

2025 Sustainability Bond Report

Empowering
Communities to Progress.

 **UniCredit**
Jelzálogbank

“

At UniCredit, we are focused on making real, measurable progress on our environmental and social commitments, and enabling a just and fair transition for the clients and communities we serve. Our Sustainability Bond Framework plays a powerful role in this, directing capital towards initiatives that can deliver the greatest impact and shape a greener, more inclusive and sustainable future. This is fundamental as we continue on our path to be the bank for Europe's future.

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This document is the annual Sustainability Bond Report on the allocation and impact of UniCredit's Green and Social Bonds issued to date. This report was prepared in line with UniCredit Group's Sustainability Bond Framework published in June 2021 (hereafter: "Framework").

Content

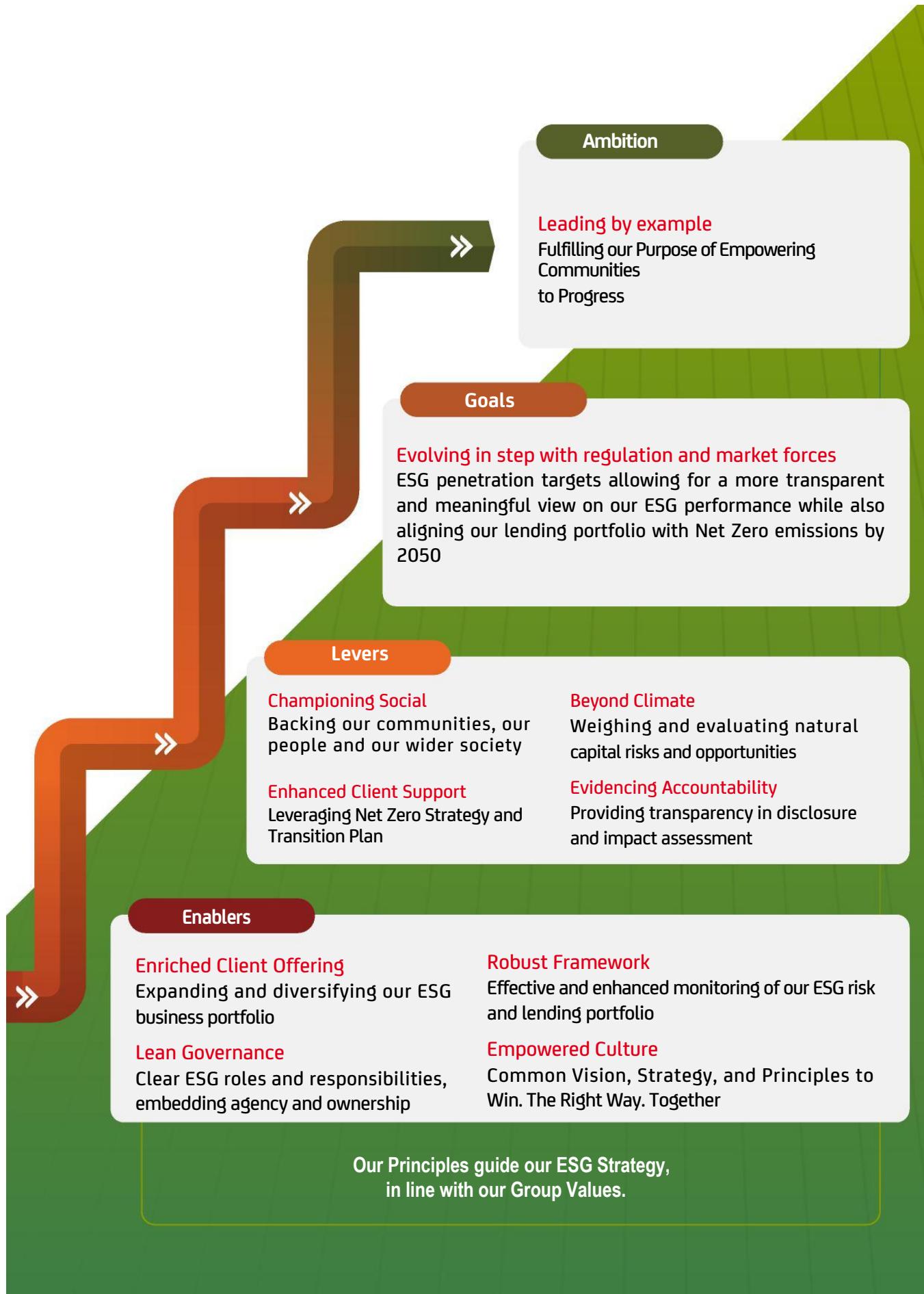
Content	3
ESG Strategy.....	4
Overview of UniCredit Group's Sustainability Bond Framework.....	7
UniCredit Jelzalogbank Green Bonds (Issued until 2024)	9
UniCredit Jelzalogbank Green Bonds (Issued after 2024).....	11
UniCredit Jelzalogbank Green Allocation.....	12
UniCredit Jelzalogbank Green Impact Reporting	14
Methodological Notes.....	15
Disclaimer.....	17

