GRÁNIT BANK PUBLIC LIMITED COMPANY

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

IN ACCORDANCE WITH THE INTERIM FINANCIAL REPORTING STANDARD
IAS 34 AS ADOPTED BY THE EUROPEAN UNION

30 JUNE 2025

UNAUDITED

(English translation of the original report submitted to the Budapest Stock Exchange)

DECLARATION

Gránit Bank Nyrt. informs capital market participants that the Six-Month Report on the results for H1 2025 has been drawn up and will be published in full on 30 September 2025 on the website of the Budapest Stock Exchange (www.bet.hu) on the site operated by the Hungarian National Bank (kozzetetelek.mnb.hu) and on the Gránit Bank website (www.granitbank.hu).
Gránit Bank Nyrt. declares that the completed Six-Month Report has been compiled in accordance with the applicable accounting regulations and, to the best of the Bank's knowledge, provides a true and reliable view of the financial position, assets, liabilities, profit, and loss of the Bank and its consolidated subsidiaries. It also provides a true and reliable view of the Bank's current situation and performance, with particular regard to its development opportunities, including the main uncertainty factors and risks.
No independent auditor's report has been prepared in respect of the Report.
Budapest, 30 September 2025

Éva Hegedűs **chairperson & CEO**	**Jenő Siklós** **first deputy-CEO**

Contents

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNT

Data in HUF millions

	Annex	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Interest income based on the effective interest method		32,272	36,570
Other interest income		18,954	16,214
Interest income		**51,226**	**52,784**
Interest expense based on the effective interest method		28,014	27,710
Other interest expense		7,673	7,816
Interest expense		**35,687**	**35,526**
Net interest income	5	**15,539**	**17,258**
Fee and commission income		14,926	11,082
Fee and commission expense		4,544	3,109
Net fee and commission income	6	**10,382**	**7,973**
Net profit from financial instruments measured at fair value through profit or loss	7	1,141	1,611
Net profit from financial instruments not classified as measured at fair value through profit or loss	8	347	256
Profit from FX transactions		1,350	-454
Dividend income		3	2
NET BUSINESS PROFIT		**28,762**	**26,646**
Other operating income		492	1,160
Other operating expenses		846	876
Credit gains (+) and losses (-)	9, 19	591	481
Provisioning or release (-) of provisions	19	-15	65
Profit/loss (-) on changes, net		0	41
NET OPERATING PROFIT		**27,832**	**26,425**
Personnel expenses	10	6,198	5,512
Other general administrative costs	11	10,570	8,630
Depreciation		1,815	1,434
PROFIT BEFORE TAX		**9,249**	**10,849**
Income taxes	12	1,532	1,652
PROFIT AFTER TAX		**7,717**	**9,197**
Share of parent company's owners in profit after tax		**6,767**	**8,243**
Share of non-controlling owners in profit after tax		**950**	**954**
Earnings Per Share (HUF)			
Basic EPS	33	352	535
Diluted EPS	33	352	535

The Board of Directors approved the publication of condensed financial statements on 29 September 2025.

Éva Hegedűs	Jenő Siklós
chairperson & CEO	deputy CEO

CONDENSED CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT

Data in HUF millions

	Annex	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Profit after tax		**7,717**	**9,197**
Profit/loss from change in fair value		-367	-424
Deferred-tax effect of change in fair value		33	1
Change in expected credit loss on debt securities measured at fair value through other comprehensive income		2	37
Items to be reclassified to profit or loss subsequently:		**-332**	**-386**
TOTAL OTHER COMPREHENSIVE INCOME		**-332**	**-386**
TOTAL COMPREHENSIVE INCOME		**7,385**	**8,811**
Share of parent company's owners in comprehensive income		**6,437**	**7,857**
Share of non-controlling owners in comprehensive income		**948**	**954**

The Board of Directors approved the publication of condensed financial statements on 29 September 2025.

Éva Hegedűs	Jenő Siklós
Chairperson & CEO	deputy CEO

CONDENSED CONSOLIDATED BALANCE SHEET

	Annex	30.06.2025	31.12.2024
Assets			
Liquid assets and equivalent	13	387,639	625,709
Sequestered liquid assets	14	38,933	32,969
Receivables from the MNB	15	43,071	39,971
Interbank placements	15	123,735	88,597
Securities	16	448,887	367,235
Derivative financial assets	17	9,509	11,837
Loans and advances to customers	18	580,997	465,620
Other assets		21,053	18,374
Intangible assets		13,681	11,710
Property, Plant and Equipment		4,283	3,755
Goodwill	24	6,785	6,785
Deferred tax receivables		84	168
TOTAL ASSETS		**1,678,657**	**1,672,730**
Liabilities			
Liabilities to the MNB	20	103,896	186,508
Liabilities to credit institutions	20	196,062	134,275
Liabilities to customers	21	1,207,907	1,187,418
Derivative financial liabilities	17	5,657	5,362
Income tax payment liability		36	625
Deferred tax liability		257	228
Provisions	25	457	447
Other liabilities		10,874	9,792
TOTAL LIABILITIES		**1,525,146**	**1,524,655**
Equity			
Subscribed capital	26	19,223	19,223
Capital reserve		66,999	66,999
Treasury stock		0	0
Profit reserve		58,939	52,170
Reserve for share-based payment transactions settled in equity instruments		370	370
Other reserves		5,652	5,652
Accumulated other comprehensive income (AOCI)		-472	-141
Share of parent company's owners		150,711	144,273
Non-controlling interests		2,800	3,802
TOTAL EQUITY		**153,511**	**148,075**
Total liabilities and equity		**1,678,657**	**1,672,730**

The Board of Directors approved the publication of condensed financial statements on 29 September 2025.

Éva Hegedűs	Jenő Siklós
chairperson & CEO	deputy CEO

CONDENSED CHANGE IN CONSOLIDATED EQUITY

Data in HUF millions

	Subscribed capital	Capital reserve	Treasury stock	Accumulated other comprehensive income (AOCI)	Profit reserve	Other reserves	Reserve for share-based payment transactions settled in equity instruments	Share of parent company's owners	Share of non-controlling owners	Total
Balance at start of period – 01.01.2025	**19,223**	**66,999**	**0**	**-141**	**52,170**	**5,652**	**370**	**144,273**	**3,802**	**148,075**
Payment of dividends	0	0	0	0	0	0	0	**0**	-1,950	**-1,950**
Profit after tax	0	0	0	0	6,767	0	0	**6,767**	950	**7,717**
Other comprehensive income	0	0	0	-330	0	0	0	**-330**	-2	**-332**
Total comprehensive income	0	0	0	**-330**	**6,767**	0	0	**6,437**	**948**	**7,385**
Issue of shares	0	0	0	0	0	0		**0**	0	**0**
Employee Stock Ownership Plan (Transaction with owners)	0	0	0	0	0	0	0	**0**	0	**0**
Employee Stock Ownership Plan - other reclassifications	0	0	0	0	0	0	0	**0**	0	**0**
Business combination - other reclassifications	0	0	0	0	0	0	0	**0**	0	**0**
Other reclassifications	0	0	0	-1	2	0	0	**1**	0	**1**
Transfer of general reserve	0	0	0	0	0	0	0	**0**	0	**0**
Balance at end of period – 30.06.2025	**19,223**	**66,999**	**0**	**-472**	**58,939**	**5,652**	**370**	**150,711**	**2,800**	**153,511**

Data in HUF millions

	Subscribed capital	Capital reserve	Treasury stock	Accumulated other comprehensive income (AOCI)	Profit reserve	Other reserves	Reserve for share-based payment transactions settled in equity instruments	Share of parent company's owners	Share of non-controlling owners	Total
Balance at start of period – 01.01.2024	15,395	23,466	-18,777	136	34,453	3,965	180	**58,818**	20,621	**79,439**
Payment of dividends								**0**	-1,604	**-1,604**
Profit after tax					8,243			**8,243**	954	**9,197**
Other comprehensive income				-386				**-386**	0	**-386**
Total comprehensive income				**-386**	**8,243**			**7,857**	**954**	**8,811**
Issue of shares								**0**		**0**
Employee Stock Ownership Plan (Transaction with owners)		-23	2,062				45	**2,084**		**2,084**
Business combination - other transfer			18		211			**229**	-89	**140**
Transfer of general reserve					1,904	-1,904		**0**		**0**
Other transfer				-2				**-2**		**-2**
Balance at end of period – 30.06.2024	**15,395**	**23,443**	**-16,697**	**-252**	**44,811**	**2,061**	**225**	**68,986**	**19,882**	**88,868**

The Board of Directors approved the publication of condensed financial statements on 29 September 2025.

Éva Hegedűs	Jenő Siklós
chairperson & CEO	deputy CEO

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

Data in HUF millions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024*
Profit before tax	**9,249**	**10,849**
Modifying items		
Interest income	-51,226	-52,784
Interest expense	35,687	35,526
Impairment of tangible assets, and intangible assets	1,815	1,434
Net realised profit on the sale of tangible assets	1	-3
Expected credit loss on debt securities, loans and other assets not measured through profit or loss	591	440
Change in provisions	-15	65
Non-realised profit from financial instruments measured at fair value through profit or loss	-4,572	1,890
Change in ESOP benefit plan reserve	0	45
Dividend income	-3	-2
Change in the revaluation difference of financial instruments measured at fair value through other comprehensive income	-468	387
Non-controlling interests	-1,002	0
Cash flow from pre-tax operating income before change in operating assets and liabilities	**-9,943**	**-2,153**
Change in debt securities held for trading	-19,248	-5,814
Change in debt securities designated as measured at fair value through profit or loss	-42,046	-15,910
Change in receivables from the MNB and other credit institutions	-38,229	81,761
Change in loans and advances to customers	-111,662	-20,653
Change in other assets	-11,998	-5,289
Change in derivative transactions	2,328	-1,251
Change in operating assets	**-220,855**	**32,844**
Change in liabilities to the MNB and credit institutions	-20,750	-2,427
Change in liabilities to customers	23,151	177,748
Change in other liabilities	1,140	-1,348
Change in derivative transactions	294	-2,151
Change in operating liabilities	**3,835**	**171,822**
Interest received	47,449	52,411
Interest paid	-38,426	-35,748
Income tax paid	-2,121	-2,723
Net cash flow from operating activities	**-220,061**	**216,453**

Data in HUF millions

Cash flow from investment activities	**01.01.2025-30.06.2025**	**01.01.2024-30.06.2024**
Change in securities measured obligatorily at fair value through profit or loss, not held for trading	-6	-925
Purchase of debt securities measured at fair value through other comprehensive income	-94,459	-5,857
Income from the sale or maturity of debt securities measured at fair value through other comprehensive income	89,438	2,699
Purchase of debt securities held at amortised cost	-46,147	-24,107
Income from the sale or principal repayment of debt securities held at amortised cost	35,817	743
Purchase of tangible assets	-117	-316
Sale of tangible assets	5	0
Acquisition of intangible assets	-2,543	-1,558
Dividend received	3	2
Net cash flow from investment activities	**-18,009**	**-29,319**
Net cash flow from financing activities		
Issue of shares	0	0
Non-share capital contribution by shareholders	0	0
Treasury stock	0	2,080
Dividend paid	0	0
Net cash flow from financing activities	**0**	**2,080**
Net increase/decrease in liquid assets	**-238,070**	**189,214**
Liquid assets at the beginning of the year	625,709	465,518
Liquid assets at the end of the year	387,639	654,732

Liquid assets components	**01.01.2025-30.06.2025**	**01.01.2024-30.06.2024**
Cash	830	828
Account receivables from central banks	378,899	644,976
Other demand deposits	7,910	8,929
Total	**387,639**	**654,732**

** Of the comparative data, Interest expenditure and Interest paid have been adjusted, while Change in allocated funds has been transferred to Change in other assets.*

The Board of Directors approved the publication of condensed financial statements on 29 September 2025.

Éva Hegedűs	Jenő Siklós
chairperson & CEO	deputy CEO

NOTES

1. GENERAL INFORMATION

Date of establishment

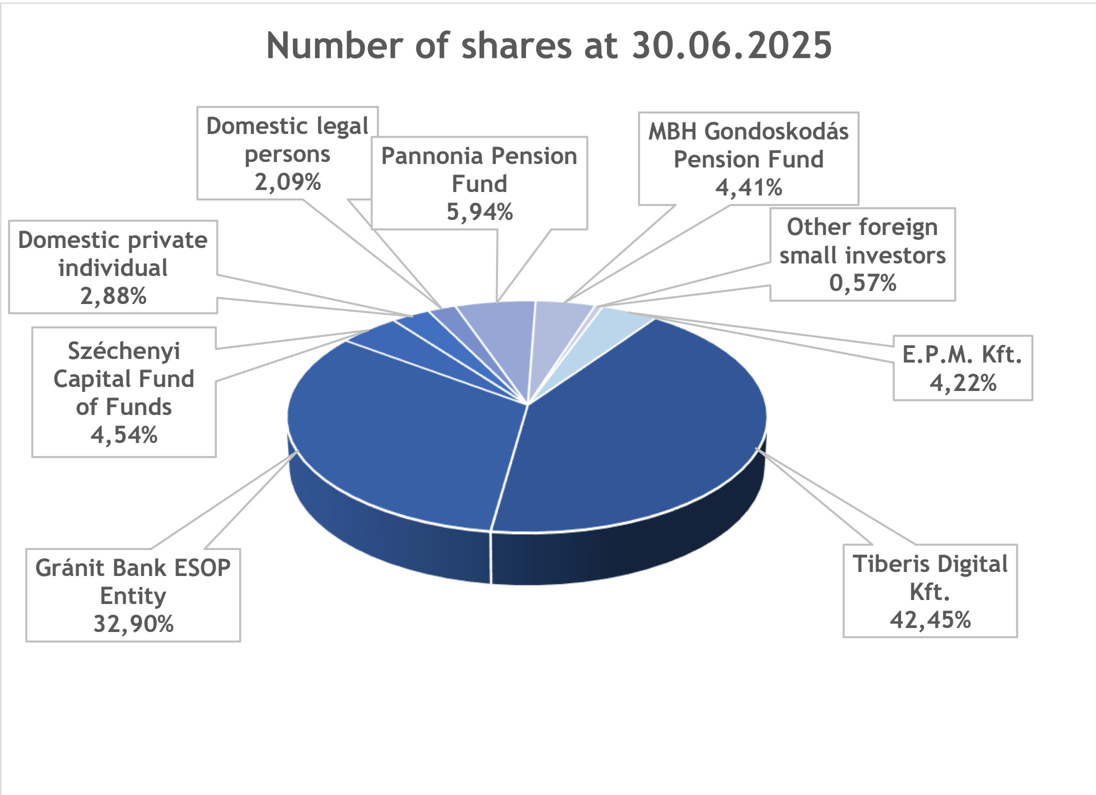
GRÁNIT BANK ("Bank") is a commercial bank operating as a public limited company incorporated in Hungary, established on 25 September 1985 under the name Általános Vállalkozási Bank Rt.
Following several changes of ownership, as the legal successor of the previous banks, the Bank had, since 20 May 2010, been trading under the name GRÁNIT Bank Zrt., and as of 25 November 2024, Gránit Bank changed its legal form from a private limited company to a public limited company and its existing ordinary shares were listed on the Budapest Stock Exchange on 25 November 2024.

