worker loans, as part of the Hungarian government's „New Economic Policy Action Plan.” The scheme is available to young people between the ages of 17 and 25 who are employed for at least 20 hours per week in Hungary, or to entrepreneurs who earn the average income of those employed for 20 hours per week and undertake to work or engage in entrepreneurial activity in Hungary for five years. The maximum amount of the freely usable, state-guaranteed loan is HUF 4 million, with a term of 10 years. The program also supports childbearing: repayment obligations are suspended for two years after the birth of the first two children, half of the current debt is waived upon the arrival of the second child, and the entire debt is waived upon the arrival of the third child. During the interest subsidy period, the loan is interest-free for the borrower; private individuals only pay the principal and a guarantee fee to the state budget. For the period of state interest subsidy, the transaction interest rate from the central budget is 110% of the weighted arithmetic average of the average yields on 5-year nominal maturity government bonds auctioned in the three calendar months preceding the publication, as published monthly by the ÁKK, increased by 1 percentage point. The group classified the multiplier applied by the ÁKK to the average yield as leverage that is inconsistent with a basic lending agreement, therefore, in the case of Workers' Loans, cash flows are not classified by the group as interest payments on outstanding principal only.
- The group also has exposures that were originated under the Hungarian Development Bank's program for small and medium-sized enterprises. For these facilities, the currency of the loan is not denominated in the same currency as the benchmark interest rate of the loan and therefore these special condition loans do not meet the SPPI test.

Loans granted by the group held at amortised cost are stated at amortised cost less any impairment for credit losses, which represents the amount expected to be recovered.

Purchased or originated impaired financial assets (POCI assets) are impaired on initial recognition. The initial recognition date of POCI assets is the date on which the contractual terms of the financial asset become binding on the group. The POCI classification remains on the group's books from initial recognition until derecognition, and no impairment stages are identified for these assets. For a more detailed description of the Stage classification, see Additional information 4.

The effective interest method is used to determine the income earned on loans and receivables measured at amortised cost during the financial year. The effective interest rate is determined for all loans and receivables individually. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts over the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or the amortised cost of the financial liability. All contractual cash flows, including fees and commission income, are taken into account in the calculation of the effective interest rate, as are potential premiums and discounts. Estimated future losses are not included in the calculation until the asset becomes impaired (Stage 3). Once impaired, the interest calculation is based on the gross carrying amount less the recognised losses. For POCI financial assets, interest income is determined using the loan adjusted effective interest rate. The result of this calculation is recognised in the income statement.

## Notes to the financial statements (CONTINUED)

**3.13 Provisions for impairment and loan losses**

In accordance with the group's accounting policies, the group reviews its portfolio of receivables at regular intervals and, if necessary, recognises an impairment loss based on expected credit losses. Increases or decreases in the value of financial assets carried at amortised cost are recognised in the income statement. For debt instruments measured at fair value through other comprehensive income, no impairment loss is recognised in the statement of financial position because the carrying amount of these financial assets is equal to their fair value. Impairment losses recognised on these financial instruments are recognised in the fair value reserve. Further details on the valuation of financial instruments are provided in chapter 4 Risk Management Policy.

**3.14 Leasing**

In accordance with the requirements of IFRS 16 Leases, the group assesses at the inception of each contract whether the contract is a lease or contains a lease. A contract is a lease or contains a lease if one party transfers to the other party, for consideration, the right to control the use of an identified asset for a period of time. In determining whether the group has the right to control the use of an identified asset under a contract, it applies the requirements of IFRS 16. The group adopted the EU endorsed IFRS 16 from 1 January 2019. Upon first application of the provisions of IFRS 16, the group has elected the modified retrospective application to its leases.

***The group as lessor***

Leases are classified as finance leases, whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the group's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant, periodic rate of return on the group's net investment outstanding in respect of the leases.

In the event of non-performance of the lease or other termination of the lease for other reasons, the repossessed assets are recorded in the books at the fair value of the underlying receivable and any impairment is recognised in the light of the market value of the asset. The group's inventory (including repossessed assets) is not significant.

For the lessors the recognition and measurement requirements of IFRS 16 are similar, as they were stated in IAS 17. The leases shall be classified as finance and operating leases according to IFRS 16 as well. The new leasing standard has no significant impact on the group as a lessor other than increased disclosure requirements.

***The group as lessee***

As a lessee, the group takes advantage of the option provided by the standard not to separate non-lease components from lease components but to account for each lease component and the related non-lease components as a single lease component.

The group, as lessee, recognises an asset right and a lease liability at the commencement of the lease term.

***Recognition of right-to-use assets***

The right to use an asset is recognised at cost, which comprises the following items:

- The initial recognition of the lease liability;
- Lease payments made on or before the commencement date, less any lease incentives received;
- Initial direct costs;
- Estimated costs associated with the dismantling, removal and restoration of the underlying asset to its original condition or to the condition required by the lease terms, unless those costs were incurred to produce inventories.

The group measures the right to use the asset after initial recognition using the IAS 16 cost model. Accordingly, it depreciates the right to use the asset over the lease term and recognises an impairment loss, if necessary, and adjusts it by remeasuring the lease liability.

The depreciation of asset-use rights is in line with the accounting rules presented for tangible fixed assets (see Supplementary Note 3.9)

The group presents rights to use assets on the same line item as it would present the underlying assets if it owned them.

The group, as a lessee, applies IAS 36 Impairment of Assets to determine whether a right-of-use asset is impaired and to recognise any identified impairment loss.

The group uses the following practical expedients provided by the standard:

- Apply a single discount rate to a portfolio of leases with similar characteristics;
- Adjusts the right-of-use asset at the date of initial application by the amount of the provision recognised in the statement of financial position for the leases with an adverse effect immediately before the date of initial application;
- Applies a simplified method for contracts maturing within 12 months;
- Excludes initial direct costs from the measurement of the right to use the asset;
- Applies a retrospective approach, for example, in determining the lease term if the contract contains an option to extend or terminate the lease.

## Notes to the financial statements (CONTINUED)

**Recognition of lease obligations**

At the inception of the lease, the group measures the lease liability as the present value of the unpaid lease payments up to that date.

The lease payments included in the lease liability at the commencement date consist of the following amounts due for the right to use the underlying asset during the lease term that have not been paid by the commencement date:

- Fixed charges less lease incentives due;
- Variable lease payments, which are dependent on an index or rate, with an initial valuation based on the index or rate at the commencement date;
- Amounts expected to be paid by the lessee under residual value guarantees;
- The exercise price of the call option if the lessee is reasonably certain to exercise the option;
- Termination penalties if the lease term reflects the exercise by the lessee of a lease termination option.

As the implicit interest rate on transactions cannot be determined, the group uses the incremental interest rate allowed by the standard for discounting purposes, which is based on the group's FTP (funds transfer price) and represents, for practical purposes, the group's cost of funds at each date, and is therefore applied to the individual contract maturity dates without further transformation. The FTP faithfully reflects the group's cost of funds in each currency at each date, and the cost of funds is equivalent to the interest rate that the group would pay in a similar economic environment, for a similar term and with similar collateral, to borrow the funds that would be required to acquire an asset of similar value to its right-of-use asset.

In subsequently measuring the lease liability, the initial measurement shall be increased by the amount of interest earned on the liability and decreased by the amount of lease payments made (plus or minus) the amount recognised in remeasuring the liability.

The group presents lease liabilities under other liabilities.

The group applies the recognition exceptions set in the standard, so that lease payments related to leases with a short term (less than 12 months) and low value (less than EUR 5,000, HUF 2 million at the balance sheet date exchange rate, HUF 1.9 million for contracts denominated in HUF) underlying assets (such as office equipment, telephones and other business administration equipment used in the group's operations) are recognised directly in profit or loss over the term of the lease.

In the statement of cash flows, payments relating to the principal and interest portions of the lease liability are classified as financing activities, and payments relating to short-term leases, leases of low-value assets and variable lease payments not included in the valuation of the lease liability are classified as operating activities.

**3.15 Deposits from banks and customers**

Deposits are cash amounts, accepted by the group from other banks and its customers, and they serve as funds to the active side of the business. Deposits are initially measured at fair value, and subsequently at their amortised cost. The group does not classify or designate any deposits as financial liability at fair value through profit and loss.

**3.16 Issued debt securities and subordinated liabilities**

The group classifies its financial liabilities measured at amortised cost as bonds and subordinated liabilities issued, which are initially measured at issue value less transaction costs attributable to the transaction and subsequently measured at amortised cost using the effective interest method.

In the statement of financial position, the group presents issued bonds and subordinated liabilities as separate line items within liabilities.

UniCredit Jelzálogbank Zrt.'s primary source of funds is generated from the issuance of mortgage bonds. Mortgage bonds are secured bonds. The Mortgage bank may issue such bonds only if it has sufficient collateral, which may include independent mortgage rights and other securities such as government bonds and treasury bills.

The group has issued senior non-preferred (SNP) unsecured bonds with special features to meet the MREL (minimum requirements of own funds and eligible liabilities) requirements, starting from November 2021. The bonds have not been admitted to trading on a regulated market. The SNP bonds issued in 2022 and 2023 had the same issue value and face value.

On 29 November 2023, the group issued a Tier 2 bond with a nominal value of EUR 135 million, which qualifies as an additional Tier 2 capital instrument under Article 63 of Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR Regulation).

Details of the bonds issued and subordinated liabilities are disclosed in Note 30.

**3.17 Equity elements****3.17.1 Statutory reserves****General reserve**

In accordance with Section 83 of Hungarian Act No. CCXXXVII of 2013, a general reserve equal to 10% of the net post tax income is required to be made in the Hungarian statutory accounts. The general reserve is set aside to offset potential future losses according to Hungarian Accounting and Banking Rules. Increases in the general reserve are treated as appropriations from retained earnings and are not charged against income.

## Notes to the financial statements (CONTINUED)

**3.17.2 Revaluation reserves**

Valuation reserves are part of equity. In accordance with IFRS principles, valuation reserves include only cash flow hedge reserves, reserves for assets measured at fair value through other comprehensive income and assets accounted for using the revaluation model, less deferred taxes.

**3.18 Derivative financial instruments**

The group uses the following derivative financial instruments: futures, interest rate swaps, options, forward rate agreements and spot and forward foreign exchange contracts to manage its exposure to foreign exchange, interest rate and market risks arising from operational, financing and investment activities.

The recognition of income/expenses relating to non-hedge derivative transactions are on a mark-to-market basis, and changes in value are immediately recognised in the statement of profit or loss.

Quantitative information on the hedging derivatives is presented under Note 41.

The identification of embedded derivatives always originates from a non-derivative host contract. A derivative embedded in a complex instrument (hybrid contract) is said to be embedded when part of the cash flows of the host contract behaves in a manner similar to stand-alone derivatives. This is because the embedded derivative makes (part of) the cash flows from the host contract dependent on underlying variables.

The group accounts for the embedded derivative separately from the host contract in the following cases:

- the host contract is not an instrument within the scope of IFRS 9;
- The host contract itself is not carried at FVTPL;
- the terms of the embedded derivative would meet the definition of a derivative if it were a separate contract;
- and the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

There are currently structured deposits on the group's books that include embedded derivatives. The group carries its deposits at amortised cost and the embedded derivative is separated from the deposit. The group measures embedded derivatives at fair value and changes in fair value recognised in the income statement.

**3.19 Financial Guarantees**

Financial guarantees are contracts that require the group to make specified payments to reimburse the holder for a loss that incurs because a specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. The group normally issues either short-term guarantees, with an initial payment, or long-term guarantees, for which it receives regular fee income. Financial guarantees are reviewed monthly, and a provision is created in the amount of any expected payment. These provisions are included within liabilities in the line Provisions (details of the expected loss model are described in note 4).

**3.20 Interest receivable calculated using the effective interest method, other interest and other interest-related income, interest payable**

Interest income and interest expense calculated using the effective interest method are recognised continuously over the life of the financial instrument.

The effective interest rate is determined separately for each financial instrument. In determining the effective interest rate, all contractual cash flows are taken into account, including commissions and management fees, as well as any premium and discount. However, probable future losses are not taken into account until the asset becomes impaired (Stage 3). Once impaired, the interest calculation is based on the gross carrying amount less the recognised losses. For POCl financial assets, interest income is determined using the loan adjusted effective interest rate.

The group recognises interest income or interest expense calculated using the effective interest method on loans and advances, bank overdrafts, securities measured at amortised cost, securities measured at fair value through other comprehensive income, and liabilities to financial institutions, customer funds and securities issued.

The group recognises other interest and similar income and interest expense on interest rate swaps (IRS, CIRS) designated as hedges of the risks directly associated with its activities and on its financial instruments (trading securities and loans designated at fair value through profit or loss).

The group also distinguishes between its derivative financial instruments (hereafter referred to as liquidity hedging FX swap derivatives) that are entered into to hedge short-term foreign exchange liquidity needs arising from financial instruments in the group's books but are not designated as hedging instruments. For these derivative financial instruments, a portion of the change in fair value recognised in profit or loss (the effect on the foreign currency swapped of the difference between the spot rate at the time of the transaction and the forward rate fixed in the transaction) is recognised separately from the change in fair value of the FX swap derivatives held for trading, as determined by the group, in line Other interest and similar income and Interest expense and similar charges, depending on its sign, in line Interest expense and similar charges, as well as Interest expense and similar charges, as determined by the group. The reason for treating this exchange rate difference as interest is that it is recorded on a pro rata basis over the life of the transaction in Other interest and similar income or Interest expense and similar charges.

The portion of the change in the fair value of FX swap derivatives for liquidity hedging purposes that the group does not recognise in the income statement in the same line as trading FX derivatives in the same line as other interest and similar income or in the same line as interest expense and similar charges is recognised in the income statement in the foreign exchange result.

Interest expenses also include interest recognised in relation to IFRS 16 leasing transactions.

## Notes to the financial statements (CONTINUED)

**3.21 Dividend income**

Dividend income is recognised in the statement of profit or loss on the date that the group's right to receive payment has been established.

**3.22 Commission income and expenses**

Commission income and expenses that are not part of the calculation of the effective interest rate on financial instruments carried at amortised cost are accounted for in accordance with IFRS 15.

Commission income includes the income from fee and commission-based services, and commission expenses include the commission and fee expenses for third-party services related to the group's fee-based services.

The group recognises fee and commission income when the performance obligation for the service has been satisfied, the service has been rendered, the customer has obtained control of the asset and the consideration for the service has been received or is probable to be received. For services where the group transfers control of the asset on an ongoing basis and thereby satisfies the performance obligation on an ongoing basis, revenue is recognised on an accruals basis. Fees and commissions charged by the group typically relate to payment services, account management, investment services, custody services and documentary services and are detailed in note 8.

**3.23 Foreign exchange result and Net result on financial assets held for trading**

The group includes foreign exchange gains and losses arising from the settlement of foreign currency denominated transactions and from the revaluation of financial assets and liabilities denominated in foreign currencies in the foreign exchange result. Net foreign exchange result and net result on financial assets held for trading also include the net results of interest rate swaps not designated as hedges, forward rate agreements and gains and losses on sales and changes in fair value of financial instruments held for trading carried at fair value, except for FX swap derivatives designated as liquidity hedges - included in the item 3.20 - recognised in Other interest and similar income or Interest expense and similar charges.

**3.24 Net result on hedge accounting**

The group includes in the net results of hedge accounting the gains and losses arising from changes in the fair value of derivative contracts designated as hedges to hedge exposure to changes in the fair value of assets or liabilities and gains and losses arising from changes in the fair value of hedged transactions that are designated as hedged risk.

**3.25 Result on non-trading financial instruments**

Net result on non-trading financial assets includes the gains and losses realised on the derecognition of non-trading assets and equity investments, as well as gains and losses on the sale and changes in the fair value of financial instruments designated at fair value through profit or loss.

**3.26 Taxation**

Income tax on the profit or loss for the year consists of current and deferred tax.

The group classifies corporate income tax, local business tax and innovation contribution as income tax in accordance with IAS 12.

Current tax liabilities (tax assets) for the current and prior periods are measured at the amount expected to be payable to (or recoverable from) the tax authority, using tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The profit for the year is adjusted according to the relevant tax regulations to calculate the taxable income.

The corporate income tax base is different from the local business tax and the innovation contribution.

The group applies a temporary mandatory exemption from the deferred tax effect of the additional tax regulated under the global minimum tax regime, recognising the additional tax as current tax in the year in which it is incurred.

Deferred tax is provided using the balance sheet method, in respect of which temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes are recognised in full. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the difference between the carrying amounts of assets and liabilities in the IFRS statement of financial position and in the balance sheet for local tax purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax losses and credits can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The group offsets its deferred tax assets and deferred tax liabilities against each other only if it has a legally enforceable right to set off its current tax assets against its current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority and on the same taxpayer.

## Notes to the financial statements (CONTINUED)

**3.27 Share-based payments**

The group is part of several incentive programmes operated by UniCredit S.p.A, applying the requirements of IFRS 2 “Share-based Payment”, stock options not provided.

The group provides a share-based payment to certain of its employees, which is accounted as cash-settled share-based payment as it is not provided from its own funds and instead from the parent company.

The fair value of a cash-settled share-based payment, the services acquired, and the liability incurred are measured at the fair value of the liability.

The fair value of the liability, as long as it has not been settled, is revalued on each balance sheet date, and all changes in the fair value are recorded in the income statement. The result of the revaluation is recognised in the income statement under personnel expenses.

The share-based payments are not material in group’s accounts.

**3.28 Events after the reporting date**

Events after the reporting date are those events, favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. These events fall into two categories: those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

All adjusting events after reporting date have been taken into account in the preparation of the consolidated financial statements of the group. Events after the balance sheet date are disclosed in note 50.

**3.29 New standards and interpretations****The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2025.**

New and amended standards and interpretations issued by the IASB and adopted by the EU that are effective from the current reporting period:

- **IAS 21 “The Effects of Changes in Foreign Exchange Rates.”** Amendments to IAS 21 – Non-convertibility and Estimation of Spot Exchange Rates (effective for annual periods beginning on or after 1 January 2025),

The group believes that the adoption of these standards and amendments to existing standards did not have a material impact on the group’s consolidated financial statements.

**Standards and interpretations issued by the IASB and not adopted by the EU**

IFRSs adopted by the EU do not currently differ significantly from regulations adopted by the International Accounting Standards Board (IASB), except for the following new standards, amendments to existing standards and new interpretations that have not yet been adopted in the EU at the date of issue of the financial statements:

- **IAS 21 “The Effects of Changes in Foreign Exchange Rates.”** Amendments to IAS 21 – Translation to a Hyperinflationary Presentation (effective for annual periods beginning on or after 1 January 2027),
- **Amendments to IFRS 9 and IFRS 7 Financial Instruments and Financial Instruments: Disclosures** – Amendments to Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026),
- **“Annual improvements to IFRS Accounting Standards – Volume 11”** – Modifies five standards (IFRS1, IFRS 7, IFRS 9, IFRS 10 and IAS 7) as a result of the annual improvement project of the IASB (effective for annual periods beginning on or after 1 January 2026)
- **IFRS 18 “Presentation and disclosure in financial statements”** – will replace IAS 1 Presentation of financial statements (effective for annual periods beginning on or after 1 January 2027).
- **IFRS 19 Subsidiaries without Public Accountability: Disclosures** – which aims to simplify disclosures by certain subsidiaries (effective for annual periods beginning on or after 1 January 2027).

**IFRS 18** will replace IAS 1 Presentation of Financial Statement and applies for annual reporting. The new accounting standard introduces the following key new requirements.

- group is required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, the group is required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The group is still in the process of assessing the impact of the new accounting standard, particularly with respect to the structure of the group’s statement of profit or loss, statement of cash flows and the additional disclosures required for MPMs. The group is also assessing the impact on how information is grouped in the financial statements, including items currently labelled as ‘other’.

## Notes to the financial statements (CONTINUED)

## 4 Risk Management Policies

### 4.1 Risk strategy and risk management policies

The group elaborated risk strategy, risk management principles and policies in line with prudential requirements. As member of UniCredit Group the group applied UniCredit Group's risk management-principles and implemented into group's processes. The risk principles and strategies are approved by the Management Board. The Management Board receives regular reports on the risk composition and evolution of the Bank's portfolio, on the basis of which it assesses the implementation of the risk strategy.

Based on the risk strategy group elaborates yearly "Risk appetite" documentation for next year in line with UniCredit Group's framework, in which target figures are identified for several risk types. group elaborated risk management processes (identification, measurements and strict monitoring of risks) based on risk strategy and principles, to identify, measure, monitor, manage and mitigate risk.

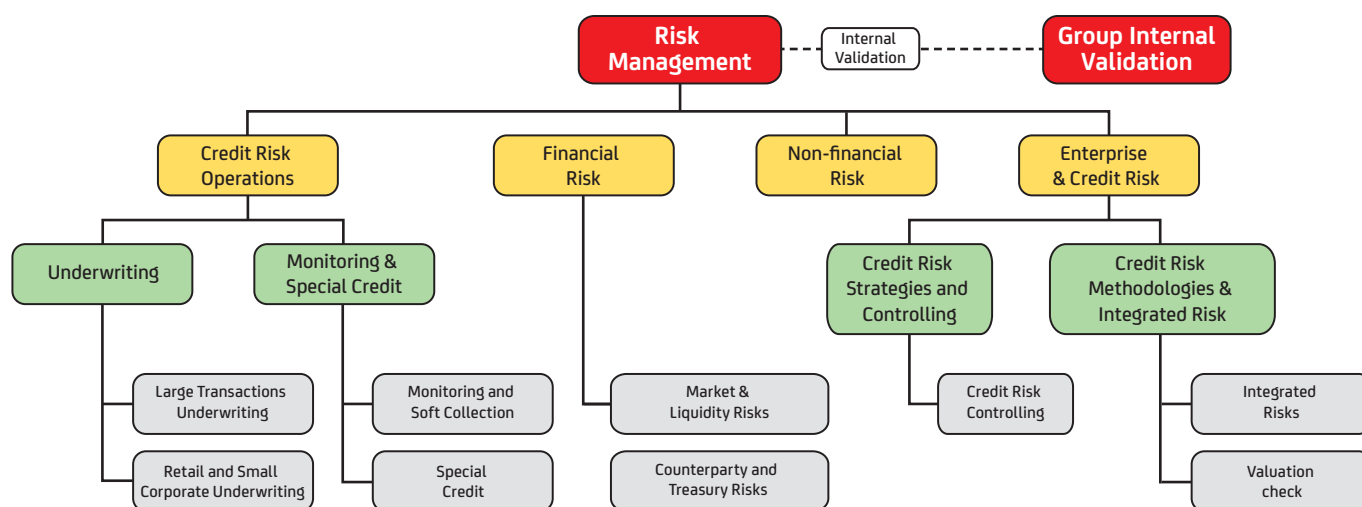
The group has also established risk committees to monitor, manage and take decisions on risks:

- Operational Credit Committee (meets regularly, twice a week)
- CEO Credit Committee (meets regularly, twice a week)
- Financial Risk Committee (FRC), which deals with ALM, liquidity and market risk (meets regularly, once a month)
- Non-Financial Risk & Control Committee (NFRCC), which deals with operational and reputational risk, the internal control system operated by Compliance and Internal Audit, as well as ICT, cyber security and business continuity issues (meets regularly, quarterly)
- Risk Underwriting and Risk Management Committee (meets as required, but at least quarterly).

The permanent members of the Risk Committees are the managers at the appropriate level in the areas concerned, who are thus directly informed of risks, i.e. the group's risks are continuously monitored, assessed and, where necessary, intervened by senior management.

### 4.2 Risk Management Division

The group's risk management processes cover all the group's organisational units; and within this, the Risk Management Division plays a key role. The Division is organisationally completely separate from the business areas, the Head of the Division is a member of the Management Board and reports directly to the CEO. The structure of the Risk Management Division is shown in the figure below:



The main tasks and responsibilities of each area of the Risk Management Division are:

**Underwriting** is responsible for preparing risk statements for standard and watch list rated corporate and retail clients, reviewing credit referrals, making decisions on credit referrals within its competence, monitoring credit decisions within its business competence, assessing early warning signs and recommending reclassifications. Through these activities, Underwriting continuously and timely identifies and proposes to address risks at the client or client group level. It provides input to the development of the risk management strategy and contributes to the implementation of the underwriting strategy and policy. It will provide input to the development of risk management for the introduction of new products and services and modifications to existing products and will also play a proactive role in projects and initiatives aimed at simplifying the credit process.

The **Monitoring and Special Credit** area is responsible for reducing the risk and potential loss of the performing loan portfolio by early detection and proactive management of credit deterioration, and for the management of problematic receivables. It develops and implements an action plan to manage loans and minimise losses through restructuring and work-out activities. Provides input to the development of risk management plans for the introduction of new products, services and processes and for modifications to existing products and processes.

**Enterprise & Credit Risks** is responsible for providing regular, ad hoc internal and external information on the portfolio, as well as coordinating the provisioning and impairment accounting and the preparation of related reports on a monthly and quarterly basis. The area is responsible for credit risk

# Notes to the financial statements (CONTINUED)

governance framework, credit risk strategies, lending rules and processes, ensuring compliance with the Basel rules in the area of credit risk, developing local models for estimating risk parameters and coordinating the implementation of group-wide models. The department is also responsible for the overall tasks related to the group's internal capital adequacy and the valuation of real estates and credit risk control framework i.e 2nd level controls for credit risk processes.

**Internal Validation** is responsible for preparing independent validation activities in accordance with group policies and external regulations according to the validation plan in the following areas: model validation, IT validation, data validation, process validation, validation of reporting systems (reports), validation of risk mitigation techniques (CRM).

**Non-Financial Risks** ensures compliance with legal and group-wide rules on operational and reputational risks and coordinates the work of operational risk network. Application Fraud Management activity for retail and small business clients is also performed.

**Financial risk management** tasks include the continuous monitoring of market, liquidity and counterparty risks, the preparation of related risk reports and their submission to decision-making forums.

The group's most significant business risks are credit risk, liquidity risk, market risk (including interest rate and foreign exchange risk) and operational risk.

## 4.3 Credit risk

Credit risk is the risk of financial loss occurring as a result of a default by counterparty in their contractual obligation to the group. Credit regulations including the approval process, portfolio limit concentration guidelines, approval of discretionary limits, formulation of standards for the measurement of credit exposures and the risk rating of clients based on the assessment of management quality and financial statements, are submitted, as well as the definition of eligible collaterals and the rules of their valuation by the Credit Risk Officer and approved in general by the Management Board, in details by the Chief Executive Officer. The main elements of credit risk mitigation are the understanding and prudent management of the counterparties involved in a financial transaction, the collateral they provide, and the risks of the transaction.

### 4.3.1 Debtor rating

Before establishing of lending relationship group prepares a debtor rating, while group knows client (group) credibility in a detailed way. Clients are classified at least yearly based on a rating system, which incorporates qualitative and quantitative factors, watching signs and external ratings. In case of retail clients, the classification is done at the time of loan application and afterwards on a monthly basis based on scorecards.

The group applies a rating master-scale consisting of 26 notches within 10 rating classes, thereof three notches serve for the defaulted customers, the others for the performing ones. Ratings refer to the probability of default (PD) according to the master-scale, which is in case of defaulted clients 100%.

### 4.3.2 Collateral

Principles and methods for the valuation of collateral securing the transactions of the group involving risk-taking, as well as certain legal stipulations affecting the collateral applied by the group and the principles for the monitoring of collateral are set out in the collateral valuation rules.

General principle is that the collateral:

- shall be legally binding and recoverable;
- shall be directly accessible and;
- appropriate to be liquidated in time.

The group accepts and registers in its system the following types of collateral:

- Financial collateral held at own bank;
- Financial collateral held with other institutions;
- Insurance;
- Personal collateral – direct;
- Personal collateral – indirect;
- Credit derivatives;
- Real estate collateral;
- Assignment of revenue;
- Assignment of receivables, pledge on receivables;
- Movable property collateral;
- Other collateral.

According to Hpt. 99§ group does not accept

- a) self-issued securities representing membership rights, including shares in cooperatives;
- b) securities representing membership rights that have been issued by an enterprise with close links to the credit institution, including shares in cooperatives;
- c) the shares of a limited company that is controlled by an enterprise – holding a qualified majority as defined in the Civil Code - with close links to a credit institution that is subject to supervision on a consolidated basis.

The group generally does not accept securities issued by client or member of client group as collateral with value.

Collateral has to be connected to deals per contract. As general rule group connects every collateral to every deals.

## Notes to the financial statements (CONTINUED)

Base value for collateral valuation could be:

- a.) market value in case of reliable active market,
- b.) value based on independent appraisal, if there is no reliable active market for this collateral type.

**Market value:**

In case of real estate market value can be only market value calculated by appraisers accepted by the group.

In case of other collateral type market value is:

- listed value (vehicles, works of art, ships, aircraft);
- stock market price in case of product listed on stock exchange;
- in case of other products value based on appraisal

The basis for the valuation of collateral is the market value adjusted by the following factors:

- Collateral haircut: a percentage showing the expected loss (in%) of the market value in case of realisation of the collateral. Haircut is separately defined for every collateral type,
- Currency haircut: in case of mismatch between the currency of the loan and that of the collateral, the group applies currency haircut to take into account currency risk,
- Maturity haircut: maturity mismatch occurs on exceptional basis, if the term of the collateral/collateral agreement is shorter than that of the agreement for the commitment. In such cases a haircut must be applied.

The correlation between collateral value and debtor rating mustn't be high. The correlation is high if it is more than 50%.

The group is continuously monitoring existence, value and enforceability of collaterals, frequency of monitoring is based on type of the collateral. The value of real estate shall be reviewed regularly, in compliance with the legal provisions: at least once a year for non-residential real estate and once every 3 years for residential real estate. In case of residential real estate, the group applies statistical revaluation.

The price/value of financial collateral is updated daily in the collateral system.

Eligibility of guarantees and surety is subject to proper evaluation of the guarantor according to the respective internal rules.

**4.3.3 Loan classification, Impairment**

Since 1 January 2018 the loan-loss provision calculation is based on the IFRS 9 standards in case of those financial instruments where credit risk could be occurred.