➤ ESG Strategy

UniCredit ESG Strategy
guided by our Principles
and aligned with our Values

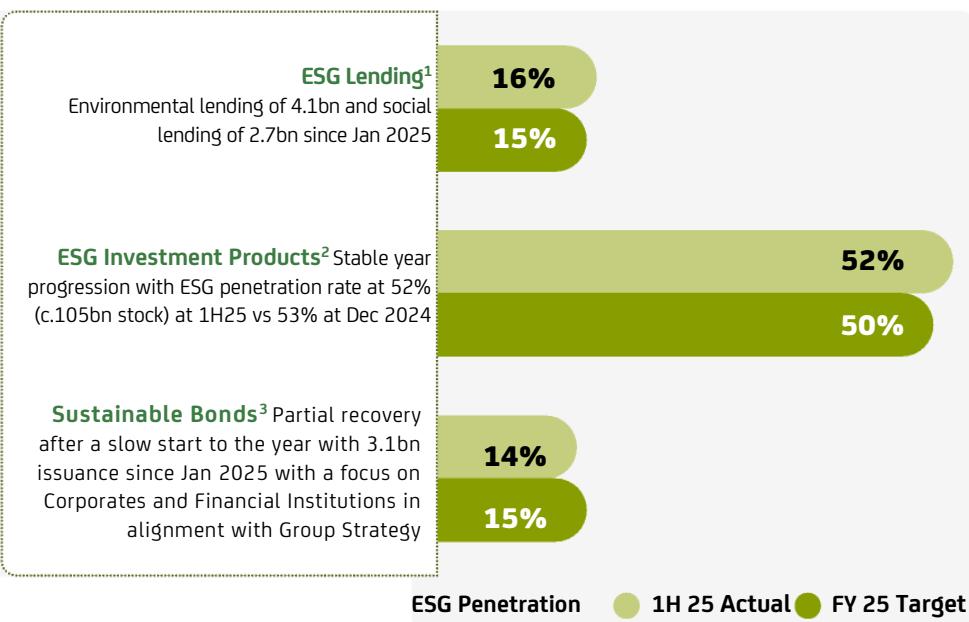
In a world of constant transformation, UniCredit continues to lead by example, making a difference on Social while supporting clients towards a just and fair transition.





Ongoing commitment to achieve 2025 ESG targets

Giving transparency on our ESG ambition by disclosing **ESG as a percentage of our total business**



ENVIRONMENTAL FOOTPRINT

OUR TARGETS

NET ZERO

On own emissions by 2030

NET ZERO

on financed emissions for lending and investment portfolio by 2050

OUR ACHIEVEMENTS

In 2024 our Group GHG emissions arising from own operations amounted to:

24,412 tCO₂e
(Scope 1)⁴

16,702 tCO₂e
(Scope 2 market-based)⁴

Proceeding **implementing our Net Zero Transition Plan** and advancing on Net Zero target setting: from January 2023 to July 2024 we disclosed 2030 intermediate targets on six sectors (i.e. Oil & Gas, Power Generation, Automotive, Steel, Shipping and Commercial Real Estate) and emissions baseline for Residential Real Estate⁴.