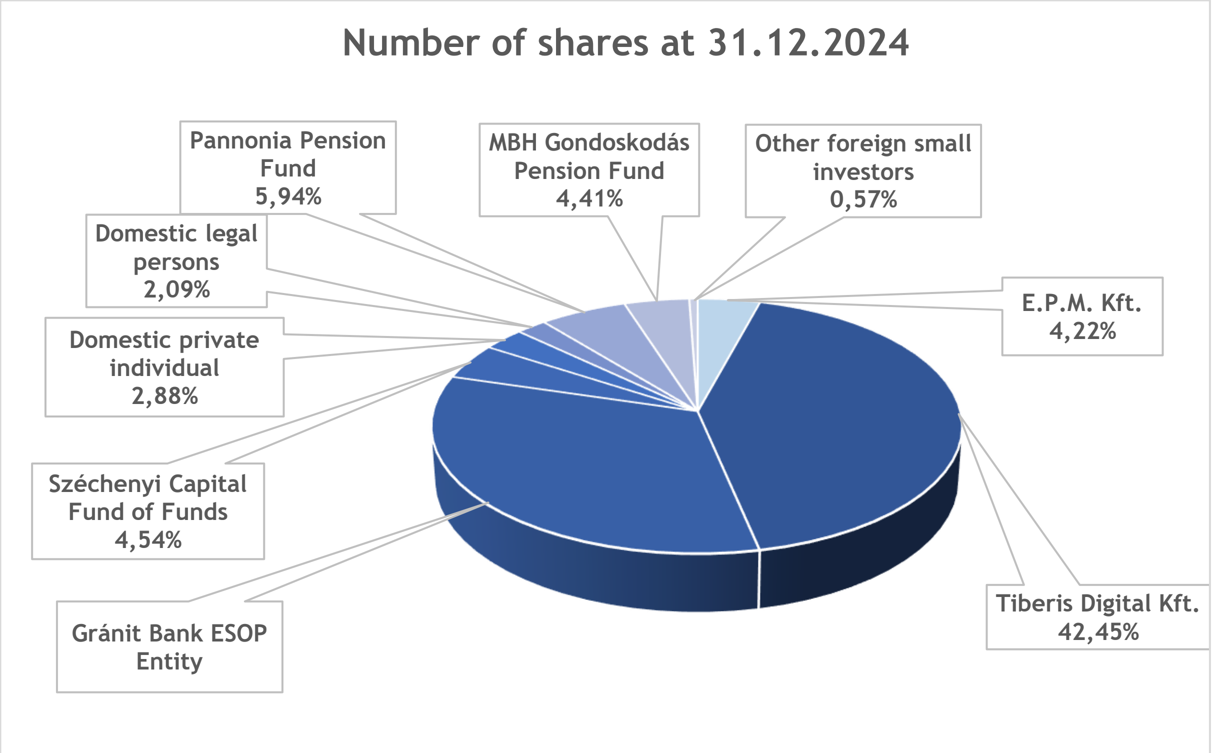
The company's registered office: 1095 Budapest, Lechner Ödön fasor 8.
Company court registration number: 01-10-041028
Website: www.granitbank.hu

Range of activities

The Bank is licensed to offer financial and supplementary financial services as listed in Section 3 of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises.
The National Bank of Hungary issued a foreign-exchange authority licence to the Bank on 20 July 1994, in which it authorised the Bank to provide financial services in foreign currencies.
Since 17 April 2000, based on resolution 41031-4/1999 of the Hungarian Financial Supervisory Authority (MNB), the Bank has been engaged in universal banking activities.

Ownership structure





*ESOP Entity – GRÁNIT Bank ESOP Entity

As of 25 November 2024, Gránit Bank changed its legal form from a private limited company to a public limited company and its existing ordinary shares were listed on the Budapest Stock Exchange on 25 November 2024. At the same time, the Bank's Board of Directors decided on a public increase of the Bank's share capital, under which 1,220,820 ordinary shares with a nominal value of HUF 1,000 and an issue value of HUF 14,500 were issued for a total amount of HUF 17,701,890,000, which were subscribed by retail and institutional investors. The capital increase was registered on 16 December 2024, the date on which the Bank's subscribed capital became HUF 19,223,077,000.

The ultimate beneficial owner of the Bank

The Bank's ultimate owner is István Ferenc Tiborcz, who is the ultimate beneficial owner of Tiberis Digital Kft., a company which holds 42.45% ownership interest in the Bank. In addition to the ordinary shares, he also holds Class D voting preference shares.

Type D preference shares grant ten times the voting rights in respect of the following matters: the IPO of the Bank's shares; the appointment and removal of the Chairman and Deputy Chairman of the Board of Directors and the Supervisory Board and the members of the Board of Directors and the Supervisory Board and their remuneration, taking into account the type A and B shares; the appointment of the CEO; decision on the increase of the Bank's share capital). Tiberis Digital holds the majority of type D shares.

Companies in which the Bank has a majority ownership

There was no acquisition in H1 2025.

In April 2024 the Bank established a subsidiary, GBG Szolgáltató Kft. with a share capital of HUF 10 million. The company is intended to serve as the banking group's service centre in the long term; however, it did not carry out any significant activity in the first half of 2024.

As at 31 July 2024, the Bank acquired 76.66% of the ownership interest in Gránit Pénzügyi Lízing Zrt. directly, and 23.34% of the ownership interest indirectly, as well as 100% of the ownership interest in Gránit Lízing Kft.

In October 2023, the Group acquired 94.2% of the ownership interest in Tarragona Vagyonkezelő Zrt., which holds 95.96% of Diófa Alapkezelő Zrt., and it also acquired the fund manager's wholly owned subsidiary, Diófa Ingatlanüzemeltető Kft. (hereinafter to be referred to as the 'Diófa Group'). In January 2024, Diófa Alapkezelő Zrt. and its subsidiary, Diófa Ingatlanüzemeltető Kft., changed their names to Gránit Alapkezelő Zrt. and Grandum Ingatlankezelő Zrt., respectively.

The Bank's ownership interest in the Equilor Group originated from an acquisition carried out in 2022.

The ESOP Entity was included in the consolidation as a subsidiary, given that under IFRS 12, it qualifies as a structured entity, in which the control required for consolidation under IFRS 10 is deemed to exist irrespective of the ownership share. The Bank's control over the ESOP Entity is not exercised through voting rights or ownership, but through the right to establish the rules that define the ESOP's operation and purpose, such as its articles of association and remuneration policy.

Further information on the changes in the structure of the Group is presented in Note 2.

Persons authorised to sign the consolidated annual financial statements of the Banking Group

Éva Hegedüs (Chairperson & CEO)
Jenő Siklós (Deputy CEO)

Members of the Bank's Board of Directors and Supervisory Board

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

2. CHANGES IN THE STRUCTURE OF THE GROUP

Acquisitions

1. Acquisitions made during the reporting year

No acquisition was carried out by the Banking Group in the year under review, up to the reporting date. No acquisition has been made following the reporting date.

2. Acquisitions in the previous year

On 8 December 2023, the Bank's Board of Directors authorised the Bank's management to make a binding takeover bid for the purchase of a 76.66% share in De Lage Landen Finance Zrt. and a 100% share in De Lage Landen Leasing Kft. The Bank's takeover bid was accepted and the transaction was closed on 31 July 2024, following approval by the National Bank of Hungary and the Hungarian Competition Authority. As the Kft. held 23.34% of the ownership interest in the Zrt., by acquiring the Kft., the Bank also acquired 100% ownership of the Zrt. No non-controlling interest arose as a result of the acquisition. Both the Zrt. and the Kft. were previously owned by De Lage Landen International B.V.

Following the acquisition, leveraging brand value synergies, the Banking Group renamed the newly acquired companies, i.e. the Zrt. was renamed Gránit Pénzügyi Lízing Zrt., while the Kft. was renamed Gránit Lízing Kft. (hereinafter to be collectively referred to as the 'Leasing Group').

3. SIGNIFICANT AND UNUSUAL EVENTS THAT OCCURRED DURING THE YEAR

No significant or unusual events took place during the first half of the year.

4. ACCOUNTING POLICY

Name of person responsible for compiling the IFRS statements: Jenő Siklós (registration number: 133130),

4.1. Basis for preparing the statements

The Bank's financial statements were prepared on a cost value basis, except for the following essential elements:

Items	Basis for measurement
Financial instruments measured at fair value through profit or loss	Fair value
Financial assets measured at fair value through other comprehensive income	Fair value
Reserve for share-based payment transactions settled in equity instruments (IFRS 2)	Fair value

The Bank (or "Group") keeps its accounting records and compiles its ledger in accordance with the provisions of commercial banking and financial legislation in force in Hungary. The Bank's books are kept in Hungarian forint ("HUF"). Unless otherwise stated, balances are shown in million forints ("million HUF").

Declaration of conformity

As from 1 January 2018, the Bank uses IFRSs for statutory purposes instead of the Hungarian accounting standards (the date of transition is therefore 1 January 2017).
This financial statement has been prepared in accordance with IAS 34 – Interim Financial Reporting.

4.2. Significant accounting principles applied

The accounting policies used in the preparation and presentation of these Condensed Consolidated Financial Statements are consistent with those applied in the preparation of the full Consolidated Financial Statements as at 31 December 2024.

4.3. Estimates

In some cases, the management needs to make significant estimates or assumptions when preparing the financial statements under IFRS. These significant estimates and assumptions affect the value of assets and liabilities, and of income and expenses, shown in the financial statements, as well as the presentation of contingent assets and liabilities presented in the Notes. Actual results may differ from estimated data.

Estimates and related assumptions are based on past experience and other factors considered relevant. Accounting estimates and the underlying assumptions are reviewed by the Bank on an annual basis. Changes to accounting estimates are recognised by the Bank during the period of the respective change.

The Bank discloses the nature and amount of changes in accounting estimates that have an impact on the current period or are expected to have an impact on future periods, except for the effect on future periods in cases when making an advance estimate is impossible. If the amount of an impact on future periods is not disclosed because an estimate cannot be made, the Bank must disclose this fact.

Future changes in the economic environment, financial strategy, regulatory environment, accounting regulations, and other areas may result in changes in estimates that may have a significant impact on future financial statements.

The most important estimates and assumptions that have an impact on the Group's report:

- Classification of financial assets: assessment of the exclusive principal and interest requirement pertaining to the characteristics of the business model and the contractual cash flows
- Impairment on financial assets
- Determination of the fair value of financial instruments in cases where the fair value of a financial instrument is determined by the Bank on the basis of significant unobservable inputs
- Determination of deferred tax receivables: assessment with respect to the attainment of future taxable profit
- Provisioning: estimation of the likelihood or extent of liabilities arising from a past event
- The economic loss recognised as a result of the moratorium on payments due to Covid-19 (modification loss)
- Adjustment loss recognised as a result of the interest rate freeze introduced
- IFRS 2 share-based benefits reserve

5. NET INTEREST AND SIMILAR INCOME

Data in HUF millions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Interest income based on the effective interest method		
Interest income on financial assets measured at fair value through other comprehensive income	463	543
Interest income on financial assets measured at amortised cost	31,809	36,027
Total interest income based on the effective interest rate method	**32,272**	**36,570**
Interest income on financial assets held for trading	8,603	9,143
Interest income on financial assets designated as measured at fair value through profit or loss	8,259	6,290
Interest income on financial assets measured obligatorily at fair value through profit or loss, not for trading	1,091	781
Interest income on financial leasing	965	0
Other interest income	36	0
Total other interest income	**18,954**	**16,214**
Total interest and similar income	**51,226**	**52,784**
Interest expense based on the effective interest method	0	
Interest expense on financial liabilities measured at amortised cost	28,014	27,710
Total interest expense based on the effective interest rate method	**28,014**	**27,710**
Other interest expense	36	0
Interest expense on financial liabilities held for trading	7,637	7,816
Total other interest expense	**7,673**	**7,816**
Interest expenses	**35,687**	**35,526**
Total net interest and similar income	**15,539**	**17,258**

6. NET FEE AND COMMISSION INCOME

Data in HUF millions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Investment services	4,103	2,691
Custody services	206	196
Loan and guarantee fee income	62	-122
Cash flow and account management	2,311	1,647
Bank card services	1,026	503
Fund manager fee	6,113	5,460
Other	1,105	707
Total fee and commission income	**14,926**	**11,082**
Investment services	864	509
Custody services	94	58
Loan and guarantee fee expenditures	125	0
Brokerage commission	4	10
Cash flow and account management	169	554
Bank card services	1,088	127
Fund manager fee	2,180	1,832
Other	20	19
Total fee and commission expense	**4,544**	**3,109**
Net fee and commission income	**10,382**	**7,973**

Lump sum fees related to the generation of loans are part of the interest calculated with the effective interest method, so they are recognised under interest and similar income and expense over the term of the loan or receivable. The fees and commissions reported here are typically one-off items that are recognised as income when incurred.

7. PROFIT OR LOSS FROM FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

Data in HUF millions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Profit or (-) loss from financial assets and liabilities held for trading, net	-3,257	4,551
– profit from securities held for trading	*312*	88
– net profit from derivatives held for trading	*-3,569*	4,463
– profit or loss from loans held for trading	*0*	0
Net profit or loss (-) from financial assets measured obligatorily at fair value through profit or loss, not for trading	*1,034*	-176
Net profit or loss (-) from financial assets designated as measured at fair value through profit or loss	*3,364*	-2,764

Total net profit from financial instruments measured at fair value through profit or loss	**1,141**	**1,611**

Financial assets

The net profit/loss from financial assets measured obligatorily at fair value through profit or loss, not for trading, include the profit impact of changes in the fair value of loans that failed the SPPI test. The net earnings figure was largely the result of the follow-up fair value measurement of "Babaváró" loans. Additional information related to the valuation is provided in Note 22. Fair valuation of financial instruments. The interest income from these instruments is recognised in the interest income line.

The profit/loss from financial assets designated as measured at fair value through profit or loss include changes in the fair value of fixed-rate customer loans and securities to which IRSs treated as hedges from an economic point of view are related. The FVTPL designation serves to reduce the accounting mismatch that would otherwise arise from the fact that, under the business model, loans must be measured at amortised cost and securities must be measured either at amortised cost or at fair value through other comprehensive income, whereas IRS transactions are mandatorily measured at fair value through profit or loss. Additional information related to the valuation is provided in Note 22. Fair valuation of financial instruments. The Bank recognises the interest income of the designated assets in its interest income.

Derivatives

The net result on derivatives mainly comprises of the fair value result of interest rate swaps entered into to hedge, in terms of public economy, the interest rate risk on fixed-rate loans to customers and securities.

8. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Data in HUF millions

	01.01.2025-30.06.2025	**01.01.2024-30.06.2024**
Expected credit loss of securities measured at fair value through other comprehensive income	*0*	0
Profit realised from the sale of securities measured at fair value through other comprehensive income	*347*	256
Realised profit on sale of securities measured at amortised cost	*0*	0
Total net profit from financial instruments at fair value through profit or loss	**347**	**256**

Profit or loss from loans not classified as measured at fair value through profit or loss is recognised by the Bank in the Credit gains and losses line.

9. CREDIT GAINS AND LOSSES

Data in HUF millions

	01.01.2025-30.06.2025	**01.01.2024-30.06.2024**
Individual expected net loss / profit (-) on loans	-132	56
Collective expected net loss / profit (-) on loans	335	-43

Individual expected net loss / profit (-) on financial lease	-4	0
Collective expected net loss / profit (-) on financial lease	89	0
Total expected credit loss	**288**	**13**
Collective expected credit loss / profit (-) on securities held at amortised cost	98	449
Credit loss / profit (-) on securities measured at fair value through other comprehensive income	2	0
Group expected credit loss on securities	**100**	**449**
Other losses (write-offs, recovery from write-offs, impairment of other assets, etc.)	203	19
Total credit losses or profits (-)	**591**	**481**
Provisioning / release (-) of provisions related to lending activities	-22	-24
Other provisioning / release (-)	7	89
Provisioning or (-) release of provisions	**-15**	**65**

10. PERSONNEL EXPENSES

Average number of personnel	**01.01.2025-30.06.2025**	**01.01.2024-30.06.2024**
Knowledge workers	654	522
Physical workers	0	0
Management	19	14
Average number of employees in total	**673**	**536**

Data in HUF millions

	01.01.2025-30.06.2025	**01.01.2024-30.06.2024**
Wage costs	5,095	4,249
Other expenditure related to personnel	410	604
Share-based payment transactions settled in equity instruments	0	45
Social contribution	660	591
Vocational training contribution	0	0
Rehabilitation contribution	33	23
Total gross Personal expenses	**6,198**	**5,512**

11. GENERAL ADMINISTRATIVE COSTS

Data in HUF millions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Material costs	166	172
Bank card service	734	591
IT costs	1,362	860
Property rentals	51	30
Advertising, commercials	737	966
Membership fees	62	24
Education, further training	42	10
Information line rental	126	106
Expert fees	563	466
Insurance	32	26
Other rentals	128	32
Other non-material services	195	214
Transaction fees	2,135	888
Special bank tax	2,202	2,013
Office maintenance	245	145
Telecommunication	22	20
Other operating costs	424	358
Extra profit tax	1,344	1,709
Other general administrative costs	**10,570**	**8,630**

Bank tax

The tax base of the bank tax imposed on the Bank in 2025 is the IFRS balance sheet total as at 31 December 2023, the tax base was HUF 1,067,195 and the amount of the tax is HUF 1,994 million. The Bank's 2025 obligation arose on 1 January 2025.

