GRÁNIT Bank Plc.

GRÁNIT Bank Prudential Group audited, consolidated financial statements

Disclosure in accordance with the requirements of Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR)

(qualitative/textual and quantitative/numerical information)

31 December 2025

Table of Contents

1. Declarations

The Board of Directors of GRÁNIT Bank Nyrt. (registered office: 1134 Budapest, Váci út 17; company registration number: 01-10-041028) hereby makes the following declarations in conjunction with the adoption of the Disclosure Document:

Statement on compliance with disclosure obligations
In accordance with Article 431***(3) of Regulation (EU) No 575/2013*** of the ***European Parliament and of the Council (hereinafter: CRR)***, the Board of Directors ***hereby*** declares that the GRÁNIT Bank Prudential Group (hereinafter: GRÁNIT Group or the Group) fulfils its disclosure obligations set out in Part 8 of the CRR – 'Disclosure by institutions'.

Pursuant to Section 263(3) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: Hpt.)[1] , the GRÁNIT Group's auditor verifies the content and accuracy of the disclosed information and data as part of the audit.

Statement on the adequacy of the risk management system
In accordance with Article 435(1)(e) of the CRR, the Board of Directors hereby declares that the risk management system applied within the GRÁNIT Group is appropriate in view of the Group's profile and strategy, and is consistent with its adopted Risk Strategy[2] .

Summary risk statement
In relation to Article 435(1)(f) of the CRR, the Board of Directors declares that the GRÁNIT Group's Risk Strategy is developed in line with the annual business and strategic planning cycle, by aligning business objectives with acceptable risk levels, covering all risks that pose a material risk to the Group's operations. Of the risks arising from the Group's lending activities, credit risk is the most significant.
The Group's overall risk profile is consistent with the risk appetite defined in the Risk Strategy, which is constrained by limits defined as risk appetite in line with the desired risk level.
The Risk Strategy, which encompasses the framework for risk-taking and quantifies risk appetite, is approved by the Board of Directors and the Supervisory Board at least once a year. The Group's Board of Directors and risk management committees regularly monitor the development of and compliance with risk exposure limits in accordance with their respective remits.

Summary liquidity risk statement
In relation to Article 451a (4) of the CRR, the Board of Directors declares that it considers the GRÁNIT Group's liquidity risk management system to be adequate and consistent with the institution's risk profile and business strategy.

---

[1] Section 263 of the Hpt.
(3) As part of the audit of a credit institution, the auditor shall verify the content and accuracy of the information and data disclosed to the public.

[2] The Risk Strategy forms part of the Capital Adequacy Policy.

The audited, consolidated figures for the liquidity ratios required by law as at 31 December 2025 are set out in the following table:

Ratios	2025.12.31	
	Factual	Legal Limit
Liqudity Coverage Ratio (LCR)	166.4%	min. 100%
Net Stable Funding Ratio (NSFR)	138.4%	min. 100%
JelzMorgage Funding Rario (MFR)	Not Applicable	min. 25%
Foreign Currency Funding Ratio (FCFR)	129.37%	min. 100%
Foreign Currency Balance Ratio (FCBR)	0.0539%	min. -30% és max. 15%
Interbank Funding Ratio (IFR)	13.70%	max. 30%

The Bank's liquidity reserves consistently and significantly exceed both the regulatory requirements and the limits determined in accordance with the Bank's own methodology, taking into account the Bank's stage of development and strategy.

Based on the above, the liquidity risk management system in place is prudent and risk-aware, and is consistent with the Bank's risk profile and strategy.
In light of all this, it can be concluded that the Group has comfortably met all statutory ratios and maintains a sufficient liquidity buffer relative to regulatory requirements.

2. Introduction

GRÁNIT Bank Public Limited Company (hereinafter: GRÁNIT Bank or the Bank) in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013[3] (hereinafter 'CRR'), and in accordance with GRÁNIT Bank Nyrt.'s "Disclosure Policy", GRÁNIT Bank Nyrt. hereby discloses the material, non-protected and non-confidential information detailed below, based on the audited, consolidated figures as at 31 December 2025.

The Bank has not identified any information that is protected or confidential for the purposes of disclosure.

The Bank is committed to providing market participants with a transparent and comprehensive picture of the Group's risk profile.

For the purposes of disclosure, the CRR distinguishes between three types of institutions and imposes different disclosure obligations on them:

- Article 433a – Disclosure by large institutions
- Article 433b – Disclosure by small and non-complex institutions
- Article 433c – Disclosure by other institutions (institutions not covered by Articles 433a or 433b)

In 2021, the Magyar Nemzeti Bank determined, on the basis of the criteria set out in Article 4(1) points 145[4] and 146[5] of the CRR, the size category to which the Bank belongs.