¹ KPI calculated as ESG new production Including Environmental, Social and Sustainability linked lending, divided by MLT loans new production in given period.

² Penetration rate over total stock, based on Art. 8 and 9 SFDR regulation.

³ LT Credit. KPI calculated as ESG All regions' bonds, including sustainability linked bonds, divided by all regions' bonds in given period.

⁴ For more information, please refer to the 2024 Annual Report published on our website (<https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/financial-reports/2024/4Q24/2024-Annual-Reports-and-Accounts.pdf>).



Overview of UniCredit Group's Sustainability Bond Framework

UniCredit strongly believes in the effectiveness of the sustainable finance market and its ability to channel investments to projects and activities with environmental and social benefits.

The Sustainability Bond Framework⁵ aims to support our ambition to align our business strategy with the needs of individuals and the goals of society as expressed in the United Nations Sustainable Development Goals and the Paris Climate Agreement.

The framework obtained a Second Party Opinion issued by ISS ESG which is the opinion that UniCredit's framework is aligned with ICMA guidelines and principles, is consistent with UniCredit Sustainability Strategy and the overall sustainability quality of the selection criteria is good.

UNICREDIT GROUP'S SUSTAINABILITY BOND FRAMEWORK: FOUR COMPONENTS

The four components of the Sustainability Bond Framework for the Issuance of Green, Social & Sustainability Bonds.



USE OF
PROCEEDS



PROJECT
EVALUATION
& SELECTION



MANAGEMENT
OF PROCEEDS



REPORTING

⁵ https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/ESG-investors/Sustainability-Bonds/UniCredit_Sustainability_Bond_Framework_18_6_21.pdf

Alignment with ICMA's Green and Social Bond Principles

UniCredit's bond issuances under the Sustainability Bond Framework are based on principles and guidelines introduced by the Green Bond Principles (GBP) 2021 version, the Social Bond Principles (SBP) 2021 version and the Sustainability Bond Guidelines (SBG) 2021 version as administered by the International Capital Markets Association (ICMA), collectively the Principles.

The UniCredit Group's Sustainability Bond Framework applies to any Green, Social or Sustainability bond issued by UniCredit SpA, UniCredit Bank GmbH, UniCredit Bank Austria and all subsidiaries of the UniCredit Group (jointly "UniCredit") and will remain in force as long as any of those instruments are outstanding.

Green and Social eligible categories



UniCredit Jelzalogbank Green Bonds (Issued until 2024)

**SENIOR
COVERED BOND
HU0000653472 – tr1**

Year	2021
Issue size	HUF 23,200 mn (=EUR 63.8 mn ⁶)
Maturity date	22 October 2031
Coupon	3.75% fixed
Order Book	HUF 37,050 mn (=EUR 101.8 mn ⁶)

INVESTOR AND GEOGRAPHICAL DISTRIBUTION (ALLOCATED)



- Central Bank
- Commercial banks
- Funds

 **35%**
of the bonds were placed with **investors with an
ESG/Green focus**



- Hungary

 **100%**
of the bonds were allocated to **Hungarian
market**

**SENIOR
COVERED BOND
HU0000653472 – tr2**

Year	2022
Issue size	HUF 5,000 mn (=EUR 11.8 mn ⁶)
Maturity date	22 October 2031
Coupon	3.75% fixed
Order Book	HUF 8,850 mn (=EUR 20.9 mn ⁶)

INVESTOR AND GEOGRAPHICAL DISTRIBUTION (ALLOCATED)



- Central Bank
- Commercial banks

 **46%**
of the bonds were placed with **investors with an
ESG/Green focus**



- Hungary

 **100%**
of the bonds were allocated to **Hungarian
market**

⁶ Where EUR equivalent is mentioned in the document, the FX rate of the issuance date is used.