In accordance with IFRS, the bank tax is not classified as an income tax, and is therefore recognised under general administrative expenses in the Group's profit or loss account.

Extra profit tax

The extra profit tax base payable by the Bank in 2025 is HUF 26,895 million, based on the pre-tax profit determined on the basis of the annual financial statements for the tax year 2023, taking into account the increasing and decreasing items. The amount of the tax, the rate of which is 7% for the part of the tax base not exceeding HUF 20,000 million and 18% for the part exceeding HUF 20,000 million, is HUF 2,641 million in total.

If the daily average balance of Hungarian government bonds held by the credit institution or financial enterprise, maturing after 1 January 2027, for the period between 1 January 2025 and 30 November 2025, increases compared to the daily average balance of such bonds held between 1 January 2023 and 30 April 2023 (excluding securities involved in certain repo transactions and share repurchase transactions), the credit institution or financial enterprise may reduce its special tax liability payable by 10 December 2025. The amount of the tax reduction is limited to

- a maximum of 10% of the aforementioned increase in the government bond portfolio; and
- a maximum of 50% of the excess profit tax liability that would otherwise be payable.

In its interim financial statements, the Bank took into account the increase in the government bond portfolio as at 30 June 2025 as a deductible item, reducing its tax liability by HUF 1,320 million, from HUF 2,641 million before the relief to HUF 1,320 million after the relief.

In accordance with IFRS, the extra profit tax is not classified as an income tax, and is therefore recognised under general administrative expenses in the Group's profit or loss account.

Transaction fees

In 2013, the authorities introduced a tax designated as financial transaction fee. This is payable on the basis of specific types of transactions (including cash withdrawals and other transactions). The rate of the fee for cash withdrawals is 0.9%, with no upper limit. For other transactions, the tax rate is 0.45%, but not higher than HUF 20,000 per transaction.

On 8 July 2024, the Government announced measures to increase budget revenues. Government Decree 183/2024 (VII.8.) increased financial transaction fee rates and introduced, as a new element, the additional currency conversion fee.

12. INCOME TAX

The components of income tax for 30.06.2025 and 30.06.2024 are as follows:

Data in HUF millions

	01.01.2025-30.06.2025	**01.01.2024-30.06.2024**
Corporate tax	763	944
Local taxes	623	632
Deferred tax	146	76
Total	**1,532**	**1,652**

<u>Corporate tax expense</u>

In 2025 the corporate income tax was 9% on annual profits (also 9% in 2024).

Due to their non-sales nature, local taxes are part of the income tax in the income statement. The local tax includes business tax and innovation tax.

In Hungary there is no agreement on the determination of taxes that would be final from a legal point of view. Within six years of the tax year, the tax authority may review the accounting records at any time and may adjust the tax imposed. Consequently, in the case of a tax authority audit, a tax adjustment may also occur at the Bank. The tax authority reviewed and closed the corporate tax returns of the Bank until 2010, and it also reviewed and closed the Bank's 2015, 2017, 2018 and 2022 tax returns. The management is unaware of the existence of any significant tax liability arrears that could arise in years not yet audited by the tax authority.

The effective tax rate applied to the Bank's profit differs from the statutory requirement on account of the following items:

Data in HUF millions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Profit before tax	**9,249**	**10,849**
Corporate tax rate (%)	9%	9%
Calculated corporate tax	832	976
Taxes		
Calculated corporate tax	832	976
Local taxes	623	632
Other	-77	-44
Income taxes	**1,532**	**1,652**
Effective tax rate (%)	16.57%	15.23%

13. LIQUID ASSETS AND EQUIVALENT

Data in HUF millions

	30.06.2025	31.12.2024
Cash	830	1515
Account receivables from central banks	378,899	614,633
Other demand deposits	7,910	9,561
Liquid assets and equivalent	**387,639**	**625,709**

14. SEQUESTERED LIQUID ASSETS AND EQUIVALENT

The sequestered liquid assets comprise customer funds shown among the liquid assets of Equilor Befektetési Zrt. (as at 30 June 2025: HUF 38,933 million, and as at 31 December 2024: HUF 32,969 million).

15. RECEIVABLES FROM THE MNB AND INTERBANK PLACEMENTS

Data in HUF millions

	30.06.2025	31.12.2024
Receivables from the MNB	43,071	39,971
Interbank placements	13,454	13,319
Loans provided	110,281	75,278
Total interbank receivables	**166,806**	**128,568**

16. SECURITIES

Data in HUF millions

	30.06.2025	31.12.2024
Equity instruments	*1,332*	952
Discount treasury bills, government securities	*27,526*	*8,247*
Total debt securities	27,526	8,247
Financial assets held for trading	**28,858**	**9,199**
Credit institution shares	17	18
Other shares	74	63
Corporate bonds	15	15
Financial assets obligatorily measured at fair value through profit or loss	**106**	**96**
Corporate bonds	*85,911*	*71,153*
Bank bonds	*46,763*	*37,374*
Government securities	*29,552*	*9,843*
Financial assets designated as measured at fair value through profit or loss	**162,226**	**118,370**
Equity instruments	16	16
Government securities	*17,460*	*12,517*
Bank bonds	*876*	*872*
Total debt securities	18,336	13,389
Financial assets measured at fair value through other comprehensive income	**18,352**	**13,405**
Government securities	110,975	113,703
Bank bonds	88,732	87,773
Corporate bonds	39,638	24,689
Financial assets measured at amortised cost	**239,345**	**226,165**
Total	**448,887**	**367,235**

Securities designated as measured at fair value through profit or loss are fixed-interest-rate securities whose interest rate risk is, from an economic point of view, hedged by the Bank with IRSs.

The FVTPL designation is intended to reduce an otherwise existing accounting mismatch. In addition to bank bonds, the portfolio as at 30 June 2025 includes premium corporate bonds purchased within the framework of the Bond Funding for Growth Scheme (BGS) launched by the MNB in 2019, in an amount of 53,822 (in 31 December 2024: HUF 40,173 million).

In the case of shares measured at fair value through other comprehensive income, not held for trading, the management has made an irrevocable decision at initial recognition to recognise the change in the fair value of these instruments in other comprehensive income instead of profit or loss. The decision primarily aims to represent the business objective that these shares are not held by the Bank for trading purposes, but rather in an ancillary manner, relating to banking activities.

This category includes the following shares on 30.06.2025:

- Garantiqa Hitelgarancia Zrt. (0.1036%)
- MBH Alapkezelő Zrt. (previously MKB-Pannónia Alapkezelő Zrt.) (0.96%)

This category includes the following shares on 31.12.2024:

- Garantiqa Hitelgarancia Zrt. (0.1036%)
- MBH Alapkezelő Zrt. (previously MKB-Pannónia Alapkezelő Zrt.) (0.96%)

The fair value of the listed shares cannot be reliably established, as there is no active market for these shares. In the opinion of the Management, the cost of the investments equates approximately to their fair value.

Further information related to the fair value of securities is provided in Note 22, and further information related to impairment is provided in Note 19. More detailed information on the related Risk Management processes is available in Note 31.

17. DERIVATIVE FINANCIAL INSTRUMENTS

Data in HUF millions

30.06.2025	**Nominal value, assets**	**Nominal value, liabilities**	**Positive fair value (assets)**	**Negative fair value (liabilities)**
MIRS	10,774	0	1,348	0
Interest rate swap transactions (IRS)	0	9,770	0	825
Currency swap transactions	71,687	72,333	16	654
Total derivatives held for trading	**82,461**	**82,103**	**1,364**	**1,479**
IRSs covering the interest rate risk of securities	44,288	54,708	1,022	1,448
IRSs covering the interest rate risk of BGS corporate bonds	46,133	0	5,306	0
IRSs covering the interest rate risk of loans	43,004	101,732	1,817	2,730
General portfolio hedging IRSs	0	0	0	0
Total derivative transactions for fair value hedging from an economic point of view	**133,425**	**156,440**	**8,145**	**4,178**
Total derivative financial instruments	**215,886**	**238,543**	**9,509**	**5,657**

Data in HUF millions

31.12.2024	**Nominal value, assets**	**Nominal value, liabilities**	**Positive fair value (assets)**	**Negative fair value (liabilities)**
MIRS	10,774	0	1,687	0
Interest rate swap transactions (IRS)	0	9,770	0	1,046
Currency swap transactions*	79,116*	78,951*	266	118
Total derivatives held for trading	**89,890**	**88,721**	**1,953**	**1,164**
IRSs covering the interest rate risk of securities	5,402	59,359	702	1,869
IRSs covering the interest rate risk of BGS corporate bonds	46,492	0	6,896	0
IRSs covering the interest rate risk of loans	27,223	69,495	2,286	2,329
General portfolio hedging IRSs	0	0	0	0
Total derivative transactions for fair value hedging from an economic point of view	**79,117**	**128,854**	**9,884**	**4,198**
Total derivative financial instruments	**169,007**	**217,575**	**11,837**	**5,362**

** The figures marked have been adjusted.*

Derivatives for trading

MIRS transactions have been introduced by the MNB, for monetary policy purposes – they are unconditional interest rate swaps with a general scope.

Derivatives held, from an economic point of view, for hedging purposes

Derivatives held, from an economic point of view, for hedging purposes are entered into by the Bank to cover the interest rate risk of fixed-interest customer loans and securities (government securities, bank bonds and corporate bonds purchased under the Bond Funding for Growth Scheme). The Bank does not apply hedge accounting to these transactions, but has designated the underlying transactions as measured at fair value through profit or loss to reduce an otherwise existing accounting mismatch.

18. LOANS AND ADVANCES TO CUSTOMERS

Data in HUF millions

	30.06.2025	**31.12.2024**
Loans held for trading	25	97
Customer receivables obligatorily measured at fair value through profit or loss	76,140	70,308
Customer receivables designated as measured at fair value through profit or loss	96,513	58,832
Exposure of customer receivables measured at amortised cost	410,626	338,378
of which: lease receivables	*31,581*	*29,115*
Expected credit loss (-)	-2,224	-1,888
- of which: after lease receivables	*-122*	*-113*

Modification loss (-)	-83	-107
Net exposure of customer receivables held at amortised cost	408,319	336,383
Total customer receivables	**580,997**	**465,620**

Loans held for trading

Among held-for-trading customer receivables, the Bank recognises purchased receivables that were purchased in 2019 at a discounted price for sale.

Customer receivables obligatorily measured at fair value through profit or loss

Customer receivables obligatorily measured at fair value through profit or loss are customer loans that, based on their business model, would be measured at amortised cost, but as shown by the SPPI test their cash flows do not consist exclusively of principal and interest payment components, so even after their initial recognition they continue to be recognised by the Bank at fair value, and changes in their fair value are recognised through profit or loss. Loans that have failed the SPPI test can be categorised as follows:

- Loans with family housing allowance “CSOK” and “CSOK PLUSZ” subsidies for which the subsidy also includes a non-market-based component
- MFB refinanced loans in the case of which the loans are denominated in EUR but repayments are made in HUF, and therefore the transactions also entail a currency risk
- “Babaváró” loans, for which the interest rate scheme also includes a non-market-based component (a scheme launched in 2019; the Bank did not yet have any such transaction on its books in the previous years)
- Worker loans, the interest rate structure of which also includes a non–market-based component (a scheme launched in 2025)
- In the Bank’s consolidated balance sheet, the ESOP receivable failed the SPPI test (due to its specific treatment) and therefore has been mandatorily classified as measured at fair value through profit or loss.

Customer receivables designated as measured at fair value through profit or loss

Customer receivables designated as measured at fair value through profit or loss are fixed-interest-rate loans whose interest rate risk is hedged by the Bank with IRSs. The FVTPL designation is intended to reduce an otherwise existing accounting mismatch (the Bank does not apply hedge accounting to these transactions).

Customer receivables measured at amortised cost

Loans held at amortised cost include financial leasing receivables of HUF 31,581 million (31.12.2024: HUF 29,115 million).

19. IMPAIRMENT OF FINANCIAL INSTRUMENTS, PROVISIONS (BALANCE SHEET)

Data in HUF millions

30.06.2025	Gross exposure		Expected credit loss/provisioning		Net exposure	
	Receivables	Guarantees/Undrawn lines	Expected credit loss	Provision	Receivables	Guarantees/Undrawn lines
Customer loans measured at amortised cost						
Retail segment	19,424	2,625	142	23	19,282	2,602
Corporate segment	168,691	121,919	1,297	288	167,394	121,631
Other financial corporate segment	72,341	27,433	189	22	72,152	27,411
Project loans	91,863	46,255	354	58	91,509	46,197
Local municipalities	0	0	0	0	0	0
Non-profit segment	631	0	0	0	631	0
Government segment	26,012	17,647	120	45	25,892	17,602
Total customer loans measured at amortised cost	**378,962**	**215,879**	**2,102**	**436**	**376,860**	**215,443**
Financial leasing receivables						
Retail segment	247	0	25	0	222	0
Corporate segment	31,333	0	97	0	31,236	0
Other financial corporate segment	1	0	0	0	1	0
Project loans	0	0	0	0	0	0
Local municipalities	0	0	0	0	0	0
Non-profit segment	0	0	0	0	0	0
Government segment	0	0	0	0	0	0
Total financial leasing receivables	**31,581**	**0**	**122**	**0**	**31,459**	**0**
Securities measured at amortised cost						
Corporate segment	40,365	0	373	0	39,992	0
Other financial corporate segment	1,019	0	1,019	0	0	0
Bank segment	88,377	0	0	0	88,377	0
Government segment	111,020	0	44	0	110,976	0
Total securities measured at amortised cost	**240,781**	**0**	**1,436**	**0**	**239,345**	**0**
Securities measured at fair value through other comprehensive income						

Other financial corporate segment	16	0	0	0	16	0
Bank segment	876	0	0	0	876	0
Government segment	17,467	0	7	0	17,460	0
Total securities measured at fair value through other comprehensive income	**18,359**	**0**	**7**	**0**	**18,352**	**0**
Interbank placements						
Interbank placements	13,454	0	0	0	13,454	0
Total interbank placements	**13,454**	**0**	**0**	**0**	**13,454**	**0**

Data in HUF millions

31.12.2024	**Gross exposure**		**Expected credit loss/provisioning**		**Net exposure**	
	Receivables	**Guarantees/Undrawn lines**	**Expected credit loss**	**Provision**	**Receivables**	**Guarantees/Undrawn lines**
Customer loans measured at amortised cost						
Retail segment	20,167	1,038	142	1	20,025	1,037
Corporate segment	109,012	100,290	905	279	108,107	100,011
Other financial corporate segment	71,148	24,746	131	21	71,017	24,725
Project loans	81,846	40,695	433	136	81,413	40,559
Local municipalities	0	0	0	0	0	0
Non-profit segment	873	20	5	0	868	20
Government segment	26,718	4,598	159	1	26,559	4,597
Total customer loans measured at amortised cost	**309,764**	**171,387**	**1,775**	**438**	**307,989**	**170,949**
Financial leasing receivables						
Retail segment	291	0	14	0	277	0
Corporate segment	28,213	127	99	0	28,114	127
Other financial corporate segment	3	0	0	0	3	0
Project loans	0	0	0	0	0	0
Local municipalities	0	0	0	0	0	0
Non-profit segment	0	0	0	0	0	0
Government segment	0	0	0	0	0	0
Total financial leasing receivables	**28,507**	**127**	**113**	**0**	**28,394**	**127**
Securities measured at amortised cost						
Corporate segment	25,266	0	273	0	24,993	0
Other financial corporate segment	1019	0	1019	0	0	0

Bank segment	87,469	0	0	0	87,469	0
Government segment	113,749	0	46	0	113,703	0
Total securities measured at amortised cost	**227,503**	**0**	**1,338**	**0**	**226,165**	**0**
<u>Securities measured at fair value through other comprehensive income</u>						
Other financial corporate segment	16	0	0	0	16	0
Bank segment	872	0	0	0	872	0
Government segment	12,521	0	4	0	12,517	0
Total securities measured at fair value through other comprehensive income	**13,409**	**0**	**4**	**0**	**13,405**	**0**
<u>Interbank placements</u>						
Interbank placements	13,319	0	0	0	13,319	0
Total interbank placements	**13,319**	**0**	**0**	**0**	**13,319**	**0**

The securities measured at fair value through other comprehensive income lines do not include shares classified in this category as they are not subject to impairment.