In assessing compliance with these criteria, the Magyar Nemzeti Bank concluded that the Bank falls within the category of small and non-complex institutions[6] .
In accordance with the Hungarian National Bank's assessment, the Bank and the Banking Group determine the frequency of disclosure and the scope of information in accordance with Article 433b of the CRR.

[3] Articles 431-455 of the CRR
[4] Article 4(1)(145) of the CRR: definition of a 'small and non-complex institution'
[5] Article 4(1)(146) of the CRR: definition of 'large institution'
[6] Letter dated 6 April 2021, reference number 26338-102/2021, issued by the MNB.

On this basis, the Bank has the following disclosure obligations under the CRR:

Article 433b of the CRR
(1) Small and non-complex institutions shall disclose annually the information referred to in the following provisions:
(a) Article 435(1)(*a), (e)* and *(f)*;
(b) Article 438*(c), (d)* and (da);
(c) Article 442*(c)* and *(d)*;
(d) the key performance indicators referred to in Article 447;
(e) Article 449a;
(f) Article 449b;
g) points *(a) to (d), (h), (i)* and *(j)* of Article 450(1).

The Bank does not make use of the temporary treatment of unrealised gains and losses measured at fair value against other comprehensive income referred to in Article 468 of the CRR, nor does it make use of the option set out in Article 473a of the CRR; and therefore the Bank has no quantitative disclosure obligations arising from these two Articles[7] .

The Bank and the Banking Group fulfil their disclosure obligations under Part Eight of the CRR only on a consolidated basis, and not on an individual basis.

This document contains information relevant to the 2025 financial year, as at 31 December 2025, in accordance with the audited, consolidated financial data.

The Bank discloses the information on a consolidated basis in accordance with Article 6(3) of the CRR, in line with the group composition set out in the decisions of the Magyar Nemzeti Bank (hereinafter: MNB) concerning consolidated supervision.

The GRÁNIT Bank Prudential Group comprises GRÁNIT Bank, which performs group management functions, and its subsidiaries subject to consolidated supervision.

The GRÁNIT Bank Prudential Group comprises the following[8] :

Financial institutions:	GRÁNIT Bank Plc.
	Gránit Financial Leasing Ltd.
Investment firm:	EQUILOR Investment Ltd.
Investment fund manager:	Gránit Fund Management Ltd.
Other company:	Tarragona Holding Ltd.
	Gránit Leasing Ltd.

The Bank applies the full consolidation method to undertakings subject to consolidated supervision, with the exception of Tarragona Holding Zrt.

This report is published exclusively in electronic form on the same platform as the financial statements.

[7] Recommendation No. 6/2022. (22 April) on uniform disclosure relating to transitional rules for the temporary treatment of unrealised gains or losses on government securities measured at fair value through other comprehensive income and for mitigating the impact of the introduction of IFRS 9 on regulatory capital – Point III.4

[8] By Decision No. H-EN-I-360/2024 dated 24 July 2024, the MNB established consolidated supervision over the GRÁNIT Banking Group.

This document is published in accordance with Part 8 of the CRR (Articles 431–455) and the related Commission Implementing Regulation (EU) 2024/3172 of 29 November (EU) 2024/3172 of 29 November[9] (hereinafter the 'Implementing Regulation').

Article 16(2) of Implementing Regulation (EU) 2024/3172 stipulates that institutions shall disclose information on market risk by 31 December 2025 in accordance with Article 15 of Commission Implementing Regulation (EU) 2021/637[10] .

Annex 1 relates to this and sets out the structure within the document for the required information, in accordance with the textual tables detailed in the Implementing Regulation.

The quantitative information required by the CRR and the Implementing Regulation, together with its analysis, forms an integral part of the disclosure; for the sake of clarity, the tables are set out **in** a separate document, **Annex 2**.

Annex 4 to this document contains a summary of the Group's disclosure policy in accordance with Article 431(3) of the CRR and the relevant MNB recommendation[11] .

Annex 5 to this document sets out the availability within this document of the information set out in Part Eight, Titles II and III of the CRR.

It is of paramount importance to the Bank and the Banking Group that their business operations are conducted with the highest degree of transparency. To this end, with regard to disclosure, the Bank and the Banking Group ensure at all times that accurate, balanced and timely information is published when presenting their current and future positions.

3. GRÁNIT Bank has successfully concluded its fifteenth full financial year

Since its launch in 2010, the Bank has achieved steady, dynamic growth every year, thereby demonstrating that an innovative business model focusing on digital solutions can also be successful in Hungary.