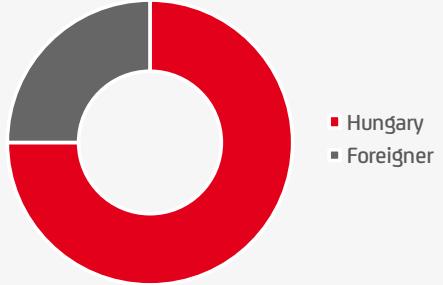
**SENIOR
COVERED BOND
HU0000653639 – tr1**

Year	2023
Issue size	HUF 20,000 mn (=EUR 51.9 mn ⁶)
Maturity date	23 May 2029
Coupon	7.5% fixed
Order Book	HUF 27,500 mn (=EUR 71.3 mn ⁶)

INVESTOR AND GEOGRAPHICAL DISTRIBUTION (ALLOCATED)



- Commercial banks
- Multilateral institutions
- Central Bank
- Funds



- Hungary
- Foreigner



53%

of the bonds were placed **with Investors with an ESG/Green focus**



75%

of the bonds were allocated to **Hungarian market**

25%

of the bonds were allocated to **foreign market**



UniCredit Jelzalogbank Green Bonds (Issued after 2024)

**SENIOR
COVERED BOND
HU0000653837 – tr1**

Year	2025
Issue size	HUF 20,000 mn (=EUR 49.1 mn ⁶)
Maturity date	28 April 2030
Coupon	3M BUBOR+85bps floater
Order Book	HUF 20,000 mn (=EUR 49.1 mn ⁶)

INVESTOR AND GEOGRAPHICAL DISTRIBUTION (ALLOCATED)



■ Commercial banks



■ Hungary



0%

of the bonds were placed **with Investors with an ESG/Green focus**



100%

of the bonds were allocated to **Hungarian market**



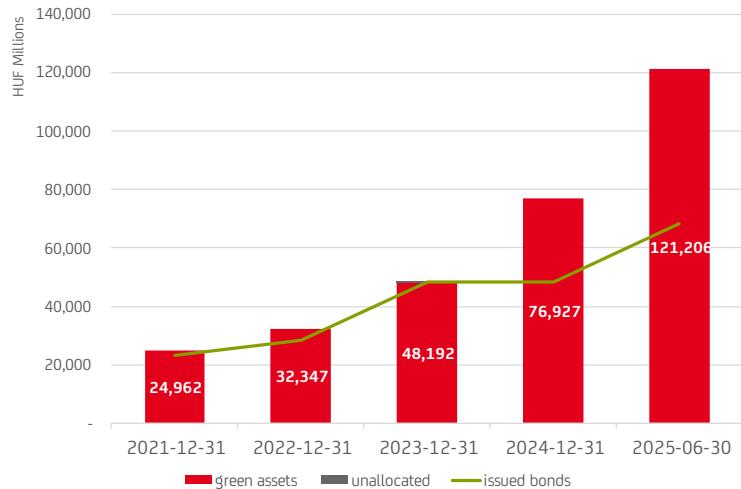
UniCredit Jelzalogbank Green Allocation

ALLOCATION

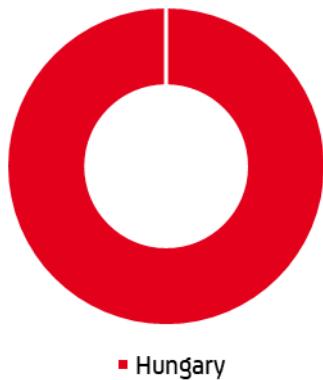
Based on the green asset selection criteria, the 98% allocation rate at the framework launch - increased to 178% by the report date, thanks to the new green asset collection. On the report date the total funds from the green covered bond issuances are fully utilized for green asset financing.