According to the accounting and the regulatory requirements the provision calculation is based on the expected credit loss approach. At the reporting date the financial instrument should be evaluated with the 12 months expected credit loss if significant increase in the credit risk of the unit cannot be observed since the initial recognition. If the credit risk increases significantly full lifetime expected credit loss recognized in the profit and loss calculation and in case of the purchased or originated credit impaired assets (POCI) as well. Mathematical/Statistical approach defined for the lifetime parameter estimations considering the characteristics of different sub-portfolios and the changes of the observed default rates. In line with the UniCredit Group approach the lifetime probability of default curves is segmented based on the rating grades – the rating grade profile derived from the internal rating scales used by the UniCredit Hungary.

According to the IFRS 9 standards the current and expected macroeconomic trends are taken into account as well, meaning that the first several years of the lifetime PD profiles are adjusted with the forward-looking information. This PIT rescaling factor – delivered by the UniCredit Group – is denoted the forward default rates and utilized to adjust the estimated TTC PD curves to reflect the short-term macroeconomic impacts. After the PIT adjustment the so-called punctual PD curves are calculated on transaction level combining with the regulatory/managerial probability of defaults.

According to the IFRS 9 standards the group evaluates, on a monthly basis, whether the credit risk has significantly increased since the initial recognition or not in case of financial assets where credit risk is relevant. Based on the UniCredit Group Guidelines both quantitative and qualitative triggers could be considered during the valuation. The quantitative approach is based on the comparison of the one-year IFRS 9 probability of defaults related to the origination date and the current one: if the probability of default of the financial asset is higher than the PD threshold – estimated by a statistical model – then significant increase is assessed. The sub-portfolio characteristics are considered as well, when the statistical parameters are estimated.

In addition to this approach, qualitative information is also considered. With reference to the quantitative component of the stage allocation model, the group has adopted a statistic approach, whose goal is to define a threshold in terms of maximum variation acceptable between the PD measure at the disbursement and the one at the reference date. In this regard, in the context of the revision of IFRS9 framework, a new staging framework, aiming to make staging and provisioning more consistent with economic expectations, has been implemented during first half of 2024. In November of 2025, the model was re-estimated on a simultaneously expanded database, resulting in new threshold values.

According to the UniCredit Group approach and the recommendations of the Central Bank of Hungary the following qualitative triggers are considered:

- 30 days past due
- Restructuring: Restructuring is to be considered distressed (and thus resulting in a default event) in case of restructuring of principal and interest which is necessary because of the client's poor financial situation, and which results in a certain degree of debt forgiveness (that of principal, interests or fees, deferred payments), i.e. if the net present value of the loan is negatively affected by the restructuring, and if without the restructuring the customer would have got defaulted with high probability. Restructuring or re-aging for business considerations (e.g., the adjustment of the repayment schedule to the cash flow of the client) does not constitute a default signal.
- Clients on watch list. Regulation on monitoring activities cover early warning signals of increase of credit risk published by Central Bank of Hungary.

## Notes to the financial statements (CONTINUED)

- Special treatment on performing clients.
- According to the recommendation of the Central Bank of Hungary those commitments have to be considered as well where the loan to value (LTV) is higher than 95% and the loan start day is after 1st January 2015.

With the consideration of the significant increase of the credit risk the group is classifying the performing portfolio into three stages in terms of risk and performance/non-performance:

- **Stage 1** – All financial assets where credit risk is relevant and significant increase of the risk has not been observed since the initial recognition are assigned to the stage 1 portfolio. With respect to the IFRS 9 standards 12 month expected credit loss is calculated in case of the stage 1 portfolio. At the initial recognition except in case of POCI assets financial instruments are assigned to the stage 1 portfolio.
- **Stage 2** – All financial assets where credit risk is relevant and a significant increase in credit risk has been identified since the initial recognition due to the aforementioned reasons are shifted to the stage 2 portfolio. With respect to the IFRS 9 standards lifetime expected credit loss is calculated in case of the stage 2 portfolio.
- **Stage 3** – This portfolio includes non-performing financial instruments. For these financial instruments, the group recognizes impairment based on the expected loss over the life of the instrument in accordance with IFRS 9.
- **POCI** – The group classifies in POCI assets those purchased or originated financial assets that are impaired at inception (i.e. meet the definition of non-performing). POCI assets are initially recognised at amortised cost less impairment (life expectancy loss) and are subsequently carried in the statement of financial position at amortised cost using the credit-adjusted effective interest rate. On subsequent measurement, the cumulative changes in the lifetime expected credit losses since initial recognition are recognised in profit or loss as impairment gains or losses on POCI assets.

For those financial instruments where the group was not able to identify a significant increase in credit risk based on existing quantitative information, the group considered whether the financial product was in the recommended or not recommended category on the basis of the rating scale when determining the stage 1-2 rating.

#### 4.3.4 Non-performing exposure

Non-performing exposures are those that satisfy either or both of the following criteria:

- The group believes that it is probable that the counterparty will not fully discharge its credit obligations to the group's parent or a subsidiary unless the group recovers the collateral by way of a clawback;
- The counterparty has a significant credit obligation to the group, its parent or any of its subsidiaries that is past due for more than 90 days. The group has determined the extent of a significant obligation as follows:
  - For retail customers and micro-enterprises: an amount equal to EUR 100 (fixed limit) and 1% of the higher of the group's gross receivables from the customer calculated on the balance sheet excluding exposures to which the group has an ownership interest
  - For small, medium and large corporate customers: the higher of EUR 500 (fixed limit) and 1% of the group's gross exposures to the customer calculated on the balance sheet excluding exposures to which the group has a participation (relative limit).

#### Calculating days overdue

From a default point of view, the counting of days past due starts when the amount of overdue debt (due in respect of the principal amount of the loan, interest payable or any other type of fee due), according to the current, possibly modified, maturity schedule, exceeds the above thresholds. If, within 90 days prior to the occurrence of the 90-day default event, the amount of arrears falls below the materiality thresholds set out above, the counting of days past due shall stop and be reset. The counting of default days shall restart if the amount of overdue debt subsequently exceeds the materiality thresholds again. A 90-day overdue default event is considered to have occurred once the number of days overdue exceeds 90 days without interruption.

In the practice of the group non-performing, default and stage 3 definition are the same.

The IFRS 9 loss given default (LGD) parameters are derived from the managerial LGD parameters combined with the following adjustments to suit the IFRS 9 standards:

- Removing the downturn components.
- Removing the indirect costs.
- Removing the margin of conservatism add-ons.
- PIT adjustments have to be considered as well.
- Considering all the available collateral.
- The discounted value based on the effective interest rate (EIR).

With respect to the modelling of the exposure at default (EAD), a differentiation is made between products with and without contractual cash flows.

The EAD for products with contractual cash-flow is based on the managerial EAD parameters with the following adjustment with respect to the IFRS 9 standards:

- Removing the downturn components.
- Removing the margin of conservatism.

The EAD for products without contractual cash-flow is determined by the managerial EAD parameters extended to a multi-year horizon - Lifetime Credit Conversion Factor (LCCF) is calculated.

On the other hand, several factors affecting the cash-flow which ones are considered, for example the prepayment risk.

#### 4.3.5 Incorporation of forward-looking information

According to the IFRS 9 standards the forward-looking macroeconomic information was considered in the loan-loss provision calculation. The group incorporates forward-looking information in the IFRS 9 PD and LGD parameters using so-called delta parameters. The delta parameters are calculated

## Notes to the financial statements (CONTINUED)

centrally by UniCredit Group using so-called Satellite models and are applied locally, the resulting delta parameters are applied to the underlying default rate for the PD parameter and to the underlying rate of return for the LGD parameter. The ratio indicators provided by UniCredit Group ensure the weighting of the scenarios in the expected loss calculation.

**Baseline scenario**

The baseline scenario indicates modest GDP growth in 2025, primarily influenced by the increased tariffs imposed by the United States on imports originating from the EU. Despite the challenges these tariffs pose for global trade and supply chains, strong corporate and household balance sheets are expected to support continued positive economic growth in both the U.S. and Europe.

Inflation is expected to rise as tariffs are fully passed on to consumers, while central banks remain cautious in their monetary policy responses to the changing economic environment. Monetary policy adjustments—particularly by the ECB—are under consideration as downside risks to growth and inflation forecasts materialize, suggesting the need for a quicker return to a more neutral policy stance.

A number of risks remain on the horizon, including geopolitical tensions, the impact of the upcoming U.S. election results, and volatility in commodity prices. In addition, uncertainties surrounding trade relations may hinder broader economic prospects. The current scenario assumes that only part of U.S. President Donald Trump's program will be implemented, and that ongoing tariffs may restrain global manufacturing activity, influence trade sentiment, and undermine future investment plans.

BASELINE SCENARIO	2025	2026	2027	2028
Real GDP, yoy% change	0.55	2.36	1.87	2.41
Inflation (CPI) yoy, eop	3.74	5.10	4.10	2.70
Inflation (CPI) yoy, average	4.51	3.99	4.60	3.40
Monthly Wage, nominal EUR	1,768.73	1,957.87	2,051.36	2,140.93
Unemployment rate, %	4.32	4.37	4.20	4.00
Exchange rate / euro, eop	393.00	403.00	405.00	411.00
Exchange rate / euro, average	399.06	397.08	404.00	408.00
Short term rate, eop	6.25	6.25	5.75	5.00
Short term rate, average	6.48	6.25	6.00	5.38
Long-term interest rates 10y (%)	6.74	6.44	6.35	6.34

**Positive scenario**

In this scenario, a series of favorable global and domestic developments elevate global growth and euro area activity above baseline projections. The cumulative GDP growth in the Eurozone is expected to be 1.5 pp higher over 2026-2028, driven by a de-escalation of geopolitical tensions, improved trade conditions, and increased consumer and business confidence.

The stability provided by a durable peace agreement in the Middle East and a sustained ceasefire between Russia and Ukraine reduces uncertainties, fostering a more predictable international environment. This leads to stronger business and consumer confidence, which in turn drives higher private consumption and investment, particularly in capital goods and housing.

Continued job creation and wage growth enhance household income and consumption, contributing to a robust labor market. Financial market optimism prevails as equity valuations and corporate financing conditions improve, supported by stronger earnings prospects and reduced risk premia. Mildly higher inflation dynamics arise from stronger domestic demand, prompting only limited monetary tightening. Furthermore, an accelerated deployment of a multi-year defense investment plan in the EU, particularly in Germany, aims to modernize infrastructure and cybersecurity, acting as a catalyst for domestic demand and creating positive spillovers into related sectors.

In the CEE region, GDP growth is projected to rise by 2-2.5% percentage points above baseline projections, particularly benefiting export-oriented countries like the Czech Republic, Slovakia, Hungary, and Slovenia due to revived industrial output and foreign investment inflows. In Hungary policy interest rates are expected to remain stable or slightly decrease, while exchange rates stay broadly stable against the euro, supported by favorable economic conditions.

## Notes to the financial statements (CONTINUED)

POSITIVE SCENARIO	2025	2026	2027	2028
Real GDP, yoy% change	0.55	3.36	2.67	2.91
Inflation (CPI) yoy, eop	3.74	5.60	4.60	2.90
Inflation (CPI) yoy, average	4.51	4.49	5.10	3.60
Monthly Wage, nominal EUR	1,768.73	1,972.55	2,067.46	2,147.97
Unemployment rate, %	4.32	4.17	4.04	3.90
Exchange rate / euro, eop	393.00	403.00	405.00	411.00
Exchange rate / euro, average	399.06	397.08	404.00	408.00
Short term rate, eop	6.25	6.25	5.75	5.00
Short term rate, average	6.48	6.25	6.00	5.38
Long-term interest rates 10y (%)	6.74	6.44	6.35	6.34

**Adverse scenario**

In this scenario, we anticipate a renewed intensification of trade tensions as trading partners fail to adhere to agreements made with the White House. This escalation leads the US Administration to raise tariffs to levels above those previously announced, remaining in effect throughout the forecast period. A tit-for-tat with China pushes tariffs above 100% on both sides, effectively halting bilateral trade and adversely impacting global trade, supply chains, capital expenditures, and labor markets.

The rising geopolitical tensions in the Middle East and Ukraine exacerbate these challenges, preventing oil prices from decreasing, which contributes to inflation pressures in the short term. However, weaker economic activity ultimately drives disinflationary forces in the medium term, as demand decreases. The USD is expected to weaken compared to the baseline due to resulting uncertainties and shifts in financial flows. As a result, eurozone activity is projected to contract by -0.5% in 2026, with a deeper recession of -1.1% in 2027. This leads to a cumulative hit to GDP growth of approximately 4.8pp. The US economy, while impacted, shows slower growth at 0.9% in 2026, followed by a contraction of -0.7% in 2027 and a modest recovery in 2028. Cumulatively, US GDP growth is estimated to be 4.4pp below the baseline.

Inflation in the eurozone is expected to decline below the ECB's 2% target throughout the forecast horizon due to demand weakness and a widening output gap. The ECB is projected to cut rates to 1% by 2027, indicating an accommodative monetary policy stance.

For CEE countries, the estimated growth shock is around -1.8pp in 2026, -3.0pp in 2027, and -1.0pp in 2028 compared to the baseline, with a cumulative impact of about -5.8pp on average. Most economies are expected to experience contractions in 2027, followed by a recovery in 2028. Higher unemployment rates are anticipated, particularly in 2027 and 2028, contributing to a disinflationary environment similar to that of the euro area.

ADVERSE SCENARIO (RECESSION)	2025	2026	2027	2028
Real GDP, yoy% change	0.55	1.20	-1.50	1.80
Inflation (CPI) yoy, eop	3.74	4.43	3.79	3.33
Inflation (CPI) yoy, average	4.51	4.30	4.10	3.50
Monthly Wage, nominal EUR	1,768.73	1,877.23	1,939.54	1,987.94
Unemployment rate, %	4.32	5.00	5.48	6.50
Exchange rate / euro, eop	393.00	401.00	407.00	413.00
Exchange rate / euro, average	399.06	397.00	404.00	410.00
Short term rate, eop	6.25	6.25	6.00	5.25
Short term rate, average	6.48	6.25	6.13	5.63
Long-term interest rates 10y (%)	6.74	6.71	7.03	7.01

The scenarios used in IFRS 9 at the end of 2025 and the results calculated on the portfolio are as follows:

The results considering the up-to-date IFRS 9 scenarios and portfolio is that for 1 point of GDP drop (cumulated over 3 years) the ECL is estimated to increase by about +2.5%, while for the 1-point GDP increase the estimated ECL effect is -1.6%.

Beside the above-mentioned sensitivity analysis, Unicredit group calculates the effect of applied macroeconomic scenarios on ECL amount on group level too. At the end of 2025, through the application of the three scenarios with 0% and 100% weight assumptions, the model-based impairment portfolio excluding overlays would decrease by 8.19% (HUF 1,546 million) if only the positive scenario is used, the model-based impairment portfolio excluding overlays would increase by 8.74% (HUF 1,650 million) if only the negative scenario is used and would decrease by 5.30% (HUF 1,002 million) if only the baseline scenario is used.

## Notes to the financial statements (CONTINUED)

**4.3.6 Geopolitical and commercial real estate finance (CREF) overlay**

At the end of 2022, geopolitical overlays were introduced with the following components:

- Corporate energy-intensive industry sectors prone to be more affected by spill-over effects linked to Russian–Ukrainian crisis, specifically impacting the energy supply and related price soaring;
- Retail clients, for: (i) floating rate mortgages (not having overdue instalments), given the sensitiveness in this context of increasing interest rate/inflation, and (ii) at least 1 unpaid instalment on their exposures, considered a perimeter with already difficulties in payments and as such particularly vulnerable in this specific contingency.

Per the introduced geopolitical overlay calculation, credit exposures in the above categories were identified according to their industry specificities. On this basis, each satellite model is run using a multi-year business plan projected along macroeconomic assumptions, in a recessionary scenario, to determine the adjustment to be applied to the default rate. This adjusted default rate is then applied to the appropriate categories to estimate the expected new inflows of non-performing exposures, for which an impairment loss is then calculated based on the average coverage ratio applied to the exposures classified as Unlikely to pay.

Since the initial introduction of geopolitical overlays, geo-political risks have been evolving more towards trade tensions whereas risks underlying current overlays is fading away due to smoothening of past energy supply tensions and stabilization of inflation and interest rate risks. Consequently, the re-assessment of the previously applied geopolitical overlays was necessary in June and December of 2025. The re-assessment resulted in the expansion of the potentially impacted industry sectors with logistics, air transport, utility, tourism, professional services, real estate and wholesale trade, in line with the intensification of the trade tensions and supply chain disruptions and the Euro-Dollar exchange rate movements that affected external demands.

In addition to the latter, the re-assessment performed at the year-end of 2025 also involved a proactive overlay re-assessment at an ECL level, with the aim of further aligning the applied overlay framework to ECB expectations and leveraging the results of the portfolio monitoring performed on vulnerable sectors and clients, through identifying a proactive staging allocation for Watchlist 1 classes.

As of December 2025, the geopolitical overlay amount was HUF 10,129 million (2024: HUF 7,924 million). The part of the geopolitical overlay applied to retail clients was released at the end of December 2025 in the amount of HUF 241 million.

The effect of geopolitical and CREF overlay on provision can be found in additional note of 44.6.

A so-called commercial real estate finance overlay was introduced at the end of 2023 to cover the increased risks observed in the sector:

- Default risk due to the impact on debt repayment capacity due to higher interest rates, which also affects the refinancing of loans.
- Risk of default due to lower property values.

The overlay calculation logic is the same as for the geopolitical overlay, i.e. an adjusted default rate is first determined for the exposures observed in the industry to estimate the expected new inflow of defaulting exposures, on which an impairment loss is then calculated based on the average coverage ratio applied to the exposures rated Unlikely to pay.

The overlay was released at the end of 2025 in the amount of HUF 3,402 million (2024: HUF 3,630 million). The group considered the release of the overlay justified due to the improving trends in the related default rates and the development of the macroeconomic environment.

**4.3.7 Write-off policy**

If it is determined and demonstrated, as required by the group's „Write-off on financial assets” policy, that the group cannot reasonably expect to recover all or part of the financial asset (i.e. the receivable is considered uncollectible), the group writes off loans and securities (together with related impairment losses) as a loss. A write-off of a financial asset may relate to all or part of the financial asset.

Any subsequent recoveries of previously uncollectible amounts are recognised in profit or loss.

**4.3.8 Current tendencies in lending****4.3.8.1 Retail lending**

Retail lending is carried out within the comprehensive governance framework aligned with ECB guidelines, UniCredit Group standards, and local regulatory requirements. Lending rules and processes are designed to ensure a prudent approach to risk-taking, consistent with the group's Risk Appetite and Credit Risk Strategy. Portfolio performance is subject to strict KPI monitoring to detect deviations early and enable timely mitigation.

In 2025, retail lending initiatives were mostly focused on increasing standardisation, system development and efficiency of lending processes (including online- and branch applications) and introduction of government supported lending programs (Otthon Start, Worker loan) into group's product offer. Strict monitoring confirmed strong resilience and stable portfolio quality of production generated in 2024/25 with no breach of defined Risk KPIs and indicators staying within defined Risk Appetite.

Recovery management processes i.e.: EWS (Monitoring) and Collection are implemented and regularly review and updated according to retail credit strategies and macroeconomic situation to prevent NPE inflows support efficient recovery initiatives and ensure efficient disposal activities.

**4.3.8.2 Corporate lending**

In 2025, the main objective for the corporate portfolio was to protect the quality of the existing portfolio. Regarding the corporate loan portfolio, the group's lending policy is differentiated by sectors, requiring a selective risk approach for new transactions with the most vulnerable sectors. The sectoral approach of the risk policy has been even more appreciated in the exceptional geopolitical situation, and our actions were also taken on a sectoral basis. Our monitoring activities have also been based on which sectors have been hardest hit by the spill-over effects of the geopolitical situation and emerging

# Notes to the financial statements (CONTINUED)

risks. Our lending activity continued to rely heavily on forward-looking analysis, with a particular focus on spill-over effects, emerging risks, energy and input price rises, interest rate risk, trade linkages, supply chain issues, sectoral special taxes, US tariffs.

Our new lending activities were also selected based on the crisis sensitivity or resilience of each sector. Beside the individual assessments, we have also prepared quarterly portfolio analyses on spill-over effects and ad-hoc portfolio analyses on the impacts of US tariffs, hoof and mouth animal disease to assess direct and indirect risks, identify problematic clients and carry out appropriate stage classifications.

Thanks to a prudent underwriting policy, the loan portfolio is balanced in terms of sectoral composition. Reflecting the industry level economic challenges the construction and the automotive sector were outstanding in terms of client portfolio under special treatment in 2025.

## 4.4 Liquidity risk

Liquidity risk arises if the bank is unable to meet due obligations associated with its financial liabilities in time in any currency.

The objective of prudential liquidity management is to ensure that the group has the ability to generate sufficient funds to meet all cash flow obligations as these fall due. Effective liquidity management is gaining importance in recent years ensuring market confidence and protect the capital base while permitting effective growth. UniCredit Group operates internal short term and structural liquidity models in line with regulatory authorities' expectations. The group takes into account also the local legal requirements of foreign funding adequacy and mortgage funding adequacy ratio limitations and monitors the Basel III liquidity ratios besides its own internal regulations in managing liquidity.

Limits regarding the maximum net outflow of funds in a particular period (typically short-term) and in a particular currency and all currencies are in place and are monitored daily. Long-term funding plan and structural liquidity is approved and monitored by the Banks' Financial Risk Committee (FRC).

In line with UniCredit Group-wide standards, the group deals with liquidity risk as a central risk in banking business by introducing and monitoring short-term and medium-term liquidity requirements. In this context the liquidity situation for the next few days and also for longer periods is analysed against a standard scenario and against scenarios of several general and bank-specific liquidity crisis. The degree of liquidity of customer positions and proprietary positions is analysed on an ongoing basis. Procedures, responsibilities and reporting lines in this area have been laid down in the liquidity policy, which includes a contingency plan in the event of a liquidity crisis.

Short-term and structural liquidity limits of the group were observed continuously in 2025. The degree to which accumulated liquidity outflows are covered by accumulated inflows within the following month and year are determined on an ongoing basis. It was used as a key figure in managing the group's liquidity and funding. Beyond the limits on ratios, absolute gap limits are in place to decrease central funding and liquidity dependency.

The liquidity structure of statement of financial positions for 2024 and 2025 are represented in Note 38 and the maturity analyses of derivative financial instruments are represented in Notes 40 and 41.

## 4.5 Market risk

### 4.5.1 Overview of the market risk management process

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads will affect the group's income or the fair value of its holdings of financial instruments.

Market risk management encompasses all activities in connection with group's Client Risk Management & Treasury and Balance Sheet Management operations and management of the balance sheet structure. Risk positions are aggregated at least daily, analysed by the independent risk management unit and compared with the risk limits set by the Management Board and the FRC designated by the Management Board. At the group market risk management includes ongoing reporting on the risk position, limit utilisation, and the daily reporting of results to the related departments.

The group uses the risk management procedures of UniCredit Group's internal standards. These procedures provide aggregate data and make available the major risk parameters for the various trading operations daily. Besides Value at Risk (VaR), other factors of equal importance are stress-oriented volume and position limits. Additional elements of the limit system are loss-warning level limits and options-related limits applied to trading and positioning in non-linear products.

Internal risk model is used for computing economic capital, but the Pillar 1 capital requirement is calculated by the regulatory standard method. The economic capital model comprises all relevant risk categories. The VaR position of the group is presented in Note 46.

Regular and specific stress scenario calculations complement the information provided to FRC and the Management Board. Stress scenarios are based on assumptions of extreme movements in individual market risk parameters. The group analyses the effect of such fluctuations and a liquidity disruption in specific products and risk factors on the group's results.

In addition to the risk model results, income data from market risk activities are also calculated and communicated on a daily basis. Such data are compared with current budget figures. Reporting includes marking to market of all investment positions regardless of their treatment/classification in the IFRS-based financial statements ("total return"). The results are reported directly to the Hungarian group's trading and risk management units, and also via web application consolidated on UniCredit Group level.

The group reviews comprehensively and systematically the market conformity of its transactions.

## Notes to the financial statements (CONTINUED)

The daily reporting also includes details of volume-oriented sensitivities which are compared with the respective limits. The most important detailed presentations include basis point values (interest rate/spread changes of 0.01%) by re-pricing band, FX sensitivities and sensitivities in equities and emerging-market/high-yield positions (by issue, issuer and market) by delta equivalents.

In the interest rate risks, for example, basis point limits per currency and re-pricing band, basis point totals per currency and/or per re-pricing segment (total of absolute Basis Point Values - BPV) are used for risk management. By analogy to the detailed presentation of basis point positions in the interest rate sector, daily reporting presents details of credit spread by issue and re-pricing band. The BPV and credit spread points analysis are presented in Note 47. The interest rate re-pricing analysis is presented in Note 45.

Moreover, the group treats the preparation and compliance with new Banking Book requirements (IRRBB, CSRBB) with high priority.

### 4.5.2 Asset Liability Management

Interest rate risk and liquidity risk from customer transactions is attributed to group's treasury operations throughout the UniCredit Group.

Products for which the material interest-rate and capital maturity is not defined, such as variable-rate sight and savings deposits, are modelled in respect of investment period and interest rate sensitivity by means of analyses of historical time series and taken into account in the group's overall risk position.

Interest rate sensitivities are determined and taken into account in hedging activities, which results in a positive contribution to profits from customer business.

### 4.5.3 Foreign exchange rate risk

The group has assets and liabilities (on and off-balance sheet) denominated in several foreign currencies, and it is therefore exposed to foreign exchange rate risk. Foreign exchange rate risk arises when a mismatch occurs in the spot and forward asset/liability structure within a currency.

The statement of foreign exchange exposures (currency structure of assets and liabilities) is presented in Note 37.

## 4.6 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes and systems, inappropriate performance of tasks by personnel, or from external events. It includes, among others, legal risk, model risk, and information and communication technology (ICT) risk, but does not include strategic or reputational risk.

Operational risk events are those resulting from inadequate or failed internal processes, personnel and systems or from systemic and other external events: internal or external fraud, employment practices and workplace safety, clients, products and business practices, fines due to regulation breaches, damage to physical assets, business disruption and ICT system failures, human mistake due to execution, delivery and process management, damage to ICT Security related events, financial sanctions, breach of regulations of data protection, tax and damage caused by third-party.

UniCredit Bank Hungary is permitted and has used the Standardised Measurement Approach (SMA) under Pillar 1 since 1st January 2025, complying with all quantitative and qualitative requirements set by laws and regulations, the supervisor or even by internal group rules.

The group's Management Board is responsible for the effective oversight over operational risk exposure. The Non-Financial Risks notifies the Management Board (partly via the Non-Financial Risks & Controls Committee, a.k.a. NFRCC) about considerable operational risks, their changes as well as relevant breaches to policies and limits. The Management Board shall have an overall understanding of the operational risk control framework and of how operational risk affects the group.

#### The group's Management Board ensures that:

- the operational risk control process is sound and fully communicated and implemented in specific policies process and procedures within the business units taking into account the appropriateness and effectiveness;
- Operational Risk Managers should be appointed within each area of the group and should be adequately supported in their duties;
- The relevant committees, with the support of Non-Financial Risks, should be informed of changes in risk profiles and risk exposures.

The group's Management Board is responsible for approving all the material aspects of the operational risk framework, including the appointment of the office responsible for its implementation and control.

In the group, the Non-Financial Risks & Controls Committee and Permanent Workgroup shall act as a decision-making body for issues arising from and connected with operational and reputational risks.

The affected Committees have own deed of foundations which include roles, responsibilities, activities, members and decision-making process.

The Permanent Workgroup, which also meets quarterly, is operationally active and serves to identify, monitor, mitigate, define action plans and follow up operational risks. The issues and proposals discussed by the Task Force also form the basis of the material to be presented to the Non-Financial Risk & Controls Committee.

In reviewing the Operational Risk Framework, Internal Audit is responsible for assessing the operation and effectiveness of this framework and its compliance with regulatory requirements. Internal Audit also monitors the collection and management of data on operational risk events.

The Non-Financial Risks operates the framework and coordinates the decentralised operational risk management activities, which are carried out by the operational risk managers (divisional and administrative) assigned to each business unit.

# Notes to the financial statements (CONTINUED)

The Non-Financial Risks area conducts an annual self-assessment of the compliance of the group's operational risk management and control system with UniCredit Group-wide standards and internal policies.

These disclosures serve to complete the presentation of the risk management policy.

## 5 Use of estimates and judgements

### 5.1 Fair value measurement

Regarding the prices and techniques used for financial instruments, the group applies a three-level fair value hierarchy, reflecting the significance of the inputs used in determining fair values, and includes the following three levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical financial assets or liabilities;
- Level 2 – unquoted prices that are observable for the asset or liability either directly (e.g. prices observed in markets that are not active) or indirectly (e.g. derived from prices observed for similar assets or liabilities);
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The classification of financial instruments is described in Additional Information 43.

Fair value is supplemented by a Fair Value Adjustment to cover the widened bid-ask spreads and the deteriorated liquidity of respective securities.

In accordance with IFRS requirements, the group books a CVA/DVA (Credit/Debit Valuation Adjustment) and FuVA (Funding Valuation Adjustment) as a fair value adjustment on its OTC derivative transactions. Both CVA/DVA and FuVA calculations are performed centrally by UniCredit Group.

### 5.2 Principles of fair value measurement

The fair value of financial assets is based on the quoted market price at the balance sheet date, without deducting transaction costs. A market is considered as active if quoted prices are readily and regularly available and represent actual and regularly occurring market transactions on an arm's length basis. If a quoted market price is not available or the market is not active, fair value is estimated using pricing models or discounted cash flow techniques.

When discounted cash flow techniques are used, the estimated future cash flows are based on the best estimate and the discount rate used is the market rate for assets with similar characteristics at the balance sheet date. When pricing models are used, the source data are based on market observable values at the balance sheet date.

The fair value of derivatives that are not exchange-traded are estimated at the amount that the group would receive under normal business conditions to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

The group applies fair value adjustments which arise from close-out costs and less liquid positions. Trading assets and assets at fair value through other comprehensive income are adjusted by fair value adjustments figures.

The group basically applies the fair values calculated by the central system (Fair Value Engine) in case of the performing and non-performing loans which are failed the SPPI test. For specific retail products (e.g. Babywaiting loans, CSOK/CSOK+, Otthon Start, Worker Loan) dedicated model has been developed which appropriately reflects the portfolio behavioral characteristics.

Valuation techniques and key inputs are used when determining the fair value of financial instruments are described in Additional Information 42.