20. LIABILITIES TO THE MNB AND CREDIT INSTITUTIONS

Data in HUF millions

	30.06.2025	31.12.2024
Funding for Growth Scheme (NHP)	45,935	53,234
MNB refinancing loan	56,799	131,789
Interest rate swap collateral account	1,162	1,485
Liabilities to the MNB	**103,896**	**186,508**
EXIM	62,375	54,737
MBH	6,144	7,132
MFB	42,145	42,292
OTP	3,084	4,081
KBC	0	242
KDB	5,590	5,762
Interbank deposits	76,724	20,029
Liabilities to credit institutions	**196,062**	**134,275**
– of this, measured at amortised cost	*153,917*	*92,148*
– of this, designated as measured at fair value through profit or loss	*42,145*	*42,127*

The liability shown under the FGS line includes HUF 38 billion (on 31.12.2024: HUF 42 billion) of loans taken out under the FGS Go! scheme.

The liability shown in the refinancing loan to the MNB line includes funds raised under the MNB's fixed-interest secured loan tender with a maturity of 5 years.

The ESOP Entity partially financed the purchase of Gránit Bank shares under the ESOP program through an external bank loan (MFB). Due to the specific treatment of the ESOP program, the loan liability and, correspondingly, the related receivable have been classified as measured at fair value through profit or loss. The value of both the liability and the corresponding portion of the receivable are linked to the share price. A devaluation is required on both the liability and the receivable if the share price falls below the issue price. Upward revaluation, however, is not permitted for either financial instrument, as under the terms of the program, the parties are not obligated or entitled to a payment exceeding the initial fair value. As at 30 June 2025, no impairment was necessary, given that the share price exceeded the issue price.

Refinancing loans

The Bank entered into several refinancing credit line agreements with various financial institutions (FHB – Mortgage Bank, MFB – Fejlesztési Bank; EXIM Bank) to finance part of its activities. The definition of eligible beneficiaries, and the monitoring of the final borrowers and the repayment process are governed by a number of contractual provisions. All credit risks related to the final borrower are borne by the Bank in all cases, and the Bank is also responsible to ensure compliance with all obligations.

In 2013 the National Bank of Hungary (MNB) launched a new programme under the name Funding for Growth Scheme. The aim of the programme is to offer refinancing to small and medium-sized enterprises (SMEs) through the Hungarian banking system. For a temporary period and up to a specified amount, the MNB provides credit institutions participating in the programme with funds at a lower interest rate than the market rate. The credit institutions use these funds to extend loans with similarly favourable conditions to SMEs for specific purposes. The maximum term of the refinancing loans is 10 years at the start and is consistent with the maturity of the loan granted to the customer. In order to mitigate the negative economic impact of the coronavirus epidemic and to avoid credit market disruptions, the MNB launched the FGS Go! scheme on 20 April 2020 with a HUF 1,500 billion budget, which was increased by HUF 1,000 billion to HUF 2,500 billion through the Monetary Council's decision of 17 November 2020. Under this scheme, the central bank provides refinancing loans to credit institutions at 0% interest for a maximum maturity of 20 years, which they will, on the one hand, lend further to the SME sector in the form of loans or financial leases at a capped annual cost, and, on the other hand, use for refinancing financial undertakings for the same purpose. Refinancing loans are recognised in the balance sheet as financial liabilities held at amortised cost.

The National Bank of Hungary (MNB) introduced a fixed-interest secured loan transaction from 25 March 2020 until withdrawal, the purpose of the monetary tool being to ensure liquidity at longer maturities. The interest rate on the loan is the fixed interest rate published in the tender notice, while interest payments are due quarterly. Possible maturities of the loans are 3 months, 6 months, 12 months, 3 years and 5 years; the Bank took out loans with a maturity of 5 years.

The management of the Bank thinks it is in full compliance with the covenants related to the loans taken out as at 30 June 2025 (and at 31 December 2024).

21. LIABILITIES TO CUSTOMERS

Data in HUF millions

	30.06.2025	31.12.2024
Demand deposits	388,893	394,671
within 3 months	736,982	585,091
Over 3 months, within 1 year	61,009	138,491
between 1 year and 5 years	9,806	51,066
between 5 years and 10 years	10,401	9,040
between 10 years and 15 years	815	8,446
more than 15 years	1	613
Total liabilities to customers	**1,207,907**	**1,187,418**

The Bank recognises its liabilities to customers at amortised cost, and has no liability to customers that it has designated as measured at fair value through profit or loss.

22. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value of financial instruments

Financial instruments measured at fair value

Trading instruments (including derivatives), transactions obligatorily measured at fair value through profit or loss, transactions designated as measured at fair value through profit or loss, as well as instruments measured at fair value through other comprehensive income (OCI), are subsequently measured and accounted for at fair value as detailed below.

Liquid market products

In the case of liquid market products, the Bank determines the fair value either by applying the market price directly or by applying the relevant market yield curve directly.

In the case of liquid market products, it is not necessary to adjust the applied market price or market yield curve by additional cost elements, as these are actively included in the price and yield curves by the operations of the market.

Typically, these include spot and futures products that are standard transactions concluded with government and bank counterparties and where at least monthly quotes or yield curve quotes are available.

In the case of measurement based on liquid market prices or market yield curves, the Bank classifies the inputs used as level 1 or level 2 inputs under the fair value hierarchy established by IFRS 13.

Non-liquid market products

In the case of non-liquid market products, the Bank discounts the cash-flow elements of the transaction with the discount rate resulting from the sum of the relevant value of the risk-free yield curve and the cost elements assigned to the transaction.

The Bank applies the following additional cost elements as a diversion of the risk-free yield curve:

1. credit risk premium,
2. saleability premium (liquidity premium)

Instruments measured at fair value using level 3 inputs

The Bank uses level 3 inputs for the following financial instruments that are subsequently measured at fair value:

- Customer receivables measured obligatorily at fair value through profit or loss, not for trading
- Customer loans designated as measured at fair value through profit or loss
- Held-for-trading customer receivables
- Securities measured at fair value through other comprehensive income
- Corporate bonds purchased under the Bond Funding for Growth Scheme (BGS)

Loans that are required to be measured at fair value through profit or loss (because they failed the SPPI test, i.e. the future cash flows of the given loan do not only include principal and interest components), and loans designated as measured at fair value through profit or loss are measured by the Bank using the discounted cash flow method, applying the premium components described above.

Loans obligatorily measured at fair value through profit or loss as at 30.06.2025 include “Babaváró” loans in the amount of HUF 22,023 million (it was HUF 20,285 million at 31.12.2024) that were subsequently measured at FVTPL due to their failure to pass the SPPI test. The Bank also estimates the fair value of “Babaváró” loans using the discounted cash flow model, estimating the expected cash flows at the transaction level. The Bank assumes that the expected cash flow for “Babaváró” loans is most affected by the following factors:

- the woman's age at the time of applying for the loan
- the number of children already born to the family when applying for the loan
- whether an application for suspension has been submitted at the time of the valuation

Based on these factors, the Bank classified customers into groups, assessed the expected behaviour of the groups through a representative sample as well, and determined the expected cash flows for the transactions at an individual level, which it then discounted using a market swap yield curve, adjusted by the premiums detailed above.

As at 30.06.2025, the balance of held-for-trading loans includes receivables purchased in 2019, which the Bank purchased at a discounted price for the purpose of sale, and thus their subsequent measurement falls under FVTPL, i.e. the fair value through profit or loss category. In estimating the fair value of these loans, the Bank takes into account the fact that it has entered into an agreement with an independent party to whom it may sell the receivables at an option price equal to the purchase price. Taking this into account, the Bank's management believes that, in the case of these transactions, the book value of the transactions is the best approximation of fair value.

The Bank's non-trading shares are ancillary investments that do not have an active market and in the case of which the Bank's management believes that their book value, which is based on their cost, approximately equals their fair value.

No market price can be observed for the fair valuation of the bonds purchased under the BGS scheme (although the bonds have been listed on the stock exchange, no liquid market has been established), so they are valued using the discounted cash flow (DCF) method – similarly to loans valued at fair value – also taking into account the premiums detailed above.

The balance of securities obligatorily measured at fair value through profit or loss includes – in addition to shares listed on the stock exchange – the Bank's investment in VISA Inc. which, due to its specific characteristics, is classified as a bond. For VISA Inc., the Bank uses an unobservable component in fair valuation: It includes a multiplier of 0.9 in the calculation as a liquidity premium.

Among financial instruments measured at fair value under the subsequent measurement, there was no transfer between the levels of the measurement hierarchy either in 2025 or in 2024.

For the results of fair value measurement, see Note 7. Profit or loss from financial instruments measured at fair value through profit or loss.

23. OTHER INFORMATION RELATING TO FINANCIAL INSTRUMENTS

Assets used as collateral for liabilities and contingent liabilities

Data in HUF millions

	30.06.2025	31.12.2024
Encumbered assets:		
Total debt securities	23,764	59,604
Loans and advances other than demand receivables	107,041	109,126
- of which: loans secured on property	24,461	*30,825*
Sequestered liquid assets	38,933	32,969
Total assets used as collateral	**169,738**	**201,699**
Received collaterals related to encumbered assets:		
Total debt securities	57	19
Loans and advances other than demand receivables	5,965	5,218
Other received collateral	147,532	59,852
	153,554	**65,089**

Among the encumbered assets, the debt securities serve as collateral for loans from the MNB and are disclosed in the balance sheet on the Securities line. Loans and advances other than demand receivables consist in part of the assets that used as collateral for the MNB Funding for Growth Scheme, and in part, of loans refinanced by MFB, Eximbank and Takarékbank, which are included in the balance sheet under Receivables from customers. The encumbered liquid assets consist of customer funds stemming from the investment services activity related to the Equilor group that was acquired in 2022, and are stated in the balance sheet under Sequestered liquid assets and equivalent.

Transferred financial assets

At 30 June 2025, the Bank had no transferred assets that did not qualify for derecognition or in which the Bank had a continuing involvement (the situation was the same on 31 December 2024).

Offsetting of financial assets and liabilities

The following tables show the financial assets and liabilities that are subject to an enforceable, primary netting agreement as at 30 June 2025 and at 31 December 2024:

Data in HUF millions

	Volumes stated in the balance sheet		
30.06.2025	**Gross value of financial assets**	**Gross value of financial liabilities to be offset**	**Net value of financial assets**
Derivatives	9,509	5,505	4,004
Total financial assets subject to offsetting or primary netting agreements	**9,509**	**5,505**	**4,004**

	Volumes stated in the balance sheet		

	Gross value of financial liabilities	Gross value of financial assets to be offset	Net value of financial liabilities
Derivatives	5,657	3,973	1,684
Total financial liabilities subject to offsetting or primary netting agreements	**5,657**	**3,973**	**1,684**

	Volumes stated in the balance sheet		
31.12.2024	Gross value of financial assets	Gross value of financial liabilities to be offset	Net value of financial assets
Derivatives	11,837	7,643	4,194
Total financial assets subject to offsetting or primary netting agreements	**11,837**	**7,643**	**4,194**

	Volumes stated in the balance sheet		
	Gross value of financial liabilities	Gross value of financial assets to be offset	Net value of financial liabilities
Derivatives	5,362	2,736	2,626
Total financial liabilities subject to offsetting or primary netting agreements	**5,362**	**2,736**	**2,626**

The derivatives are subject to the following netting agreements: ISDA (International Swaps and Derivatives Association) agreements, CSAs (Credit Support Annexes) and GMRAs (Global Master Repurchase Agreements). The Bank has no open repurchase or reverse repurchase (repo) transactions on the reporting dates.

Financial asset reclassifications due to a business model during the year

In 2025, no reclassification was effected due to a business model.

Information on credit, market and liquidity risk management

Information on the management of credit, market and liquidity risks of the Bank is provided in Note 31 on Risk management.

24. GOODWILL

Goodwill in connection with the acquisition of the Equilor Group was generated in business combinations in 2022 (HUF 972 million), in connection with the acquisition of the Diófa Group in 2023 (HUF 5,229 million), and in connection with the acquisition of the Leasing Group in 2024 (HUF 584 million), in accordance with the provisions of IFRS 3. Further details are provided in Note 2. Based on the impairment test carried out for the reporting date, no depreciation needs to be recognised in connection with the goodwill reported.

25. PROVISIONS

The development of provisions related to lending activities is detailed in Note 19, together with the development of impairment. Of the total balance of HUF 457 million of provisions, HUF 436 million is related to lending.

26. SUBSCRIBED CAPITAL

	30.06.2025	31.12.2024
Issued ordinary shares in circulation, no.	19,223,077	19,223,077
The nominal value of issued ordinary shares in circulation is HUF 1,000.	19,223,077	19,223,077

Shareholders of the Bank:

By ownership share	30.06.2025	31.12.2024
Tiberis Digital Kft.	42.45%	42.45%
E.P.M Kft. (Éva Hegedűs Chairperson & CEO)	4.22%	4.22%
Gránit Bank ESOP Entity	32.90%	32.90%
MBH Gondoskodás Pension Fund	4.41%	4.41%
Széchenyi Capital Fund of Funds	4.54%	4.54%
Pannonia Pension Fund	5.94%	5.94%
Domestic private individual	2.88%	2.88%
Domestic legal persons	2.09%	2.09%
Other foreign small investors	0.57%	0.57%
Total	**100.00%**	**100.00%**

The number and total nominal value of the Bank's issued ordinary shares remained unchanged compared to the end of the previous year.

In 2024, the Bank launched the ESOP (Employee Share Ownership Programme) 4, under which the Bank issued HUF 30 billion in capital (2,607,335 shares at a price of 1,150.6%), subscribed by the ESOP Entity. The shares held by the ESOP Entity are not considered treasury shares, as the Bank has no legal obligation to repurchase the shares; moreover, the risks and rewards associated with changes in the share price are borne by external parties, not by the Bank. For further information, see Note 29 Defined benefit plans and Note 30 Events after the balance sheet date.