The development of fund allocation from green covered bond issuance is shown in the chart.

All amounts are presented in HUF currency, since the issued bonds and allocated green assets are settled in HUF.



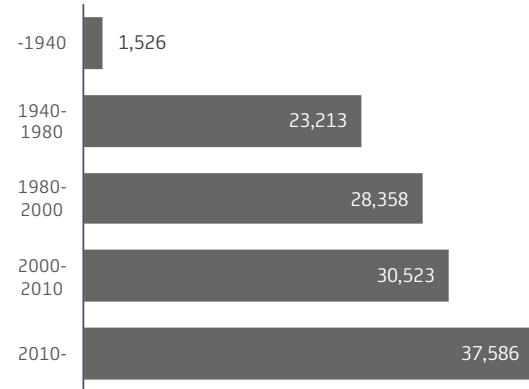
BREAKDOWN BY REGION



SEGMENTS



PROPERTY AGE



The total amount is allocated to finance residential buildings located in Hungary.

	Outstanding (HUF mn)	% on TOTAL	Avg Tenor (y)
 Green Building	68,200⁷	100%⁷	17.2⁷
o/w EPC 'A+++'	516	0.43%	20.7
o/w EPC 'A++'/'AA++'	1,155	0.95%	17.6
o/w EPC 'A+'/'AA+'	4,434	3.66%	19.3
o/w EPC 'A'/'AA'	3,562	2.94%	16.2
o/w EPC 'B'/'BB'	16,262	13.42%	17.9
o/w EPC 'C'/'CC'	63,997	52.80%	17.0

EXAMPLE OF ELIGIBLE GREEN ASSETS

The example presentation is not possible, due to GDPR reasons. The green asset pool contains exclusively residential properties.

⁷ The total outstanding amount, % on TOTAL and Avg Tenor also contains green buildings based on other criteria than EPC

UniCredit Jelzalogbank intends to allocate an amount equal to the net proceeds from any issue of green covered bonds to advance the refinancing of green assets which are in alignment with the energy efficiency criteria of the Bank's Green Bond Framework⁸. UniCredit Jelzalogbank has acceded the international UniCredit Group's Sustainability Bond Framework⁹ based on the International Capital Markets Association's (ICMA) Green Bond Principles, validated by the external reviewer ISS ESG's Second Party Opinion (SPO).