The group is not involved in any securitisation transactions and does not hold any credit derivatives or structured OTC products (e.g. CDO, SIV).

## 6 Impact of economic safeguards on the financial statement

The Hungarian Government maintained most of its regulations with the aim of protecting the economy throughout 2025. The most relevant of these measures from the group's perspective were

- extension of interest rate freeze;
- modification of extra profit tax.

### 6.1 Payment moratoria on loans

In 2025, the group's lending activities were affected by the following loan repayment moratoria affecting specific groups of farmers:

- Government Decree 68/2025 (IV. 4.) on temporary regulations to stabilize the financial situation of farmers affected by foot-and-mouth disease (FMD) which provided a temporary moratorium on loan repayments for the affected agricultural enterprises until April 30, 2026;
- A moratorium on loan repayments for farmers affected by frost damage or drought damage and pig farmers, introduced under Government Decree 393/2025. (XII. 10.) on temporary regulations to stabilize the financial situation of farmers affected by frost or drought damage and pig farmers which provided a temporary moratorium on loan repayments for the affected agricultural businesses until November 30, 2026.

## Notes to the financial statements (CONTINUED)

Based on its practice regarding this special payment moratorium, the group has, in accordance with the Regulation, completed the setting of the payment moratorium in the base systems for all the loans concerned, the collection of repayment installments has therefore been suspended, but interest accrual on the loans remains in force, but this interest has not become part of the principal in accordance with the Regulation but is recorded as a separate interest receivable in the bank's records. When the moratoria expire, repayment schedules recalculated in accordance with the law will be set up in the core systems, and customers will begin to repay the interest accrued during the moratorium in installments.

The net interest income in the profit and loss accounts therefore includes the interest due on loans from debtors under moratorium but not collected because of the moratorium. The statement of financial position includes the same amount of interest as part of the gross amount of customer receivables.

The group has treated contract modifications made in respect of loans disbursed under the moratorium as a contract modification event under IFRS 9.

Contract modification losses not yet amortised at the end of the period is included in the statement of financial position as a reduction of the carrying amount of customer receivables and are included in the income statement as contract modification losses in the impairment losses. The calculated contract modification loss is not accrued between years as this is not allowed under IFRS 9. The contract modification loss is reversed as part of the increased interest income over the remaining life of the loans, calculated using the effective interest method.

## 6.2 Interest rate freeze

On 24 December 2021, the Government introduced an interest rate freeze on mortgage loan contracts linked to the reference rate in Government Decree 782/2021, which was extended to non-subsidized mortgage loans with a fixed interest rate for a maximum period of 5 years from 1 January 2022, and from 1 November 2022 to non-subsidised mortgage loans with a fixed interest rate for a maximum period of 5 years. The government's interest rate freeze has been extended every six months since its introduction, with the most recent, Government Decree 364/2025 (XI. 26.) extended the duration of the interest rate freeze until 30 June 2026.

Essential elements of the Interest rate freeze:

- The legislation maximised the reference interest rate applied at the rate in force on 27 October 2021.
- In the case of mortgage loans with an interest rate linked to the reference rate, which are subject to the Regulation, the Regulation stipulates that the reference rate shall be fixed at the rate applicable on the day of the end of 2022. 1 January 2022 to 30 June 2025, it shall not be higher than the contractual reference rate in force on 27 October 2021, the date of entry into force of the Regulation, i.e. the date on or before 1 January 2022.
- In the case of non-subsidized mortgage loans granted at a fixed interest rate for a maximum period of five years, the interest payable by the customer shall be determined at the interest rate turnaround date for the period from 1 November 2022 to 30 June 2025, if the reference rate in the contractual interest rate variation index on the interest rate turnaround date is higher than the rate on 27 October 2021, the lower reference rate on 27 October 2021 shall be used for the calculation instead of the higher rate.

The group regards the temporary reduction of the reference rate by regulation as a change in the interest cash flow of the loan, which results in a renegotiation or modification of the contractual cash flow of the financial instrument. In accordance with the above, the group determined the net present value of the affected loans by taking into account the cash flows under the regulations and recorded the difference between the recalculated net present value and the unadjusted value as a loss on contract modification. Loss amounts are presented within the statement of profit or loss under line item Impairment and losses on credit products - every financial year starting from the financial year 2021. In calculating the original unadjusted net present value, the group made assumptions about the evolution of the benchmark interest rate over the period of the interest rate freeze.

The contract modification loss amounts that result from the calculations are recognized when the measures are implemented and, unlike the payment moratoria, the loss value is not reviewed during the term of the measures because, unlike the payment moratorium, the post-modification cash flows for the interest rate freeze are known and do not contain uncertainty. As a consequence, contract modification losses recognised at the time of the measures are reversed through increased interest income in the profit and loss account during the period of the measures. Unamortised contract modification losses at year-end reduce the gross amount of customer receivables.

## 6.3 Impact of loan moratoria and interest rate freeze regulations on the group's income statement

ITEM DESCRIPTION	2025	2024
Modification losses recognised on loans in connection with interest rate freeze and agricultural moratorium	(1,577)	(1,825)
Modification losses recognised in connection with foot-and-mouth disease and frost damage	20	-
<b>Total</b>	<b>(1,597)</b>	<b>(1,825)</b>

## 6.4 Special taxes introduced in the context of the epidemic and the post-epidemic economic situation

### 6.4.1 Epidemic tax

Government Decree 108/2020 (IV.14.) required credit institutions to pay a special tax to replenish the Epidemic Fund. The basis of the special epidemiological tax is the part of the tax base for the tax year 2020 determined in accordance with Section 4/A(4)(1) of Act LIX of 2006 (Special Tax Act) exceeding HUF 50 billion, at a rate of 0.19 per cent.

According to the original legislation, the amount of the special epidemic tax paid by credit institutions in 2020 will reduce the amount of the special tax on financial institutions in the form of tax withholding for the next 5 years, up to an annual maximum of 20% of the special epidemiological tax for 2020.

## Notes to the financial statements (CONTINUED)

Considering the recoverability, the group has recognised the discounted future recoverable amount as an asset in 2020.

In Government Decree No. 52/2024 (III.4.), the Government amended the above-mentioned legal provisions in such a way that the reduction under Section 4/A(20) of the Special Tax Act may be applied by credit institutions in the first, second, third, fifth and sixth tax years following the tax year 2020, in an amount not exceeding 20% of the liability of credit institutions to the special epidemic tax for the tax year 2020, with the proviso that the credit institution may not apply the reduction for the tax year 2024. In accordance with the change in legislation, the group has quantified the impact on the maturity of its asset recorded as a future offsetting receivable, taking into account the incremental impact of the increased yield environment, and, based on the calculations performed, has recognised an incremental special tax expense of HUF 76 million in general operating expenses in 2024, along with the tax asset adjustment, while in 2025, HUF 65 million in revenue was recognized as part of the discount breakdown. As a result of the effect of the accounting entries, the group recognises an asset of HUF 867 million as a receivable to be offset in the future in the statement of financial position at the end of 2025 (at the end of 2024: HUF 1,795 million).

#### 6.4.2 Extra profit tax

In the framework of Government Decree 197/2022 (VI.4.), a new temporary tax – called the extra profit tax – was introduced in 2022 to preserve the balance of public finances.

When introduced, the extra tax for credit institutions is based on the net turnover determined on the basis of the annual accounts of the preceding tax year, in accordance with the Local Taxes Act. The special tax rate was 10% in 2022 and 8% for the first half of 2023.

Following its introduction, the basis and rate of the extra profit tax have been amended several times.

The detailed rules for the extra profit tax payable in 2024 were laid down by the Government in Decrees 206/2023. (V.31.) and 183/2024. (VII. 8.). In 2024, the tax base was the pre-tax profit for 2022. The tax rate is 13% for the portion of the tax base not exceeding HUF 20 billion and 30% for the portion exceeding that amount. According to the decree, credit institutions may reduce their special tax payment obligation for 2024, which is due by December 10, if the Hungarian government bonds they own that expire after January 1, 2027, have a daily average yield (calculated at face value) between January 1, 2024, and November 30, 2024, of at least 1.5%. The reduction can be applied up to the limits specified in the decree and can be taken into account up to a maximum of the increase in the total government securities portfolio calculated using the same method. The reduction may be applied up to the limits specified in the decree and may be taken into account up to the increase in the total stock of government securities calculated using the same method.

Based on Government Decree 356/2024 (XI.21.) and the implementation of the rules in Act LIV of 2025, the basis for the extra profit tax in 2025 is the pre-tax profit determined on the basis of the 2023 annual report. The tax rate is 7% for the portion of the tax base not exceeding HUF 20 billion and 18% for the portion exceeding that amount. According to the decree, credit institutions may reduce their special tax payment obligation due by December 10, 2025, if the average daily balance of Hungarian government bonds owned by them and maturing after January 1, 2029, calculated at face value between January 1, 2025, and November 30, 2025, increases compared to the base period specified in the legislation (and if the total amount of government securities held by them increases by at least 10% compared to the base period specified in the legislation) calculated at face value, increases compared to the base period specified in the legislation (and provided that the daily average balance of the total government securities portfolio also increases).

Based on the legal requirements, the group had a tax liability of HUF 20,013 million in 2025 and HUF 29,865 million in 2024, which was recognized in general operating expenses. For the year 2026, the law sets the profit before tax for 2024 as the tax base, which amounts to HUF 97,961 million for the group members concerned.

The tax reduction option related to government securities purchases will also be available in 2026, subject to compliance with the statutory limits, provided that the portfolio of HUF-denominated government securities maturing after January 1, 2030 increases compared to the base periods specified in the law.

## Notes to the financial statements (CONTINUED)

## 7 Net interest income

INTEREST AND SIMILAR INCOME	2025	2024
Interest income from Central Bank	63,137	62,721
Interest income from banks	14,457	25,236
Interest income from customers	125,402	138,880
Interest income on securities at amorised cost	36,356	37,346
Interest income on securities at fair value through other comprehensive income	20,398	29,650
Negative interest on financial liabilities	172	340
Other interest income with EIR method*	165	121
<b>Total</b>	<b>260,087</b>	<b>294,294</b>
<b>Other interest income</b>	<b>2025</b>	<b>2024</b>
Interest income on customer loans at fair value through P&L	11,892	9,451
Interest income on trading financial assets	162	103
Interest income on hedge derivatives	142,730	160,237
Interest income from leasing contracts	6,211	6,678
<b>Total</b>	<b>160,995</b>	<b>176,469</b>
<b>Total interest income</b>	<b>421,082</b>	<b>470,763</b>
<b>Interest expense and similar charges</b>	<b>2025</b>	<b>2024</b>
Interest expense to Central Bank	(1,485)	(2,881)
Interest expense to banks	(7,152)	(9,406)
Interest expense related to hedge derivatives	(157,473)	(193,645)
Liquidity hedging	(14,846)	(25,063)
FX swap derivatives interest expense	(20,888)	(14,846)
Interest expense to customers	(68,325)	(74,635)
Interest expense on issued bonds	(28,088)	(30,083)
Interest expense on subordinated loans	(4,900)	(5,703)
Other provision discount breakdown	(112)	(106)
Lease liability interest expense	(47)	(47)
Other financial fees and commissions	1	(2)
<b>Total interest expense</b>	<b>(288,469)</b>	<b>(331,354)</b>
<b>Net interest income</b>	<b>132,613</b>	<b>139,409</b>

\* Other interest income contains incomes from government grants, which related to both HIRS (cross-currency IRS linked to credit activity) and those preferential deposits that meets the condition of credit activity as part of PHP Program disclosed by MNB. The total amount of it was HUF 41 million in 2025 and HUF 60 million in 2024. The group meets all the criteria. The group accounts for government-related grants as income in the average periods of loans in which the criteria are met. This amount also contains unconditional grants relating to MIRS (cross-currency IRS which has monetary political aim) that is qualified as a grant from accounting point of view based on IAS 20 in the amount of HUF 59 million in the Financial Statements in 2025 (2024: HUF 70 million).

## 8 Net fee and commission income

Fees and commission income	2025	2024
Payment transaction fees	77,712	64,554
Financial guarantee fees	3,089	3,180
Custody service fees	7,558	6,455
Investment service fees	7,241	5,833
Factoring service fees	446	320
Other financial services fees and commissions	3,558	2,753
<b>Total</b>	<b>99,604</b>	<b>83,095</b>
<b>Fees and commission expense</b>	<b>2025</b>	<b>2024</b>
Payment transaction fees	(10,564)	(8,001)
Financial guarantee fees	(157)	(165)
Custody service fees	(1,948)	(1,475)
Investment service fees	(189)	(78)
Other financial services fees and commissions	(4,316)	(3,120)
<b>Total</b>	<b>(17,174)</b>	<b>(12,839)</b>
<b>Net fee and commission income</b>	<b>82,430</b>	<b>70,256</b>

## Notes to the financial statements (CONTINUED)

A short summary of the nature and timing of the performance obligations of the group pursuant to contracts with customers which result in the recognition of fee and commission income is provided in the following:

TYPE OF SERVICE PROVIDED	NATURE OF PERFORMANCE OBLIGATION, SIGNIFICANT PAYMENT CONDITIONS	ACCOUNTING FOR REVENUES ACCORDING TO IFRS 15
Payment service fees	The group provides account management services to clients. Fees and charges related to account management services are determined on a client group and account type level and are published to the public in its list of conditions. Fees are revised periodically. In case of services that are continuously performed, such as account management services, fees are typically fixed and charged on a monthly basis in arrears. In case of services relating to transaction-based orders that involve cash transfers, fees such as transfer fees, collection fees, cash withdrawal fees are charged along with the performance of the specific service. Such fees and charges are typically determined as a percentage of the transaction amount. Fees related to other, occasionally provided services such as account opening fees, certification fees, postage fees, collateral certification fees are charged along with the performance of the service.	Fees related to services provided continuously over time are recognised as fee income over the time the services are provided proportionately with the time elapsed, usually with monthly regularity. Fee income related to specific transactions is recognised when the transactions is concluded or in arrears on a monthly basis.
FINANCIAL GUARANTEE FEES	The group charges two types of fees for issuing guarantees: one-off fees, which mainly compensate the bank for management services related to the issuance of the guarantee, and guarantee fees, which are payable pro rata until the maturity of the guarantee and charged in advance at the beginning.	One-time fees related to specific services are recognised when the service is performed, while the pro rata guarantee fees are recognised on a straight-line basis over the life of the guarantee.
Custodian service fees	Fees charged related to custodian services are typically charged in arrears in the respective period that they refer to on a monthly basis.	Fees related to services provided continuously over time are recognised as fee income over the time the services are provided proportionately with the time elapsed.
INVESTMENT SERVICE FEES	The group provides securities account management services to client in the scope of its investment services. Fees are charged to clients in connection with the management of the securities account and transactional fees are charged in connection with client orders executed on the accounts. In case of services that are continuously performed (such as account management services), fees are typically fixed and are charged on a monthly basis in arrears. Transactional fees related to securities orders are charged when the orders are executed.	Fees related to services provided continuously over time are recognised as fee income over the time the services are provided proportionately with the time elapsed, while transactional fees are recognised when the service is performed
OTHER FINANCIAL SERVICES	The group charges fees for continuously performed services in the period that they are performed, and charges one-off transactions fees when the transactions are concluded.	Fees related to services provided continuously over time are recognised as fee income over the time the services are provided proportionately with the time elapsed, while transactional fees are recognised when the service is performed.

## 9 Dividend income

	2025	2024
Dividends on investments	281	10
<b>Total</b>	<b>281</b>	<b>10</b>

## 10 Foreign exchange result and Net trading results

### 10.1 Foreign exchange result

	2025	2024
Gain/(Loss) on foreign exchange	22,347	22,001
<b>Total</b>	<b>22,347</b>	<b>22,001</b>

### 10.2 Net trading results

	2025	2024
Gain/(Loss) on trading interest rate swaps, net	1,263	1,717
Gain/(Loss) on debt securities, net	(180)	(65)
Gain/(Loss) on trading FRA's, net	–	20
Other trading income	453	119
<b>Total</b>	<b>1,536</b>	<b>1,791</b>

## Notes to the financial statements (CONTINUED)

## 11 Net results of hedge accounting

	2025	2024
Net result on hedging IRS transactions and changes in fair value of hedged instruments	(840)	323
Hedging derivative transactions CVA, DVA, FuVA, FVA results	(40)	(13)
<b>Total</b>	<b>(880)</b>	<b>310</b>

## 12 Net gain and loss on non-trading financial assets

	2025	2024
<b>Gain</b>		
Investment securities at amortised cost	439	-
Investment securities at fair value through other comprehensive income	1,074	2,102
Gain on sales on investments at fair value through profit and loss	8	19
Revaluation gain on investments at fair value through profit and loss	27	36
Loans at fair value through profit and loss*	13,112	335
Gain on repurchased issued Mortgage Bonds	1	3
<b>Total</b>	<b>14,661</b>	<b>2,495</b>
<b>Loss</b>		
Investment securities at amortised cost	(2,789)	(3,277)
Investment securities at fair value through other comprehensive income	(4,983)	(1,862)
<b>Total</b>	<b>(7,772)</b>	<b>(5,139)</b>
<b>Net gain from other financial investments</b>	<b>6,889</b>	<b>(2,644)</b>

\* Details of the item can be found in section 42.2.1. Level 3 fair value disclosures.

## 13 Personnel expenses

	2025	2024
Wages and personal payments	(26,189)	(24,483)
Employer's social-security contributions	(3,311)	(3,101)
Other employee allocations/benefits	(2,184)	(1,960)
Other employer's contributions	(297)	(329)
<b>Total</b>	<b>(31,981)</b>	<b>(29,873)</b>

The average number of employees was 1,722.44 in 2025 (2024: 1,743.43).

## 14 General operating expenses

	2025	2024
Tax expense (transaction tax, bank levies, property tax, motor vehicle tax, other taxes)**	(58,893)	(46,985)
Extraprofit tax*	(20,015)	(29,865)
Fees to authorities	(2,067)	(2,051)
Renting costs and operating expenses of property	(2,640)	(2,710)
Advertising costs	(1,824)	(684)
Information technology costs	(14,416)	(12,966)
Material and office equipment costs	(307)	(325)
SLA services costs	(269)	(258)
Other administrative costs	(3,289)	(3,661)
<b>Total</b>	<b>(103,720)</b>	<b>(99,505)</b>

\* Further details on extraprofit tax and OBA extraordinary contribution are disclosed in Note 6.4.2.

\*\* The reason for the increase is the rise in the transaction fee, which increased from 0.3% to 0.45% for transfer transactions (up to a maximum of HUF 20,000 per transaction, instead of the HUF 10,000 specified in the previous period); and from 0.6% to 0.9% for cash withdrawals. The value limit for fee-free transactions was changed from HUF 20,000 to HUF 50,000, but this change was not enough to offset the impact of the increase in the fee rate. From October 1, 2025, a completely new, additional financial transaction tax was introduced for conversion transactions, at a rate of 0.45%. The transaction tax may be charged to corporate customers, but not to private individuals.

## Notes to the financial statements (CONTINUED)

The following services were provided by KPMG to the group (fees are in net amounts):

- Audit services (audit fee) of HUF 155 million in 2025 (2024: HUF 145 million),
- Other assurance services (audit related fee) of HUF 62 million in 2025 (2024: HUF 60 million),
- Permitted non-audit services (other fees) were not provided in 2025 and 2024.

## 15 Other income and other expense

	2025	2024
<b>Other income</b>		
Revenue from self-assessment of transaction fees*	1,475	–
SLA services revenue	407	593
Revenue from services supplied by third parties	487	614
Rental income received	859	796
Compensation received	17	35
Recovery cost	441	84
Revaluation gains on revaluation model properties reversing revaluation losses previously recognised in profit or loss	131	123
Net gain on sale of tangible fixed assets	11	54
Other	109	375
<b>Total</b>	<b>3,937</b>	<b>2,674</b>

\* The group reviewed its transaction fee calculation practice, which identified an overpayment that was settled through self-assessment.

	2025	2024
<b>Other expenses</b>		
Expenditure on damages	(125)	(54)
Compensation paid to customers for various operational risk events	(1,013)	(564)
Retail campaign costs	(1,039)	(925)
Deposit breaking fee	–	(635)
Cost of Workout	(152)	(120)
Fine	(33)	(157)
Expenditure on services supplied by third parties	(491)	(480)
Integration cost	(816)	(20)
Provisions for litigation	(41)	26
Provisions for legal risks	39	193
Other	(307)	(386)
<b>Total</b>	<b>(3,978)</b>	<b>(3,122)</b>
<b>Other results</b>	<b>(41)</b>	<b>(448)</b>

## 16 Taxation

The tax charge for the year is based on the profit for the year according to the statutory accounts of the group as adjusted for relevant taxation regulations. In 2025, the corporate income tax rate will be 9 percent of the tax base (9% in 2024), the local business tax rate is 2% (2% in 2024), and the innovation contribution is 0.3% of the tax base (0.3% in 2024). For details on actual and deferred taxation, see additional note 3.26.

The bank's income tax expense for 2025 and 2024 is as follows:

## 16.1 Tax liability for the year

	2025	2024
Current corporate tax expense	8,035	7,919
Adjustments for prior years	(29)	241
Withholding tax paid abroad	230	53
Current local business tax	5,439	5,240
Current innovation contribution	818	788
Global minimum tax	121	–
<b>Total current tax</b>	<b>14,614</b>	<b>14,241</b>
Deferred tax charge	(23)	300
<b>Total income tax expense in statement of profit or loss</b>	<b>14,591</b>	<b>14,541</b>

# Notes to the financial statements (CONTINUED)

## 16.2 Reconciliation of effective tax rate

	2025		2024	
	%		%	
<b>Profit before tax</b>		<b>95,972</b>		<b>94,844</b>
Expected tax calculated at tax rates considered as income tax	11.8	11,280	11.6	10,991
Impact of different tax bases for local business tax and innovation contribution	4.1	3,961	4.0	3,791
Adjustments for prior years	-0.1	(57)	0.2	144
Tax base correction items	-0.4	(379)	-0.3	(288)
Tax differential due to group corporate tax	0.0	(2)	-0.1	(53)
Local business tax, innovation contribution - Profit before tax correction	-0.6	(558)	-0.6	(537)
Withholding tax paid abroad	0.2	230	0.1	53
Deferred tax on local business tax and innovation contribution on securities at fair value through profit or loss	-0.1	(46)	0.2	227
Other	0.2	162	0.2	213
<b>Total</b>	<b>15.2</b>	<b>14,591</b>	<b>15.3</b>	<b>14,541</b>

## 16.3 Balances associated with taxation

	2025			2024		
	ASSETS	LIABILITIES	NET	ASSETS	LIABILITIES	NET
Current tax assets/liabilities	703	(658)	45	1,123	(432)	691
<b>Deferred income tax</b>						
Securities at fair value through other comprehensive income	(32)	(346)	(378)	(6)	(383)	(389)
Cash flow hedges	391	-	391	912	-	912
Cost of cash-flow hedging reserve	-	(7)	(7)	-	-	-
Asset revaluation surplus	-	(280)	(280)	-	(186)	(186)
Property, plant and equipment	84	(446)	(362)	104	(412)	(308)
Provision	226	-	226	214	-	214
Accrued losses from previous years	69	-	69	69	-	69
Other (accruals increasing the tax base)	373	-	373	308	-	308
Netting effect	(1,096)	1,034	(62)	(1,032)	1,014	(18)
<b>Deferred tax assets / (liabilities) – Corporate income tax</b>	<b>15</b>	<b>(45)</b>	<b>(30)</b>	<b>569</b>	<b>33</b>	<b>602</b>
<b>Deferred tax assets / (liabilities) – Local business tax, innovation contribution</b>						
Securities at fair value through other comprehensive income	-	(90)	(90)	-	(114)	(114)
Cash flow hedges	100	-	100	233	-	233
Cost of cash-flow hedging reserve	-	(2)	(2)	-	-	-
Securities at fair value through profit or loss	-	(182)	(182)	-	(227)	(227)
Netting effect	(100)	100	-	(233)	233	-
<b>Total deferred tax assets / (liabilities) – Local business tax, innovation contribution</b>	<b>-</b>	<b>(174)</b>	<b>(174)</b>	<b>-</b>	<b>(108)</b>	<b>(108)</b>
<b>Total tax assets/(liabilities) – Corporate income tax, local business tax, innovation contribution</b>	<b>718</b>	<b>(877)</b>	<b>(159)</b>	<b>1,692</b>	<b>(507)</b>	<b>1,185</b>

## 16.4 Movements in temporary differences during the year – 2025

	OPENING BALANCE	RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	RECOGNISED IN OCI	CLOSING BALANCE
Securities at fair value through other comprehensive income	(503)	-	36	(467)
Cash flow hedges	1,145	-	(654)	491
Cost of cash-flow hedging reserve	-	-	(9)	(9)
Securities at fair value through profit or loss	(227)	45	-	(182)
Asset revaluation surplus	(186)	-	(94)	(280)
Property and equipment	(308)	(54)	-	(362)
Effect of items, increasing/(decreasing) tax base	573	32	-	605
<b>Total deferred tax assets/(liabilities)</b>	<b>494</b>	<b>23</b>	<b>(721)</b>	<b>(204)</b>

## Notes to the financial statements (CONTINUED)

## 16.5 Movements in temporary differences during the year – 2024

	OPENING BALANCE	RECOGNISED IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS	RECOGNISED IN OCI	CLOSING BALANCE
Securities at fair value through other comprehensive income	(236)	83	(350)	(503)
Cash flow hedges	813	–	332	1,145
Securities at fair value through profit or loss	–	(227)	–	(227)
Asset revaluation surplus	(107)	–	(79)	(186)
Property and equipment	(268)	(40)	–	(308)
Items affecting retained earnings due to changes in consolidation scope	2	–	–	–
Effect of items, increasing/(decreasing) tax base	689	(116)	–	573
<b>Total deferred tax assets/(liabilities)</b>	<b>893</b>	<b>(300)</b>	<b>(97)</b>	<b>494</b>

The group is subject to the global minimum top-up tax under Pillar II tax legislation. The additional tax applies to the group's activities in Hungary, where the corporate tax rate is 9 percent, the local business tax rate is capped at 2 percent and the innovation contribution at 0.3 percent, which are considered covered taxes under Hungarian legislation.

For the financial year ending 31 December 2025, the Hungarian operations of the UniCredit Group are, for the most part, not subject to a global minimum tax liability. This is because the average effective tax rate calculated for the relevant Hungarian entities exceeds the 15% threshold, primarily due to the amount of covered taxes recognized.

A global minimum tax liability arises solely in the case of the Europe Investment Fund. For the 2025 financial year, the Fund could not apply the simplified, CbCR based tax calculation; instead, a full-scope calculation was required, and the Fund could not be included in that computation due to its special status under the global minimum tax framework. As the Fund is not subject to any income based taxes in Hungary (corporate income tax, local business tax, innovation contribution), it becomes liable for global minimum tax for the 2025 tax year.

## 17 Cash and cash equivalent

	2025	2024
Cash on hand	20,329	34,084
Unrestricted balance with the Central Bank	609,878	997,534
Nostro account balances with other banks	15,074	16,322
Overnight deposits with the other banks	9,431	82,338
Impairment on cash and cash equivalents	(6)	(11)
<b>Total</b>	<b>654,706</b>	<b>1,130,267</b>

## 18 Financial instruments held for trading

	2025	2024
State treasury bills	3,662	586
State bonds	4	4
Other bonds	–	1
<b>Financial assets held for trading total</b>	<b>3,666</b>	<b>591</b>
Interest rate derivatives	39,666	59,240
Interest rate & FX derivatives (CCIRS)	56	3,266
FX derivatives	16,225	10,997
Commodity derivatives	2,847	3,402
Adjustments (FVA, CVA, FuVA)	(468)	(824)
<b>Trading derivative assets total</b>	<b>58,326</b>	<b>76,081</b>
Interest rate derivatives	38,058	54,541
Interest rate & FX derivatives	54	3,255
FX derivatives	14,399	12,444
Commodity derivatives	2,847	3,402
Adjustments (FVA, DVA, FuVA)	(67)	(80)
<b>Trading derivative liabilities total</b>	<b>55,291</b>	<b>73,562</b>

The group classifies the financial instruments held for trading at fair value through profit and loss. The group at initial recognition, or later on has not identified any financial assets or liabilities measured at fair through profit and loss according to IFRS 9 paragraph 6.7.1. Further details on trading derivatives are disclosed in Note 40.

## Notes to the financial statements (CONTINUED)

## 19 Hedging derivative instruments

Derivative assets held for risk management purposes	2025	2024
Interest rate derivatives	62,897	83,505
Interest rate & FX derivatives	1,557	908
Adjustments (FVA, CVA, FuVA)	(718)	(624)
<b>Total</b>	<b>63,736</b>	<b>83,789</b>

Derivative liabilities held for risk management purposes	2025	2024
Interest rate derivatives	99,330	132,196
Interest rate & FX derivatives	658	2,441
Adjustments (FVA, DVA, FuVA)	3	3
<b>Total</b>	<b>99,991</b>	<b>134,640</b>

Further details on hedging derivatives are disclosed in Note 41.

## 20 Placements with, and loans and advances to banks

	2025	2024
Placements with Central Bank	283,323	315,457
Loans and advance to other banks	327,369	254,968
Impairment on loans and advance to banks	(564)	(387)
<b>Total</b>	<b>610,128</b>	<b>570,038</b>

## 21 Loans and advances to customers

	2025	2024
Amounts receivable from leases	76,690	89,763
Loans and advances to customers at amortized cost	2,242,131	2,124,923
Provision for impairment and losses on credit products	(45,989)	(44,969)
Loans and advances to customers at fair value through profit and loss	173,749	120,571
<b>Total</b>	<b>2,446,581</b>	<b>2,290,288</b>

The group classifies the loans and advances to customers at amortised costs.

Those loans and advances to customers are classified at fair value through profit and loss which failed the SPPI test (further details in Note 3.12).