27. CONTINGENT RECEIVABLES AND LIABILITIES

In its ordinary course of business, the Bank concludes business transactions with financial instruments related to loans that carry off-balance-sheet risk. This includes credit lines, financial guarantees, and letters of credit. These instruments contain credit risk elements that exceed the amounts recognised in the balance sheet.
The credit risk of off-balance-sheet financial instruments means the possibility of loss arising from the non-contractual performance of any other party to the financial instrument. With respect to contingent liabilities, the Bank follows the same lending policy as in the case of financial instruments in the balance sheet, from approval procedures to risk management limits to monitoring processes.
Credit lines are contractual agreements for the provision of credit, usually with a fixed or otherwise specified maturity, and with payment obligations. The potential credit loss is less than the amount of undrawn funds, since in the case of most credit lines provision of the credit depends on the customer's compliance with the terms to be fulfilled. As many credit lines are expected to expire without the credit being actually drawn down, the amount of the commitments does not necessarily reflect future cash needs.
Issued financial guarantees are contingent liabilities by which the Bank guarantees the performance of one of the Bank's customers to a third party. The credit risk inherent in the issuance of a guarantee is essentially the same as in the case of lending to other customers. When determining the probability of loss resulting from the guarantee, the Bank applies the same principles as for the establishment of the provision to be generated for potential loss of other credit lines.

Letters of Credit are financing transactions between the Bank and a customer, where the customer is usually the buyer/importer whereas the beneficiary is typically the seller/exporter of goods. The credit risk is limited, as the delivered goods serve as collateral for the transaction.
The Bank generates provisions for the credit risk of its contingent liabilities related to its lending activities as detailed in Note 19.

The Bank's contingent receivables and contingent liabilities related to lending are as follows:

Data in HUF millions

	30.06.2025	31.12.2024
Contingent liabilities	**208,233**	**191,113**
Guarantees	65,789	52,245
Revolving loan	82,288	65,989
Approved credit lines	60,140	72,863
Other	16	16
Contingent receivables	**944,924**	**935,581**
Guarantees and received sureties	22,758	29,674
Property received as collateral	219,202	239,158
Guarantees received from the Hungarian state	563,051	533,430
Other guarantees	116,275	109,150
Received credit lines	23,638	24,169

28. TRANSACTIONS WITH RELATED PARTIES

The concept of related party includes the entities that are directly or indirectly under the control of the Banking Group, have an influence over the Banking Group, are controlled by the same entity as the Banking Group, as well as associates and the management of the Banking Group.

Data in HUF millions

	Credit		Deposit	
	30.06.2025	31.12.2024	30.06.2025	31.12.2024
The parent company	0	0	0	0
BDPST group (Group of companies owned by the Bank's majority shareholder)	6,584	7,147	7,244	12,838
Owners with a significant influence and their close relatives	692	236	8,933	5,860
Total	**7,276**	**7,383**	**16,177**	**18,698**

Credit and deposit transactions with the related parties were concluded at market terms.
The Bank also executes securities transactions on behalf of its related parties, but the fees charged for these transactions are not material and therefore are not presented.

*Other related parties include owners with significant influence and their next of kin and other controlled parties.

Management in key positions

The Management of the Banking Group includes the members of the Bank's Board of Directors and Supervisory Board, the CEO and the Deputy CEOs.

Data in HUF millions

	Credit		Deposit	
	30.06.2025	**31.12.2024**	**30.06.2025**	**31.12.2024**
Supervisory Board	329	100	614	33
Board of Directors – Management	428	262	527	253
Total	**757**	**362**	**1,141**	**286**

Credit and deposit transactions with the Management were concluded at market terms.

29. DEFINED BENEFIT PLANS

The Bank manages its Remuneration Policy by defining remuneration principles ensuring a safe and prudent operation that is in line with the Bank's business strategy, goals, values, and the long-term interests of the organisation, as well as an effective and efficient risk management, and in harmony with all of these ensures the increase of shareholder value.

The Remuneration Policy applies to all employees of the Bank, with a particular focus on senior executives and employees with risk-taking and control functions as defined in the internal regulations and employees in the same remuneration category as the above, whose activities have a material impact on the risk taking of the Bank.

The Bank's System of Remuneration consists of the following:

- Basic wage,
- Fringe benefits,
- Annual bonus,
- Target bonus (project bonus),
- Rewards,
- Participation in ESOP Entity.

Employee Stock Ownership Plan (ESOP)

ESOP III

On 16.11.2021, the Extraordinary General Meeting of the Bank decided to launch the ESOP III Remuneration Policy, which, as in previous programmes, will have a 3-year reference period of 2022-2024. The General Meeting authorised the Bank's Board of Directors to issue new ordinary shares as follows: the number of shares issued is 3,703,704, the per-share nominal value of the shares issued is HUF 1,000, the issue price is 450%, the total value of the issue is HUF 16,667 million. The issued shares will be financed by the ESOP Entity partly from the contribution of the Bank, as founder, (HUF 1,667 million) and partly from a loan from an independent bank (HUF 15,000 million). The transfer of the founders' assets to the ESOP took place in 2021 (with this sum increasing the Bank's stake in the ESOP Entity accordingly), but the related share issue by the Bank was only effected in 2022, as was the borrowing from an independent bank and the related capital increase.

ESOP IV

During the implementation of the Remuneration Policy of the GRÁNIT Bank ESOP Entity for the years 2024 to 2026, under the mandate granted by Resolution No 39/2024 (05.14.) of the General Meeting, in its Board Decision No 121/2024 (IX.11.) of 11 September 2024, the Issuer's Board of Directors decided to increase the Issuer's share capital from HUF 15,394,922,000 to HUF 18,002,257,000. As part of the share capital increase, the Issuer issued 2,607,335 dematerialised ordinary shares (ISIN: HU0000094149) with a nominal value of HUF 1,000 each and an issue value of HUF 11,506 each, which were subscribed by the Gránit Bank ESOP Entity ("Private Capital Increase").

In connection with the Private Capital Increase, on 18 October 2024, the GRÁNIT Bank ESOP Entity made available to the Issuer a cash contribution in the total amount of HUF 29,999,996,510. The Private Capital Increase was registered by the Company Court of the Metropolitan Court of Budapest on 24 October 2024.

30. EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

Economic policy measures and other relevant regulatory changes following the balance sheet date

- On 29 April 2025, the Hungarian National Assembly passed a resolution on the mandatory expansion of the ATM network, requiring payment service providers to ensure cash withdrawal services in every municipality. Based on this resolution, Gránit Bank is obliged to operate 13 ATMs, of which 6 must be installed and operational by 31 December 2025, and the remaining 7 by 31 December 2026.

- On 3 July 2025, the Hungarian Government announced the launch of the "Otthon Start" housing loan program, designed to facilitate access to owner-occupied housing under more favorable conditions compared to market pricing. The program provides a mortgage loan with a fixed interest rate of 3%, up to a maximum amount of HUF 50 million and a maximum term of 25 years. The product will be available from 1 September 2025.

31. RISK MANAGEMENT

31.1. Risk Management Committees

The **Asset-Liability Committee** ("ALCO") is a standing committee set up by the Board of Directors. It has, within specified limits, decision-making rights concerning the management of the Bank's assets and liabilities and related risk management and capital adequacy issues. The detailed rules of operations of the committee are defined in a separate regulation.

The **Credit Committee** ("CC") is a standing Committee set up by the Board of Directors. It has decision-making rights concerning the Bank's risk-taking, as well as issues related to risk-taking and its monitoring. The detailed rules of operations of the committee are defined in a separate regulation.

The **Problem Claims Committee** ("PCC") is a standing committee set up by the Board of Directors. It has decision-making rights to recover the Bank's overdue receivables, to conduct activities concerned with other breaches of contract or other facts, and to monitor, manage and recover the Bank's claims and commitments related to problematic claims and customers. The detailed rules of operations of the committee are defined in a separate regulation.

31.2. Risk strategy, processes, scope

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

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

Since 2010 the Bank has used the standard method for calculating the credit and market risk capital requirement in Pillar I, while it uses the basic indicator method for calculating the capital requirement for operational risk.

The Bank develops its portfolio in compliance with conservative risk management and prudent business policy to ensure the best possible quality of it. The Bank's risk management strategy and policy are based on the following guidelines:

- The ultimate goal of all of the Bank's business activities is to make a profit of sufficient magnitude in the long term.
- The Bank's strategy for defining asset-side growth targets is to build what in risk terms is a high-quality portfolio, regarding the quality of the portfolio as the primary objective rather than quantity-based growth.
- The business and risk management functions are jointly responsible for the quality of the Bank's asset portfolio.

- An independent risk management function has been established, separate from the business area within the organisation, and directly reporting to the Bank's Chairperson and CEO as an organisational unit.
- Those responsible for Compliance and Anti-Money Laundering (hereinafter: AML) perform their activities, in terms of organisation, separately from operating and risk taking processes.
- The prudent and conservative risk management policies are regularly reviewed by the Bank, so they were also reviewed in 2025. It is part of the Bank's risk-taking policy that it must be implemented in a dynamically changing business environment.
- The Bank continuously monitors the operations of the established risk management systems and, if possible, subsequently measures the results and improves and ameliorates them on the basis of the experience gained.
- The Bank's management body with control powers approves, regularly reviews, and evaluates strategies and rules for segregation of responsibilities within the organisation, prevention of conflicts of interest, the taking, measurement, management, monitoring and evaluation of risks, including risks resulting from the macro-economic environment and changes in the current economic cycle.
- A part of the risk management strategy is the development of effective risk management processes.
- The risk management process is part of the Bank's comprehensive management system, the aspects of which play a role in strategic and annual planning.
- In any case, risk taking can only take place within the approved limit, in accordance with the guidelines of the Credit Policy.
- The Bank assumes only risks that can be measured and managed and that do not exceed its risk-bearing capacity. The risks are taken into account in the course of business decisions.
- The Bank focuses its risk-taking on business activities in which it possesses the necessary expertise and technical conditions for the assessment, measurement and monitoring of the risks entailed.
- The Bank's risk management policy includes the principle of safe operations, the principle of the avoidance of conflicts of interest, the principle of managing material risks, the cost-benefit principle, and the principle of avoiding prohibited activities.
- The Bank uses multi-level decision making in its lending decisions.
- Bank risks are determined on the basis of the MNB ICAAP/ILAAP/BMA manual and the CRR.
- The Bank continuously monitors exposures and compliance with the limits at the level of the Credit Committee, the Asset-Liability Committee, the Board of Directors and the Supervisory Board as well. Risk management policy also involves a balance between the risk and return of positions and the continuously monitoring of it.
- The prior approval of the Asset-Liability Committee is required before the submission of the more important risk management rules/regulations detailed in the ALCO Rules of Procedure to other decision-making bodies.
- The Bank also applies the four-eye principle when implementing risk-taking decisions to ensure compliance and fully conformity with the relevant policies.
- In order to reduce risks and capital requirements, the Bank only assumes any risks, depending on the creditworthiness of the customer and the risk structure of the transaction, if collateral or security of adequate quality (e.g. received guarantee, security deposit, government security collateral, surety, mortgage, etc.) is available.
-

31.3. Organisational units and functions that ensure the identification, measurement and monitoring of risks

The Bank has developed and operates its internal lines of defence, as well as each element that forms part of them, in accordance with the relevant legal requirements and the specificities, scope, complexity and risks of the service activities conducted by the Bank.

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

- the reliable and efficient operations of the Bank in accordance with laws and internal regulations,

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

The most important task of the Bank's internal lines of defence is to contribute preventively and proactively to the achievement of the above objectives by identifying and addressing potential problems and deficiencies that may arise during their operations at the earliest stage possible, as soon as they arise or possibly even before that, ensuring the speed and efficiency of a solution.

The Bank's internal lines of defence include the responsible internal management and internal control functions. The Bank ensures the implementation of responsible internal management by establishing and operating the organisational structure, organisation and system of bodies defined in its Organisational and Operational Regulations, and by exercising management and control functions. The tools of the internal control functions are risk management functions, the compliance function and the internal audit system. The Bank's separate policies govern these tools, which are independent of each other and the functions they control.

The ALCO regularly reviews the operations of internal lines of defence as well as the individual sub-systems that form part of them, and prepares a report of its findings regularly for the Board of Directors and the Supervisory Board.

Separate policies and rules of procedure govern the operations and interrelationship of all the Bank's decision-making bodies and organs (Board of Directors, Supervisory Board, Management Committee, CC, ALCO, PCC), as well as Internal Audit and Compliance.

Overall, the lines of defence work effectively. Meetings of the Management Committee and the ALCO are held at least once a month, whereas the Board of Directors and the Supervisory Board meet at least quarterly. Any deficiencies that may arise are addressed by immediate measures.

Those responsible for Compliance and AML also perform their activities separately from operating and risk taking processes.

Risk Management function:

Risk Management is independent of the activities it supervises and controls, as well as from the Compliance function and Internal Audit.

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

As regards the Bank's growth, risk management areas have been separated, and a Risk Management Directorate and a Risk Management Methodology Directorate operate within the risk management function.

The Risk Management Directorate is headed by a Managing Director, whose immediate operational superior is the Chairperson & CEO of the Bank. They have an obligation of accountability and regular reporting to the Chief Risk Officer (CRO) during the performance of the risk control function, which is separate from the operational risk management areas. All subordinate employees of the Board of Directors have an obligation to report to the managing director of the Board of Directors.

The Risk Management Directorate is divided into the following departments:

- Corporate Credit Risk Management Department
- Retail Credit Risk Management Department
- Corporate Credit Monitoring Group

The Risk Management Methodology Directorate is headed by a Managing Director, with the deputy CEO, Strategy and Analysis as their immediate operational superior. They have an obligation of accountability and regular reporting to the Chief Risk Officer (CRO) during the performance of the risk control function, which is separate from the operational risk management areas. All subordinate employees of the Board of Directors have an obligation to report to the managing director of the Board of Directors.

The Risk Management Methodology Directorate is divided into the following department(s):

- Market and Operational Risk Management

The independent control of the system and operations of risk management is primarily provided by the ALCO and its members, the competence of which is defined in detail in the relevant Rules of Procedure. Central risk control is implemented at the level of the Deputy CEO responsible for Strategy and Analysis.

Risk assumption activities are conducted by the Bank on the basis of a system of detailed written rules, and rules are reviewed by the Bank on an annual basis.

31.4. **Mitigating and covering risks**

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

Principles:

The policy defines the proportion of collateral that the Bank assigns to various collateral types.

Methodology used to determine collateral value (depending on the type of collateral):

- Collaterals specified by law and 100% recognised: e.g. security deposits, state surety/guarantee.
- Collateral/liquidation value established by appraisers approved by the Bank. The policy sets out for the appraisers the system of requirements used for different types of collateral, as well as the minimum discount rate that can be applied.
- By discounting the value recorded in the guarantor's books, if the value cannot be established on the basis of the previous 2 methodologies.
- In the case of a surety/guarantee assumed by a third party for the claims of a debtor of the Bank, a value determined by using a discount rate adjusted to the third party's debtor rating.
- In the case of securities, a value determined by using discount rates taking into account the volatility of the exchange rate in accordance with the methodology set out in the policy.

The determination of the collateral value of a collateral is done in accordance with the methodology set out in the policy; in case appraisers approved by the Bank are employed, the collateral value determined by them is validated under the control of the risk manager.

The Bank reviews the collateral value of all collaterals with a frequency that is in accordance with prevailing legislation and internal regulations and, in the case of negative information, reviews it immediately after such information has arisen. The Bank verifies the existence of each collateral at least annually, and at least every six months in the case of certain collaterals.

The Bank also accepts collateral that does not meet the requirements for reducing the capital requirement (e.g. surety guarantees, specific pledges on an asset, warrants, etc.); however, only collateral that meets the requirements of CRR is taken into account to reduce the capital requirement for credit risk.

31.5. **Risk types relevant for the Bank, covered in Pillar I**

a) Credit risk, in particular:

- credit risk,
- counterparty risk,
- Credit Valuation Adjustment (CVA) risk,
- settlement risk (late performance and open delivery).

The Bank uses the standard method for calculating the capital requirement for credit risk.

b) Market risk

- trading book share price rate risk,
- trading book interest rate risk,
- the total currency risk.

The monitoring of the market risk by the use of appropriate IT systems, and the Bank fully complies with the legal requirements in the field of risk management. The Bank uses the standard method for calculating the capital requirement for market risk.

c) Operational risk that includes all related risk sub-types defined by law (human, system, legal, external, etc.).