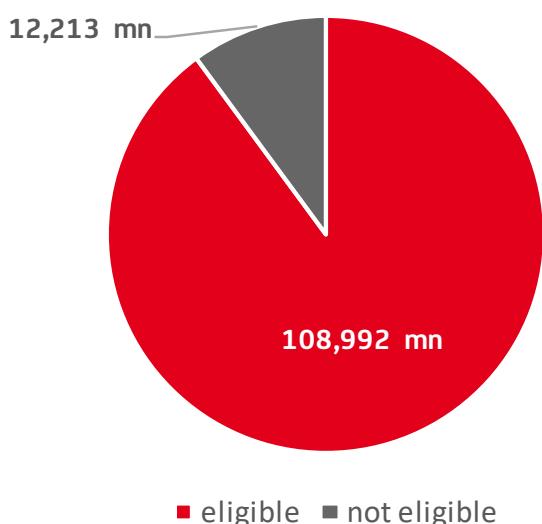
POOLING AND GRANDFATHERING CLAUSE

UniCredit Jelzalogbank -, relating to inaugural issuance on 28 October 2021 - undertook to entrust an external green advisory firm, Drees & Sommer (Stuttgart), for final green asset assessment on existing asset subpool of the cover pool and for environmental impact calculation. Using the results of a comprehensive study published in September 2023, the Issuer has updated the criteria for buildings that can be classified as the top 15% of the Hungarian residential building stock based on their energy performance¹⁰ and adapted the Annex I of EU Taxonomy Regulation. Although the new criteria are less ambitious than the previous ones (see the criteria on page 16), based on the referenced article, the new thresholds more precisely represent the top 15% of Hungarian residential building stock in terms of energy performance. The previous study analyzed a selected non-representative sub portfolio, whereas the new - currently utilized - study estimates the characteristic of total Hungarian residential stock, therefore it can be considered as representative. This means that the assets allocated to the green mortgage bond issued after 31 December 2024 have a less favourable total environmental impact sum (Annual energy savings and Annual CO₂e savings indicators, see impact report on page 14) compared to the green mortgage bonds issued before 31 December 2024. The difference between the two environmental impact indicators of the bonds not only comes from the change in the criteria, but also from the notional value of the green bonds. The modification of criteria only applies to mortgage bonds issued after 2024. In a grandfathering clause, the Issuer commits 100% allocation for mortgage bonds issued before 2024 (HU0000653472-tr1 & HU0000653472-tr2 & HU0000653639-tr1) until bond maturities, reported as pool 'Mortgage bonds issued until 2024'. In case of mortgage bonds issued after 2024 (pool 'Mortgage bonds issued after 2024'), only those assets can be allocated that are not allocated to pool 'Mortgage bonds issued until 2024'.

On the report date the total funds from the green covered bond issuances are fully utilized for green asset financing.

Pool	Green assets (HUF mn)	Issued bonds (HUF mn)	Allocation rate
Mortgage bonds issued until 2024	48,207	48,200	100.02%
Mortgage bonds issued after 2024	72,998	20,000	364.99%
Total	121,206	68,200	177.72%

BREAKDOWN BY TAXONOMY ELIGIBILITY



⁸https://www.jelzalogbank.hu/investor_information/green%C2%A0bond%C2%A0framework/green%C2%A0bond%C2%A0framework.html?defaultLanguage=enlish

⁹https://www.unicreditgroup.eu/content/dam/unicreditgroup-eu/documents/en/investors/ESG-investors/Sustainability-Bonds/UniCredit_Sustainability_Bond_Framework_18_6_21.pdf

¹⁰ Criteria of buildings with energy performance within the top 15% of Hungarian residential building stock based on the following study: Bene M, Ertl A., Horváth Á., Mónus G, Székely J.: Estimating the Energy Demand of the Residential Real Estate Stock in Hungary Based on Energy Performance Certificate Data, Financial and Economic Review, Vol. 22 Issue 3, September 2023, pp. 123–151.



UniCredit Jelzalogbank Green Impact Reporting

This section summarizes the main key environmental impact indicators associated with the eligible category. The choice of indicators was guided by the Sustainability Bond Framework as well as by the "The Green Bond Principles - ICMA (Handbook Harmonized Framework for Impact reporting)". Furthermore, this impact reporting is in line with the work that UniCredit is carrying out on the European Taxonomy. Indeed, UniCredit focused this impact reporting on the assessment of Eligible Green Asset contributions to climate change mitigation.

Following you will find the results and methodology of our assessment of avoided carbon emissions related to UniCredit Jelzalogbank's green buildings portfolio. The calculation of CO₂-equivalent (CO₂e) savings is based on the energy demand for heating and the energy demand for electricity of green buildings. In order to convert heating energy demand savings into avoided carbon emissions, a conversion factor is applied based on the benchmark's specific heating sources (in case CO₂ emission data is not available from EPC, either because it is not included in EPC or in the database).

For the first green bond issuance UC Jelzalogbank has mandated the well-known real estate consulting company Drees & Sommer to analyze its mortgage portfolio and to provide methodology for valid assessment of energy savings and avoided carbon emissions. In case of bonds issued before 2024, the environmental impacts are calculated based on the methodology received from Drees & Sommer. This methodology allows to estimate Primary Energy Demand of buildings in case there is no EPC available. In case of bonds issued after 2024, only those buildings can be considered as green that have EPC. When PED is missing, the energy demand is estimated conservatively as the upper limit of the EPC category.