The Bank commenced business operations in May 2010 under the name GRÁNIT Bank, with total assets of just over 7 billion forints; at that time, it was effectively operating as a brand-new, greenfield bank. After fifteen and a half years of operation, by the end of December 2025, GRÁNIT Bank had achieved audited, consolidated balance sheet total of 1,821.6 billion forints and a consolidated pre-tax profit of 22,7 billion forints, whilst steadily increasing the number of its retail and corporate customers, as well as its deposit and loan portfolios.

As a result of this dynamic growth, GRÁNIT Bank has carried out a number of successful acquisitions in recent years, in line with its long-term business strategy. By the end of 2025, it had become a banking group with three major subsidiaries.

In 2022, GRÁNIT Bank acquired a majority stake in Equilor Befektetési Zrt., and in 2023 it acquired Gránit Alapkezelő Zrt. (formerly Diófa Fund Management Ltd.), and in July 2024, the Bank acquired 100 per cent ownership of Gránit Financial Leasing Ltd. (formerly DeLage Landen

---

[9] COMMISSION IMPLEMENTING REGULATION (EU) 2024/3172 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards the disclosure by institutions of information referred to in Titles II and III of Part Eight of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637

[10] COMMISSION IMPLEMENTING REGULATION (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to the disclosure by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council, and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295

[11] Recommendation No. 7/2022 (22 April) of the Magyar Nemzeti Bank on the general requirements for disclosure practices under the Act on Credit Institutions and Financial Enterprises and the CRR

Finance Ltd.) and Gránit Leasing Ltd. (formerly DeLage Landen Leasing Kft.), which it acquired from the Dutch company DeLage Landen.

Through this growth, the Bank represents an attractive investment opportunity for investors, as evidenced by the steadily expanding circle of owners and the growing number of shareholders.

In 2024, the Bank's management deemed the time ripe to list on the stock exchange, a move that had been a strategic objective from the outset. As the first step in this process, the Bank was restructured into a public limited company, and then, in December 2024, with the offering more than three times oversubscribed, the Bank carried out an exceptionally successful IPO worth 17.7 billion forints, during which the Company's ordinary shares were listed on the Budapest Stock Exchange. This marked the largest capital raising in the Central and Eastern European region in the past 25 years through an IPO, with the participation of more than 1,800 new private and institutional investors.

3.1 The Bank's ownership structure

GRÁNIT Bank was launched in 2010 when Sándor Demján acquired the former WestLB subsidiary in Hungary. Éva Hegedüs, a founding co-owner of the Bank (through her shareholding in E.P.M. Kft.), is the architect of the digital business model and has led the Bank as Chief Executive Officer since its inception. The Chairman and Chief Executive Officer (via E.P.M. Kft.) remains a minority shareholder in the bank; she therefore has a vested interest in increasing the Bank's shareholder value not only as its chief executive but also as a shareholder.

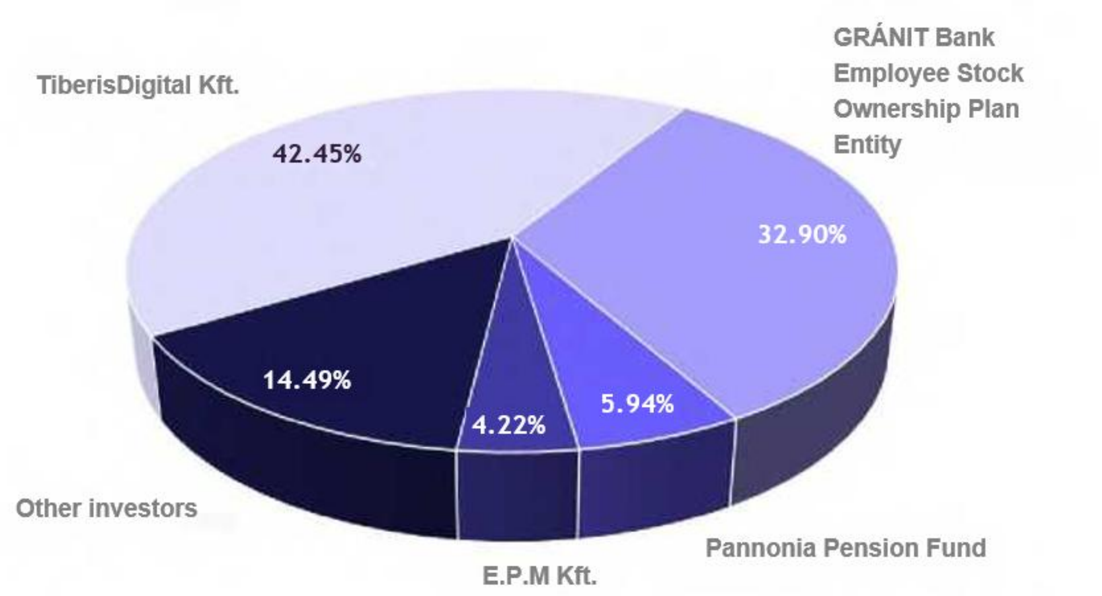
The Bank's shareholder base has gradually expanded since 2010 to include institutional, financial and private investors alike.