The Bank uses the basic indicator method for calculating the capital requirement for operational risk.

31.6. Principles and strategy for the internal capital adequacy assessment process **–** ICAAP[1]

Risk appetite, desired risk structure:

Risk appetite is the amount of risk an organisation is willing to take and can tolerate.

Aspects of the determination of risk appetite:

- what type and what degree of risk the Bank intends to take and what return can be expected from it;
- whether the Bank has any comparative advantage in an area;
- what the capital requirement for actual risks is in the Bank,
- taking stock of all risks the Bank assumes, including the risks inherent in off-balance-sheet activities,
- risk assumption regularly reviewed and adjusted by the Bank on the basis of environmental, business, and risk information and analyses.

It is the responsibility of the governing body and the management of the Bank to define risk appetite and risk tolerance levels for the Bank's business and risk strategy.

The Bank builds up its loan portfolio in line with the asset-liability strategy, whereby it is a basic requirement that the borrower should repay the loan from its regular cash flow (cash-flow-based lending), of course still with the involvement of a maximum level of collateral to secure the loan.

***Designating target variables and indicators*:**

It is a principle of the Bank's risk management policy is that the risk cost of the loan portfolio should not exceed 3.5% of the balance sheet total.

The Bank pursues a business policy that ensures compliance with the capital adequacy requirements under Article 92 of the CRR, the capital buffer requirements under Sections 86-96 of the Credit Institutions Act and the capital requirements imposed by the MNB (the Supervisory Authority).

The Bank's Board of Directors, based on the medium-term strategy, adopts a detailed annual financial plan. In the framework of this, the Bank takes market information into account and conservatively assesses the proportion of default and risk costs of loans by corporate division and product class.

The composition and quality of the portfolio is monitored monthly by the Asset-Liability Committee. A quarterly report on the development of the results and the quality of the portfolio is made to the Board of Directors and the Supervisory Board. The Board of Directors and the Supervisory Board discuss and approve the reports and take the appropriate measures as necessary.

The Bank limits its risk appetite by setting limits. Compliance with this is monitored and regularly measured by the Bank in accordance with the limits established and defined in the internal regulations, employing the Management Information System developed by the Strategy and Analysis Directorate in accordance with internal regulations. This will ensure (even under stress conditions) that the set limits, risk indicators, etc. should be consistent with the Bank's risk appetite and risk tolerance.

Based on a risk map the Bank identified the risk factors relevant to it. The Bank has a thorough understanding of its risk structure, i.e. the proportion of each type of risk in the portfolio, its concentration and significance, which is monitored by the ALCO on a monthly basis and by the Board of Directors at least quarterly. The Bank currently considers credit risk to be its most important type of risk.

Responsibilities and duties are set out in detail in the Bank's internal regulations.

[1] Internal Capital Adequacy Assessment Process

Risk types covered in Pillar II

- Credit risk
    - credit risk,
    - counterparty risk,
    - Credit Valuation Adjustment (CVA) risk,
    - settlement risk (late performance and open delivery).
    - concentration risk,
    - country risk,
    - residual risk,
    - high-risk portfolios,
    - other asset risk,
- Market risk
    - trading book share price rate risk,
    - trading book interest rate risk,
    - the entire currency risk,
- Interest rate risk in the banking book
- Risks of operational nature
    - operational risk
    - legal risk and business management risk
    - information and communication technology (ICT) risk
    - reputational risk
- Modelling risk
- Strategic and business risk
- Corporate governance and control function risk
- Liquidity risk
- Regulatory risks
- Climate change and environmental risks

The risk management concept and order of each risk type are set out in separate policies.

31.7. **Credit risk**

The Bank pays special attention to the fact that customers should be able to repay the loan from their regular income, but at the same time in order to protect deposit owners, it applies a wide range of collaterals as an adequate protection against credit risk. The high quality of the portfolio is the joint result of a thorough risk management analysis work conducted prior to decision making, the decision-making mechanism (pre-screening, risk analysis, decision by, depending on the amount, of the Lending Committee or of the Board of Directors), the application of a wide range of collaterals, and strict credit monitoring.

a. *The Bank determines the credit risk (limit) of customers/customer groups on the basis of strict procedures, by individual decisions in the following structure:*

Types of risk assumption limits

- Credit limit: for all loans and credit substitute products
- Guarantee limit: for guarantees in a narrower sense, letters of credit, bill broker transactions, and similar transactions in which the Bank commits to fulfil an obligation of the debtor,

- Substitution limit (pre-settlement): for foreign exchange transactions, derivatives, forward rate agreements, repo transactions, securities-based loans, etc.,
- Settlement limit: the risk arising from the execution and clearing of trading products,
- Issuer limit: includes debtor and issuer risks shown in the trading or investment book.

The sum of the above limits is the gross aggregate limit.

In all cases, the prerequisite for entering into risk assumption transactions is prior approval by the body having decision-making power in accordance with the effective regulations, and by the retail business and risk management manager in the case of standard retail overdrafts and "Babaváró" loans.

Limit monitoring is based on the daily closing balance. There is a separate internal regulation for dealing with limit overruns, which includes the obligation of immediate reporting.

b. *The threshold of the maximum credit risk that can be assumed concerning each customer/customer group is determined by the approved limits, which take into account the Bank's current high-risk assumption limit.*

c. *Causal (industry) concentration means the risk of concurrent default attributable to the same common cause or causes.*

The role of industry limits is to control the magnitude of the risks assumed by the Bank and to mitigate the Bank's risk-taking in sectors that pose a higher risk.

The Bank defines limits for the corporate portfolio concerning each industry of the national economy.

The Bank also applies product limits in respect of retail mortgage loans, overdrafts, Lombard (securities-backed) loans and "Babaváró" loans.

d) *The country limit* limits the amount of all risks that can be assumed *regarding a particular country*, i.e. the given government itself, any party entering into an agreement with the Bank or risk-bearing party incorporated in the given country, the citizens of the foreign state and any other economic entity that belongs under the jurisdiction of that foreign state for any other reason.

Country risk also includes the cases where the recovery of a receivable or receivables from a particular customer depends on income from a foreign country. If several criteria are at play, the transaction is to be charged against the limit of the country with the lower rating.

31.7.1. **Customer and transaction rating, determination of expected credit loss**

I. Schedule of ratings

I.1 Quarterly rating:

The Bank performs the rating of transactions for its exposures subject to IFRS 9 at least once per calendar quarter, for the last day of the quarter. The aim of the quarterly transaction rating is to classify the exposures in accordance with the MNB's requirements and the requirements of IFRS 9, and to recognise or reverse the impairment and the provision for the transaction rating in accordance with the relevant segment methodology.

I.2. Extraordinary rating:

In the intervals between quarterly ratings, an extraordinary rating must be performed for individual exposures in the case when during the processing of the information received by any of the Bank's organisational units, a level of risk is detected with a receivable or off-balance sheet liability that necessitates the recognition of a loss significantly higher than the impairment or provision recorded in the books, and/or the exposure must be reclassified into the non-performing and/or restructured category.

II. Measurement of the expected credit loss

When measuring expected credit losses, the Bank does not necessarily identify all possible scenarios, but takes into account the risk or likelihood of a credit loss occurring by calculating with both the likelihood of the occurrence and of the non-occurrence of the credit loss, even if the likelihood of the occurrence of the credit loss is very low. In practice this means that the Bank:

- For financial assets whose repayment if based on a schedule, if individually assessed in the context of a unique scenario analysis for estimating expected credit losses, in addition to the original scenario included in the agreement, it examines two more scenarios, assigning likelihoods to their occurrence and then employing the DCF[2] method to calculate the amount of the required impairment.

- For financial assets where the expected credit loss is estimated on the basis of collective principles – on the basis of the PD*LGD*EAD[3] formula – rather than by outlining individual cash flow scenarios, it incorporates the probability of the various scenarios into its model during the determination of the PD value and thus calculates the amount of the required impairment.

III. Exposure portfolios for transaction rating

In order to estimate the impairment or provisioning as accurately as possible, the Bank identified the following exposure portfolios from its current portfolio. Each portfolio adequately aggregates transactions that have characteristics similar to each other, so each portfolio is internally sufficiently homogeneous while being sufficiently different from each other so that the rating indicators that form the basis for impairment and provisioning, and their relative weight, can be calibrated separately for each portfolio in order to reach a more accurate estimate.

(a) Retail customers
  - private individuals
  - primary producers
  - sole traders

(b) Non-retail customers
  - companies (non-financial corporations)
  - project companies (special lending exposures)
  - other financial corporations (e.g. leasing companies, factoring companies)
  - other non-profit companies
  - local municipalities
  - credit institutions (financial institutions)
  - Government/State

(c) Other receivables (fee claims)

(d) Off-balance-sheet liabilities

IV. Transaction rating categories under IFRS 9 (with a different term: buckets)

As a first step in determining the expected credit loss of its financial instruments, the Bank classifies its financial instruments into one of three transaction rating categories (valuation buckets).

(a) Bucket 1 – Well-performing financial instruments

Basically, this bucket includes the financial instruments that the Bank considers to be performing well, as their credit risk is typically low or has not significantly increased compared to the initial recognition.

(b) Bucket 2 – Underperforming financial instruments

This bucket includes financial instruments whose credit risk has increased significantly since the initial recognition, but which have not yet reached non-performing status.

The following are considered to be a significant increase in credit risk:

- Arrears of more than 30 days (the assumption may be refuted and the period and fact of the moratorium ordered by the authority must also be taken into account).

[2] discounted cash flow
[3] Probability of Default / Loss Given Default / Exposure At Default

- Lifetime PD in all segments, except for the State, Bank, Municipality segments: Depending on the PD band, the absolute value is applied in the low PD bands, while the relative value in the higher PD bands (absolute change: 0.25%; relative change: 3 times PD change).
- A deterioration of 3 categories compared to the initial recognition on the master scale, in the case of segments evaluated using the master scale or a deterioration in lifetime PD compared to the initial lifetime PD value, as described in the regulation.
- The deterioration 3 categories in customer rating compared to the initial recognition in the case of financial institutions and the government and municipal segments.
- Restructuring of a risk assumption agreement.
- “Problematic” classification as described in the policy for problematic transactions (to be considered carefully).
- In the case of retail mortgage loans, a significant increase of over 95% of the loan-to-value ratio compared to that at the time of the disbursement.
- In the case of speculative property financing project loans, indicators specified in recommendation 12/2018. (II.27.) of the MNB.
- In addition, the Bank may classify certain sectors or certain retail customers as “vulnerable” (e.g. due to the exposure of their jobs/income to a crisis situation) – this “vulnerable” classification also implies a Bucket 2 classification.
- Special circumstances indicating the need for a lifetime assessment

(c) Bucket 3 – Non-performing (defaulted) financial instruments

This bucket includes only the financial instruments that are non-performing (defaulted), classified in the 17th, i.e. last, category (“default”) of the Bank’s 17-grade credit loss master scale, and those that have been overdue for more than 90 days and the part affected by the delay is significant, as well as those classified by the Bank as non-performing according to other criteria specified in the relevant policy (e.g. if the transaction is considered to be non-performing under Article 178 of the CRR, or if it is likely that the transaction will not be recovered without collateral enforcement, or if the counterparty is in liquidation, etc.).

The real difference between the classification into the three classification categories (buckets) under IFRS 9 is not the individual or collective methodology used for measuring the expected credit loss, or the absolute value of the loss, but rather the relative magnitude of the change in the credit risk, and the fact that

- the expected credit loss is calculated by the Bank on the basis of the 12-month default risk in Bucket 1, whereas in Buckets 2 and 3 the Bank bases its calculation on the lifetime default risk (except for bullet/balloon type transactions where the Bank determines the rate of the expected loss on the basis of the lifetime default risk in Bucket 1 as well, given that in the case of such transactions the default pattern is concentrated over the period beyond the next 12 months), and
- the Bank calculates the interest income on the basis of the gross amortised cost (excluding impairment) in the case of transactions in Bucket 1 and Bucket 2, and on the net amortised cost (including impairment) in the case of transactions in Bucket 3.

V. Overview of the measurement methods used by the Bank

The Bank measures and recognises impairment/provisions in accordance with the rules of IFRS 9 as follows.

V.1. Simplified collective measurement method

The Bank applies the collective measurement method in the case of other receivables (receivables from financial and investment services, typically fees).

Other receivables are receivables from financial and investment services, typically without collateral, which the Bank classifies into the transaction rating buckets set out in the MNB Decree using a simplified rating based on the number of days in delay.

Under the simplified collective measurement method, the Bank determines the amount of impairment on the basis of a predetermined fixed percentage applied to the exposure outstanding on the date of the measurement.

V.2. Individual measurement method

- includes *the PD * LGD * EAD method that shows collective characteristics but is based on individual data, and*
- the *discounted cash flow method based on individual cash flow estimates* (“DCF method”).

The Bank applies the individual DCF method to its exposures exceeding HUF 1 billion (subject to certain exceptions set out in the relevant policy), based on expert analysis; while impairment/provision is primarily calculated for exposures below HUF 1 billion on the basis of the method with collective characteristics, taking into consideration PD, LGD and other correction factors estimated on a statistical basis in Bucket 1 and Bucket 2, while the Bank uses the DCF model in Bucket 3. In 2021, the Bank increased the threshold for individual assessment from HUF 500 million to HUF 1 billion in order to narrow the range of transactions where expert estimates are used.

V.2.1. Individual measurement model with collective characteristics

As a general rule, the Bank calculates impairment loss on the basis of indicators developed for the estimation of Expected Loss (“EL”), i.e. Probability of Default (PD), Exposure at Default (“EAD”) and Loss Given Default (“LGD”). The method used to determine exposure at default depends on whether the item is on-balance-sheet or off-balance-sheet.

(a) In the case of an on-balance-sheet item, “EAD”, i.e. the exposure at default means, for the purpose of simplification, the book exposure of that item at the reporting date.

(b) For off-balance-sheet items, “EAD” must first be determined using a credit conversion factor (“CCF”), which is the probability of an exposure (“E”) being included in the balance sheet or not.

The Bank establishes the credit conversion factor (equivalent) pursuant to CRR, according to a standard method.

Based on the above, the Bank, as a general rule, establishes the expected credit loss using the following formula:

$$EL = PD \times LGD \times EAD \times CCF$$

The calculations are made in accordance with the requirements of IFRS9 using the point in time estimation method, applied in the macroeconomic correction component of PD.

V.2.2. Individual expected credit loss establishment method based on the cash-flow stress model

In addition to the expected credit loss model used as a general rule, the Bank may also use a purely individual measurement model that determines the expected credit loss of a given individually measured transaction using the discounted cash flows (“DCF”) method based on CF scenarios developed by an expert.

To establish the basis of the individual expected credit loss established using the DCF method, the credit risk manager of the given loan, in addition to the original contractual cash-flow scenario, based on their best knowledge of the customer and the given transaction develops at least two more potential cash-flow scenarios, where at least one of these is expected to be based on the assumption that the transaction becomes non-performing. The credit risk manager assigns probabilities to the two or more cash flow stress scenarios.

VI. Combined transaction rating (credit risk master scale)

The Bank, combining

(a) its own regularly monitored and updated customer rating categories based on historical data, and

(b) its scoring system for the behaviour of a particular customer concerning a specific transaction (“behavioural scoring”), which also includes forward-looking information,

has created a 17-grade master scale in order to measure credit risk changes for the following segments:

- Retail segment
- Corporate segment
- Other financial corporate segment

- Project loans segment
- Non-profit segment

The 17-grade master scale shows the increase in credit risk from category 1, the lowest credit risk, up to 17, the highest credit risk category characterised by non-performance.