## 21.1 Analysis by industrial sector

	2025		2024	
		%		%
Private clients	736,928	29.61	597,924	25.60
Real estate finance	388,348	15.60	392,399	16.79
Machine industry	148,757	5.98	162,077	6.94
Trade	210,572	8.46	199,800	8.55
Transportation	62,803	2.52	62,321	2.67
Energy stockpiling	126,168	5.07	136,305	5.84
Financial activities	128,316	5.15	114,887	4.92
Food processing	61,417	2.47	56,412	2.42
Metallurgy	90,679	3.64	104,998	4.50
Construction	72,446	2.91	73,805	3.16
Chemicals/Pharmaceutical	41,760	1.68	42,481	1.82
Agriculture	50,774	2.04	60,720	2.60
Electric energy industry	150,924	6.06	127,769	5.47
Community	21,051	0.85	21,611	0.93
Light industry	22,524	0.90	22,666	0.97
Catering trade	8,503	0.34	8,756	0.37
Communication	9,488	0.38	8,637	0.37
Mining	693	0.03	702	0.03
Other	157,125	6.31	141,349	6.05
<b>Total</b>	<b>2,489,276</b>	<b>100.00</b>	<b>2,335,619</b>	<b>100.00</b>

## Notes to the financial statements (CONTINUED)

The analysis of industrial sector shows gross amounts excluding impairments and cumulative fair value hedge accounting differences. value of HUF 3,294 million in 2025 – included in the carrying amount of hedged instruments. The cumulative fair value adjustment recognized in the carrying amount of hedged instruments amounts to HUF 3,294 million in the 2025 data and HUF -362 million in the 2024 comparative data.

Loans and advances to customers are presented in more details in Note 44.

### 21.2 Amounts receivable under finance lease

Amounts receivable under finance lease in HUF were mainly affected by the following factors in 2025:

- A significant decrease in new business in the Retail Car business,
- Using a selective pricing strategy in new deals.

The average term of finance leases entered into is 4.71 years. Generally, these lease contracts do not include options for renewal or termination.

	2025	2024
Less than 1 year	34,732	44,092
1-2 years	20,240	21,368
2-3 years	13,659	15,972
3-4 years	8,680	9,746
4-5 years	4,028	4,229
Onwards	1,299	1,790
<b>Lease payments</b>	<b>82,638</b>	<b>97,197</b>
Unguaranteed residual values	–	–
<b>Gross investment in the lease</b>	<b>82,638</b>	<b>97,197</b>
Less: unearned finance income	(7,142)	(8,678)
<b>Present value of minimum lease payments receivable</b>	<b>75,497</b>	<b>88,519</b>
Impairment losses	(1,348)	(1,713)
<b>Net investment in the lease</b>	<b>74,149</b>	<b>86,806</b>

Items recognised in the income statement in respect of finance leases	2025	2024
Results of sales	32	88
Financial income from net investment in leases	5,690	6,248
Income related to variable lease payments not included in the valuation of the net investment in leases	–	–

The group's finance lease arrangements do not include variable payments.

The average effective interest rate contracted is approximately 7.14% per annum.

## 22 Investment securities

Investment securities at fair value through other comprehensive income	2025	2024
Treasury bills	80,980	95,097
State bonds***	283,694	178,536
Other bonds ***	22,564	20,678
Equities*	7,160	7,160
<b>Total</b>	<b>394,398</b>	<b>301,471</b>

\* Investment in Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt. and Garantiqa Hitelgarancia Zrt. are included in the Investments at fair value through other comprehensive income that group has designated as Investments at fair value through other comprehensive income in accordance with paragraph 5.7.5 of IFRS 9.

Investment securities at fair value through profit and loss	2025	2024
Equities	87	265
<b>Total</b>	<b>87</b>	<b>265</b>
<b>Investment securities at amortized cost</b>		
State bonds***	550,966	493,853
Other bonds***	134,714	140,302
Impairment	(1,154)	(1,083)
<b>Total</b>	<b>684,526</b>	<b>633,072</b>
<b>Investment securities total</b>	<b>1,079,011</b>	<b>934,808</b>

## Notes to the financial statements (CONTINUED)

\*\*\* As part of its liquidity management and short-term funding activities, the group enters into repo and repurchase agreements and securities lending transactions. The transactions are classified as sales in terms of their legal form, but in accordance with accounting regulations, the securities transferred remain on the group's balance sheet, while the securities received do not appear on the group's balance sheet, as the significant risks and rewards associated with ownership are not transferred. The terms of the transactions are in line with normal market practice for similar transactions. The receiving partner is entitled to sell or repledge the collateral received in the absence of default.

The carrying amount of government bonds transferred as collateral as at 31 December 2025 was HUF 100,903 million (2024: HUF 119,089 million).

Fair value of government bonds received as collateral as at 31 December 2025: HUF 179 million (2024: HUF 200 million).

Fair value of other bonds received as collateral as at 31 December 2025: HUF 0 million (2024: HUF 203 million).

Sales of investment securities both in 2025 and 2024 were insignificant in value and frequency.

The classification of the securities presented above in the fair value hierarchy and the fair values at the balance sheet date are disclosed in Supplementary Note 42.

## 23 Equity investments

As of 31 December 2025 and 2024 Equity investments in subsidiaries were as follows:

EQUITY INVESTMENTS	LOCATION
UniCredit Jelzálogbank Zrt.	1054 Budapest, Szabadság tér 5-6.
UniCredit Leasing Hungary Zrt.	1054 Budapest, Szabadság tér 5-6.
UniCredit Operatív Lízing Kft.	1054 Budapest, Szabadság tér 5-6.
UniCredit Biztosításközvetítő Kft.	1054 Budapest, Szabadság tér 5-6.
Európa Befektetési Alapkezelő Zrt.*	1023 Budapest, Bécsi út 3-5.

All the above-mentioned equity investments are in companies incorporated in Hungary, in which the Bank has 100 percentage ownership and 100 percentage voting rights. In addition to the above investments, the group owns a majority stake in a special purpose entity (Europe Investment Fund). The Fund is consolidated, given the group's ability to manage the Fund and its exposure to volatility in returns.

\* On October 1, 2025, the group acquired a 100% ownership interest in Európa Befektetési Alapkezelő Zrt.

## 24 Investment properties

	2025	2024
Investment property in usage	7,612	7,965

	2025	2024
Opening on 1 January	7,965	7,416
Increases (purchase)	130	–
Decreases (sale)	–	–
Change in fair value	(483)	549
<b>Closing on 31 December</b>	<b>7,612</b>	<b>7,965</b>

The group's investment properties are held within Europa Investment Fund, of which, 99.70% (2024: 99.77%) of the units is owned by the group.

The investment properties are regularly valued by an independent real estate appraiser company, as required by the respective law. The valuation methods, applied by the appraiser company are compliant with the regulations in IFRS 13.

The investment properties, in usage are valued at fair market value.

These properties earned HUF 800 million rental income in 2025 (2024: HUF 698 million).

## Notes to the financial statements (CONTINUED)

## 25 Property, plant and equipment

	COST AT THE BEGINNING OF THE YEAR	ACCUMULATED DEPRECIATION AT THE BEGINNING OF THE YEAR	ADDITIONS	DISPOSALS NET	REVALUATION ADJUSTMENT	OTHER MOVEMENT	DEPRECIATION & AMORTIZATION	CARRYING AMOUNT AT THE END OF THE YEAR
<b>2025</b>								
Property and connected equipment	24,637	(5,869)	3,095	–	1,216	–	(1,042)	22,037
Office equipment	8,756	(6,909)	1,420	(2)	–	–	(350)	2,915
Motor vehicles	974	(575)	1	(3)	–	–	(117)	280
Investments	90	–	5,294	(4,990)	–	–	–	394
Right-of-use asset (*)	10,322	(5,578)	456	–	–	–	(1,353)	3,847
<b>Total</b>	<b>44,779</b>	<b>(18,931)</b>	<b>10,266</b>	<b>(4,995)</b>	<b>1,216</b>	<b>–</b>	<b>(2,862)</b>	<b>29,473</b>
<b>2024</b>								
Property and connected equipment	22,588	(4,716)	732	–	1,022	–	(858)	18,768
Office equipment	8,327	(6,861)	1,084	(3)	–	–	(700)	1,847
Motor vehicles	943	(564)	179	(22)	–	–	(137)	399
Investments	74	–	3,563	(3,547)	–	–	–	90
Right-of-use asset (*)	8,841	(4,343)	1,550	(1)	–	(18)	(1,285)	4,744
<b>Total</b>	<b>40,773</b>	<b>(16,484)</b>	<b>7,108</b>	<b>(3,573)</b>	<b>1,022</b>	<b>(18)</b>	<b>(2,980)</b>	<b>25,848</b>

\* Rights-of-use assets include leased assets in the group of property, plant and equipment, typically leased bank branches, offices, parking lots and warehouses. The group's property, plant and equipment is not subject to any restrictions on ownership, the group has no pledges or contractual commitments to purchase property, plant and equipment.

Impairment losses recognised on property, plant and equipment carried at cost amounted to HUF 219 million in 2025 (2024: HUF 447 million).

The valuation of the group's properties recorded in the revaluation model was performed on 30 November 2025 (30 November in 2024 as well) using independent valuer documentation. At the end of December 2025 and 2024, it was determined that the November values were correct, with no changes that would justify a change in the values.

The net value of the properties at the end of 2025 without the application of the revaluation model would have been HUF 18,475 million and at the end of 2023 would have been HUF 16,234 million.

The multi-phase renovation of the headquarters, which began in 2025 and is expected to last until 2027, has contributed significantly to the increase in the value of tangible assets.

At the end of 2025 and 2024, there were no circumstances that would have required reclassification to investment assets held for sale.

## 26 Intangible assets

	COST AT THE BEGINNING OF THE YEAR	ACCUMULATED DEPRECIATION AT THE BEGINNING OF THE YEAR	ADDITIONS	DISPOSALS NET	OTHER MOVEMENT	DEPRECIATION & AMORTIZATION	CARRYING AMOUNT AT THE END OF THE YEAR
<b>2025</b>							
Rental rights	163	(161)	1	–	–	(2)	1
Licenses	6,500	(5,037)	268	(200)	–	(870)	661
Software	36,210	(18,730)	3,020	–	(12)	(4,556)	15,932
<b>Total</b>	<b>42,873</b>	<b>(23,928)</b>	<b>3,289</b>	<b>(200)</b>	<b>(12)</b>	<b>(5,428)</b>	<b>16,594</b>
<b>2024</b>							
Rental rights	144	(143)	6	(3)	–	(2)	2
Licenses	6,869	(4,164)	240	(608)	–	(874)	1,463
Software	31,677	(14,889)	4,533	(3)	–	(3,838)	17,480
<b>Total</b>	<b>38,690</b>	<b>(19,196)</b>	<b>4,779</b>	<b>(614)</b>	<b>–</b>	<b>(4,714)</b>	<b>18,945</b>

An impairment loss of HUF 463 million had to be recognized on intangible assets in 2025 (2024: HUF 0).

## Notes to the financial statements (CONTINUED)

## 27 Other assets

	2025	2024
Trade receivables	581	332
Receivables from card transactions	2,973	3,160
Accrual of initial fair value differences on refinanced assets of MNB NHP program*	5,712	6,961
Accrual of differences in the initial fair value of refinanced assets of the EXIM program*	8,088	8,929
Receivables from State Treasury**	9,290	10,344
Accruals relating to financial services	539	351
Items to be settled	881	461
Settlement of collateral security***	1,422	-
Other financial assets	356	345
Impairment on other financial assets	(95)	(67)
<b>Total other financial assets</b>	<b>29,747</b>	<b>30,816</b>
Inventories	274	300
Accruals for bank operating items	22,194	17,967
Government receivable arising from monetary policy swaps	1,362	1,903
Tax and contribution receivables	199	1,815
Intermediated services	376	593
Other non-financial assets	972	607
<b>Total other non-financial assets</b>	<b>25,377</b>	<b>23,185</b>
<b>Total</b>	<b>55,124</b>	<b>54,001</b>

\* The group has accrued initial fair value differences related to off-market interest bearing loans as described in Supplementary Note 3.5.3 with reference to IFRS 9 B5.1.2A b).

\*\* Receivables from State Treasury include the amount of receivables due from public bodies, mainly interest and guarantee fee grants, related to certain subsidised loan schemes, for which the group has fully complied with the terms and conditions.

One of the main bases for staging these receivables is the related rating. Receivables arising from state subsidies fall into Stage 1 based on the rating of the Hungarian State. Impairment is calculated based on the group's estimated 1-year expected credit loss, calculated using relatively low PD and LGD values.

\*\*\* The balance shows the amount transferred to the collateral manager to cover the renovation of the headquarters, from which the invoices with completion confirmed submitted by the investor are continuously settled, so the balance at the end of the current year includes the amount of unused collateral still available at the collateral manager.

## 28 Deposits and loans from banks

	2025	2024
Loans from Central Bank	77,936	312,481
Loans and deposits from other banks	268,232	368,230
<b>Total</b>	<b>346,168</b>	<b>680,711</b>

## 29 Deposits from customers

	2025	2024
Sight deposits	2,429,865	2,341,373
Fixed-term deposits	961,074	852,923
Ongoing cash equivalents, settlement accounts	13,514	15,498
<b>Total</b>	<b>3,404,453</b>	<b>3,209,794</b>

The above balances include customer transit accounts. Amounts included in customer transit accounts are held pending clarification and completion of transactions with customers undertaken in the ordinary course of business. The group measures the Deposits from customers at amortised costs.

## Notes to the financial statements (CONTINUED)

**30 Issued debt securities, subordinated liabilities****30.1 Issued debt securities**

	2025	2024
Issued mortgage bonds	229,097	202,851
Issued bonds	250,774	271,147
<b>Total</b>	<b>479,871</b>	<b>473,998</b>

The group measures the issued bonds partly at amortised cost adjusted for hedging gains/losses, partly at amortised cost.

**Changes in the group's mortgage bond portfolio in 2025:**

Total mortgage bond volume at nominal value increased to HUF 231.95 billion by the end of 2025 from HUF 209.64 billion at the end of 2024.

The change in carrying value in 2025 was also influenced by fair value hedge valuation. At the end of 2025, the portfolio consisted of fixed-rate mortgage bonds with a nominal value of HUF 151.93 billion and variable-rate mortgage bonds with a nominal value of HUF 80.02 billion, all denominated in HUF.

At the end of 2025 the Mortgage bank had nine mortgage bond series (UCJBF 2027/A, UCJBV 2027/A, UCJBF 2028/A, UCJBF 2029/A, UCJBV 2029/A, UCJBG 2029/A, UCJBG 2031/A, UCJBG 2030/A and UCJBF 2031/B). Fixed coupon mortgage bonds pay coupons between 3.25% and 7.50% on annual basis, while the variable-rate mortgage bonds pays coupons at 3-month BUBOR + 0.23% and +0.90%. The UCJBF 2025/A series matured on 24th June 2025. The Mortgage bank repaid all of its obligations regarding this series.

Gross mortgage bond issuance volume reached HUF 30.8 billion in 2025, while the maturing stock amounted to HUF 7,1 billion. No repurchase transaction was executed in 2025

**Changes in the group's issued bond portfolio in 2025:**

In 2023 the group issued its first unsecured bond series for private individuals. In 2024 there were no substantial changes in the issued unsecured bond portfolio. In 2025, on November 26, the Mortgage Bank's bonds (UCJBK 2025/A and UCJBK 2025/B) matured, and all obligations were fully settled. No new bonds were issued during the year.

In 2023, the group issued SNP (Senior Non-Preferred) notes for MREL (Minimum requirements of own funds and eligible liabilities) compliance from 2021 onwards. There were no changes in the issued stock in 2025. At the end of the period the total issued amount (face value) was EUR 645 million. The form is Classical Global Notes, under Italian jurisdiction, the notes are not introduced to any regulated market. Bonds issued in 2021 and 2022 will mature in 2027 and 2028 respectively, and bonds issued in 2023 will mature in 2029, with the option to call them back 1 year before maturity. The notes can be converted to capital during the bail-in process of Relevant Resolution Authority, according to BRRD (Directive (EU) 2019/879 of the European Parliament as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms).

**30.2 Subordinated liabilities**

	2025	2024
<b>Floating rate notes classified as Tier 2 capital</b>	<b>52,409</b>	<b>55,795</b>

The group issued EUR 135 million Tier2 capital (Hungarian terminology: járulékos tőkeelem) notes for regulatory capital purposes, in Classical Global Notes, under Italian jurisdiction, the notes are not introduced to any regulated market. The notes rank after unsubordinated unsecured creditors. The maturity is 2033, callable 5-year prior maturity. While the notes are held by UniCredit S.p.A., that can be converted to capital during the bail-in process of Relevant Resolution Authority. In 2025 the portfolio of notes classified as Tier 2 capital remained unchanged.

## Notes to the financial statements (CONTINUED)

### 30.3 Opening and closing carrying amounts of issued debt securities and subordinated liabilities issued by the group and a reconciliation of the related cash flows

2025	ISSUED BONDS (SNP, UNSECURED BONDS)	ISSUED MORTGAGE BONDS	SUBORDINATED LIABILITIES
<b>Opening balance as of 1 January</b>	<b>271,147</b>	<b>202,851</b>	<b>55,795</b>
Cash inflow from bond issues	–	30,394	–
Repayments of bonds issued	(3,891)	(7,214)	–
<b>Net change in cash flows from financing activities</b>	<b>(3,891)</b>	<b>23,180</b>	<b>–</b>
Effect of Fx revaluation	(16,033)	–	(3,371)
Effect of interest settlements	(449)	381	(15)
Changes in valuation differences	–	2,685	–
<b>Other changes total</b>	<b>(16,482)</b>	<b>3,066</b>	<b>(3,386)</b>
<b>Closing balance as of 31 December</b>	<b>250,774</b>	<b>229,097</b>	<b>52,409</b>
<b>2024</b>			
<b>Opening balance as of 1 January</b>	<b>253,454</b>	<b>186,775</b>	<b>52,116</b>
Cash inflow from bond issues	–	38,019	–
Repayments of bonds issued	–	(20,000)	–
<b>Net change in cash flows from financing activities</b>	<b>–</b>	<b>18,019</b>	<b>–</b>
Effect of Fx revaluation	17,951	176	3,719
Effect of interest settlements	(258)	1,010	(40)
Changes in valuation differences	–	(3,129)	–
<b>Other changes total</b>	<b>17,693</b>	<b>(1,943)</b>	<b>3,679</b>
<b>Closing balance as of 31 December</b>	<b>271,147</b>	<b>202,851</b>	<b>55,795</b>

The group had no default on principal or interest payments or other defaults on issued bonds in 2025 and 2024.

## 31 Other liabilities

	2025	2024
Accrued expenses and prepaid income	39,485	31,940
Accrual of initial fair value differences on refinancing sources of EXIM off-market programmes*	5,712	6,961
Accrual of differences in the initial fair value of refinanced assets of the EXIM program	8,088	8,929
Settlement accounts and other liabilities	5,783	7,643
Leasing liabilities	3,971	5,209
Other taxes payable	1,406	1,324
Trade payable	1,607	2,111
<b>Total</b>	<b>66,052</b>	<b>64,117</b>

\* The group has accrued initial fair value differences as described in Supplementary Note 3.5.3 with reference to IFRS 9 B5.1.2A b).

## 32 Leases

The group leases several assets including buildings, office equipments. The average lease term is 2 years (2024: 4 years).

Amounts recognised in profit and loss	2025	2024
Depreciation expense on right-of-use assets	1,353	1,285
Interest expense of lease liabilities	47	48
Expense relating to short-term leases	109	124
Expense relating to leases of low value assets	6	8
Expense relating to variable lease payments not included in the measurement of the lease liability	–	–

Amounts recognised in the consolidated statement of Cash flow:	2025	2024
Total cash outflow for leases	1,441	1,384

As of 31 December 2025, the group is committed to HUF 339 million (2024: HUF 182 million) for short-term leases.

## Notes to the financial statements (CONTINUED)

**Lease liabilities**

Lease liabilities maturity analysis:	2025	2024
Within 1 year	1,159	1,401
1-2 years	752	1,180
2-3 years	538	754
3-4 years	427	540
4-5 years	354	429
Onwards	787	1,059
<b>Total</b>	<b>4,017</b>	<b>5,363</b>

There are no cash flows, including, but not limited to, variable lease payments, residual value guarantees, renewal and termination options, which have not been taken into account in the valuation of the lease liabilities but which may give rise to future exposure for the group.

**33 Share capital**

	2025	2024
Share capital	24,118	24,118

Share capital consists of 4,823,644 ordinary shares with a par value of HUF 5,000 each. 100% of the issued shares are held by UniCredit S.p.A.

**34 Statutory reserves****34.1 Statutory reserves**

	GENERAL RESERVE	TIED-UP RESERVE	TOTAL
Balance as of 31 December 2024	84,069	–	84,069
Appropriation from retained earnings	8,546	–	8,546
<b>Balance as of 31 December 2025</b>	<b>92,615</b>	<b>–</b>	<b>92,615</b>

**34.2 Dividends**

Based on group's 2023 results, a dividend of HUF 78,149 million was declared after the balance sheet date, simultaneously with the approval of the financial statements, and was paid in 2024.

Based on group's 2024 results, a dividend of HUF 68,254 million was declared after the balance sheet date, simultaneously with the approval of the financial statements, and was paid in 2025.

The amount of dividend expected to be paid after 2025 is disclosed in the Events after the Balance Sheet Date supplementary note 50.

**34.3 Equity correlation table**

The equity correlation table of the group based on paragraph 114/B of Act on Accounting as of 31 December 2025 and 31 December 2024:

	SHARE CAPITAL	SHARE PREMIUM	RETAINED EARNINGS AND OTHER RESERVE	STATUTORY RESERVE	VALUATION RESERVE	TIED-UP RESERVE	NET PROFIT	TOTAL
<b>31 December 2025</b>								
Shareholder's equity elements as per IFRS	24,118	3,900	476,661	–	–	–	–	504,679
Other comprehensive income	–	–	(9,408)	–	9,408	–	–	–
Net profit for the year	–	–	(81,380)	–	–	–	81,380	–
Statutory reserve	–	–	(92,615)	92,615	–	–	–	–
<b>Shareholder's equity elements as per Act C of 2000 on Accounting</b>	<b>24,118</b>	<b>3,900</b>	<b>293,258</b>	<b>92,615</b>	<b>9,408</b>	<b>–</b>	<b>81,380</b>	<b>504,679</b>
<b>31 December 2024</b>								
Shareholder's equity elements as per IFRS	24,118	3,900	457,430	–	–	–	–	485,448
Other comprehensive income	–	–	(3,345)	–	3,345	–	–	–
Net profit for the year	–	–	(80,299)	–	–	–	80,299	–
Statutory reserve	–	–	(84,069)	84,069	–	–	–	–
<b>Shareholder's equity elements as per Act C of 2000 on Accounting</b>	<b>24,118</b>	<b>3,900</b>	<b>289,717</b>	<b>84,069</b>	<b>3,345</b>	<b>–</b>	<b>80,299</b>	<b>485,448</b>

## Notes to the financial statements (CONTINUED)

## 35 Provisions

The following table presents the changes in other provisions not subject to credit risk.

	INTEGRATION PROVISION	PROVISION FOR LITIGATION	OTHER PROVISION	TOTAL
<b>1 January 2025</b>	<b>926</b>	<b>709</b>	<b>744</b>	<b>2,379</b>
Additional provisions	287	55	912	1,254
Amounts utilised	(418)	–	(572)	(990)
Amounts released	(94)	(14)	(133)	(241)
Discounted breakdown of provisions*	48	53	10	111
<b>31 December 2025</b>	<b>749</b>	<b>803</b>	<b>961</b>	<b>2,513</b>

\* The group measures provisions at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market valuation of the time value of money and the risks associated with the liability. Any increase in the value of provisions due to the passage of time is recognised as interest expense.

The net balance of the other provision (addition) and use/release is shown in the following income statement lines:

	AMOUNT
Personnel expenses	(39)
General operating expenses	18
Other expenses	(2)
Interest expenses	(111)
Foreign exchange result	–
<b>Total impact of movements in the result for the year</b>	<b>(134)</b>

Information about provision movement on credit risk items is stated in Note 36. and 44.

In Y2022 following the deployment of the New group Organizational Model UniCredit's group Top Management set out a new mission. Our Culture is being transformed to secure this mission. It is about the synergy of our Purpose, Values and ambition. As part of the Culture Transformation plan a new set of UniCredit Values (Integrity, Ownership, Caring) were defined to ensure the success of our mission. These group-wide organizational changes brought by Culture Transformation have a significant and direct effect at local level. In order to fulfill our mission, countries have to accurately and promptly follow these changes and transform our local operation accordingly. New Culture, Purpose and Values directly influence People & Culture processes, most of all workforce planning, since a new direction and value system requires a new approach to our workforce as well. We must CARE about our colleagues and we must ensure the sufficient supply of workforce.

In line with the organisational model, which includes organisational simplification, the integration provision also includes space savings in the Bank's building and its optimisation to meet the requirements of a modern working environment.

In Y2023 we are on a mission to change UniCredit from one of the leading banks in Italy to one of the top tier banks in Europe. To be the better bank that our customers and investors need, we have to set up our Digital Journey. To continue the Digital Transformation is a key definer for the upcoming MYP 24-26 horizon.

Considering the financial results of UniCredit Hungary additional focus is needed in the upcoming years to ensure a sustainable business model until Y2026 to be able to continue our excellent financial results in a continuous changing macro environment (inflation rate, unemployment rate, interest rates, pandemic etc.). Contributing to the challenging business targets in terms of profit, return on allocated capital, cost / income ratio, etc. we continue to invest in technology to transform the way we do business and operate, as well as to reduce costs. Based on the foreseen digital evolution we detected significant capacity to be able to free up (mostly in non-client facing) and help several competence lines to achieve their group Targets in terms of staff expenses and FTEs. In line with this efficiencies below Restructuring was incorporated into the MYP submission.

To continue and improve the new strategy in Y2024 further streamlining of the internal operations were defined thanks to simplification and automation, while improving parallel the ratio of business and front office resources.

In Y2025 several Strategic/group projects are running simultaneously requiring extra contribution. To reduce employee turnover and retain key project contributors throughout the entire implementation and stabilization period (ensure successful go live) Payments project retention program was launched in Y2025.

In order to ensure the successful implementation of Streamline2Invest & sales focus optimization strategy (both of which are group-level priorities) provision of new integration cost was requested in Y2025 to cover severance & other related costs for organization / workforce adjustments. Aim of the Streamline & Sales optimization initiatives in Business is to optimize further non-front office and non-client facing activities in order to fund Front Office Business growth with particular focus on Middle Office in Retail and Corporates, to ensure Harmonization & optimization of organizational structures with group organization blueprint and process streamlining with activity/task/organization review.

Other provisions were recognized in the statement of profit or loss in connection with legal and operational risks incurred and employee holidays not taken during the year.

## Notes to the financial statements (CONTINUED)

## 36 Commitments and contingent liabilities

As of 31 December 2025, the group had the following commitments and contingent liabilities (in nominal values):

	2025	2024
Loan and overdraft facilities granted not disbursed	1,332,837	1,175,236
Financial guarantees	427,203	433,593
Letters of credit	8,886	7,330
FX spot sales (notional)	371,246	828,785
Future obligation arising from a commodity transactions with physical delivery	3,343	-

As at 31 December 2025, the group's provision for loan losses related to guarantees and letters of credit issued by the group (collectively referred to as financial guarantees) amounted to HUF 10,111 million (2024: HUF 9,365 million) and the accrued guarantee fees related to guarantees amounted to HUF 1,109 million (2024: HUF 1,206 million)

As at 31 December 2025, the amount of the provision for loan and overdraft facilities not utilised amounts to HUF 3,260 million (2024: HUF 3,796 million).

As at 31 December 2025, the nominal value of assets held in custody by the group was HUF 5,737,887 million (2024: HUF 5,429,380 million).

## 37 Currency structure of assets and liabilities

The currency structure of assets and liabilities as of 31 December 2025 is as follows:

CURRENCY	ASSETS	LIABILITIES AND EQUITY	OFF BALANCE SHEET NET	TOTAL NET F/X EXPOSURE LONG/(SHORT)
Euro	1,296,014	1,449,513	151,337	(2,162)
Swiss Francs	369	19,164	18,803	8
United States Dollars	52,608	297,508	245,189	289
Japanese Yen	504	719	215	-
Polish Zloty	834	13,695	12,866	5
British Pounds	685	11,890	11,198	(7)
Czech Crowns	316	2,338	2,010	(12)
Other**	3,985	5,374	1,403	14
<b>Total foreign currency</b>	<b>1,355,315</b>	<b>1,800,201</b>	<b>443,021</b>	<b>(1,865)</b>
total net long position in foreign currency				331
total net short position in foreign currency				(2,196)
Hungarian Forint	3,670,360	3,225,474	-	444,886
<b>Total*</b>	<b>5,025,675</b>	<b>5,025,675</b>	<b>443,021</b>	<b>443,021</b>

The currency structure of assets and liabilities as of 31 December 2024 is as follows:

CURRENCY	ASSETS	LIABILITIES AND EQUITY	OFF BALANCE SHEET NET	TOTAL NET F/X LONG/(SHORT)
Euro	1,340,080	1,557,698	215,903	(1,715)
Swiss Francs	1,598	12,066	10,509	41
United States Dollars	73,638	124,531	50,729	(164)
Japanese Yen	504	500	-	4
Polish Zloty	599	9,617	9,005	(13)
British Pounds	1,110	7,041	5,936	5
Czech Crowns	65	5,035	4,853	(117)
Other**	6,412	6,477	22	(43)
<b>Total foreign currency</b>	<b>1,424,006</b>	<b>1,722,965</b>	<b>296,957</b>	<b>(2,002)</b>
total net long position in foreign currency				71
total net short position in foreign currency				(2,073)
Hungarian Forint	3,770,307	3,471,348	-	298,959
<b>Total*</b>	<b>5,194,313</b>	<b>5,194,313</b>	<b>296,957</b>	<b>296,957</b>

\* The open foreign currency position is calculated by summing up the absolute value of the short and long positions per currency denomination.

\*\* The total net long foreign exchange positions in other currencies amounted to HUF 29 million in 2025 (2024: HUF 21 million), while the total net short foreign exchange positions amounted to HUF 15 million (2024: HUF 64 million).