The impact measures of the report are Loan-to-Value (LTV) adjusted in line with ICMA guidelines and principles.

	Annual energy savings (GWh/year)	Annual CO ₂ e savings (tCO ₂ e/year)	Investment intensity (tCO ₂ e/m€ ⁶ /y)	Final energy benchmark (kWh/m ² /year)	CO ₂ e benchmark (kgCO ₂ e/m ² /year)
30 June 2024	6.77	1,861	14.60	180.16	49.50
30 June 2025 (mortgage bonds issued before 2024)	5.26	1,447	11.35	165.46	45.51
30 June 2025 (mortgage bonds issued after 2024)	2.14	578	11.77	165.46	45.51

The total annual energy saving for 2025 was 7.40 GWh/year which corresponds to the annual electricity consumption of 3,384 average Hungarian households (based on 2024 data). The total annual CO₂e savings for 2025 was 2,025 tCO₂e which corresponds to the amount of CO₂ emitted by an average Hungarian passenger car over cca. 13 million km (based on 2021 data)

BREAKDOWN BY ENERGY PERFORMANCE CERTIFICATE

	Green amount (HUF mn)	Annual energy savings (GWh/year)	Annual CO ₂ e savings (tCO ₂ e/year)
EPC before 2023-11-01	89,295	5.09	1,401
EPC from 2023-11-01	25,372	1.66	434
Estimated EPC (b)	6,538	0.61	166

(b) The estimated Energy Performance is based on the build year and type of the building.

The average remaining tenor of financed portfolio is 17.2 years. The theoretical savings to loan maturity is 126.21 GWh and 34,261 tCO₂e from report date to loan maturity, considering unchanged 2025-year Hungarian benchmarks in each following years and unchanged green asset portfolio.

Energy Efficiency (EE)	Signed Amount	Share of Total Portfolio Financing	Eligibility for green Bonds	EE component	Allocated Amount	Average Portfolio Lifetime	Gross Building Area (c)	Annual Energy Savings, possibly per Unit of Financing	Annual GHG emissions Reduced/Avoided	Investment Intensity
Portfolio name	HUF	%	%	%	HUF	years	m ²	GWh	GJ	tCO ₂ e/m€ ⁶ /y
Total residential portfolio	68,200m	34.90%	100	100	68,200mn	17.2	948,112	7.40	26,651	2,025

Reference date 30 June 2025, with LTV adjusted impact measures

(c) Gross Building Area: For properties in the pool of UniCredit Bank Hungary: Total Net Useful Area is used which means useful living area with weighted balcony/terrace area, excluding basement/outbuildings determined by the value of the bank, for external pool properties: net building area. The value may differ from heated floor area recorded in the EPC which may affect the annual energy savings and annual CO₂e savings estimations.



Methodological Notes



GREEN BUILDINGS

The calculations are based on the loan dataset as of 30 June of 2025. The allocation is based on portfolio level (the amortized green assets are substituted by new green assets).

The presented environmental impact calculation based on the report date is a snapshot. The allocated amount and impact calculation base is the loan amount included in the covered bond cover pool.

In the calculations utilized Hungarian Benchmark characteristic is refreshed yearly. The Final Energy Benchmark is a function of total yearly energy consumption by Hungarian residential and total size of residential properties. The Primary Energy Factor is the weighted average of primary energy factors of the main energy sources of residential houses. The CO₂e intensity is the weighted average of CO₂e emission factors by main energy sources of residential houses.

Regarding property saving to benchmark calculation, the estimation of EUI (specific end energy consumption), in case of bonds issued before 2024, is based on the building years and property types (for properties built in 2021 or later EPC is mandatory, therefore the estimation of EUI is based on the upper limit of EPC category of the building). In case of bonds issued after 2024, the estimation of EUI is based on the upper limit of EPC category of the building. In case the overall energy performance is available from the EPC summary sheet, the individual EUI is calculated as the ratio of overall energy performance and the estimated Primary Energy Factor. The Final Energy Savings are calculated as the difference between EUI and benchmark to flat size. The carbon emission savings are calculated from energy savings and CO₂e intensity (in case CO₂ emission data is not available from EPC, either because it is not included in EPC or in the database).