This master scale evaluates the Bank's transactions in a particular portfolio based on a complex set of criteria that not only take into account past data of the particular customer and transaction, but also consider several pieces of forward-looking information based on the customer's transaction behaviour. Based on the master scale, the Bank also adjusts the PD calculated for each transaction by incorporating macroeconomic indicators. Such a complex credit risk monitoring system enables the Bank to detect an increase in credit risk before the particular transaction becomes overdue. As a result, a transaction with a significantly increased credit risk is classified into a transaction rating category (expected credit loss/provisioning bucket) where the expected credit loss/provision calculation is based on a lifetime estimate of the expected credit loss.

The Bank has developed various behavioural point systems for its customer portfolios with significantly different characteristics. These behavioural point systems examine different characteristic behavioural elements concerning transactions under a particular customer portfolio, thereby allowing the transactions belonging to each customer portfolio to be classified to the appropriate level of the single master scale on the basis of the Bank's customer rating/debtor rating and their most typical behavioural patterns during the combined transaction rating process.

The Bank relies on the available ratings of external rating agencies to determine the probability of default concerning the government, municipal and banking segments.

VII. Macroeconomic adjustment of the PD calibration

In addition to keeping the forward-looking nature of the probability of default (PD) in mind, the Bank monitors external macroeconomic indicators and the MNB's indicator forecasts to ensure the monitoring of economic cycles, and in response to these, adjusts, for each transaction, the base PD values determined in the first round, with the macro factor being a constituent component of the final PD as a multiplying factor. In selecting the model variables, the Bank has taken into account the fact that these external macroeconomic indicators are in all cases publicly available to users and the forecasts of those indicators are continuously available and expected to remain so for the long term. The differentially defined macroeconomic indicators include:

- Gross Domestic Product (GDP) volume indices – seasonally and calendar-adjusted and balanced data (previous quarter = 100.0%),
- Customer price index (CPI),
- Employment rate,
- Unemployment rate.

In line with the MNB's requirements, the Bank uses indicator forecasts according to the 3 scenarios (baseline, favourable, adverse) prepared by the MNB in its model for calculating expected credit loss, where the baseline corresponds to the most probable forecast trajectory, and the favourable and adverse ones are respectively based on more favourable and less favourable projected trajectories. The average of the expected credit loss results calculated with macro-correction multipliers modelled in this way, weighted by the probabilities according to the scenarios, gives the final expected credit loss rate.

Likelihood of macro scenarios applied as at 30 June 2025: as at 31 December 2024:

- baseline: 66.7%
- favourable: 7.7%
- adverse: 25.6%

VIII. Application of a risk multiplier

The PD calculated as described above is in line with IFRS 9 requirements and reflects the Bank's expected credit loss; however, in the case of a combination of specific economic circumstances, the Bank may decide to apply a multiplier factor that increases PD levels across the board. This combination could, for example, be a risk of unanticipated macroeconomic risks materialising. In such a case, the Bank may use a specific methodology to determine what it considers to be the likely PD increase in the event of a significant deterioration in the general economic situation, and apply this as a multiplier.

IX. LGD calibration

The value of loss given default (LGD) is the difference between the book value of the exposure at the time of default and the amount of collateral that the Bank is expected to be able to use. The Bank determines the value of the collateral that is expected to be available on the basis of a general discount predetermined for each type of collateral, based on the market value of the collateral. The Bank determined the general discount to be used with the market value determined in accordance with the Collateral Measurement Policy by collateral type, using external expert estimates.

X. Restructured loans

The Bank has detailed regulations that set forth the rules of restructuring as follows:

(1) The Bank treats all loans, acquired receivables or any other receivables arising from transactions classified as money lending or from other financial services, if containing a discount and granted to the debtor, obligor (hereinafter collectively referred to as the obligor or the customer) at the request of the obligor or the Bank, as restructured receivables. In addition, restructured receivables include commitments related to lending that may become receivables at the customer's discretion (collectively: receivables) if the discount was granted to an obligor that has or is expected to have financial difficulties in meeting its financial obligations.

(2) The Bank recognises receivables as restructured receivables that include a discount and where the original agreement that gave rise to the receivable has been amended to avoid non-payment because the debtor is or, in the absence of the discount, would be unable to meet its repayment obligation under the original contractual terms.

(3) In the absence of information to the contrary, it may be assumed that the debtor has no financial difficulties if the debtor has not had a payment delay of more than 30 days in respect of any of its liabilities to the Bank within 90 days prior to the conclusion or the amendment of the contract.

(4) The Bank does not consider as restructured loans (receivables) those loans in relation to which the underlying agreements have been amended due to changes in market conditions, and where the parties agree on market terms relevant to similar types of agreements, furthermore, the obligor's solvency demonstrates that it will be able to meet its obligations under the agreement.

(5) The Bank does not automatically consider its exposures as restructured for the purposes of MNB Decree 39/2016 (X.11), with regard to repayment rescheduling due to the moratorium, if the exposure is affected by the moratorium. However, this option for preferential treatment is not applicable to exposures that joined the moratorium as of 1 November 2021. The Bank will decide on a case-by-case basis whether to recognise an exposure as a restructured exposure due to the exceptional situation caused by the coronavirus pandemic or due to contractual amendments concluded in the context of the moratorium.

31.8. **Market risk**

The Banking Group controls its market price risks, and thus, in particular, its foreign exchange, interest rate and security exposures, through an appropriate internal and external targeted limit system. At present, Treasury's own-account trading is largely related to liquidity management, meeting customer needs and hedging market risk for these and other Banking Group transactions. Compliance with the limits is monitored by Market and Operational Risk Management, which is overseen by the Asset-Liability Committee.

Counterparty and customer limits are set for the Treasury's counterparties, which are recorded in the Treasury's front office system (Inforex). The Banking Group mitigates its risks concerning major institutional partners through netting and daily margin collateral (ISDA, CSA, GMRA) agreements.

Any market risks resulting from trading book exposures have been only limited in scope, and the thresholds have been respected – trading was mostly done in government securities and discount treasury bills. The Banking Group also held minor equity positions, some of which are not included in the trading book, as they are held for purposes other than for being sold. The Banking Group does not currently trade in non-linear foreign currency or interest rate derivatives or commodities.

Interest rate risk

The Bank considers the management of interest rate risk in the banking book (IRRBB) to be of high importance, and, via Interbank Transactions (IRS, CCIRS), replaces its major fixed-rate assets with variable-rate assets that are adjusted to the liabilities. The trading book interest rate risk is described in the Market Risks section of the Trading Book.

Interest rate risk typically arises due to the fact that the repricing time, repricing reference, or the repricing rate or mark-up of the asset and liability items differ from each other.

The capital requirement for the Bank Book's interest rate risk under Pillar II is determined by the Bank through interest rate sensitivity stress calculations based on the time remaining until repricing, taking into account the individual cash flow elements (assets, liabilities) of the transactions, as well as through their gap values and indicators for each repricing band. The calculations examine the potential changes in the Bank's economic value of equity ("EVE"), the expected net interest income ("NII") for the year, and the potential changes in expected fair value of earnings ("VE") on the portfolio as a function of the changes in yield curve levels. During the modelling process, in the case of loans, the Bank takes into account the results of the impairment model, applies a scenario rate and direction-dependent specific model for the repricing delay and the inflow and outflow of fixed deposits into and from time deposits, and takes into account the options for legal and embedded negative interest rates. During its stress tests, the Bank also examines stress cases of its own design, in addition to the supervisory requirements (the "standard" tests). The stress scenarios are as follows, of which both EVE, NII and VE versions have been produced.

Main stress scenarios:

Number	Scenario	Type	Method
1	Parallel_UP	standard	Parallel yield upshift
2	Parallel_DOWN	standard	Parallel yield downshift
3	Steepening	standard	short-term yields fall, long-term yields rise
4	Flattening	standard	short-term yields rise, long-term yields fall
5	Short_UP	standard	short-term yields rise
6	Short_DOWN	standard	short-term yields fall
7	Long_UP	Gránit Bank	long-term yields rise
8	Long_DOWN	Gránit Bank	long-term yields fall
9	Sensitivity_UP	Gránit Bank	Parallel yield upshift
10	Sensitivity_DOWN	Gránit Bank	Parallel yield downshift
11	Parallel_UP_Dinamic	Gránit Bank	Parallel yield upshift, taking into account the effects of portfolio changes
12	Parallel_DOWN_Dinamic	Gránit Bank	Parallel yield downshift, taking into account the effects of portfolio changes
15	Parallel_UP_OLD_STANDARD	For the Supervisory	200 parallel upshift
16	Parallel_DOWN_OLD_STANDARD	For the Supervisory	200 parallel upshift

Stress rates used in the calculations, by currency:

CCY	Type	Base scenario	Shift in base points	CCY	Type	Base scenario	Shift in base points
HUF	standard	Parallel +/-	300	CHF	standard	Parallel +/-	100
HUF	standard	Short +/-	450	CHF	standard	Short +/-	150
HUF		Long +/-	200	CHF		Long +/-	100
EUR	standard	Parallel +/-	200	GBP	standard	Parallel +/-	250
EUR	standard	Short +/-	250	GBP	standard	Short +/-	300
EUR		Long +/-	100	GBP		Long +/-	150
USD	standard	Parallel +/-	200	JPY	standard	Parallel +/-	100
USD	standard	Short +/-	300	JPY	standard	Short +/-	100
USD		Long +/-	150	JPY		Long +/-	100
All		Sensitivity +/-	100	PLN	standard	Parallel +/-	250
All		Paralell Dinamic +/-	conforming to the	PLN	standard	Short +/-	350
All	"old standard"	Parallel +/-	200	PLN		Long +/-	150

For the calculations, the swap yield curve representing the level of the interbank interest rate is primarily applied (based on Interbank-FRA-IRS yields), while in the case of securities, the yields representing government securities are used. The market yield levels of the relevant currencies are applied transformed into zero-coupon log yields. Standard shifts are understood in log yields, while sensitivity shifts are calculated in nominal yields.

The Banking Group quantifies the interest rate risks, checks compliance with the limit and presents it to the Asset-Liability Committee on a monthly basis.

Given its activities, the Bank's reference interest rate risks are moderate.

Currency risk

The Bank does not have any significant open foreign exchange positions, and Treasury continuously monitors the risk coverage needs.

The additional Pillar II capital requirement of foreign exchange positions is quantified using the methodology of the standardised VaR calculator required by the Regulator, also taking into account the Regulator's relevant recommendations. The capital requirement for foreign exchange risk is, in line with the net positions, not significant. VaR is by definition the estimated amount of money that can be lost on a given portfolio due to market risk over a specified period and at a given confidence level. This measurement takes into account the market risk associated with the current portfolio. The Bank also quantifies stressed VaR values, the essence of the calculation being that a correlation matrix reflecting high volatilities caused by a former market crisis period is used.

The total currency risk capital requirement is determined by the higher of the VaR and SvaR measures. In addition, the Bank operates its own VaR model using a dedicated system (Varitron), whose results are used alongside the analytical targets for limit monitoring purposes regarding foreign exchange risks, using parametric VaR calculation results at a confidence level of 99% with a 10-day retention period.

Trading Book Market Risks

With respect to the interest rate risk of the Trading Book and the exchange rate risk of the shares, the Bank also applies the value at risk calculation, which is a parametric VaR and SVaR calculation with a 99% confidence level and a 10-day retention period, in line with the methodology mentioned in relation to currency risk. This risk has moderate exposures.

The Banking Group does not trade in commodities or non-linear interest rate derivatives for its own account.

Organisational structure

The Bank's market risk management area is located within Market and Operational Risk Management, which reports to the Risk Management Methodology Directorate under the CRO. This department is responsible for all market risk analysis tasks, individual analyses and regular monitoring, also including the monitoring of market risk limits (daily, weekly, monthly, etc.). This department also conducts the rating of partners and the maintenance of related regulations. The activity is supervised by the Asset-Liability Committee, through which, and through regular monthly monitoring and limit approvals, the management is also involved in the processes.

31.9. **Liquidity risk**

The operative management of liquidity risks is the responsibility of the Treasury Directorate, while regulatory and monitoring tasks are carried out jointly with Market and Operational Risk Management.

In compliance with the regulations pertaining to prudent operations, the Bank is required to manage its own resources and the resources entrusted to it by other parties in a way that ensures the maintenance of both its prompt liquidity and long-term solvency. The Bank's liquidity management procedure applies to and is based on "normal" market conditions. Separate instructions regulate the requirements to be met in the case of a liquidity emergency. In addition, the procedure is based on and is in compliance with the current monetary policy and legislation; any changes affecting liquidity must immediately be discussed and the appropriate changes, if necessary, must be approved by the Asset-Liability Committee or, where appropriate, the Board of Directors.

The Bank manages its liquidity risks primarily through the establishment of appropriate processes and control mechanisms and the creation of an adequate level of liquidity reserves.

Principles to be applied in the liquidity management process:

- The Bank draws up a liquidity plan for assets, liabilities and relevant off-balance-sheet items. Continuous monitoring and updating of this plan is an essential part of the Bank's liquidity management and the management of assets and liabilities. Liquidity planning is supervised by the Asset-Liability Committee.
- A short-term (30-day, with particular attention to the first two weeks) cash flow plan is made

- concerning the Bank, broken down by day and currency at least for the first week.
- A rolling type financing plan is made concerning the Bank, broken down by month, for the next three-month period. The plan must be prepared for one expected situation and, depending on the uncertainty of the estimate, for one or more stress scenarios, in line with the MNB's recommendation on the measurement, management and control of liquidity risks.
- The liquidity forecast – in its normal and stressed versions – is prepared by the Treasury's Liquidity Management area and is submitted for approval to the Bank's Asset-Liability Committee.
- In order to monitor maturity compliance, long-term maturity coverage calculations are also required.
- Regarding customer deposits, the Bank regularly monitors and analyses the composition and maturity structure of deposits and the development of the key deposits. During the analysis, particular attention must be paid to the development of deposit concentrations
- When preparing the regular weekly liquidity status report – which Treasury compiles from customer-level data and distributes to the Bank's Managers on a weekly basis – the deposit situation is examined in a weekly/monthly/3-monthly maturity breakdown. In respect of the above periods, the changes in the volume of fixed deposits above HUF 100 million are assessed, while the volume of deposits subject to renewal risk is identified separately. Treasury examines individually the renewal of large maturing deposits that are particularly important in terms of liquidity (deposits of at least 10% of the regulatory capital), and conducts regular business-line reconciliation in these cases.

Maturity transformation is a major source of income for the Bank, however, only risks of an acceptable degree must be assumed for the sake of profitability. A strategic question is the degree of liquidity risk (maturity transformation) tolerated by the Bank's management. With regard to the maturity structure of liabilities and assets, to be established by the Bank, the Bank must strive to extend the maturity structure of the funds to be raised and to determine the maturity of loans on the basis of the structure of available/attainable funds.

31.10. **Management of counterparty risk**

During the management of counterparty risk, credit and trading limits are adapted to the counterparty risk management system as follows:

In terms of market risks, the rules for establishing counterparty limits and the limit management method have been approved by the Bank's Board of Directors, and continuous monitoring is performed in Treasury's front office system (Inforex). Market risk management monitors compliance with the limits based on information from the system.

It is a general rule that the Bank only assumes any obligation that entails risk-taking if an approved limit exists. For any bank/counterparty and customer with whom Treasury wishes to conclude a business transaction that entails risk-taking, a limit approved by a body with the appropriate decision-making powers must first be set, or the credit risk must be excluded.

Derivative transactions are typically concluded with partners in the framework of ISDA, CSA, and GMRA agreements.

In the process of setting limits and analysing and monitoring partners, the following factors must be taken into account, also meeting the relevant stipulations of the Counterparty risk assessment policy, the Customer and partner rating policy and the Partner limit management policy:

- Collateral that can be recognised in terms of capital reduction, such as government/surety guarantees, financial collateral, property collateral. The degree of coverage required for the partners depends on the partner rating and the magnitude of the partner as detailed in the Collateral measurement policy.

  In the case of an institutional partner, the Bank typically does not open a partner limit based on collateral different from financial or other strong guarantees.