## Notes to the financial statements (CONTINUED)

## 38 Residual contractual maturities of financial assets and liabilities

	CARRYING AMOUNT	GROSS NOMINAL INFLOW / (OUTFLOW)*	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS TO 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS
<b>NON-DERIVATIVE FINANCIAL ASSETS 31 DECEMBER 2025</b>							
Cash and cash equivalents	654,706	654,706	654,706	–	–	–	–
Financial assets held for trading	3,666	3,760	–	–	3,760	–	–
Investment securities	1,079,011	1,320,689	63,901	5,229	101,385	851,424	298,750
Loans and advances to banks	610,128	621,716	502,920	21,735	5,022	91,876	163
Loans and advances to customers	2,446,581	3,171,786	303,000	123,846	388,070	1,129,389	1,227,481
<b>Total</b>	<b>4,794,092</b>	<b>5,772,657</b>	<b>1,524,527</b>	<b>150,810</b>	<b>498,237</b>	<b>2,072,689</b>	<b>1,526,394</b>
<b>NON-DERIVATIVE FINANCIAL LIABILITIES 31 DECEMBER 2025</b>							
Deposits from banks	(346,168)	(312,058)	(80,201)	(53,241)	(47,752)	(114,899)	(15,965)
Deposits from customers	(3,404,453)	(3,400,224)	(3,247,027)	(97,034)	(22,360)	(28,990)	(4,813)
Issued debt securities	(479,871)	(581,393)	(4,281)	(3,439)	(21,509)	(516,291)	(35,873)
Subordinated liabilities	(52,409)	(91,830)	–	(1,157)	(3,508)	(19,571)	(67,594)
Issued loan commitments	(3,260)	(1,332,837)	(20,113)	(104,057)	(247,470)	(321,243)	(639,954)
Issued financial guarantee contracts	(9,637)	(436,088)	(3,539)	(9,379)	(36,296)	(65,369)	(321,505)
<b>Total</b>	<b>(4,295,798)</b>	<b>(6,154,431)</b>	<b>(3,355,161)</b>	<b>(268,307)</b>	<b>(378,895)</b>	<b>(1,066,363)</b>	<b>(1,085,705)</b>
<b>CASH FLOWS FROM DERIVATIVE POSITIONS 31 DECEMBER 2025</b>							
Trading	3,035	6,686	1,416	1,216	(227)	1,851	2,430
Risk management	(36,255)	(22,077)	3,233	(2,139)	(8,866)	(5,266)	(9,039)
<b>Total</b>	<b>(33,220)</b>	<b>(15,391)</b>	<b>4,649</b>	<b>(923)</b>	<b>(9,093)</b>	<b>(3,415)</b>	<b>(6,609)</b>

	CARRYING AMOUNT	GROSS NOMINAL INFLOW / (OUTFLOW)*	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS TO 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS
<b>NON-DERIVATIVE FINANCIAL ASSETS 31 DECEMBER 2024</b>							
Cash and cash equivalents	1,130,267	1,130,267	1,130,267	–	–	–	–
Financial assets held for trading	591	623	–	–	619	4	–
Investment securities	934,808	1,140,071	96,708	2,847	76,031	668,066	296,419
Loans and advances to banks	570,038	574,610	486,572	1,556	12,903	72,573	1,006
Loans and advances to customers	2,290,288	2,858,613	214,442	151,146	401,546	1,136,654	954,825
<b>Total</b>	<b>4,925,992</b>	<b>5,704,184</b>	<b>1,927,989</b>	<b>155,549</b>	<b>491,099</b>	<b>1,877,297</b>	<b>1,252,250</b>
<b>NON-DERIVATIVE FINANCIAL LIABILITIES 31 DECEMBER 2024</b>							
Trading liabilities	(201)	(201)	(201)	–	–	–	–
Deposits from banks	(680,711)	(634,435)	(121,626)	(42,932)	(260,222)	(187,819)	(21,836)
Deposits from customers	(3,209,794)	(3,259,352)	(3,120,694)	(79,184)	(38,688)	(13,901)	(6,885)
Issued debt securities	(473,998)	(598,701)	(3,320)	(3,908)	(32,267)	(533,943)	(25,263)
Subordinated liabilities	(55,795)	(100,821)	–	(1,349)	(3,725)	(19,865)	(75,882)
Issued loan commitments	(3,796)	(1,175,236)	(7,086)	(105,552)	(276,070)	(205,840)	(580,688)
Issued financial guarantee contracts	(10,571)	(440,923)	(3,269)	(14,985)	(32,025)	(44,067)	(346,577)
<b>Total</b>	<b>(4,434,866)</b>	<b>(6,209,669)</b>	<b>(3,256,196)</b>	<b>(247,910)</b>	<b>(642,997)</b>	<b>(1,005,435)</b>	<b>(1,057,131)</b>
<b>CASH FLOWS FROM DERIVATIVE POSITIONS 31 DECEMBER 2024</b>							
Trading	2,519	5,803	(1,917)	1,166	1,332	4,922	299
Risk management	(50,851)	(34,847)	(166)	(4,295)	(18,547)	(24,335)	12,496
<b>Total</b>	<b>(48,332)</b>	<b>(29,044)</b>	<b>(2,083)</b>	<b>(3,129)</b>	<b>(17,215)</b>	<b>(19,413)</b>	<b>12,795</b>

\* Gross cash flows include future flows of principal and interest. For interest rates not yet fixed, interest is determined by forward yield curves, so the rate of interest cash flows depends on the yield curve.

## Notes to the financial statements (CONTINUED)

## 39 Exposure to interest rate risk – non-trading portfolios

In the following table describing the interest rate gap position of the group on non-trading portfolios, fixed rate financial instruments are presented based on the maturity date and floating rate financial instruments are presented based on the next repricing date. In case of derivatives held for risk management purposes, the notional amounts are presented for the adequate representation of interest rate risk, carrying value is not populated.

	CARRYING AMOUNT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS TO 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS	NOT INTEREST RATE SENSITIVE
<b>31 December 2025</b>							
Cash and cash equivalents	654,706	654,706	–	–	–	–	–
Loans and advances to banks	610,128	517,232	79,001	864	13,030	1	–
Loans and advances to customers	2,446,581	629,547	667,077	414,324	518,711	216,922	–
Investment securities	1,079,011	118,697	98,001	92,235	594,153	175,925	–
<b>Total</b>	<b>4,790,426</b>	<b>1,920,182</b>	<b>844,079</b>	<b>507,423</b>	<b>1,125,894</b>	<b>392,848</b>	<b>–</b>
Deposits from banks	(346,168)	(198,108)	(58,531)	(29,225)	(48,374)	(11,930)	–
Deposits from customers	(3,404,453)	(2,279,583)	(127,188)	(133,786)	(407,718)	(456,178)	–
Issued debt securities	(479,871)	(77,698)	(250,774)	(2,674)	(121,105)	(27,620)	–
Subordinated liabilities	(52,409)	–	(52,409)	–	–	–	–
<b>Total</b>	<b>(4,282,901)</b>	<b>(2,555,389)</b>	<b>(488,902)</b>	<b>(165,685)</b>	<b>(577,197)</b>	<b>(495,728)</b>	<b>–</b>
Effect of derivatives held for risk management		407,386	(88,615)	(26,036)	(349,357)	57,222	–
<b>Exposure to interest rate risk total</b>	<b>507,525</b>	<b>(227,821)</b>	<b>266,562</b>	<b>315,702</b>	<b>199,340</b>	<b>(45,658)</b>	<b>–</b>

The re-pricing techniques and principles, applied for qualification by the group are described in detail in Note 4.

	CARRYING AMOUNT	LESS THAN 1 MONTH	1-3 MONTHS	3 MONTHS TO 1 YEAR	1-5 YEARS	MORE THAN 5 YEARS	NOT INTEREST RATE SENSITIVE
<b>31 December 2024</b>							
Cash and cash equivalents	1,130,267	1,130,267	–	–	–	–	–
Loans and advances to banks	570,038	495,740	59,014	530	14,753	1	–
Loans and advances to customers	2,290,288	553,393	628,169	402,880	495,225	210,621	–
Investment securities	934,808	165,658	107,534	60,091	416,973	184,552	–
<b>Total</b>	<b>4,925,401</b>	<b>2,345,058</b>	<b>794,717</b>	<b>463,501</b>	<b>926,951</b>	<b>395,174</b>	<b>–</b>
Deposits from banks	(680,711)	(178,283)	(156,057)	(229,132)	(102,136)	(15,103)	–
Deposits from customers	(3,209,794)	(2,165,359)	(133,490)	(128,942)	(366,988)	(415,015)	–
Issued debt securities	(473,998)	(54,624)	(271,615)	(6,632)	(117,627)	(23,500)	–
Subordinated liabilities	(55,795)	–	(55,795)	–	–	–	–
<b>Total</b>	<b>(4,420,298)</b>	<b>(2,398,266)</b>	<b>(616,957)</b>	<b>(364,706)</b>	<b>(586,751)</b>	<b>(453,618)</b>	<b>–</b>
Effect of derivatives held for risk management		(38,210)	(290,005)	245,853	(51,687)	131,432	–
<b>Exposure to interest rate risk total</b>	<b>505,103</b>	<b>(91,418)</b>	<b>(112,245)</b>	<b>344,648</b>	<b>288,513</b>	<b>72,988</b>	<b>–</b>

The re-pricing techniques and principles, applied for qualification by the group are described in detail in Note 4.

## Notes to the financial statements (CONTINUED)

## 40 Derivative financial instruments held for Trading

31 December 2025	MATURITY BREAKDOWN OF NOMINAL VALUE 2025			TOTAL
	LESS THAN 3 MONTHS	3 MONTHS – 1 YEAR	MORE THAN 1 YEAR	
<b>Interest rate derivatives</b>				
<b>Swap deals</b>				
Interest rate swap (IRS)	89,419	301,949	2,882,148	3,273,516
FRA	–	–	–	–
Interest rate options	–	3,338	94,100	97,438
<b>Total</b>	<b>89,419</b>	<b>305,287</b>	<b>2,976,248</b>	<b>3,370,954</b>
<b>Interest rate &amp; FX derivatives</b>				
CC Interest rate swap	–	12	3,365	3,377
<b>Total</b>	<b>–</b>	<b>12</b>	<b>3,365</b>	<b>3,377</b>
<b>FX derivatives</b>				
<b>Forward Exchange deals</b>				
FX forward	1,003,941	139,592	932	1,144,465
<b>Options</b>				
FX Barrier (European)	10,756	19,215	–	29,971
FX (European) without barrier	90,478	19,024	–	109,502
<b>Total</b>	<b>1,105,175</b>	<b>177,831</b>	<b>932</b>	<b>1,283,938</b>
<b>Commodity derivatives</b>				
Commodity forward & swap	4,914	23,349	4,275	32,538
<b>Total</b>	<b>4,914</b>	<b>23,349</b>	<b>4,275</b>	<b>32,538</b>
<b>Overall Total</b>	<b>1,199,508</b>	<b>506,479</b>	<b>2,984,820</b>	<b>4,690,807</b>

31 December 2024	MATURITY BREAKDOWN OF NOMINAL VALUE 2024			TOTAL
	LESS THAN 3 MONTHS	3 MONTHS – 1 YEAR	MORE THAN 1 YEAR	
<b>Interest rate derivatives</b>				
<b>Swap deals</b>				
Interest rate swap (IRS)	56,420	370,157	2,468,633	2,895,210
FRA	–	–	–	–
Interest rate options	–	57,822	11,945	69,767
<b>Total</b>	<b>56,420</b>	<b>427,979</b>	<b>2,480,578</b>	<b>2,964,977</b>
<b>Interest rate &amp; FX derivatives</b>				
CC Interest rate swap	–	87,004	5,116	92,120
<b>Total</b>	<b>–</b>	<b>87,004</b>	<b>5,116</b>	<b>92,120</b>
<b>FX derivatives</b>				
<b>Forward Exchange deals</b>				
FX forward	472,359	1,643	6,255	480,257
<b>Options</b>				
FX Barrier (European)	25,202	21,774	3,427	50,403
FX (European) without barrier	4,256	13,093	4,945	22,294
<b>Total</b>	<b>501,817</b>	<b>36,510</b>	<b>14,627</b>	<b>552,954</b>
<b>Commodity derivatives</b>				
Commodity forward & swap	16,997	5,669	2,027	24,693
<b>Total</b>	<b>16,997</b>	<b>5,669</b>	<b>2,027</b>	<b>24,693</b>
<b>Overall Total</b>	<b>575,234</b>	<b>557,162</b>	<b>2,502,348</b>	<b>3,634,744</b>

The notional values of trading derivative financial instruments of the group in the following tables are presented in accordance with how the notional values are represented in the group's accounting records. This means that in case of a swap instrument (interest rate swap – IRS, CIRS; commodity swap) the notional value of both the pay and receive legs of the derivative financial instruments are presented summarized in absolute terms in order to reflect the different interest and value determination method of the pay/receive (fix/float) legs of the derivative financial instrument. Furthermore, in case FX

## Notes to the financial statements (CONTINUED)

forward instruments, the Forint equivalent value of the notional amount as at the balance sheet date and the Forint equivalent value of the forward rate at expiry is summarized in absolute terms in line with accounting records.

The following tables present the fair value of derivatives and related adjustments by type of risk exposure.

	FAIR VALUE		FVA*		CVA/DVA**		FUVA***	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
<b>31 December 2025</b>								
<b>Interest rate derivatives</b>								
<b>Swap deals</b>								
Interest rate swap (IRS)	39,564	(37,956)	(19)	–	(340)	16	(92)	57
FRA	–	–	–	–	–	–	–	–
Interest rate options	102	(102)	–	–	–	(2)	–	–
<b>Total</b>	<b>39,666</b>	<b>(38,058)</b>	<b>(19)</b>	<b>–</b>	<b>(340)</b>	<b>14</b>	<b>(92)</b>	<b>57</b>
<b>Interest rate &amp; FX derivatives</b>								
CC Interest rate swap (CCIRS)	23	(23)	–	–	–	(1)	–	–
CC Interest rate swap FX revaluation	33	(31)	–	–	–	–	–	–
<b>Total</b>	<b>56</b>	<b>(54)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(1)</b>	<b>–</b>	<b>–</b>
<b>FX derivatives</b>								
<b>Forward Exchange deals</b>								
FX forward	15,463	(13,637)	–	–	(2)	(3)	–	1
<b>Options</b>								
FX Barrier (European)	337	(337)	–	–	(1)	–	–	–
FX (European) without barrier	425	(425)	–	–	(1)	–	–	–
<b>Total</b>	<b>16,225</b>	<b>(14,399)</b>	<b>–</b>	<b>–</b>	<b>(4)</b>	<b>(3)</b>	<b>–</b>	<b>1</b>
<b>Commodity derivatives</b>								
Commodity forward & swap	2,847	(2,847)	–	–	(12)	(1)	(1)	–
<b>Total</b>	<b>2,847</b>	<b>(2,847)</b>	<b>–</b>	<b>–</b>	<b>(12)</b>	<b>(1)</b>	<b>(1)</b>	<b>–</b>
<b>Overall Total</b>	<b>58,794</b>	<b>(55,358)</b>	<b>(19)</b>	<b>–</b>	<b>(356)</b>	<b>9</b>	<b>(93)</b>	<b>58</b>

\* (Fair Value Adjustment);

\*\* (Credit/Debit Valuation Adjustment);

\*\*\* (Funding Valuation Adjustment)

	FAIR VALUE		FVA*		CVA/DVA**		FUVA***	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
<b>31 December 2024</b>								
<b>Interest rate derivatives</b>								
<b>Swap deals</b>								
Interest rate swap (IRS)	59,067	(54,368)	(23)	–	(608)	22	(183)	73
FRA	–	–	–	–	–	–	–	–
Interest rate options	173	(173)	–	–	–	(4)	–	–
<b>Total</b>	<b>59,240</b>	<b>(54,541)</b>	<b>(23)</b>	<b>–</b>	<b>(608)</b>	<b>18</b>	<b>(183)</b>	<b>73</b>
<b>Interest rate &amp; FX derivatives</b>								
CC Interest rate swap (CCIRS)	274	(270)	–	–	(1)	(6)	–	(1)
CC Interest rate swap FX revaluation	2,992	(2,985)	–	–	–	–	–	–
<b>Total</b>	<b>3,266</b>	<b>(3,255)</b>	<b>–</b>	<b>–</b>	<b>(1)</b>	<b>(6)</b>	<b>–</b>	<b>(1)</b>
<b>FX derivatives</b>								
<b>Forward Exchange deals</b>								
FX forward	10,478	(11,925)	–	–	(7)	(1)	(1)	–
<b>Options</b>								
FX Barrier (European)	378	(378)	–	–	(1)	–	–	–
FX (European) without barrier	141	(141)	–	–	–	–	–	–
<b>Total</b>	<b>10,997</b>	<b>(12,444)</b>	<b>–</b>	<b>–</b>	<b>(8)</b>	<b>(1)</b>	<b>(1)</b>	<b>–</b>
<b>Commodity derivatives</b>								
Commodity forward & swap	3,402	(3,402)	–	–	–	(4)	–	1
<b>Total</b>	<b>3,402</b>	<b>(3,402)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(4)</b>	<b>–</b>	<b>1</b>
<b>Overall Total</b>	<b>76,905</b>	<b>(73,642)</b>	<b>(23)</b>	<b>–</b>	<b>(617)</b>	<b>7</b>	<b>(184)</b>	<b>73</b>

\* (Fair Value Adjustment);

\*\* (Credit/Debit Valuation Adjustment);

\*\*\* (Funding Valuation Adjustment)

## Notes to the financial statements (CONTINUED)

## 41 Derivative financial instruments held for Hedging purposes

31 December 2025	MATURITY BREAKDOWN OF NOMINAL VALUE 2025			TOTAL
	LESS THAN 3 MONTHS	3 MONTHS – 1 YEAR	MORE THAN 1 YEAR	
<b>Risk purposes</b>				
<b>Interest rate derivatives</b>				
<b>Fair value hedge deals</b>	<b>139,355</b>	<b>287,620</b>	<b>4,679,836</b>	<b>5,106,811</b>
Interest rate swap (IRS)	139,355	287,620	4,679,836	5,106,811
<i>thereof bond hedging IRS</i>	22,000	104,247	1,780,466	1,906,713
<i>average fix interest rate (%)</i>	1.20	2.56	4.80	4.64
<i>thereof deposit hedging IRS</i>	105,793	56,374	1,785,551	1,947,718
<i>average fix interest rate (%)</i>	1.80	3.06	3.28	3.19
<i>thereof loan hedging IRS</i>	11,562	126,999	1,113,819	1,252,380
<i>average fix interest rate (%)</i>	0.50	3.68	6.24	5.93
<b>Cash flow hedge deals</b>	<b>1,800</b>	<b>110,000</b>	<b>583,571</b>	<b>695,371</b>
Interest rate swap (IRS)	1,800	110,000	583,571	695,371
<i>average fix interest rate (%)</i>	1.91	2.44	4.79	4.41
<b>Total</b>	<b>141,155</b>	<b>397,620</b>	<b>5,263,407</b>	<b>5,802,182</b>
<b>Interest rate &amp; FX derivatives</b>				
Fair value hedge deals				
Cash flow hedge deals	6,087	–	169,946	176,033
<b>Total</b>	<b>6,087</b>	<b>–</b>	<b>169,946</b>	<b>176,033</b>
<b>Overall Total</b>	<b>147,242</b>	<b>397,620</b>	<b>5,433,353</b>	<b>5,978,215</b>

31 December 2024	MATURITY BREAKDOWN OF NOMINAL VALUE 2024			TOTAL
	LESS THAN 3 MONTHS	3 MONTHS – 1 YEAR	MORE THAN 1 YEAR	
<b>Risk purposes</b>				
<b>Interest rate derivatives</b>				
<b>Fair value hedge deals</b>	<b>141,060</b>	<b>765,524</b>	<b>4,257,372</b>	<b>5,163,956</b>
Interest rate swap (IRS)	141,060	765,524	4,257,372	5,163,956
<i>thereof bond hedging IRS</i>	9,000	84,558	1,445,924	1,539,482
<i>average fix interest rate (%)</i>	1.34	0.94	2.73	2.62
<i>thereof deposit hedging IRS</i>	94,060	482,948	1,788,692	2,365,700
<i>average fix interest rate (%)</i>	1.46	1.14	2.58	2.24
<i>thereof loan hedging IRS</i>	38,000	198,018	1,022,757	1,258,775
<i>average fix interest rate (%)</i>	12.06	4.32	10.15	9.29
<b>Cash flow hedge deals</b>	<b>29,800</b>	<b>32,000</b>	<b>746,429</b>	<b>808,229</b>
Interest rate swap (IRS)	29,800	32,000	746,429	808,229
<i>average fix interest rate (%)</i>	2.23	2.66	4.37	4.22
<b>Total</b>	<b>170,860</b>	<b>797,524</b>	<b>5,003,801</b>	<b>5,972,185</b>
<b>Interest rate &amp; FX derivatives</b>				
Fair value hedge deals				
Cash flow hedge deals	–	19,593	180,508	200,101
<b>Total</b>	<b>–</b>	<b>19,593</b>	<b>180,508</b>	<b>200,101</b>
<b>Overall Total</b>	<b>170,860</b>	<b>817,117</b>	<b>5,184,309</b>	<b>6,172,286</b>

The notional values of hedging derivative financial instruments of the group in the following tables are presented in accordance with how the notional values are represented in the group's accounting records. This means that in case of a swap instrument (interest rate swap – IRS, CIRS; commodity swap) the notional value of both the pay and receive legs of the derivative financial instruments are presented summarized in absolute terms in order to reflect the different interest and value determination method of the pay/receive (fix/float) legs of the derivative financial instrument. Furthermore, in case FX forward instruments, the Forint equivalent value of the notional amount as at the balance sheet date and the Forint equivalent value of the forward rate at expiry is summarized in absolute terms in line with accounting records.

# Notes to the financial statements (CONTINUED)

The following tables present the fair value of derivatives and related adjustments by type of risk exposure.

31 December 2025	FAIR VALUE		FVA*		CVA/DVA**		FuVA***	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
<b>Risk purposes</b>								
<b>Interest rate derivatives</b>								
<b>Fair value hedge deals</b>	<b>55,229</b>	<b>(88,647)</b>	<b>(323)</b>	<b>–</b>	<b>(9)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>
Interest rate swap (IRS)	55,229	(88,647)	(323)	–	(9)	(1)	(2)	(2)
<i>thereof bond hedging IRS</i>	36,374	(23,100)	(228)	–	–	–	–	(1)
<i>thereof deposit hedging IRS</i>	13,209	(43,433)	(66)	–	1	–	1	–
<i>thereof loan hedging IRS</i>	5,646	(22,114)	(29)	–	(10)	(1)	(3)	(1)
<b>Cash flow hedge deals</b>	<b>7,668</b>	<b>(10,683)</b>	<b>(355)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Interest rate swap (IRS)	7,668	(10,683)	(355)	–	–	–	–	–
FRA	–	–	–	–	–	–	–	–
<b>Total</b>	<b>62,897</b>	<b>(99,330)</b>	<b>(678)</b>	<b>–</b>	<b>(9)</b>	<b>(1)</b>	<b>(2)</b>	<b>(2)</b>
<b>Interest rate &amp; FX derivatives</b>								
Cash flow hedge deals (CCIRS)	638	–	(30)	–	–	–	1	–
Cash flow hedge deals (CCIRS) FX revaluation	919	(658)	–	–	–	–	–	–
<b>Total</b>	<b>1,557</b>	<b>(658)</b>	<b>(30)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>–</b>
<b>Overall Total</b>	<b>64,454</b>	<b>(99,988)</b>	<b>(708)</b>	<b>–</b>	<b>(9)</b>	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>

\* (Fair Value Adjustment);

\*\* (Credit /Debit Valuation Adjustment);

\*\*\* (Funding Valuation Adjustment)

The following tables present the fair value of derivatives and related adjustments by type of risk exposure.

31 December 2024	FAIR VALUE		FVA*		CVA/DVA**		FuVA***	
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
<b>Risk purposes</b>								
<b>Interest rate derivatives</b>								
<b>Fair value hedge deals</b>	<b>75,551</b>	<b>(114,371)</b>	<b>(286)</b>	<b>–</b>	<b>(28)</b>	<b>(2)</b>	<b>(5)</b>	<b>(1)</b>
Interest rate swap (IRS)	75,551	(114,371)	(286)	–	(28)	(2)	(5)	(1)
<i>thereof bond hedging IRS</i>	53,937	(20,155)	(219)	–	–	(1)	1	–
<i>thereof deposit hedging IRS</i>	9,789	(70,874)	(30)	–	1	–	1	–
<i>thereof loan hedging IRS</i>	11,825	(23,342)	(37)	–	(28)	(1)	(6)	(1)
<b>Cash flow hedge deals</b>	<b>7,954</b>	<b>(17,825)</b>	<b>(280)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Interest rate swap (IRS)	7,954	(17,825)	(280)	–	–	–	–	–
FRA	–	–	–	–	–	–	–	–
<b>Total</b>	<b>83,505</b>	<b>(132,196)</b>	<b>(566)</b>	<b>–</b>	<b>(28)</b>	<b>(2)</b>	<b>(5)</b>	<b>(1)</b>
<b>Interest rate &amp; FX derivatives</b>								
Cash flow hedge deals (CCIRS)	774	–	(27)	–	1	–	1	–
Cash flow hedge deals (CCIRS) FX revaluation	134	(2,441)	–	–	–	–	–	–
<b>Total</b>	<b>908</b>	<b>(2,441)</b>	<b>(27)</b>	<b>–</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>–</b>
<b>Overall Total</b>	<b>84,413</b>	<b>(134,637)</b>	<b>(593)</b>	<b>–</b>	<b>(27)</b>	<b>(2)</b>	<b>(4)</b>	<b>(1)</b>

\* (Fair Value Adjustment);

\*\* (Credit /Debit Valuation Adjustment);

\*\*\* (Funding Valuation Adjustment)

The following amounts have been recognised in connection with derivative financial instruments used for hedging purposes, hedged instruments and hedge ineffectiveness in 2025.

2025 – DERIVATIVES HELD FOR HEDGING PURPOSES			
LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION WHERE THE HEDGING INSTRUMENT IS INCLUDED	CHANGE IN FAIR VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2025	INEFFECTIVENESS* RECOGNISED IN PROFIT OR LOSS	LINE ITEM IN PROFIT OR LOSS THAT INCLUDES HEDGE INEFFECTIVENESS
Derivative assets held for risk management – FVH	(24,820)	(577)	Net income from other financial instruments at FvtPL
Derivative liabilities held for risk management – FVH	29,478	(264)	Net income from other financial instruments at FvtPL

## Notes to the financial statements (CONTINUED)

2025 – HEDGED INSTRUMENTS				
ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF HEDGED ITEM**		LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION IN WHICH THE HEDGED ITEM IS INCLUDED	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2025	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS REMAINING IN THE STATEMENT OF FINANCIAL POSITION FOR ANY HEDGED ITEMS THAT HAVE CEASED TO BE ADJUSTED FOR HEDGING GAINS AND LOSSES
ASSETS	LIABILITIES			
3,294	–	Loans and advances to customers – FVH	4,193	–
928	–	Loans to banks – FVH	(151)	–
(17,994)	–	Investment Securities – FVH	21,478	–
–	431	Deposits and loans from banks – FVH	(6,611)	–
–	37,298	Deposits from customers – FVH	(19,638)	–
–	7,881	Own issued bonds – FVH	(4,770)	–

(\*) When calculating hedge ineffectiveness to be presented in the statement of profit and loss, the group considered fair value excluding and valuation adjustments (CVA, DVA, FuVA). Net gain or loss on hedging instruments presented in the statement of profit and loss (Note 11) is the total of hedge ineffectiveness shown above and the amount of CVA, DVA and FuVA charge to the statement of profit and loss.

(\*\*) Accumulated amount of fair value hedge adjustment included in the carrying amount of hedged instruments are presented on an accrual basis for both assets and liabilities, i.e. positive numbers represent gains (increasing assets or decreasing liabilities) and negative numbers represent losses (decreasing assets or increasing liabilities).

The following amounts have been recognised in connection with derivative financial instruments used for hedging purposes, hedged instruments and hedge ineffectiveness in 2025.

2025 – DERIVATIVES HELD FOR HEDGING PURPOSES			
LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION WHERE THE HEDGING INSTRUMENT IS INCLUDED	CHANGE IN FAIR VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2025	CHANGE IN CASH FLOW HEDGE RESERVE*	LINE ITEM IN PROFIT OR LOSS THAT INCLUDES HEDGE INEFFECTIVENESS
Derivative assets held for risk management - CFH	(1,392)	(1,306)	Net income from other financial instruments at FVtPL
Derivative liabilities held for risk management - CFH	7,094	7,094	Net income from other financial instruments at FVtPL

2025 – HEDGED INSTRUMENTS				
ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF HEDGED ITEM**		LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION IN WHICH THE HEDGED ITEM IS INCLUDED	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2025	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS REMAINING IN THE STATEMENT OF FINANCIAL POSITION FOR ANY HEDGED ITEMS THAT HAVE CEASED TO BE ADJUSTED FOR HEDGING GAINS AND LOSSES
ASSETS	LIABILITIES			
–	–	Loans and advances to customers – CFH	8,160	–
–	–	Deposits from customers – CFH	(2,371)	–

(\*) When calculating hedge ineffectiveness to be presented in the statement of profit and loss, the group considered fair value excluding and valuation adjustments (CVA, DVA, FuVA). Valuation adjustments are charge to the statement of profit and loss and shown as Net gain or loss on hedging instruments (Note 11). The revaluation of cash flow hedging derivative instruments is recorded against the cash flow hedge reserve.

(\*\*) Accumulated amount of fair value hedge adjustment included in the carrying amount of hedged instruments are presented on an accrual basis for both assets and liabilities, i.e. positive numbers represent gains (increasing assets or decreasing liabilities) and negative numbers represent losses (decreasing assets or increasing liabilities).

The following amounts have been recognised in connection with derivative financial instruments used for hedging purposes, hedged instruments and hedge ineffectiveness in 2024.