The impact measures are LTV adjusted. The Share of Total Portfolio Financing measure demonstrates the average portion of outstanding financings to original property market values.

LOCAL GREEN ASSETS SELECTION CRITERIA

Construction or acquisition of residential green buildings which meet at least one of the following criteria (for details see Issuer's announcement on the Issuer's website: <https://www.jelzalogbank.hu/system/filesystem.html?file=/20250604/kriteriumrendszer20250108.pdf&type=related>):

Assets in the cover pool allocated to bonds issued before 2024

- For buildings built in 2021 or later:
 - The primary energy demand is at least 10% lower than the "Nearly Zero Energy Building" - Standard (NZEB)'s threshold
- For buildings built before 2021:
 - Buildings with Energy Performance Certificate (EPC) class 'A'
 - The energy performance of the building is within the top 15% of the Hungarian residential building stock.
- Implementation of energy efficiency solutions or renovations in buildings, which lead to a 30% increase in the building energy efficiency or at least two steps improvement in EPC label compared to the baseline before the renovation.

Assets in the cover pool allocated to bonds issued after 2024

- For buildings built in 2021 or later or buildings built before 2021 with loan purpose of construction of new building:
 - The primary energy demand is at least 10% lower than the "Nearly Zero Energy Building" - Standard (NZEB)'s threshold
- For buildings built before 2021 and the purpose of the loan is acquisition of buildings:
 - Buildings with Energy Performance Certificate (EPC) class 'A' (before 1st of January 2016) or class 'AA' (after 1st of January 2016).
 - The energy performance of the building is within the top 15% of the Hungarian residential building stock.
- Implementation of energy efficiency solutions or renovations in buildings, which lead to a 30% increase in the building energy efficiency compared to the baseline before the renovation.

Although, it is possible to flag buildings with energy efficiency solutions or renovations defined above as green, these type of properties are not included in the asset pool.



TOP 15%

The following assets are considered as top 15% of the Hungarian residential building stock:

Assets in the cover pool allocated to bonds issued before 2024 (for buildings built before 2021):

- PED from EPC dated 08/2012 or later is 118 kWh/sqm/year or better, or
- EPC - dated 08/2012 or later - label 'B' or better (before 2016) or 'CC' or better (after 2016), or
- Built in year 2013 or newer

Assets in the cover pool allocated to bonds issued after 2024 (for buildings built before 2021 and the purpose of the loan is acquisition):

- Houses with Primary Energy Demand from EPC less than 214 kWh/sqm/y, or
- Flats with Primary Energy Demand from EPC less than 133,6 kWh/sqm/y



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Impact calculation

Quantifying emissions related to the funded portfolio presents a number of difficulties: amongst other reasons, data scarcity is typical where data quality and reliability is low, and in the absence of good practices, there is no consensus on how much of the output of the clients they finance. When evaluating the sustainability metrics, it is advisable to take into account the outdated condition of the Hungarian real estate portfolio, and also the fact that without dedicated energy modernization programs, only moderate successes can be achieved in the field of energy renewal of the used residential real estate portfolio.

UniCredit Jelzálogbank Zrt.

A mortgage covered bond issuer specialized financial Institution.

Registered Office and Head Office in Budapest, Hungary: H-1054 Budapest, Szabadság tér 5-6.

Internet: www.jelzalogbank.hu

Phone: +36-1-301-5500

Asset Controller: PricewaterhouseCoopers Könyvvizsgáló Kft., H-1055 Budapest Bajcsy-Zsilinszky út 78.

Public Auction's Lead Manager: UniCredit Bank Hungary Zrt., H-1054 Budapest, Szabadság tér 5-6.