- In order to manage wrong-way risk exposures, counterparty groups and group limits are set up for counterparties between whom a credit risk dependency exists.

For each Treasury transaction the Bank determines the risk weight and percentage charge for the given transaction in the manner and to the extent specified in the Counterparty limit management policy, charging them to the limits set for the counterparty institution (typically lending pre-settlement, settlement, issuer limit types, etc.).

In order to identify and manage risks, counterparty rating as a function involves, on the one hand, an examination that is performed before the assumption of the exposure, as well as continuous risk monitoring.

Limit monitoring and customer risk measurement as a minimum requirement for monitoring is complemented by close cooperation in the mandatory quarterly receivables rating process and actions related to collateral in accordance with the Transaction Rating and Collateral Measurement Regulations.

Partner ratings must be reviewed at least once a year, or whenever an event arises that requires a review of the rating. The measurement of counterparty risk must take into account related market, liquidity, legal and operational risks. During the monitoring process, the Bank also monitors the transparency of the partner/group.

If any of the analysts or managers of the Bank becomes aware of significant warning signs (e.g.: the Partner's external rating deteriorates, its economic situation worsens significantly, the launch of bankruptcy or winding-up proceedings is published, there are long-term payment delays, etc.), the rating must be updated immediately after the information has become known. In justified cases, an extraordinary rating may serve as a basis for measures to promote the Bank's security.

In the case of negative news from the market, the manager of Treasury or the Risk Management may temporarily suspend the partner limit applicable to the Bank's given partner.

The Asset-Liability Committee has the decision-making power to close a partner limit or to terminate the existing transactions.

The Bank essentially limits the unexpected risk of financial deposits arising from ISDA contracts, even as may arise due to the downgrading of the Bank, by taking minimal trading and typically hedging, i.e. overall moderate net derivative, positions in its activities, while maintaining significant liquid assets. In addition, when regulating the minimum level of liquidity reserves, the Bank takes into account the preparation for stress situations and the results of stress tests that are run regularly.

When concluding ISDA agreements, the Bank properly enforces the principle of symmetric obligations between the parties and the observance of market standards.

With regard to counterparty risk, for the transactions listed in Annex II to Regulation (EU) No 575/2013, the Bank determines the exposure value on the basis of the market pricing method.

31.11. **Operational risk**

The objective of operational risk management is to support efforts to keep operating costs low, and to promote efficient organisational operations.

The Bank primarily manages operational risks by focusing on prevention and with the continuous monitoring and appropriate elaboration of internal processes, regulations and procedures, event collection and forward-looking self-assessment, the appropriate training of employees participating in the working processes, and the ongoing development and implementation of built-in control mechanisms.

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

All operational risks are to be reported to the operational risk manager, and a relevant report must be submitted to the Asset-Liability Committee on a quarterly basis and at least annually to the Board of Directors.

The Bank prepares an annual self-assessment concerning its operational risks, which is also reported to the Asset-Liability Committee and the Board of Directors.

31.12. **Risk of excessive leverage**

The Bank monitors the risks resulting from excessive leverage through monthly monitoring. The Bank calculates leverage on the basis of the relevant Regulation (EU) 575/2013 and reports it to the Asset-Liability Committee.

The Asset-Liability Committee is entitled to order specific measures in case the value of the indicator falls below the alert level or below the limit value.

31.13. **High-risk portfolios**

The Bank sets limits for “High-risk portfolios” (balloon, bullet, portfolios built with the cooperation of an independent intermediary, etc.) as defined by the MNB, and accordingly the Bank develops a diversified portfolio paying special attention to risk assessment prior to credit decisions and follow-up management of loans. The Asset-Liability Committee receives monthly information on portfolio developments and limit utilisation.

32. CAPITAL AND CAPITAL ADEQUACY

The following tables show equity in two structures, as required by Section 114/B of Act C of 2000 in order to facilitate the comparability of equity components presented in these IFRS statements with those presented in previous years' HAS statements.

Data in HUF millions

Based on IFRS financial statements

	30.06.2025	31.12.2024
Subscribed capital	19,223	19,223
Capital reserve	66,999	66,999
Treasury stock	0	0
Profit reserve	58,939	52,170
Reserve for share-based payment transactions settled in equity instruments	370	370
Other reserves	5,652	5,652
Accumulated other comprehensive income (AOCI)	-472	-141
Non-controlling interests	2,800	3,802
Total equity	**153,511**	**148,075**
	0	0

Based on the Hungarian Accounting Act (Act C of 2000, Section 114/B)

	30.06.2025	31.12.2024
Share capital under IFRS	19,223	19,223
Capital reserve	70,169	71,171
General reserve	5,652	5,652
Valuation reserve	-472	-141
Profit reserve	51,222	31,010
Profit after tax	7,717	21,160
Total equity	**153,511**	**148,075**

Information about regulatory capital

Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises and Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms (CRR) require that the Bank have a certain level of regulatory capital. The Bank reports its capital adequacy position to the National Bank of Hungary (MNB) on a quarterly basis, and forecasts are regularly made regarding the expected capital adequacy developments.

Data in HUF millions

	30.06.2025	31.12.2024
Common equity Tier 1 capital (CET1)	122,279	114,511
Additional Tier 1 capital (CET1)	0	0
Total Tier 1 capital	**122,279**	**114,511**
Subordinated loan capital	0	0
Total Tier 2 capital	**0**	**0**
REGULATORY CAPITAL	**122,279**	**114,511**

During the years 2025 and 2024, as well as on 30.06.2025 and 31.12.2024, the Bank met the capital adequacy requirements of the MNB. The Bank pays no dividends from its interim profit.

The 2025 H1 regulatory capital figures presented are preliminary and do not yet include the 2025 H1 result. For comparison, 2024 year-end regulatory capital data are also preliminary data and do not include the total result for the full year; they only include the six months' earnings that with the MNB's approval can be included as part of the Tier 1 capital.

The data show prudential consolidated information. As at 31.12.2024 and 30.06.2025, the Bank included Equilor Befektetési Zrt, Gránit Alapkezelő Zrt, Gránit Pénzügyi Lízing Zrt. and Gránit Lízing Kft. in the prudential consolidation.

33. EPS

The basic earnings per share as at 30 June 2025 was calculated based on a profit of HUF 6,767 million attributable to ordinary shareholders (30 June 2024: HUF 8,243 million) and a weighted average of 19,223 thousand ordinary shares outstanding (30 June 2024: 15,395 thousand shares).

There was no dilution factor during the periods presented.

30.06.2025

$$\text{Earnings Per Share (HUF)} = \frac{\text{Net profit per holders of ordinary shares (million HUF)}}{\text{Weighted average of ordinary shares (thousand shares)}} = \frac{6,767}{19,223} = 352$$

30.06.2024

$$\text{Earnings Per Share (HUF)} = \frac{\text{Net profit per holders of ordinary shares (million HUF)}}{\text{Weighted average of ordinary shares (thousand shares)}} = \frac{8,243}{15,395} = 535$$

34. SEGMENT REPORT

The following segment information has been prepared in accordance with the IFRS 8, which requires the disclosure of financial information about an entity's operating segments.

For the Bank, the operating segments defined under the IFRS 8 correspond to the Bank's product- and service-based structure, as reflected in its management reporting systems. The Bank operates in five (5) distinct business segments, each having its own markets and products. Each business segment has specific objectives broken down by organizational units, which are aligned with the Bank's overall strategic directions.

Below are the key characteristics of the Bank's operating segments for the first half of 2025.

<u>Retail Banking Services</u>
Through its electronic channels in Hungary and Romania (cross-border services), Gránit Bank provides a broad range of retail financial services, including credit and debit cards, personal loans, mortgage loans and a range of savings and investment products.

<u>Corporate Banking Services</u>
Gránit Bank's corporate banking segment offers a wide range of services specifically designed for corporate and business clients. The Bank provides various products, including corporate loans (investment loans and working

capital financing), leasing, guarantee issuance, corporate bond financing, term deposits, current accounts, and cash management services.

Treasury services

The Treasury Services segment manages the Bank's liquidity and funding structure, and executes the necessary foreign exchange and money market transactions. As part of its treasury services, the Bank also provides deposit management for certain customers.

Fund and Asset Management

Gránit Bank's Fund and Asset Management segment engages in investment fund management and portfolio management services aimed at increasing investors' assets. A team of experts offers tailored solutions, taking into account the specific needs and risk profiles of customers.

Investment services

This business segment provides investment consultation services, securities trading, and private banking services.

Methodology description

To provide information for the Bank's chief operating decision-maker, primarily performance-oriented reports are prepared, which compare revenue and expense/cost data by segment and/or in terms of their time-series development.

The Bank primarily operates in Hungary, without generating any significant revenues or operations conducted abroad. The vast majority of revenues from external customers are attributable to Hungary (revenues from Romania are insignificant relative to the total revenue). In accordance with IFRS 8, no further geographic disclosures are required.

The Bank does not report a full balance sheet breakdown to its chief operating decision-maker. Furthermore, there are certain segments where such detail is not relevant. Therefore, the Bank does not allocate every balance sheet line of assets and liabilities to segments

Data in HUF millions

30.06.2025	Retail Banking Services	Corporate Banking Services	Treasury services	Fund and Asset Management	Investment services	All other segments	Elimination and Adjustments	Total
Income statement								
Net interest gain on lending activities	545	5,476	1,169	0	0	0	0	7,190
Net interest gain on deposit and accounts management	3,335	5,148	761	0	0	0	0	9,244
Net interest gain on financial transactions	0	0	0	74	427	-1,534	138	-895
Net interest income	**3,880**	**10,624**	**1,930**	**74**	**427**	**-1,534**	**138**	**15,539**
Fee and commission income	1,446	2,685	54	6,737	4,273	-223	-46	14,926
Fee and commission expense	-920	-417	0	-2,210	-930	-93	26	-4,544
Net fee and commission income	**526**	**2,268**	**54**	**4,527**	**3,343**	**-316**	**-20**	**10,382**
Net profit from financial instruments measured at fair value through profit or loss	189	2,983	-785	35	172	-1,453	0	1,141
Net profit from financial instruments not classified as measured at fair value through profit or loss	0	0	0	0	321	26	0	347
Profit from FX transactions	163	312	1,298	11	-17	-434	17	1,350
Other operating income	0	163	0	-118	185	5,512	-6,093	-351
OTHER NET OPERATING PROFIT	**352**	**3,458**	**513**	**-72**	**661**	**3,651**	**-6,076**	**2,487**
Operating income	**4,758**	**16,350**	**2,497**	**4,529**	**4,431**	**1,801**	**-5,958**	**28,408**
Operating expenses	-3,008	-4,181	-1,496	-2,391	-2,504	-4,800	-203	-18,583
OPERATING EARNINGS	**1,750**	**12,169**	**1,001**	**2,138**	**1,927**	**-2,999**	**-6,161**	**9,825**
Credit gains (+) and losses (-)	-25	-464	-8	0	-10	0	-69	-576
PROFIT BEFORE TAX	**1,725**	**11,705**	**993**	**2,138**	**1,917**	**-2,999**	**-6,230**	**9,249**

Balance sheet - excerpt								
Total debt securities*	0	133,634	126,377	0	0	0	1,924	**261,935**
Loans to customers**	61,024	517,992	70,000	0	0	0	42,262	**691,278**
Deposits from customers***	195,609	716,684	274,007	0	38,935	0	-17,328	**1,207,907**
Off-balance-sheet items								
Assets managed	**263,768**	**890,835**	**274,007**	**1,203,389**	**697,472**	**0**	**4,975**	**3,334,446**
Government securities	50,375	1,725	0	0	58,808	0	0	**110,908**
Mutual fund shares	2,400	20	0	1,203,389	143,527	0	0	**1,349,336**
Stock	15,384	172,406	0	0	299,418	0	0	**487,208**
Corporate bonds	0	0	0	0	154,210	0	0	**154,210**
Liquid assets	195,609	716,684	274,007	0	38,935	0	4,975	**1,230,210**
Other securities	0	0	0	0	2,574	0	0	**2,574**

* Total debt securities: BGS bonds, EXIM, MFB, MREL, IIB, Erste mortgage bonds at gross carrying value, net of accrued interest. Without government securities.

**Loans to customers: long-term loans provided to EXIM and the MFB Banks are presented here. Loans are presented at gross carrying value, net of accrued interest.

***Deposits from customers: figures are presented at gross carrying value, net of accrued interest.

Data in HUF millions

Comparable period	Retail Banking Services	Corporate Banking Services	Treasury services	Fund and Asset Management	Investment services	All other segments	Elimination and Adjustments	Total
Income statement - 30.06.2024								
Net interest gain on lending activities	468	4,003	1,052	0	0	0	0	5,523
Net interest gain on deposit and accounts management	3,152	7,196	836	0	0	0	0	11,184
Net interest gain on financial transactions	0	0	0	44	376	105	26	551
Net interest income	**3,620**	**11,199**	**1,888**	**44**	**376**	**105**	**26**	**17,258**
Fee and commission income	718	1,711	40	5,931	2,952	-232	-38	11,082
Fee and commission expense	-222	-199	0	-1,873	-554	-286	25	-3,109
Net fee and commission income	**496**	**1,512**	**40**	**4,058**	**2,398**	**-518**	**-13**	**7,973**
Net profit from financial instruments measured at fair value through profit or loss	208	-231	1,846	117	108	-437	0	1,611
Net profit from financial instruments not classified as measured at fair value through profit or loss	0	0	0	0	210	46	0	256
Profit from FX transactions	90	282	1,138	-1	1	-1,964	0	-454
Other operating income	120	0	0	-127	597	6,212	-6,516	286
OTHER NET OPERATING PROFIT	**418**	**51**	**2,984**	**-11**	**916**	**3,857**	**-6,516**	**1,699**
Operating income	**4,534**	**12,762**	**4,912**	**4,091**	**3,690**	**3,444**	**-6,503**	**26,930**
Operating expenses	**-3,241**	**-2,832**	**-1,515**	**-2,028**	**-1,927**	**-3,753**	**-280**	**-15,576**
OPERATING EARNINGS	**1,293**	**9,930**	**3,397**	**2,063**	**1,763**	**-309**	**-6,783**	**11,354**
Credit gains (+) and losses (-)	21	46	-526	-89	2	41	0	-505
PROFIT BEFORE TAX	**1,314**	**9,976**	**2,871**	**1,974**	**1,765**	**-268**	**-6,783**	**10,849**

Balance sheet - excerpt - 31.12.2024								
Total debt securities*	0	105,399	115,977	0	0	0	500	**221,876**
Loans to customers**	53,458	400,560	35,000	0	0	46,697	5,183	**540,898**
Deposits from customers***	170,117	659,539	334,345	0	32,969	0	-9,552	**1,187,418**
Off-balance-sheet items - 31.12.2024								
Assets managed	**71,943**	**5,222**	**0**	**1,117,881**	**646,275**	**0**	**0**	**1,841,321**
Government securities	54,072	1,337	0	0	56,125	0	0	**111,534**
Mutual fund shares	51	0	0	1,117,881	140,617	0	0	**1,258,549**
Stock	17,820	3,885	0	0	260,153	0	0	**281,858**
Corporate bonds	0	0	0	0	156,275	0	0	**156,275**
Liquid assets	0	0	0	0	32,968	0	0	**32,968**
Other securities	0	0	0	0	137	0	0	**137**

* Total debt securities: BGS bonds, EXIM, MFB, MREL, IIB, Erste mortgage bonds at gross carrying value, net of accrued interest. Without government securities.

**Loans to customers: long-term loans provided to EXIM and the MFB Banks are presented here. Loans are presented at gross carrying value, net of accrued interest.

***Deposits from customers: figures are presented at gross carrying value, net of accrued interest.

The Board of Directors approved the publication of condensed financial statements on 29 September 2025.

Éva Hegedűs	Jenő Siklós
chairperson & CEO	deputy CEO