2024 – DERIVATIVES HELD FOR HEDGING PURPOSES			
LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION WHERE THE HEDGING INSTRUMENT IS INCLUDED	CHANGE IN FAIR VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2024	INEFFECTIVENESS* RECOGNISED IN PROFIT OR LOSS	LINE ITEM IN PROFIT OR LOSS THAT INCLUDES HEDGE INEFFECTIVENESS
Derivative assets held for risk management – Fair value hedge	(8,154)	655	Net gain and loss on hedging instruments
Derivative liabilities held for risk management – Fair value hedge	51,372	(332)	Net gain and loss on hedging instruments

## Notes to the financial statements (CONTINUED)

2024 – HEDGED INSTRUMENTS				
ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF HEDGED ITEM**		LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION IN WHICH THE HEDGED ITEM IS INCLUDED	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2024	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS REMAINING IN THE STATEMENT OF FINANCIAL POSITION FOR ANY HEDGED ITEMS THAT HAVE CEASED TO BE ADJUSTED FOR HEDGING GAINS AND LOSSES
ASSETS	LIABILITIES			
(362)	–	Loans and advances to customers – Fair value hedge	(12,268)	–
1,080	–	Loans to banks – Fair value hedge	(758)	–
(34,205)	–	Investment Securities – Fair value hedge	(8,295)	–
–	7,071	Deposits from banks – Fair value hedge	(12,604)	–
–	57,583	Deposits from customers – Fair value hedge	(11,108)	–
–	12,651	Issued debt securities – Fair value hedge	2,140	–

(\*) When calculating hedge ineffectiveness to be presented in the statement of profit and loss, the group considered fair value excluding and valuation adjustments (CVA, DVA, FuVA). Net gain or loss on hedging instruments presented in the statement of profit and loss (Note 11) is the total of hedge ineffectiveness shown above and the amount of CVA, DVA and FuVA charge to the statement of profit and loss.

(\*\*) Accumulated amount of fair value hedge adjustment included in the carrying amount of hedged instruments are presented on an accrual basis for both assets and liabilities, i.e. positive numbers represent gains (increasing assets or decreasing liabilities) and negative numbers represent losses (decreasing assets or increasing liabilities).

The following amounts have been recognised in connection with derivative financial instruments used for hedging purposes, hedged instruments and hedge ineffectiveness in 2024.

2024 – DERIVATIVES HELD FOR HEDGING PURPOSES			
LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION WHERE THE HEDGING INSTRUMENT IS INCLUDED	CHANGE IN FAIR VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2024	CHANGE IN CASH FLOW HEDGE RESERVE*	LINE ITEM IN PROFIT OR LOSS THAT INCLUDES HEDGE INEFFECTIVENESS
Derivative assets held for risk management – Cash flow hedge	(5,441)	(5,441)	Net gain and loss on hedging instruments
Derivative liabilities held for risk management – Cash flow hedge	4,338	4,338	Net gain and loss on hedging instruments

2024 – HEDGED INSTRUMENTS				
ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS ON THE HEDGED ITEM INCLUDED IN THE CARRYING AMOUNT OF HEDGED ITEM**		LINE ITEM IN THE STATEMENT OF FINANCIAL POSITION IN WHICH THE HEDGED ITEM IS INCLUDED	CHANGE IN VALUE USED FOR CALCULATING HEDGE INEFFECTIVENESS FOR 2024	ACCUMULATED AMOUNT OF FAIR VALUE HEDGE ADJUSTMENTS REMAINING IN THE STATEMENT OF FINANCIAL POSITION FOR ANY HEDGED ITEMS THAT HAVE CEASED TO BE ADJUSTED FOR HEDGING GAINS AND LOSSES
ASSETS	LIABILITIES			
–	–	Loans and advances to customers – Cash flow hedge	(1,217)	–
–	–	Deposits from customers – Cash flow hedge	113	–

(\*) When calculating hedge ineffectiveness to be presented in the statement of profit and loss, the group considered fair value excluding and valuation adjustments (CVA, DVA, FuVA). Valuation adjustments are charge to the statement of profit and loss and shown as Net gain or loss on hedging instruments (Note 11). The revaluation of cash flow hedging derivative instruments is recorded against the cash flow hedge reserve.

(\*\*) Accumulated amount of fair value hedge adjustment included in the carrying amount of hedged instruments are presented on an accrual basis for both assets and liabilities, i.e. positive numbers represent gains (increasing assets or decreasing liabilities) and negative numbers represent losses (decreasing assets or increasing liabilities).

## Notes to the financial statements (CONTINUED)

## 42 Fair valuation hierarchy

## 42.1 Financial instruments measured at FV – fair value hierarchy

The below tables provide a breakdown of financial instruments measured at fair value based on the level of inputs used for valuation purposes in the fair value hierarchy. The amounts in the tables are based on the statement of financial position.

	COMMENT	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>31 December 2025</b>					
<b>Financial assets measured at FV</b>					
<b>Financial assets held for trading (bonds)</b>					
State treasury bills	18	3,662	–	–	3,662
State bonds	18	4	–	–	4
Other bonds	18	–	–	–	–
<b>Total</b>		<b>3,666</b>	<b>–</b>	<b>–</b>	<b>3,666</b>
<b>Financial assets trading derivatives</b>					
Interest rate derivatives	40	–	35,855	3,360	39,215
Interest and FX derivatives	40	–	56	–	56
FX derivatives	40	–	16,221	–	16,221
Commodity derivatives	40	–	2,834	–	2,834
<b>Total</b>		<b>–</b>	<b>54,966</b>	<b>3,360</b>	<b>58,326</b>
<b>Financial assets hedging derivatives</b>					
Interest rate risk	41	–	62,208	–	62,208
Interest rate and FX risk	41	–	1,528	–	1,528
<b>Total</b>		<b>–</b>	<b>63,736</b>	<b>–</b>	<b>63,736</b>
<b>Non-trading financial assets at fair value through profit or loss</b>					
Equities	22	87	–	–	87
Loans and advances to customers	21	–	–	173,749	173,749
<b>Total</b>		<b>87</b>	<b>–</b>	<b>173,749</b>	<b>173,836</b>
<b>Investment securities at fair value through other comprehensive income</b>					
Treasury bills	22	–	80,980	–	80,980
State bonds	22	266,747	16,947	–	283,694
Other bonds	22	3,629	16,588	2,347	22,564
Equities	22	–	–	7,160	7,160
<b>Total</b>		<b>270,376</b>	<b>114,515</b>	<b>9,507</b>	<b>394,398</b>
<b>Financial assets at fair value total</b>		<b>274,129</b>	<b>233,217</b>	<b>183,256</b>	<b>693,962</b>
<b>Financial liabilities measured at Fair value</b>					
<b>Trading derivatives</b>					
Interest rate derivatives	40	–	37,987	–	37,987
Interest and FX derivatives	40	–	55	–	55
FX derivatives	40	–	14,401	–	14,401
Commodity derivatives	40	–	2,848	–	2,848
<b>Total</b>		<b>–</b>	<b>55,291</b>	<b>–</b>	<b>55,291</b>
<b>Hedging derivatives</b>					
Interest rate risk	41	–	99,333	–	99,333
Interest rate and FX risk	41	–	658	–	658
<b>Total</b>		<b>–</b>	<b>99,991</b>	<b>–</b>	<b>99,991</b>
<b>Financial liabilities at fair value total</b>		<b>–</b>	<b>155,282</b>	<b>–</b>	<b>155,282</b>

## Notes to the financial statements (CONTINUED)

	COMMENT	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
<b>31 December 2024</b>					
<b>Financial assets measured at FV</b>					
<b>Financial assets held for trading (bonds)</b>					
State treasury bills	18	510	76	–	586
State bonds	18	4	–	–	4
Other bonds	18	–	1	–	1
<b>Total</b>		<b>514</b>	<b>77</b>	<b>–</b>	<b>591</b>
<b>Financial assets trading derivatives</b>					
Interest rate derivatives	40	–	58,426	–	58,426
Interest and FX derivatives	40	–	3,265	–	3,265
FX derivatives	40	–	10,935	53	10,988
Commodity derivatives	40	–	3,402	–	3,402
<b>Total</b>		<b>–</b>	<b>76,028</b>	<b>53</b>	<b>76,081</b>
<b>Financial assets hedging derivatives</b>					
Interest rate risk	41	–	82,906	–	82,906
Interest rate and FX risk	41	–	883	–	883
<b>Total</b>		<b>–</b>	<b>83,789</b>	<b>–</b>	<b>83,789</b>
<b>Non-trading financial assets at fair value through profit or loss</b>					
Equities	22	265	–	–	265
Loans and advances to customers	21	–	–	120,571	120,571
<b>Total</b>		<b>265</b>	<b>–</b>	<b>120,571</b>	<b>120,836</b>
<b>Investment securities at fair value through other comprehensive income</b>					
Treasury bills	22	–	95,097	–	95,097
State bonds	22	177,770	766	–	178,536
Other bonds	22	3,733	16,248	697	20,678
Equities	22	–	–	7,160	7,160
<b>Total</b>		<b>181,503</b>	<b>112,111</b>	<b>7,857</b>	<b>301,471</b>
<b>Financial assets at fair value total</b>		<b>182,282</b>	<b>272,005</b>	<b>128,481</b>	<b>582,768</b>
<b>Financial liabilities measured at Fair value</b>					
<b>Trading derivatives</b>					
Interest rate derivatives	40	–	54,450	–	54,450
Interest and FX derivatives	40	–	3,262	–	3,262
FX derivatives	40	–	12,391	54	12,445
Commodity derivatives	40	–	3,405	–	3,405
<b>Total</b>		<b>–</b>	<b>73,508</b>	<b>54</b>	<b>73,562</b>
<b>Hedging derivatives</b>					
Interest rate risk	41	–	132,199	–	132,199
Interest rate and FX risk	41	–	2,441	–	2,441
<b>Total</b>		<b>–</b>	<b>134,640</b>	<b>–</b>	<b>134,640</b>
<b>Financial liabilities at fair value total</b>		<b>–</b>	<b>208,349</b>	<b>54</b>	<b>208,403</b>

For the group's financial instruments at fair value through profit or loss at the end of 2025 and 2024 that were measured at Level 1 at the end of the comparative period, no transfers were made to Level 2 in 2025 or 2024, nor were any transfers made from Level 2 to Level 1. Upon measurement as at 31 December 2025, the group reclassified 1 securities from Level 2 to Level 3, the effect of which on the accounting for fair value differences is presented in Table 41.2.1 Level 3 Fair value disclosures. The reclassification is explained by a change in valuation technique (from model-based to market-based pricing) and an increase in the proportion of observable inputs used in model-based pricing.

# Notes to the financial statements (CONTINUED)

The group uses the following valuation techniques and key inputs when determining the fair value of financial instruments:

FINANCIAL ASSETS / FINANCIAL LIABILITIES	FAIR VALUE HIERARCHY	VALUATION TECHNIQUE(S) AND KEY INPUT(S)
Forward rate agreement	Level 2	Discounted cash flow method is used. The two future cash flows are estimated based on forward interest rate (from observable yield curves at the end of the reporting period) and the contractual interest rate and are both discounted. Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used for the valuation of derivatives (close-out risk) as well.
Interest rate swaps (SC IRS)	Level 2	Discounted cash flow method is used. The future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contractual interest rate and are discounted. The FV includes both the market value and the accrued interest. Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used for the valuation of derivatives (close-out risk) as well.
Interest rate swaps (DC IRS)	Level 2	Discounted cash flow method is used. The future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contractual interest rate and are discounted. The FV includes both the market value, the accrued interest but excludes the effect of the revalued principals (recognized as forward exchange). Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used for the valuation of derivatives (close-out risk) as well.
Forward Exchange & Swap	Level 2	Discounted cash flow method is used. The future cash flows are estimated based on forward exchange rates (from observable forward exchange rates at the end of the reporting period) and contractual forward rates and are discounted. Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used as an adjustment for the valuation of derivatives (close-out risk) as well.
FX Options	Level 2	The European options calculation uses the standard Black-Scholes formula. Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used as an adjustment for the valuation of derivatives (close-out risk) as well.
IR options	Level 2	The options calculation uses the Black-Scholes model. Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used as an adjustment for the valuation of derivatives (close-out risk) as well.
Commodity forward & swap	Level 2	Discounted cash flow method is used. The future cash flows are estimated based on forward commodity rates (from observable commodity index curve at the end of the reporting period) and contractual commodity price and are discounted, Credit valuation adjustments (CVAs) and debit valuation adjustments (DVAs) are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and UniCredit own credit quality respectively. Financial model based FVA is used as an adjustment for the valuation of derivatives (close-out risk) as well.
Bonds	Level 1	Marked-to-market valuation based on quotation prices observed in active markets (e.g. Reuters). Liquidity and close-out fair value adjustments apply.
Bonds	Level 2	Marked-to-market valuation based on prices quoted in a non-active market or (Marked to model) model-based pricing based on observable input (curve consisting of liquid bonds of the same sector or sovereign). Liquidity and close-out fair value adjustments apply.
Corporate bonds	Level 1	Marked-to-market valuation based on quotation prices observed in active markets (e.g. Reuters). Liquidity and close-out fair value adjustments apply.
Corporate bonds	Level 2	Marked-to-market valuation based on prices quoted in a non-active market or (Marked to model) model-based pricing based on observable input (curve consisting of liquid bonds of the same sector or sovereign). Liquidity and close-out fair value adjustments apply.
Corporate bonds	Level 3	Marked-to-model valuation based on a curve consisting of liquid bonds of the same sector or sovereign. Liquidity and close-out fair value adjustments apply.
Investment certificates	Level 2	Marked-to-market valuation based on the net asset value (NAV) published by Association of Hungarian Investment Fund and Asset Management Companies.
Equities	Level 1	Marked-to-market valuation based on quotation prices observed in active markets (e.g. Budapest Stock Exchange).
Equities	Level 3	Based on cost model.

## Notes to the financial statements (CONTINUED)

FINANCIAL ASSETS / FINANCIAL LIABILITIES	FAIR VALUE HIERARCHY	VALUATION TECHNIQUE(S) AND KEY INPUT(S)
Mortgage bonds	Level 2	Marked-to-model valuation based on a curve consisting of liquid covered bonds. Liquidity and close-out fair value adjustments apply.
Mortgage bonds	Level 3	Marked-to-model valuation based on unobservable market data (eg. applying a significant valuation adjustment). Liquidity and close-out fair value adjustments apply.
Loans and advances to banks	Level 2	Discounted cash flow method is used. For the purpose of estimating fair value, quoted prices for similar instruments are available in active markets or quoted prices for identical or similar instruments are available in markets that are not active, or a valuation model is used in which all significant inputs and significant value drivers are observable directly or indirectly in an active market.
Loans and advances to banks	Level 3	Discounted cash flow method is used. Fair value is estimated using a valuation model in which one or more significant inputs or significant value drivers are not observable in the market (e.g. non-performing loans).
Loans and advances to customers	Level 2	Discounted cash flow method is used. For the purpose of estimating fair value, quoted prices for similar instruments are available in active markets or quoted prices for identical or similar instruments are available in markets that are not active, or a valuation model is used in which all significant inputs and significant value drivers are observable directly or indirectly in an active market.
Loans and advances to customers	Level 3	Discounted cash flow method is used. Fair value is estimated using a valuation model in which one or more significant inputs or significant value drivers are not observable in the market (e.g. non-performing loans).
Deposits and loans from banks	Level 2	Discounted cash flow method is used. For the purpose of estimating fair value, quoted prices for similar instruments are available in active markets or quoted prices for identical or similar instruments are available in markets that are not active, or a valuation model is used in which all significant inputs and significant value drivers are observable directly or indirectly in an active market.
Deposits and loans from banks	Level 3	Discounted cash flow method is used. Fair value is estimated using a valuation model in which one or more significant inputs or significant value drivers are not observable in the market.
Deposits and loans from customers	Level 2	Discounted cash flow method is used. In estimating fair value, quoted prices for similar instruments are available in active markets, or quoted prices for identical or similar instruments are available in markets that are not active, or the valuation is based on a valuation model in which all significant inputs and significant value factors are observable directly or indirectly in an active market.
Deposits and loans from customers	Level 3	Discounted cash flow method is used

**42.2. Level 3 fair value****42.2.1 Level 3 fair value disclosure**

The below table presents the main movements of fair value adjustments of financial instruments measured at fair value within the Level 3 fair value hierarchy. The result of the fair value adjustments recognised during the year in relation to financial instruments in Level 3 fair value hierarchy at the beginning of the year is presented in the group's Gain/loss recognised in P/L or Gain/loss recognised in OCI, depending on their nature, while the figures presented in the Transfers to and from Level 3 lines include the fair value adjustments at the time of reclassification for instruments that change level classification during the year.

	FINANCIAL ASSETS HELD FOR TRADING	NON-TRADING FINANCIAL ASSETS MEASURED AT FVTPL	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	LEVEL 3 TOTAL FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS
<b>Balance at 01 January 2025</b>	<b>1</b>	<b>(1,009)</b>	<b>6,747</b>	<b>5,739</b>
Gain/loss recognised in P/L	–	13,918*	–	13,918
Gain/loss recognised in OCI	–	–	45	45
Increases from transactions	–	(73)	(58)	(131)
Decreases from transactions	(1)	27	–	26
Transfers to Level 3	(3,360)	–	(12)	(3,372)
Transfers from Level 3	–	–	–	–
<b>Balance at 31 December 2025</b>	<b>(3,360)</b>	<b>12,863</b>	<b>6,722</b>	<b>16,225</b>

\* The group continues to measure state-subsidized loans with leverage (CSOK, CSOK+, Babaváró) at fair value in accordance with IFRS 9. Due to the market dominance of the Otthon Start product introduced in 2025, the reference interest rate parameters have been updated. The change resulted in a one-off positive revaluation of the existing loan portfolio, which will be offset over the term of the loan.

# Notes to the financial statements (CONTINUED)

The below table presents the main movements of fair value adjustments of financial instruments measured at fair value within the Level 3 fair value hierarchy.

	FINANCIAL ASSETS HELD FOR TRADING	NON-TRADING FINANCIAL ASSETS MEASURED AT FVTPL	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	LEVEL 3 TOTAL FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS
<b>Balance at 01 January 2024</b>	–	<b>(690)</b>	<b>843</b>	<b>153</b>
Gain/loss recognised in P/L	–	2,119	–	2,119
Gain/loss recognised in OCI	–	–	3,154	3,154
Increases from transactions	1	(2,507)	–	(2,506)
Decreases from transactions	–	69	1	70
Transfers to Level 3	–	–	–	–
Transfers from Level 3	–	–	2,749	2,749
<b>Balance at 31 December 2024</b>	<b>1</b>	<b>(1,009)</b>	<b>6,747</b>	<b>5,739</b>

## 42.2.2 Level 3 fair value measurements – Unobservable inputs used in measuring fair value

The following table sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

TYPE OF FINANCIAL INSTRUMENT CATEGORISED AS LEVEL 3	FAIR VALUES AT 2025.12.31/ (2024.12.31)	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT	RANGE OF ESTIMATES (YEAR-END) FOR UNOBSERVABLE INPUT	FAIR VALUE MEASUREMENT SENSITIVITY TO UNOBSERVABLE INPUTS
Loans and advances to customers	2025: 173,748 [2024: 120,572]	Discounted Cash-Flow	Probability of default (PD) 0–5 years	2025: 0.00%–48.14% (2.37%) [2024: 0.00%–48.84% (2.45%)]	A significant decrease in the probability of default (PD) would result in a higher fair value.
			Loss given default (LGD)	2025: 7.87%–100.00% (33.49%) [2024: 0.00%–92.98% (32.45%)]	A significant increase in the loss given default (LGD) would result in a lower fair value.
			Expected prepayment rate (Average monthly principal repayment of baby loans)	2025: 0.2%–0.38% (0.28%) [2024: 0.23%–0.41% (0.31%)]	A significant increase in expected prepayment rates would result in a lower fair value.
			Expected prepayment rate (CSOK, OFK loans average monthly capital repayments)	2025: 0.16%–0.31% (0.23%) [2024: 0.12%–0.31% (0.19%)]	A significant decrease in expected prepayment rates would result in a higher fair value.

The following table sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

TYPE OF FINANCIAL INSTRUMENT CATEGORISED AS LEVEL 3	FAIR VALUES AT 2025.12.31/ (2024.12.31)	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT	RANGE OF ESTIMATES (YEAR-END) FOR UNOBSERVABLE INPUT	FAIR VALUE MEASUREMENT SENSITIVITY TO UNOBSERVABLE INPUTS
Loans and advances to customers	2025: 173,748 [2024: 120,572]	Discounted Cash-Flow	Interest rate formula in line with market conditions (Baby support loans)*	2025: 1.1*AKK5Y + 1% [2024: 1.3*AKK5Y + 2%]	Among the product groups with different interest rate structures, the basic group assumed to be market-based was reviewed, and from 2025 onwards, the bank will consider the product range available under the current conditions to be market loans. This resulted in an increase in the fair value of loans disbursed in previous years at higher observable interest rates.
			Interest rate formula in line with market conditions (Mortgage loans)*	2025: 1.1*AKK5Y + 1% [2024: 1.3*AKK5Y + 3%]	Among the product groups with different interest rate structures, the basic group assumed to be market-based was reviewed, and from 2025 onwards, the bank will consider the product range available under the current conditions to be market loans. This resulted in an increase in the fair value of loans disbursed in previous years at higher observable interest rates.

# Notes to the financial statements (CONTINUED)

The following table sets out information about significant unobservable inputs used in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

TYPE OF FINANCIAL INSTRUMENT CATEGORISED AS LEVEL 3	FAIR VALUES AT 2025.12.31/ (2024.12.31)	VALUATION TECHNIQUE	SIGNIFICANT UNOBSERVABLE INPUT	RANGE OF ESTIMATES (YEAR-END) FOR UNOBSERVABLE INPUT	FAIR VALUE MEASUREMENT SENSITIVITY TO UNOBSERVABLE INPUTS
Other bonds	2025: 2,347 (2024: 735)	Marked-to-model	Spread over risk-free return (bps)	2025: 75–309 (171) [2024: 19–196 (144)]	A significant increase in the spread would result in a lower fair value.
Interest derivatives	2025: 3,360 [2024: –]	Diszkontált cash-flow	CDS curve used for calculating valuation adjustments (CVA and FuVA)	2025: 0.35%–2.39% (1.45%) [2024: –]	A significant rise in the CDS curve would result in a higher valuation adjustment and thus a lower fair value.
<b>Total financial instrument categorised as Level 3</b>	<b>2025: 179,455 (2024: 121,307)</b>				

\* In the case of several state-subsidized loan products (Babaváró, CSOK), the interest rate formula corresponding to market conditions has changed. The change reflects a methodological change in the reference condition assumption of the internal model used to calculate fair value. This change is classified as a qualitative unobservable input (model assumption) within Level 3 valuation.

## 42.3 Financial assets not measured at fair value

The below tables provide a breakdown of financial instruments that are not measured at fair value based on the level of inputs used for valuation purposes in the fair value hierarchy.

	COMMENT	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE TOTAL	CARRYING VALUE TOTAL
<b>31 December 2025</b>						
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents	17	–	20,329	634,377	654,706	654,706
Loans and advance to banks	20	–	60,752	542,496	603,248	610,128
Loans and advances to customers at amortized cost	21	–	1,259,714	975,871	2,235,585	2,272,832
Investments securities at amortized cost	22	557,856	85,059	42,006	684,921	684,526
<b>Total</b>		<b>557,856</b>	<b>1,425,854</b>	<b>2,194,750</b>	<b>4,178,460</b>	<b>4,222,192</b>
<b>Financial liabilities not measured at fair value</b>						
Sources from financial institutions	28	–	241,682	102,097	343,779	346,168
Customer sources	29	–	921,256	2,528,946	3,450,202	3,404,453
Issued debt securities	30	–	232,872	263,535	496,407	479,871
Subordinated liabilities	30	–	–	57,986	57,986	52,409
<b>Total</b>		<b>–</b>	<b>1,395,810</b>	<b>2,952,564</b>	<b>4,348,374</b>	<b>4,282,901</b>
<b>31 December 2024</b>						
<b>Financial assets not measured at fair value</b>						
Cash and cash equivalents	17	–	1,130,267	–	1,130,267	1,130,267
Loans and advance to banks	20	–	560,122	1,799	561,921	570,038
Loans and advances to customers at amortized cost	21	–	1,328,177	814,804	2,142,981	2,169,717
Investments securities at amortized cost	22	519,934	90,634	37,873	648,441	633,072
<b>Total</b>		<b>519,934</b>	<b>3,109,200</b>	<b>854,476</b>	<b>4,483,610</b>	<b>4,503,094</b>
<b>Financial liabilities not measured at fair value</b>						
Sources from financial institutions	28	–	481,506	188,776	670,282	680,711
Customer sources	29	–	861,459	2,417,743	3,279,202	3,209,794
Issued debt securities	30	–	205,979	288,750	494,729	473,998
Subordinated liabilities	30	–	–	62,022	62,022	55,795
<b>Total</b>		<b>–</b>	<b>1,548,944</b>	<b>2,957,291</b>	<b>4,506,235</b>	<b>4,420,298</b>

The following description summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

**Loans:** Fair value is calculated based on discounted expected future principal and interest cash flows, expected future cash flows are estimated considering credit risk and any indication of impairment. Expected future cash flows are estimated on a single deal basis and discounted at a rate considering the risk-free rate and any potential risk factors that market participants also consider. Credit card advances, overdrafts and similar very short-term receivables

## Notes to the financial statements (CONTINUED)

are deemed to be the receivable on demand at the balance sheet date. The estimated fair values of loans also reflect changes in interest rates. For non-performing loans, the fair value calculation methodology is based on an estimate of expected loss, expected payback time and risk premium.

**Investments carried at cost and derivatives:** Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs, where available. If a quoted market price is not available, fair value is estimated using pricing models or discounted cash flow techniques, where applicable. For investments and fixed assets, where no reliable market price or model price is available, the book value is taken as fair value.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

**Bank and customer deposits:** The estimated fair value of fixed-maturity deposits is based on discounted future cash flows using a rate consisting of the risk-free rate and own credit spread. For demand deposits and deposits with no defined maturities, fair value is deemed to be the amount payable on demand at the balance sheet date.

**Long-term debt:** The fair value is based on quoted market prices, if available. For debt instruments without quoted prices the fair value is estimated as the present value of future cash flows, discounted at market interest rates available at the balance sheet date.

## 43 Balances outstanding and transactions with related parties

### 43.1 Balances outstanding with related parties

#### Assets

	31 DECEMBER 2025		31 DECEMBER 2024	
	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY
Cash and cash equivalents	4,286	4,125	82,435	6,135
Trading derivative assets	43,113	–	46,031	4,637
Investment securities	–	7,247	–	7,425
Loans and advances to banks	201,558	571	149,681	11,968
Loans and advances to customers	–	681	–	1,189
Hedging derivative assets	59,078	–	78,667	–
Intangible assets	1,997	–	2,683	513
Other assets	–	(21)	–	27
<b>Total</b>	<b>310,032</b>	<b>12,604</b>	<b>359,497</b>	<b>31,894</b>

#### Liabilities

	31 DECEMBER 2025		31 DECEMBER 2024	
	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY
Deposits and loans from banks	3,504	7,636	6,499	9,303
Deposits from customers	–	868	–	1,746
Issued debt securities	250,774	–	267,246	–
Trading derivative liabilities	45,232	537	60,822	10,125
Hedging derivative liabilities	88,930	–	118,907	–
Other liabilities	1,645	24	2,316	16
Other provisions	–	20	–	23
Subordinated liabilities	52,409	–	55,795	–
Revaluation reserve	–	6,837	–	6,837
<b>Total</b>	<b>442,494</b>	<b>15,922</b>	<b>511,585</b>	<b>28,050</b>

#### Commitments, contingencies, derivatives

	31 DECEMBER 2025		31 DECEMBER 2024	
	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY
Loan and overdraft facilities granted not disbursed	265	9,390	368	9,473
Financial guarantees	15	66,005	248	63,035
Derivatives notional amount	4,618,973	16,302	4,211,133	652,580

## Notes to the financial statements (CONTINUED)

## Income statement

	31 DECEMBER 2025		31 DECEMBER 2024	
	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY	BALANCES WITH THE PARENT COMPANY	BALANCES WITH OTHER INTERCOMPANY
Interest income calculated using the effective interest method	5,000	361	13,601	1,139
Interest expense and similar charges	(21,605)	(379)	(28,303)	(532)
Fee and commission income	290	1,025	205	726
Fee and commission expense	(143)	(199)	(93)	(225)
Dividend income	–	281	–	10
Net foreign exchange income	–	–	18	–
Impairment and loan loss provision	37	4	56	(20)
Net trading income	36,466	9,951	–	–
Net gain and loss on non-trading financial instruments	–	(13)	–	91
General operating expenses	(12,644)	(485)	(11,539)	(501)
Other income/(expenses)	(719)	433	84	492
<b>Total</b>	<b>6,682</b>	<b>10,980</b>	<b>(25,971)</b>	<b>1,180</b>

The above balances and transactions are outstanding with:

Parent company: UniCredit S.p.A.

Other intercompanies: UniCredit Bank S.A., UniCredit Bank Czech Republic and Slovakia a.s., Zagrebacka Banka d.d., UniCredit Bulbank, UniCredit Bank Serbia JSC, UniCredit Services GmbH, Európa Befektetési Alapkezelő Zrt., UniCredit Turn-Around Management CEE GmbH, AO UniCredit Bank, UniCredit Biztosításközvetítő Kft., UniCredit Operatív Lízing Kft., UniCredit Banka Slovenija d.d., UniCredit Bank Austria AG, Fundamenta-Lakáskassza Zrt., Garantiqa Hitelgarancia Zrt., VISA Inc., CA-ZETA Real Estate Development Limited Liability Company, UniCredit Factoring S.p.A., UniCredit Bank d.d., BAHBETA Ingatlanhasznosító Kft., UniCredit Bank GmbH, HVB-MILANO (Bayerische Hypo und Vereinsbank GmbH), HVB-LONDRA (Bayerische Hypo und Vereinsbank), HVB-NEW YORK (Bayerische Hypo und Vereinsbank GmbH), UniCredit S.p.A. Hungarian Branch, BAH-KAPPA Kft.

## 43.2 Key management personnel

The remuneration of the Management Board, the Managing Directors, and the members of the Supervisory Board was the following:

	2025	2024
Short-term employee benefits	3,427	3,114
Share-based payments	358	240
Long-term employee benefits	212	(11)
<b>Total</b>	<b>3,997</b>	<b>3,343</b>

Loans granted to the key management personnel was the following:

	2025	2024
Loans granted to the key management personnel	22	22
<b>Total</b>	<b>22</b>	<b>22</b>

Group's key management personnel at 31.12.2025:

**Supervisory Board members:** Emilia Palibatchiyska Stefanova elnök, Gianfranco Bisagni, Maria Chiara Manzoni, Emidio Salvatore, Federico Silveri.

**Management Board members:** Tóth Balázs (Chief Executive Officer), Giacomo Volpi (Deputy Chief Executive Officer), Matteo Consalvi (Chief Financial Officer), Ivana Lonjak Dam (Head of Risk Management until 31.07.2025), Ivan Dujmovic (Head of Risk Management from 01.08.2025), Albert Hulshof (Head of Corporate Division until 30.09.2025), Toldi Balázs Gergely (Head of Corporate Division from 01.10.2025), Vörös Réka (Head of Retail Division), Anschau János (Head of Operations Division).

## 44 Exposure to credit risk

## 44.1 Credit quality analysis of the group's exposures

The tables below provide detailed information on the credit quality of financial assets, loan commitments and financial guarantees by instrument type. Financial assets measured at amortized cost or at fair value through other comprehensive income are shown at gross carrying amount before any fair value adjustments, collateral adjustments or other credit quality adjustments in each credit quality category. In case of financial guarantees, loan commitments and letters of credit the figures in the table represent the committed, guaranteed or otherwise certified amounts.

## Notes to the financial statements (CONTINUED)

	AVERAGE PD	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
<b>31 December 2025</b>						
<b>Loans and advances to banks at amortised cost</b>						
– Investment grade	0.001–0.305%	555,829	4,696	–	–	560,525
– Speculative category	0.305–99.990%	25,166	24,072	–	–	49,238
– Impaired	100%	–	–	–	–	–
Gross value		580,995	28,768	–	–	609,763
Loss allowance		(199)	(365)	–	–	(564)
<b>Carrying value</b>		<b>580,796</b>	<b>28,403</b>	<b>–</b>	<b>–</b>	<b>609,199</b>
<b>Loans and advances to customers at amortised cost</b>						
– Investment grade	0.001–0.305%	569,129	119,856	–	–	688,985
– Speculative category	0.305–99.990%	951,722	529,747	–	640	1,482,109
– Impaired	100%	–	–	66,318	294	66,612
Gross value		1,520,851	649,603	66,318	934	2,237,706
Loss allowance		(6,185)	(10,716)	(30,110)	2,763	(44,248)
<b>Carrying value</b>		<b>1,514,666</b>	<b>638,887</b>	<b>36,208</b>	<b>3,697</b>	<b>2,193,458</b>
<b>31 December 2024</b>						
<b>Loans and advances to banks at amortised cost</b>						
– Investment grade	0.001–0.305%	527,554	15,807	–	–	543,361
– Speculative category	0.305–99.990%	392	25,592	–	–	25,984
– Impaired	100.00%	–	–	–	–	–
Gross value		527,946	41,399	–	–	569,345
Loss allowance		(99)	(288)	–	–	(387)
<b>Carrying value</b>		<b>527,847</b>	<b>41,111</b>	<b>–</b>	<b>–</b>	<b>568,958</b>
<b>Loans and advances to customers at amortised cost</b>						
– Investment grade	0.001–0.305%	603,920	89,755	14	–	693,689
– Speculative category	0.305–99.990%	915,342	461,035	1	471	1,376,849
– Impaired	100.00%	–	14	52,039	962	53,015
Gross value		1,519,262	550,804	52,054	1,433	2,123,553
Loss allowance		(7,250)	(11,031)	(27,423)	2,859	(42,845)
<b>Carrying value</b>		<b>1,512,012</b>	<b>539,773</b>	<b>24,631</b>	<b>4,292</b>	<b>2,080,708</b>

The group has removed the Lease receivables from the table Loans and advances to customers at amortised cost, see table below.

	AVERAGE PD	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
<b>31 December 2025</b>						
<b>Lease receivables</b>						
– Investment grade	0.001–0.305%	7,291	219	–	–	7,510
– Speculative category	0.305–99.990%	49,421	18,638	–	–	68,059
– Impaired	100%	–	–	2,251	–	2,251
Gross value		56,712	18,857	2,251	–	77,820
Loss allowance		(392)	(331)	(1,018)	–	(1,741)
<b>Carrying value</b>		<b>56,320</b>	<b>18,526</b>	<b>1,233</b>	<b>–</b>	<b>76,079</b>
<b>31 December 2024</b>						
<b>Lease receivables</b>						
– Investment grade	0.001–0.305%	9,918	189	–	–	10,107
– Speculative category	0.305–99.990%	61,802	16,521	–	–	78,323
– Impaired	100%	–	–	3,065	–	3,065
Gross value		71,720	16,710	3,065	–	91,495
Loss allowance		(581)	(361)	(1,182)	–	(2,124)
<b>Carrying value</b>		<b>71,139</b>	<b>16,349</b>	<b>1,883</b>	<b>–</b>	<b>89,371</b>

## Notes to the financial statements (CONTINUED)

	AVERAGE PD	STAGE 1	STAGE 2	STAGE 3	TOTAL
<b>31 December 2025</b>					
<b>Investment securities measured at amortised cost</b>					
– Investment grade	0.001–0.305%	617,332	–	–	<b>617,332</b>
– Standard monitoring	0.305–99.990%	30,373	55,968	–	<b>86,341</b>
– Impaired	100%	–	–	–	<b>–</b>
Gross value		647,705	55,968	–	<b>703,673</b>
Loss allowance		(227)	(927)	–	<b>(1,154)</b>
<b>Carrying value</b>		<b>647,478</b>	<b>55,041</b>	<b>–</b>	<b>702,519</b>
<b>Investment securities measured at FVtOCI</b>					
– Investment grade	0.001–0.305%	367,579	–	–	<b>367,579</b>
– Standard monitoring	0.305–99.990%	3,890	19,735	–	<b>23,625</b>
– Impaired	100%	–	–	–	<b>–</b>
Gross value		371,469	19,735	–	<b>391,204</b>
Loss allowance		(69)	(268)	–	<b>(337)</b>
<b>Carrying value</b>		<b>371,400</b>	<b>19,467</b>	<b>–</b>	<b>390,867</b>
<b>31 December 2024</b>					
<b>Investment securities measured at amortised cost</b>					
– Investment grade	0.001–0.305%	586,712	–	–	<b>586,712</b>
– Standard monitoring	0.305–99.990%	49,526	32,120	–	<b>81,646</b>
– Impaired	100.00%	–	–	–	<b>–</b>
Gross value		636,238	32,120	–	<b>668,358</b>
Loss allowance		(322)	(761)	–	<b>(1,083)</b>
<b>Carrying value</b>		<b>635,916</b>	<b>31,359</b>	<b>–</b>	<b>667,275</b>
<b>Investment securities measured at FVtOCI</b>					
– Investment grade	0.001–0.305%	280,085	–	–	<b>280,085</b>
– Standard monitoring	0.305–99.990%	22,751	714	–	<b>23,465</b>
– Impaired	100.00%	–	–	–	<b>–</b>
Gross value		302,836	714	–	<b>303,550</b>
Loss allowance		(136)	(15)	–	<b>(151)</b>
<b>Carrying value</b>		<b>302,700</b>	<b>699</b>	<b>–</b>	<b>303,399</b>
<b>31 December 2025</b>					
<b>Commitments</b>					
– Loans and advances to banks	0.001–100%	349	–	–	<b>349</b>
– Loans and advances to customers	0.001–100%	991,978	332,045	8,465	<b>1,332,488</b>
Gross value		992,327	332,045	8,465	<b>1,332,837</b>
Provision		(95)	(83)	(3,082)	<b>(3,260)</b>
<b>Financial guarantee</b>					
– Loans and advances to banks	0.001–100%	71,118	51	–	<b>71,169</b>
– Loans and advances to customers	0.001–100%	201,659	147,931	15,330	<b>364,920</b>
Gross value		272,777	147,982	15,330	<b>436,089</b>
Provision		(844)	(2,662)	(6,605)	<b>(10,111)</b>
<b>31 December 2024</b>					
<b>Commitments</b>					
– Loans and advances to banks	0.001–100%	420	–	–	<b>420</b>
– Loans and advances to customers	0.001–100%	860,102	306,459	8,255	<b>1,174,816</b>
Gross value		860,522	306,459	8,255	<b>1,175,236</b>
Provision		(175)	(61)	(3,561)	<b>(3,797)</b>
<b>Financial guarantee</b>					
– Loans and advances to banks	0.001–100%	69,131	54	–	<b>69,185</b>
– Loans and advances to customers	0.001–100%	217,044	134,844	12,520	<b>364,408</b>
Gross value		286,175	134,898	12,520	<b>433,593</b>
Provision		(1,148)	(1,985)	(6,231)	<b>(9,364)</b>

# Notes to the financial statements (CONTINUED)

## 44.2 Changes in impairment losses and provisions

The tables below provide a breakdown of the movement of impairment for expected credit losses by financial instrument type. The figures presented for "Transfers" include the Loss allowance balance at the end of the comparative period for exposure whose Stage classification changed in the current year.

LOANS AND ADVANCES TO BANKS AT AMORISED COST	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
<b>Loss allowance as of 1 January 2025</b>	<b>(99)</b>	<b>(288)</b>	<b>–</b>	<b>–</b>	<b>(387)</b>
<b>Transfers:</b>	<b>(53)</b>	<b>53</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfers to Stage 1	(53)	53	–	–	–
Transfers to Stage 2	–	–	–	–	–
Transfers to Stage 3	–	–	–	–	–
Impact of reassessment of expected loss	55	(130)	–	–	(75)
New financial assets originated or purchased credit-impaired	(107)	–	–	–	(107)
Financial assets derecognized during the period	5	–	–	–	5
Write-offs	–	–	–	–	–
Unwind of discount	–	–	–	–	–
FX and other movements	–	–	–	–	–
<b>Loss allowance as of 31 December 2025</b>	<b>(199)</b>	<b>(365)</b>	<b>–</b>	<b>–</b>	<b>(564)</b>
<b>Loss allowance as of 1 January 2024</b>	<b>(149)</b>	<b>(27)</b>	<b>–</b>	<b>–</b>	<b>(176)</b>
<b>Transfers:</b>	<b>3</b>	<b>(3)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Transfers to Stage 1	–	–	–	–	–
Transfers to Stage 2	3	(3)	–	–	–
Transfers to Stage 3	–	–	–	–	–
Impact of reassessment of expected loss	42	(177)	–	–	(135)
New financial assets originated or purchased credit-impaired	(11)	(92)	–	–	(103)
Financial assets derecognized during the period	13	11	–	–	24
Write-offs	–	–	–	–	–
Unwind of discount	–	–	–	–	–
FX and other movements	3	–	–	–	3
<b>Loss allowance as of 31 December 2024</b>	<b>(99)</b>	<b>(288)</b>	<b>–</b>	<b>–</b>	<b>(387)</b>

LOANS AND ADVANCES TO CUSTOMERS AT AMORTIZED COST	STAGE 1	STAGE 2	STAGE 3	POCI	TOTAL
<b>Loss allowance as of 1 January 2025</b>	<b>(7,831)</b>	<b>(11,392)</b>	<b>(28,605)</b>	<b>2,859</b>	<b>(44,969)</b>
<b>Transfers:</b>	<b>578</b>	<b>(3,391)</b>	<b>2,813</b>	<b>–</b>	<b>–</b>
Transfers to Stage 1	(2,524)	2,253	271	–	–
Transfers to Stage 2	2,969	(6,183)	3,214	–	–
Transfers to Stage 3	133	539	(672)	–	–
Impact of reassessment of expected loss	2,472	4,604	(4,200)	304	3,180
New financial assets originated or purchased credit-impaired	(3,217)	(3,727)	(4,614)	–	(11,558)
Financial assets derecognized during the period	940	2,803	4,272	(246)	7,769
Write-offs	424	–	(16)	(56)	352
Unwind of discount	3	(13)	(982)	(98)	(1,090)
FX and other movements	54	69	204	–	327
<b>Loss allowance as of 31 December 2025</b>	<b>(6,577)</b>	<b>(11,047)</b>	<b>(31,128)</b>	<b>2,763</b>	<b>(45,989)</b>
<b>Loss allowance as of 1 January 2024</b>	<b>(7,900)</b>	<b>(14,389)</b>	<b>(26,074)</b>	<b>3,468</b>	<b>(44,895)</b>
<b>Transfers:</b>	<b>(2,495)</b>	<b>4,732</b>	<b>(2,237)</b>	<b>–</b>	<b>–</b>
Transfers to Stage 1	(5,094)	4,830	264	–	–
Transfers to Stage 2	2,510	(3,312)	802	–	–
Transfers to Stage 3	89	3,214	(3,303)	–	–
Impact of reassessment of expected loss	3,342	(1,877)	(1,093)	509	881
New financial assets originated or purchased credit-impaired	(1,453)	(2,421)	(3,163)	–	(7,037)
Financial assets derecognized during the period	793	2,633	4,836	(955)	7,307
Write-offs	–	–	308	(21)	287
Unwind of discount	–	(8)	(1,023)	(143)	(1,174)
FX and other movements	(118)	(62)	(159)	1	(338)
<b>Loss allowance as of 31 December 2024</b>	<b>(7,831)</b>	<b>(11,392)</b>	<b>(28,605)</b>	<b>2,859</b>	<b>(44,969)</b>

# Notes to the financial statements (CONTINUED)

INVESTMENT SECURITIES MEASURED AT AMORTISED COST	STAGE 1	STAGE 2	STAGE 3	TOTAL
<b>Loss allowance as of 1 January 2025</b>	<b>(322)</b>	<b>(761)</b>	<b>–</b>	<b>(1,083)</b>
<b>Transfers:</b>	24	(24)	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	24	(24)	–	–
Transfers to Stage 3	–	–	–	–
Impact of reassessment of expected loss	96	(142)	–	(46)
New financial assets originated or purchased credit-impaired	(43)	–	–	(43)
Financial assets derecognized during the period	18	–	–	18
FX and other movements	–	–	–	–
<b>Loss allowance as of 31 December 2025</b>	<b>(227)</b>	<b>(927)</b>	<b>–</b>	<b>(1,154)</b>
<b>Loss allowance as of 1 January 2024</b>	<b>(439)</b>	<b>(1,092)</b>	<b>–</b>	<b>(1,531)</b>
<b>Transfers:</b>	(9)	9	–	–
Transfers to Stage 1	(9)	9	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Impact of reassessment of expected loss	112	393	–	505
New financial assets originated or purchased credit-impaired	(2)	(71)	–	(73)
Financial assets derecognized during the period	16	–	–	16
FX and other movements	–	–	–	–
<b>Loss allowance as of 31 December 2024</b>	<b>(322)</b>	<b>(761)</b>	<b>–</b>	<b>(1,083)</b>

INVESTMENT SECURITIES MEASURED AT FVTOCI	STAGE 1	STAGE 2	STAGE 3	TOTAL
<b>Loss allowance as of 1 January 2025</b>	<b>(136)</b>	<b>(15)</b>	<b>–</b>	<b>(151)</b>
<b>Transfers:</b>	10	(10)	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	10	(10)	–	–
Transfers to Stage 3	–	–	–	–
Impact of reassessment of expected loss	37	(243)	–	(206)
New financial assets originated or purchased credit-impaired	(34)	–	–	(34)
Financial assets derecognized during the period	54	–	–	54
FX and other movements	–	–	–	–
<b>Loss allowance as of 31 December 2025*</b>	<b>(69)</b>	<b>(268)</b>	<b>–</b>	<b>(337)</b>
<b>Loss allowance as of 1 January 2024</b>	<b>(217)</b>	<b>(22)</b>	<b>–</b>	<b>(239)</b>
<b>Transfers:</b>	–	–	–	–
Transfers to Stage 1	–	–	–	–
Transfers to Stage 2	–	–	–	–
Transfers to Stage 3	–	–	–	–
Impact of reassessment of expected loss	9	6	–	15
New financial assets originated or purchased credit-impaired	(75)	–	–	(75)
Financial assets derecognized during the period	147	1	–	148
FX and other movements	–	–	–	–
<b>Loss allowance as of 31 December 2024*</b>	<b>(136)</b>	<b>(15)</b>	<b>–</b>	<b>(151)</b>

\* Impairment losses on FVOCI investment securities are not recognised in the statement of financial position, the carrying amount of these financial instruments in the statement of financial position is their fair value.

## Notes to the financial statements (CONTINUED)

## 44.3 Changes in impaired assets (Stage 3)

	GROSS EXPOSURE	IMPAIRMENT ALLOWANCE	CARRYING AMOUNT	ALLOCATED MATERIAL VALUE*
<b>31 December 2025</b>				
<b>Credit-impaired assets</b>	<b>68,569</b>	<b>(31,128)</b>	<b>37,441</b>	<b>33,955</b>
Loans and advances to banks:	–	–	–	–
<b>Loans to individuals:</b>	<b>4,558</b>	<b>(3,435)</b>	<b>1,122</b>	<b>1,879</b>
– Mortgages	2,135	(1,368)	767	1,879
– Consumer Loans	1,965	(1,642)	323	–
– Current Acc. & Credit C.	371	(347)	24	–
– Other Loans	87	(78)	8	–
<b>Loans to corporate entities:</b>	<b>64,011</b>	<b>(27,693)</b>	<b>36,319</b>	<b>32,076</b>
– Large Corporate Customers	59,634	(25,925)	33,709	28,710
– SME corporate	941	(383)	558	433
– Other (Leasing)	3,436	(1,385)	2,052	2,933
<b>31 December 2024</b>				
<b>Credit-impaired assets</b>	<b>55,104</b>	<b>(28,605)</b>	<b>26,499</b>	<b>21,655</b>
Loans and advances to banks:	–	–	–	–
<b>Loans to individuals:</b>	<b>4,795</b>	<b>(3,438)</b>	<b>1,357</b>	<b>2,047</b>
– Mortgages	2,323	(1,375)	948	2,047
– Consumer Loans	2,000	(1,631)	369	–
– Current Acc. & Credit C.	379	(348)	31	–
– Other Loans	93	(84)	9	–
<b>Loans to corporate entities:</b>	<b>50,309</b>	<b>(25,167)</b>	<b>25,142</b>	<b>19,609</b>
– Large Corporate Customers	45,034	(23,090)	21,944	15,278
– SME corporate	717	(351)	366	293
– Other (Leasing)	4,558	(1,726)	2,832	4,037

\* The collateral valuation methods and principles and the calculation method of the allocated collateral value are discussed in detail in Note 4.3.2.

## 44.4 Counterparty credit protection by type of collateral\*

LOANS TO CUSTOMERS ALLOCATED MATERIAL VALUE WITH COLLATERAL TYPE DISTRIBUTION AS OF 31 DECEMBER 2025	STAGE 1	STAGE 2	STAGE 3	ALLOCATED MATERIAL VALUE
	12-MONTH ECL	LIFETIME ECL	LIFETIME ECL	
– Warrant and guarantees	249,506	176,099	17,042	442,647
– Cautions	36,363	26,033	1,402	63,798
– Property	649,839	186,743	19,270	855,852
– Debt securities	861	–	–	861
– Equity	18	62	–	80
– Other	65,439	42,570	3,072	111,081
<b>Total</b>	<b>1,002,026</b>	<b>431,507</b>	<b>40,786</b>	<b>1,474,319</b>

LOANS TO CUSTOMERS ALLOCATED MATERIAL VALUE WITH COLLATERAL TYPE DISTRIBUTION AS OF 31 DECEMBER 2024	STAGE 1	STAGE 2	STAGE 3	ALLOCATED MATERIAL VALUE
	12-MONTH ECL	LIFETIME ECL	LIFETIME ECL	
– Warrant and guarantees	397,380	81,227	10,523	489,129
– Cautions	40,558	28,426	906	69,890
– Property	562,213	231,853	10,724	804,790
– Debt securities	16	643	–	659
– Equity	81	82	–	163
– Other	97,744	30,144	4,465	132,353
<b>Total</b>	<b>1,097,992</b>	<b>372,375</b>	<b>26,618</b>	<b>1,496,984</b>

\* The collateral valuation methods and principles and the calculation method of the allocated collateral value are discussed in detail in Note 4.3.2.

The value of collateral received by the group by taking possession of it (by way of collateral enforcement) between 2025 and 2024 are HUF 0.

## Notes to the financial statements (CONTINUED)

**44.5 Changes in impairment losses and provisions, reconciliation of opening and closing values of impairment losses and provisions by financial instrument**

MOVEMENTS OF LOSS ALLOWANCE 2025	LOANS AND ADVANCES TO CUSTOMERS	CASH AND CASH EQUIVALENTS	LOANS AND ADVANCES TO BANKS	INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	INVESTMENT SECURITIES AT AMORTIZED COST	COMMITMENTS AND FINANCIAL GUARANTEE	TOTAL
Loss allowance/ Provision as of 1 January 2025	(44,969)	(11)	(387)	(151)	(1,083)	(13,161)	(59,762)
Loss allowance/Additional Provision:	(33,168)	(5)	(418)	(321)	(803)	(11,351)	(45,794)
Loss allowance/Reversals of Provision:	30,738	10	241	135	732	11,063	42,647
FX and other movements:	3,151	–	–	–	–	78	3,229
Loss allowance/ Provision as of 31 December 2025	(44,248)	(6)	(564)	(337)	(1,154)	(13,371)	(59,680)
Modification of contractual cash-flows*	(1,582)	–	–	–	–	–	(1,582)
Impairment and losses on credit products recognized in the statement of profit and loss	(4,012)	5	(177)	(186)	(71)	(288)	(4,729)

\* Of which modification loss related to the payment moratoria and interest rate cap is further detailed in Note 6.2, 6.3.

MOVEMENTS OF LOSS ALLOWANCE 2024	LOANS AND ADVANCES TO CUSTOMERS	CASH AND CASH EQUIVALENTS	LOANS AND ADVANCES TO BANKS	INVESTMENT SECURITIES AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	INVESTMENT SECURITIES AT AMORTIZED COST	COMMITMENTS AND FINANCIAL GUARANTEE	TOTAL
Loss allowance/ Provision as of 1 January 2024	(44,895)	(2)	(176)	(238)	(1,531)	(14,233)	(61,075)
Loss allowance/Additional Provision:	(32,596)	(6)	(209)	(101)	(649)	(8,650)	(42,211)
Loss allowance/Reversals of Provision:	33,860	(3)	(2)	188	1,097	9,812	44,952
FX and other movements:	(1,338)	–	–	–	–	(90)	(1,428)
Loss allowance/ Provision as of 31 December 2024	(44,969)	(11)	(387)	(151)	(1,083)	(13,161)	(59,762)
Modification of contractual cash-flows*	(1,832)	–	–	–	–	–	(1,832)
Impairment and losses on credit products recognized in the statement of profit and loss	(568)	(9)	(211)	87	448	1,162	909

\* Of which modification loss related to the payment moratoria and interest rate cap is further detailed in Note 6.2, 6.3.

**44.6 Geopolitical and commercial real estate financing overlay effect on provision**

OVERLAY EFFECT	PROVISION AMOUNT 31.12.2025	PROVISION AMOUNT 31.12.2024
Total provision at balance sheet date	(59,680)	(59,762)
Corporate exposures	(10,129)	(7,592)
Retail exposures	–	(333)
Total geopolitical overlay	(10,129)	(7,925)
Total commercial real estate financing overlay effect	–	(3,630)
Total provision (exc. overlay effect) at balance date	(49,551)	(48,207)

**44.7 Macroeconomic outlook****Planning background parameters:**

Our baseline scenario assumes visible global growth in both 2026 and the following years. The negative impact of tariff policy is offset by strong household and corporate balance sheets.

The current scenario assumes that only part of U.S. President Donald Trump's program will be implemented, but ongoing tariffs may restrain global manufacturing activity, influence trade sentiment, and delay future investment plans.

Inflation is expected to rise as tariffs are fully passed on to consumers, while central banks remain cautious in their monetary policy due to the changing economic environment. The rise in inflation is curbed by structural oversupply in commodity markets.

## Notes to the financial statements (CONTINUED)

**Impact on the Hungarian macro path:**

We expect growth around potential GDP. In 2026 new manufacturing capacities will improve growth dynamics, but fiscal adjustment in the second half of the year may slow it down, with spillover effects into 2027. On the expenditure side, consumption remains the main driver, while investments will contribute only gradually. The external balance may remain in positive territory due to service exports and new capacities. Divergent price developments shape the inflation outlook, with goods inflation at or below target and services inflation above target. Inflation risks are significantly influenced by the timing and form of removing price caps and voluntary price restrictions. We assume phasing out during 2026 in both cases; consequently, inflation may be above the central bank target in 2027. The base rate may remain dependent on FX market stability. Given international risks and domestic cost side pressures, we do not expect a significant rate cutting cycle. International price dynamics and USD weakening pose downside risks to the baseline. On the long end of the yield curve, we foresee a mild decline in the country risk premium, partly offset by rising German yields.

<b>BASILINE SCENARIO</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Real GDP, annual change (%)	0.55	2.36	1.87	2.41
Inflation (CPI), year-end (%)	3.74	5.10	4.10	2.70
Inflation (CPI), annual average (%)	4.51	3.99	4.60	3.40
Monthly nominal average wage, EUR	1,768.73	1,957.87	2,051.36	2,140.93
Unemployment rate (%)	4.32	4.37	4.20	4.00
Exchange rate, HUF/EUR, year-end	393.00	403.00	405.00	411.00
Exchange rate, HUF/EUR, annual average	399.06	397.08	404.00	408.00
Short-term rates, year-end (%)	6.25	6.25	5.75	5.00
Short-term rates, annual average (%)	6.48	6.25	6.00	5.38
Long-term rates, 10-year (%)	6.74	6.44	6.35	6.34

**Negative Scenario****Planning background parameters:**

- We expect a renewed escalation of trade tensions as partners fail to comply with agreements with the White House. The U.S. response primarily seeks to cripple Chinese foreign trade.
- In parallel, the situation in the Middle East worsens, exerting upward pressure on oil prices. This is partly offset by USD weakening, which softens the negative effects when expressed in euros.
- Euro area economic activity is expected to decline by -0.5% in 2026, followed by a deeper -1.1% recession in 2027. Euro area inflation is expected to fall below the ECB's 2% target over the forecast horizon due to weak demand and a growing negative output gap.
- For Central and Eastern European countries, the estimated growth shock relative to the baseline leads to a disinflationary environment similar to the euro area.

**Impact on the Hungarian macro path:**

Hungarian growth falls below potential. While USD weakening could generally support rate cuts, the sensitivity to the external environment prompts the central bank to act cautiously. By maintaining real interest rates, the forint largely avoids escalating tensions. As global risk appetite diminishes, the long end of the yield curve rises; however, the central bank's stability oriented approach helps prevent lasting negative effects on real growth, enabling meaningful expansion by 2028.

Through the real-economy channel, the primary area of adjustment is the labour market. By the end of 2026, firms relax their previous labour-hoarding behaviour and commence more significant layoffs and wage freezes. Layoffs hit the cost sensitive manufacturing segment particularly hard. Minimum wages rise only slightly given collapsing external markets. The dynamics of all final use components decline—consumption the most—as precautionary saving increases. Consumption patterns of wealthier segments are not significantly affected by tighter conditions; even so, this is only sufficient to prevent a steep fall in overall consumption. The fiscal impulse turns negative.

<b>NEGATIVE SCENARIO (RECESSION)</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Real GDP, annual change (%)	0.55	1.20	-1.50	1.80
Inflation (CPI), year-end (%)	3.74	4.43	3.79	3.33
Inflation (CPI), annual average (%)	4.51	4.30	4.10	3.50
Monthly nominal average wage, EUR	1 768.73	1 877.23	1 939.54	1 987.94
Unemployment rate (%)	4.32	5.00	5.48	6.50
Exchange rate, HUF/EUR, year-end	393.00	401.00	407.00	413.00
Exchange rate, HUF/EUR, annual average	399.06	397.00	404.00	410.00
Short-term rates, year-end (%)	6.25	6.25	6.00	5.25
Short-term rates, annual average (%)	6.48	6.25	6.13	5.63
Long-term rates, 10-year (%)	6.74	6.71	7.03	7.01

## Notes to the financial statements (CONTINUED)

## 45 Exposure to market risks – trading and non-trading portfolios

## 45.1 Exposures to interest rate risk

The daily management of interest rate risk is based on BPV and VaR limits. BPV sensitivities are split to re-pricing time buckets and currencies, therefore changes in the certain parts of yield curve are visible. Both regular and ad-hoc sensitivity analyses are prepared with standard and occasional scenarios.

The displayed scenarios, based on EBA and NBH guidelines written parametrizations, are the 200bp positive and negative shocks, parallel up and down shifts (interest rate curves move up or down with the same value along the different maturities), steepening (short rates down and long rates up), flattening (short rates up and long rates down) and short rates up, short rates shock down. In line with EBA and NBH guidelines, positive contribution in each currencies' result is considered with 50% weight and each scenarios' results contain the behavioural model (NMD, Prepayment) "addon" figures.

Currency-wise both HUF yield and all relevant foreign currency yield curve shocks are analyzed. However almost the whole interest rate risk position denominated in local currency. Regarding methodology the results are reflect to the 'flooring' impact, so +/- shocks in the affected segments (e.g. customer positions) were counted by only the extent to 'flooring'.

Below scenarios describe a sudden, permanent change in the market; revalued immediately along NPV approach and accrued interest approach where applicable.

2025		INCOME	EQUITY	OTHERS*	TOTAL
All yields	+200bp shock	(1,467)	(1,021)	(11,660)	(14,148)
	-200bp shock	511	552	5,454	6,516
	shift up	(2,291)	(1,500)	(17,435)	(21,226)
	shift down	940	854	7,692	9,486
	steepening	420	(257)	2,575	2,738
	flattening	(2,427)	(72)	(8,967)	(11,466)
	short rates shock up	(3,137)	(653)	(13,316)	(17,105)
	short rates shock down	942	338	7,902	9,182
Worst of the above		(3,137)	(1,500)	(17,435)	(21,226)

2024		INCOME	EQUITY	OTHERS*	TOTAL
All yields	+200bp shock	(269)	(786)	(27,370)	(28,425)
	-200bp shock	(38)	440	12,571	12,973
	shift up	(493)	(1,147)	(38,796)	(40,436)
	shift down	68	681	18,612	19,361
	steepening	(405)	(180)	8,686	8,100
	flattening	(538)	(69)	(13,563)	(14,169)
	short rates shock up	(687)	(525)	(28,705)	(29,916)
	short rates shock down	(369)	267	13,820	13,718
Worst of the above		(687)	(1,147)	(38,796)	(40,436)

\* Fair value fluctuations in both the HTCS portfolio and the Cash Flow Hedge derivatives affect Equity directly. NPV changes of positions booked against Equity will migrate to Statement of Profit or Loss as their Cash Flows mature. However, given that fair value fluctuations of Cash Flow Hedge derivatives do not have impact on own funds, those are shown under Others category in the above table. Trading position and other derivatives affect Statement of Profit or Loss. General interest rate positions and HTC bond holdings impact neither Income nor Equity, their effect is shown under Others.

## 45.2 FX Sensitivity

Year-end FX open position sums up to 2 billion HUF. The total open FX position is limited at 21 million EUR. Positions reported as they are managed and show the bank's overall risks including all on-balance and off-balance items, underlying and derivatives.

All market value change from FX revaluation impacts P&L.

FX risk in general is out of scope of hedge accounting except for derivative transactions where both IR and FX components influence the fair value at the same time (i.e. cross-currency IRS). As hedging relationship must be designated for a hedging instrument in its entirety, FX part of these derivatives is subject to fair value hedge with FX revaluation impact in P&L.

## Notes to the financial statements (CONTINUED)

## 46 Summary of VaR position

The internal model based VaR (1 day, confidence level of 99%) for 2025 moved in a range of HUF 2.0 bn and HUF 3.2 bn. The average VaR was HUF 2.5 bn; less than a year before, mainly due to the less volatile 250d period in VaR horizon. Credit spread risk and Interest rate risk were the main drivers of the VaR. The FX risk was far below the other components although also contributed the total market risk of the group.

VaR as at 31 December 2025 (million HUF):

RISK CATEGORY	YEAR-END	AVERAGE	MINIMUM	MAXIMUM
Exchange rate risk	52	39	2	80
Interest rate risk	629	1,919	480	2,735
Credit spread	3,233	3,645	2,962	4,178
Vega risk	5	9	1	42
Equity risk	–	–	–	–
<b>Overall</b>	<b>2,659</b>	<b>2,525</b>	<b>1,968</b>	<b>3,192</b>

VaR as of 31 December 2024 (million HUF):

RISK CATEGORY	YEAR-END	AVERAGE	MINIMUM	MAXIMUM
Exchange rate risk	16	13	1	59
Interest rate risk	2,504	3,016	2,445	8,284
Credit spread	3,959	4,890	3,899	7,509
Vega risk	35	64	25	177
Equity risk	–	–	–	–
<b>Overall</b>	<b>2,331</b>	<b>3,901</b>	<b>2,328</b>	<b>5,942</b>

As part of the daily risk reporting, detailed Market Risk Reports are prepared for all risk-taking departments, with updated and historical information made available to all risk-takers and the respective heads of department.

## 47 Summary of interest sensitivity

As at 31 December 2025 and 2024, the entire interest rate position of the group (trading and investment) for major currencies was composed as follows:

Basis Point Value (“BPV”) for main currencies

CURRENCY	LESS THAN 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 3 YEARS	3 YEARS TO 10 YEARS	OVER 10 YEARS	TOTAL	ANNUAL STATISTICS		
							MAXIMUM	MINIMUM	ABSOLUTE AVERAGE
<b>As of 31 December 2025</b>									
CHF	(0.04)	0.01	0.00	–	–	<b>(0.03)</b>	0.02	(0.06)	0.01
EUR	(4.06)	(5.22)	0.01	10.89	1.70	<b>3.32</b>	26.52	(9.99)	9.23
GBP	(0.02)	0.00	–	–	–	<b>(0.02)</b>	0.01	(0.03)	0.01
HUF	(8.27)	(0.85)	(30.13)	(19.12)	(3.49)	<b>(61.86)</b>	–	(123.70)	91.85
USD	(0.21)	0.07	0.00	0.02	0.00	<b>(0.12)</b>	0.50	(0.56)	0.33
<b>Total*</b>	<b>(12.60)</b>	<b>(5.99)</b>	<b>(30.12)</b>	<b>(8.21)</b>	<b>(1.79)</b>	<b>(58.71)</b>			
<b>As of 31 December 2024</b>									
CHF	(0.02)	0.01	0.00	0.00	0.00	<b>(0.01)</b>	0.15	(0.04)	0.03
EUR	(2.15)	(5.44)	(0.19)	2.69	2.35	<b>(2.74)</b>	16.27	(6.72)	5.28
GBP	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	0.02	(0.02)	0.01
HUF	(3.76)	(12.56)	(37.46)	(54.93)	(0.55)	<b>(109.26)</b>	(103.54)	(151.94)	136.37
USD	0.08	0.15	0.16	0.05	0.00	<b>0.44</b>	0.64	0.07	0.42
<b>Total*</b>	<b>(5.85)</b>	<b>(17.84)</b>	<b>(37.49)</b>	<b>(52.19)</b>	<b>1.80</b>	<b>(111.57)</b>			

\* Total contains risk taking in all reported currencies

During 2025, the group had major interest rate exposures in HUF.

Risk-taking departments and the management are daily informed about the development of the interest rate risks from the BPV monitoring reports.

By analogy to the detailed presentation of basis point positions in the interest rate sector, daily reporting presents details of credit spread by issuer and maturity.

## Notes to the financial statements (CONTINUED)

**47.1 Spread Points as at 31 December 2025 (CPV)**

SEGMENTS	SECTOR	CREDIT SPREAD BASIS POINTS
<b>1 Spread Points as at 31 December 2025 (CPV)</b>		
Corporate	Energy BBB	(5.06)
Corporate	Corporate – Local	(11.45)
Corporate	Corporate – International	(4.57)
Financial	BBB banks	(28.03)
Treasury	Government bonds – Local	(278.38)
<b>Spread Points as of 31 December 2024 (CPV)</b>		
Corporate	Energy BBB	(5.70)
Corporate	Corporate – Local	(11.32)
Corporate	Corporate – International	(6.94)
Financial	BBB banks	(31.69)
Treasury	Government bonds – Local	(252.88)

Government and local mortgage banks of investment grade account for the largest part of the group's credit spread positions.

Local government bonds related credit spread exposures increased in 2025.

**47.2 Capital requirements for market risk**

Market risk, counterparty and settlement risk of trading positions must be reported together. The quarterly average capital requirement of the trading book was HUF 1.2 billion (in 2024: HUF 1.2 billion), the highest quarterly capital requirement was HUF 1.4 billion (in 2024: HUF 1.4 billion) mostly stemming from the counterparty risk of OTC derivatives and the position risk of bonds.

**48 Regulatory capital**

The EU Regulation No 575/2013 (Capital Requirements Regulations – CRR) has introduced common reporting standards for institutions in relation to capital (COREP – Common Reporting) from 1 January 2014 and financial reporting (FINREP) from 30 September 2014.

The local group implemented Basel IV from 1 January 2025. The group complies with the requirements and methods according to the Hungarian Banking Law (Law CCXXXVII of 2013 on credit institutions and financial enterprises, Hpt.) and to the Capital Requirements Regulations (EU No. 575/2013) taking into account the instructions, requirements and methods given by the national regulator and its parent bank.

The most significant risks to which the group is exposed are credit, liquidity, market (including interest and foreign exchange rate risks) and operational risk. Integrated and on-line systems ensure constant, timely monitoring of risk. The group's policies and processes for managing the major financial risks are reviewed regularly by the respective business areas, internal audit, senior management and the Management Board.

From the 1 July 2011 UniCredit Bank Hungary Zrt. switched to internal rating based (IRB) method in its capital requirement calculation in case of Hungary based medium-sized enterprises, multinational large enterprises and commercial banks.

Solid capital situation is an important element of the group's policy in order to maintain investor, creditor and market confidence and to sustain future business growth. The impact of the level of capital on shareholders' return respecting the regulatory requirements is also recognized and the group pays special attention to balance between the higher returns that might be possible with gearing and the advantages and security of a sound capital position.

One of the main blocks of COREP reporting templates is capital adequacy: an overview of regulatory capital and total risk exposure amount.

The reporting templates of capital adequacy overview include information about Pillar 1 capital requirements and regulatory own funds. They are structured in CA1-4 templates as of below:

CA1	contains the amount of own funds of the institutions
CA2	summarizes the total risk exposure amounts
CA3	contains capital ratios and capital levels
CA4	contains memorandum items needed for calculating items in CA1 as well as information with regard to the Hpt. capital buffers

**Own funds components:**

- **Common Equity Tier 1 (CET 1):** Ordinary share capital, Share premium, Other reserve, Retained earnings, Profit for the year, Accumulated other comprehensive income, Deduction from CET1 capital due to prudential filters (main items: Intangible assets, Cash Flow hedge reserve, IRB shortfall of credit risk adjustments to expected losses);
- **Additional Tier 1;**
- **Tier 2 capital (T2):** Subsidiary loan capital, IRB excess of provisions over expected losses eligible.

The minimum regulatory capital requirement is at 8% of total risk exposure amount. On the top of this requirement the group complies with the SREP additional requirements, and the capital buffer requirements set by the Hpt. and the Banking Supervision.

## Notes to the financial statements (CONTINUED)

The Central Bank of Hungary granted permission to use a risk weight of 0% when calculating the capital requirement for exposure to group members under local consolidated supervision.

The group's Integrated Risks, ESG & Credit Risk Mitigation Department has been responsible for Internal Capital Adequacy Assessment Process reporting since 1 January 2013, which also includes the comparison of Pillar 1 and Pillar 2 capital requirements on a quarterly basis, ICAAP is performed on local consolidated level.

The group calculates its planned capital requirements based on Basel Pillar 1 and 2 methodologies on local consolidated level once in a year as part of the yearly budgeting process. Might the figures of the financial budget change, capital plan is also modified if required.

**The group's regulatory capital as of 31 December 2025 and 2024 was as follows:**

	2025	2024
<b>Tier 1 Capital</b>		
<b>Ordinary share capital</b>	<b>24,118</b>	<b>24,118</b>
Share premium	3,900	3,900
Retained earnings (includes the net profit for the year and the reduction due to the proposed dividend payment) *	309,483	289,916
- of which Profit or loss attributable to owners of the parent	81,380	79,925
- of which proposal of dividend payment on profits for year 2025 and 2024	(65,104)	(68,254)
Accumulated other comprehensive income	9,408	3,345
Other reserves	92,613	84,069
Adjustments to CET1 due to prudential filters	(769)	6,021
Goodwill included in the valuation of significant investments	–	–
Intangible assets (Deduction based on CRR2)	(10,784)	(12,327)
Deferred tax liabilities associated to other intangible assets	–	–
IRB shortfall of credit risk adjustments to expected losses	–	(178)
Excess of deduction from AT1 items over AT1 Capital	–	–
Other transitional adjustments to CET1 Capital	(1,318)	(552)
<b>Tier 1 Total</b>	<b>426,651</b>	<b>398,312</b>
<b>Tier 2 Capital</b>		
Qualifying subordinated liabilities	51,964	55,293
Reserves for IRB position	3,726	4,406
Other transitional adjustments to T2 Capital	–	–
<b>Tier 2 Total</b>	<b>55,690</b>	<b>59,699</b>
<b>Own Funds</b>	<b>482,341</b>	<b>458,011</b>
<b>RWA</b>		
Credit risk	1,535,175	1,646,431
Total risk exposure amount for position, foreign exchange and commodities risks	13,352	11,687
Operational risk	265,287	212,941
Total risk exposure amount for credit valuation adjustment	3,432	954
<b>Total RWA</b>	<b>1,817,246</b>	<b>1,872,013</b>
<b>Capital Adequacy (%)</b>	<b>26.54</b>	<b>24.47</b>
<b>Tier 1 Capital for legal limits</b>	<b>426,651</b>	<b>398,312</b>

(\*) The Retained Earnings figure in the above table corresponds to the amount of consolidated retained earnings that can be considered for the purposes of prudential reporting.

## 49 EU Taxonomy disclosures

The group notes regarding the EU Taxonomy related disclosure requirements set out in Delegated Regulation EU/2023/178 that, taking into account sections 9 and 11 of EU Commission Notice C/2023/305, its taxonomy-related disclosures are fulfilled by the inclusion of such information in the consolidated financial statements of its ultimate parent entity, UniCredit S.p.A. Therefore the group applies the exemptions set out in the above referenced regulations with respect to taxonomy related disclosures in its financial statements.

# Notes to the financial statements (CONTINUED)

## 50 Events after the reporting date

All adjusting events after reporting date have been taken into account in the preparation of the consolidated financial statements of the group.

In relation to one customer, the group identified an event that occurred in January 2026 concerning items recognized in the group's records as receivables arising from lending activities and financial guarantees as a subsequent event for the year ended December 31, 2025. In the group's opinion, the outstanding exposure became non-performing and impaired in view of the event that occurred, and at the same time, the group recognized an additional impairment loss of HUF 2,257 million on outstanding receivables and recognized an additional provision of HUF 474 million related to the outstanding financial guarantee in its financial statements as of December 31, 2025.

Dividend of HUF 65,104 million is expected to be declared with regard to 2024 and is expected to be paid in 2026.



**Supervisory Board  
and  
Management Board**

# Supervisory Board and Management Board

UniCredit Bank Hungary Zrt.

## SUPERVISORY BOARD

EMILIA STEFANOVA PALIBATCHIYSKA **Chairman**

GIANFRANCO BISAGNI **Deputy Chairman**

GEORGIANA LAZAR-O'CALLAGHAN  
EMIDIO SALVATORE  
FEDERICO SILVERI **Members**

## MANAGEMENT BOARD

TÓTH BALÁZS **Chairman and CEO**

GIACOMO VOLPI **Deputy Chairman, Deputy CEO**

VÖRÖS RÉKA **Head of Retail Division**

MATTEO CONSALVI **Head of Finance Division**

IVANA LONJAK DAM **Head of Risk Management Division**  
*(until 31 July, 2025)*  
IVAN DUJMOVIC  
*(from 1 August, 2025)*

ANSCHAU JÁNOS **Head of Operative Division**

ALBERT JOHAN HULSHOF **Head of Corporates Division**  
*(until 30 September, 2025)*  
TOLDI BALÁZS GERGELY  
*(from 1 October, 2025)*

# Supervisory Board and Management Board (FOLYTATÁS)

UniCredit Jelzálogbank Zrt.

## MANAGEMENT BOARD

TAMÁSI ATTILA	Chairman of the Board
DR. JUHÁSZ VIKTOR	Member
CSÁKY ATTILA ISTVÁN	Member
BORBÉLY ÁRPÁD	Member

## SUPERVISORY BOARD

GIACOMO VOLPI	Chairman
ANSCHAU JÁNOS	Member
VÖRÖS RÉKA	Member
IVAN DUJMOVIC	Member
TÓTH BALÁZS	Member
MATTEO CONSALVI	Member
TOLDI BALÁZS GERGELY	Member



# ESG in Hungary

# CSR Report of UniCredit Bank Hungary group in 2025

At UniCredit, sustainability and social responsibility are part of our everyday operations. At the heart of our ESG strategy is collaboration: we work with partners, institutions, NGOs and our own staff to find solutions that create long-term value for society. Instead of one-off actions, we think systematically, and ethical, responsible decision-making is our guiding principle in all areas.

In 2025, as in previous years, we in Hungary actively partnered with higher education institutions, businesses and non-profit organisations. We were involved in several programmes to support the professional preparation and career development of students in higher education. At the Your Day, Your Way event held at our partner Corvinus University, students had the opportunity to meet our colleagues in person, participate in interactive programmes, and gain insight into how the bank operates. We participated in the corporate mentoring program of the Budapest University of Economics and Business, as well as in their Corporate Week, where we were featured speakers in the professional programmes.

We continued our educational equal opportunities programme, Re-power Your Future, launched in 2023 by the UniCredit Foundation, which has completed the second year of its first three-year cycle. The programme continues to aim at reducing early school leaving and promoting informed career choices, with a particular focus on disadvantaged regions. The programme will have involved around 31,000 students from 350 schools in Hungary by 2026, with Junior Achievement Hungary as our professional partner. Innovation idea competitions continued to play a prominent role in 2025: in the spring, teams of secondary school students worked on solutions to bank fraud and abuse, which were assessed by a professional jury. In addition, students improved their entrepreneurial skills through a number of student entrepreneurship fairs and competitions, business development camps and training sessions, all with the aim of familiarising the participants with the world of work, developing the skills needed to make a successful career choice and gaining an insight into the various professions, in addition to numerous visits to workplaces in Budapest and the countryside.

In the area of social engagement, we have continued to focus on supporting people in need in 2025. In conjunction with Re-power Your Future, we launched a campaign to donate children's glasses on International Children's Day. The aim of the programme was to provide access to eye tests and glasses for children living in difficult financial circumstances who would otherwise have difficulty reaching them and whose vision problems also hinder their performance at school. We collaborated with the Hajnalfény Medical Group Association,

which carried out eye screenings in five municipalities in northern and eastern Hungary in June, and with the involvement of an optical partner, 250 children received glasses for clear vision in the end. At the same time, our customers coming to our branches as well as our colleagues collected a total of 400 used children's glasses frames in good condition. The association refurbished them and made glasses for other people in need. The entire programme was made possible thanks to a donation from our bank.

Also in the context of the Re-power Your Future programme, we conducted a representative survey on the perceptions of the Hungarian Generation Z about their career choices and future prospects. We also involved their parents in the survey: we examined how important they consider career choice, the role of profession and degree, and the financial awareness of young people. Based on the results, the vast majority of parents consider acquiring a profession to be extremely important, and both parents and youngsters consider expanding financial knowledge to be essential: 60% of respondents highlighted this. These results were also shared with the public in the form of press releases.

We continued to focus on our financial education role through our traditional programmes last year. In 2025, our colleagues again participated in the national Money Week (Pénz7) event series, where they shared their professional expertise with teachers and helped raise financial awareness among students.

Our sustainability efforts are reflected not only in our programmes, but also in the physical environment in which we operate. In 2025, we launched the renovation of our headquarters, with sustainability and a modern, innovative working environment as key priorities. We have remained committed partners of the Business Council for Sustainable Development in Hungary (BCSDH), and in 2025 we continued to work together on sustainability initiatives, sharing best practices and achieving common goals for environmentally responsible business.

It is also important for us to engage our colleagues and shape their attitudes. During the year, our 245 volunteers joined 12 social and sustainability initiatives that both supported communities and strengthened internal cooperation. Among other things, our volunteers took part in charity campaigns with the Hungarian Food Bank Association and supported those in need with hot meals, but we also continued to work with Habitat for Humanity Hungary's Second Chance programme, where, in addition to our financial support, we contributed to the renovation of several social rental apartments in Budapest through volunteer work. At Christmas, we once again joined the national shoebox

## ESG in Hungary (FOLYTATÁS)

campaign: nearly 100 gift packages were distributed to families in need through the Hungarian Baptist Aid. In addition, our colleagues donated money to the Fire Striker Association (Tűzcsiholó Egyesület) through our group-wide donation programme, Gift Matching, where the amount raised is doubled by the UniCredit Foundation.

In 2025, our Blood Donor Days continued to be a highlight of our community events, including the "Bank Blood Donor Week", which has now become one of our most popular internal events. For the second time, we also joined the Mastercard Go Greener challenge, where our colleagues contributed to reducing CO<sub>2</sub> emissions by choosing greener forms of transport.

Free professional and soft skills training and development courses were available to our colleagues throughout the year, delivered by our co-workers on a volunteer basis. Topics ranged from ESG and cybersecurity to artificial intelligence and macroeconomics, mental health and yoga classes.

As in previous years, we continued to work actively towards achieving our ESG goals in 2025. In 2026, we will build on these foundations to continue and strengthen our engagement to contribute to a more conscious, sustainable and just future.

# Calendar

## January

- UniCredit Bank presented comprehensive research results on the career choices of the Hungarian Generation Z.
- The multi-year premium partnership between UniCredit and Ferrari has been launched, focusing on innovation, new services and experiences for UniCredit customers and Scuderia Ferrari HP fans.
- As part of the strategic agreement between Mastercard and UniCredit Bank, all debit and credit cards are being renewed. The new card is accessible and sustainable: in line with the bank's ESG principles, it is made from recycled PVC, and thanks to the engraved personal information, the cards now have a 6-year expiration date.

## February

- UniCredit has once again been voted the best regional trade finance bank in Central and Eastern Europe.
- UniCredit Bank was awarded first place in the Mastercard 'Bank of the Year 2024' competition in the category 'CSR Initiative of the Year', while it was awarded third place in the category 'Marketing Communication Campaign of the Year'.

## March

- Hungary's largest financial education week, Money Week (Pénz7), took place in the first week of March, with 700 volunteers from the financial sector, including 35 volunteers from UniCredit Bank, helping teachers.
- As every year, UniCredit Bank joined the Earth Hour 2025 challenge to turn off the lights for 60 minutes worldwide.
- UniCredit Bank came third in the category 'Retail Distributor of the Year' at the event organised by the Government Debt Management Agency Pte. Ltd. (ÁKK Zrt) to recognise the best government securities distributors of 2024.

## April

- At the Euromoney Private Banking Awards 2025, UniCredit was named 'Best International Private Bank in Central and Eastern Europe' and 'Best Bank for High Net Worth Clients', while UniCredit Bank won the 'Best International Private Bank in Hungary' and 'Best Private Bank for High Net Worth Clients in Hungary' awards.
- In April, UniCredit Bank's Telephone Bank service was renewed: thanks to the update, reporting fraud can be done easier and faster, at the touch of a button.
- UniCredit Bank continued its research on the future of the Hungarian Generation Z: a representative survey conducted on behalf of the bank among 15–19 year olds and their parents showed how young people see their future and how important the development of financial awareness is to younger and older generations.
- UniCredit Bank and Junior Achievement Hungary held a joint innovation competition for secondary school students on the prevention of banking fraud. The competition was part of the 'Re-Power Your Future' educational programme for youth development.
- UniCredit Bank participated at Corvinus University's Career & Business Festival in Budapest to show students what opportunities await young professionals starting their careers at the financial institution.

## May

- On the occasion of Children's Day (25 May), UniCredit Bank launched a charity campaign: with the support of the bank and the cooperation of the paediatric ophthalmologists of the Hajnalfény Medical Group Association, children with vision problems in five municipalities in Northern and Eastern Hungary were given access to eye screening and new glasses for those who needed vision correction, thus making it easier for them to complete their school tasks. In addition, the bank's customers and staff collected used glasses frames, to be later refurbished by the Association for other people in need.

# Calendar (FOLYTATÁS)

- In May, the sixth season of UniCredit Bank's podcast series 'Finances without a Tie' was launched, with episodes covering the bank's day-to-day operations and behind-the-scenes stories.

## June

- A questionnaire compiled by UniCredit Bank on online fraud attempts was published on the online portal Index. The results of the questionnaire were summarised in a paid publication for educational purposes.
- UniCredit's employee share ownership scheme, U Share, was launched, allowing employees to directly benefit from the financial success of UniCredit.
- UniCredit was named 'Best Project Finance House' in Central and Eastern Europe at the 17th EMEA Project Finance Awards.

## July

- UniCredit won the title of 'Europe's Best Bank' at the Euromoney Awards 2025, among other European accolades: for four consecutive years, UniCredit was again named Italy's best bank, but also received the award for the best ESG bank in Italy and Central and Eastern Europe.

## August

- UniCredit Bank promoted the launch of the partnership between UniCredit and Ferrari with a nationwide image campaign in Hungary on the most visited online news portals and in county seats in the form of out-of-home advertisements. The ads highlighted speed, innovation and technological excellence in connection with the partnership.

## September

- UniCredit's Central and Eastern Europe region won twelve awards at the Euromoney FX Awards and Cash Management Survey gala, including 'Central and Eastern Europe's Best FX Bank in Customer Service' and 'Hungary's Best FX Bank'.
- UniCredit Bank has launched its Home Start loan product, with a maximum interest rate of 2.9% and one month's repayment credited until 31 January 2026.

- UniCredit Bank has launched the Qualified Corporate Loan, which provides investment loans at preferential interest rates for domestic SMEs for investment purposes, certified by the Central Bank of Hungary.

## October

- As of 1 October, UniCredit Bank has also joined the list of financial institutions offering Worker Loans. The bank's workers' loan is only available to young people aged 21–26, and the loan amount is between HUF 1 and 4 million, for a term of 6–10 years.

## November

- To mark the end of the children's glasses fundraising campaign launched in May, Deputy CEO Giacomo Volpi presented a donation plaque to Dr. László Szalai, head of the Hajnalfény Medical Group Association. As part of the campaign, more than 400 used children's glasses frames in good condition were collected and, after proper refurbishment, were given to other people in need.
- The Investment Institute by UniCredit has published a report titled 'Household Wealth in Central and Eastern Europe', which highlights opportunities for greater differentiation and growth in the region.
- The 'Your Day, Your Way' event took place at Corvinus University, where UniCredit Bank colleagues provided students with treasure hunts and other games, as well as useful professional tips.

## December

- The Investment function of the mBanking mobile application service has become available also for UniCredit Bank customers who have a securities account. With this feature, securities purchases can be made at any time in the mobile app.
- In 2025, we once again joined the national charity shoebox campaign, and thanks to the kindness of our colleagues, nearly one hundred gift packages reached disadvantaged families with the help of the Hungarian Baptist Aid.
- The top management of UniCredit visited Budapest to participate in the Hungarian edition of the Unlocking Excellence – Culture & Strategy Roadshow event series. The event focused on corporate values, alongside the short and medium-term goals derived from the banking group's strategy.

# Network units

## Head office

H-1054 Budapest, Szabadság tér 5–6.

Telephone: +36-1/301-1271

E-mail: [info@unicreditgroup.hu](mailto:info@unicreditgroup.hu)

UniCredit Call Centre 0-24: +36 1/20/30/70 325 3200

[www.unicreditbank.hu](http://www.unicreditbank.hu)



As of 31 December 2025, UniCredit Bank Hungary Zrt. had 50 branches nationwide, of which 18 were in Budapest and 32 were in the countryside.

## Branches in Budapest

**Mammut II. branch**

1024 Budapest, Margit krt. 87–89. (Mammut II.)

**Lajos utca branch**

1036 Budapest, Lajos u. 48–66.

**Ferenciek tere branch**

1053 Budapest, Ferenciek tere 2.

**Alkotmány utca branch**

1054 Budapest, Alkotmány u. 4.

**Szabadság tér branch**

1054 Budapest, Szabadság tér 5–6.  
(UniCredit Bank Hungary Zrt. headquarters)

**Boráros tér branch**

1095 Budapest, Boráros tér 7.

**Lurdy Ház branch**

1097 Budapest, Könyves Kálmán krt. 12–14. (Lurdy Ház)

**Lágymányosi út branch**

1111 Budapest, Lágymányosi u. 1–3.

**Alkotás út branch**

1123 Budapest, Alkotás u. 50.

**Duna Plaza branch**

1138 Budapest, Váci út 178. (Duna Plaza)

**Szent István körút branch**

1137 Budapest, Szent István körút 16.

**Örs vezér tér branch**

1148 Budapest, Örs vezér tere 24.  
(Sugár Üzletközpont)

**Mátyásföld branch**

1165 Budapest, Veres Péter út 105–107.

**Pestszentimre branch**

1188 Budapest, Nagykőrösi út 49.

**Shopmark branch**

1191 Budapest, Üllői út 201. (Shopmark)

**Campona branch**

1222 Budapest, Nagytétényi út 37–43. (Campona)

**Bécsi út Partner Centrum**

1023 Budapest, Bécsi út 3–5.

**Infopark Partner Centrum**

1117 Budapest, Infopark sétány 3.

## Branches in the country

### **Békéscsaba branch**

5600 Békéscsaba, Andrásy út 37–43. (Csaba Center)

### **Budakeszi branch**

2092 Budakeszi, Fő út 139.

### **Budaörs branch**

2040 Budaörs, Szabadság út 49.

### **Cegléd branch**

2700 Cegléd, Kossuth tér 4.

### **Debrecen branch**

4024 Debrecen, Kossuth Lajos u. 25–27.

### **Dunakeszi branch**

2120 Dunakeszi, Fő út 70.

### **Dunaújváros branch**

2400 Dunaújváros, Dózsa György út 4/d

### **Eger branch**

3300 Eger, Törvényház u. 4. (Agria Park)

### **Érd branch**

2030 Érd, Budai út 13. (Stop Shop)

### **Esztergom branch**

2500 Esztergom, Kossuth Lajos u. 14.

### **Gödöllő branch**

2100 Gödöllő, Dózsa György út 13.

### **Győr branch**

9021 Győr, Árpád út 45.

### **Kaposvár branch**

7400 Kaposvár, Dózsa György u. 1.

### **Kecskemét branch**

6000 Kecskemét, Kisfaludy u. 8.

### **Miskolc branch**

3530 Miskolc, Hunyadi u. 3.

### **Mosonmagyaróvár branch**

9200 Mosonmagyaróvár, Fő u. 6.

### **Nagykanizsa branch**

8800 Nagykanizsa, Fő út 8.

### **Nyíregyháza branch**

4400 Nyíregyháza, Dózsa György út 1–3.

### **Pécs branch**

7621 Pécs, Rákóczi út 58. (Árkád Üzletház)

### **Salgótarján branch**

3100 Salgótarján, Rákóczi út 13.

### **Siófok branch**

8600 Siófok, Fő u. 174–176.

### **Sopron branch**

9400 Sopron, Várkerület 1–3.

### **Szeged branch**

6722 Szeged, Kossuth Lajos sugárút 18–20.

### **Székesfehérvár branch**

8000 Székesfehérvár, Budai út 1.

### **Szekszárd branch**

7100 Szekszárd, Arany János u. 15–17.

### **Szentendre branch**

2000 Szentendre, Dobogókői út 1. (Városkapu Üzletház)

### **Szigetszentmiklós branch**

2310 Szigetszentmiklós, Bajcsy-Zsilinszky u. 26.

### **Szolnok branch**

5000 Szolnok, Baross Gábor út 27.

### **Szombathely branch**

9700 Szombathely, Kőszegi út 30–32.

### **Tatabánya branch**

2800 Tatabánya, Győri út 7–9. (Vértés Center)

### **Veszprém branch**

8200 Veszprém, Ady Endre u. 1.

### **Zalaegerszeg branch**

8900 Zalaegerszeg, Kovács Károly tér 1/a

Cover and introduction creative definition:  
**Message S.p.A.**

Sorter pages creative definition:  
**Message S.p.A.**

Design, graphic development and production:  
**Message S.p.A. – UniCredit S.p.A.**

Adaptation: R.AT. Reklám és Arculat Kft. Budapest

We do not print this document to protect the environment.  
We ask you to use our report in digital format.

May 2026