In 2022, István Tiborcz became the Bank's controlling shareholder through Tiberis Digital Kft. The transaction was driven by the Bank's innovative digital strategy and dynamic growth; the Bank's strategy and management remained unchanged.

GRÁNIT Bank launched its first employee share ownership scheme (MRP) in 2017, followed by three further schemes. The primary aim of these programmes is to further motivate employees to contribute to the long-term growth of shareholder value. In October 2024, prior to its stock market listing, GRÁNIT Bank's MRP organisation carried out a capital increase of 30 billion forints, thereby increasing its ownership stake to 32.90 per cent.

During the IPO carried out in December 2024, the Bank raised fresh capital worth HUF 17.7 billion, 65 per cent of which came from retail investors and 35 per cent from institutional investors. As part of the transaction, the Bank's ordinary shares were listed on the Budapest Stock Exchange. GRÁNIT Bank, Equilor Befektetési Zrt., MBH Bank Nyrt. and MBH Befektetési Bank Zrt. participated in the sale of the shares. 61.6 per cent of the accepted bids were placed with GRÁNIT Bank, more than 90 per cent of which were executed via the bank's mobile app, reflecting the commitment of an investor base receptive to digitalisation.

The Bank’s current ownership structure as at 31 December 2025 is shown in the figure below.



Breakdown of shareholders among shares listed on the Budapest Stock Exchange:

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

During the public capital raising at the end of 2024, E.P.M. Consulting Ltd., GRÁNIT Bank MRP Organisation, MBH Gondoskodás Pension Fund, Pannónia Pension Fund and Tiberis Digital Ltd. undertook not to sell or transfer their ordinary shares held prior to the transaction during the period from the first day of trading (23 December 2024), they would not sell or transfer their shares, either through stock exchange or over-the-counter transactions (lock-up).
An exception to this commitment is the sale of shares by the MBH Gondoskodás Pension Fund and the Pannónia Pension Fund pursuant to Section 9(1) of Government Decree No. 281/2001 (26 December) for the purpose of ensuring compliance with the law.

3.2 The Bank's governing and supervisory bodies, as well as its management

The group of executives responsible for the Bank's operational management and day-to-day running has remained virtually unchanged since its foundation.
The composition of the Board of Directors, the Supervisory Board and the management team as at the end of December 2025 is shown in the table below.

Board of Directors	Supervisory Board
Éva Hegedüs (Chairperson and Chief Executive Officer)	Sándor Nyúl (Chairman)
Péter Bence Jendrolovics (Deputy Chief Executive Officer)	Balázs Benczédi
János Major (Deputy Chief Executive Officer)	Dr Judit Gubuznai
István Vida (External Board Member)	Márton Oláh
Dr Judit Tóth (External Board Member)	Szabolcs Gábor Tóth

Management member	Position
Éva Hegedüs	Chairman and Chief Executive Officer
László Balázs Hankiss	Deputy Chief Executive Officer, Strategy and Analysis Division
Péter Bence Jendrolovics	Deputy Chief Executive Officer, Retail Division
János Major	Deputy Chief Executive, IT and Subsidiary Coordination Division
Zoltán Nagy	Deputy Chief Executive Officer, Compliance Division
Jenő Siklós	Deputy Chief Executive Officer of the Finance and Operations Division (Senior Deputy Chief Executive Officer)
Zoltán Béla Tölgyesi	Deputy Chief Executive Officer, Corporate Division

Audit Committee	Position
Sándor Nyúl	Chairman of the Audit Committee
Balázs Benczédi	Member of the Audit Committee
Dr Judit Gubuznai	Member of the Audit Committee
Márton Oláh	Member of the Audit Committee
Szabolcs Gábor Tóth	Member of the Audit Committee

The professional CVs of the members of the Board of Directors, the Supervisory Board and the Audit Committee, as well as those of the management, are included in the Corporate

Governance Report, which is available on the Bank's website at[12] and on the Budapest Stock Exchange's website at[13] .

Changes in personnel:

In view of the resignation of István Árkovics (former) member of the Supervisory Board from his position on the Company's Supervisory Board, the Company's General Meeting, at its Annual General Meeting held on 30 April 2025, elected Balázs Benczédi as a member of the Supervisory Board for a fixed term ending on 31 May 2027.
The Bank has a dual governance structure, in which the Board of Directors is the company's governing body with executive powers, whilst the Supervisory Board is the company's supervisory body with oversight powers, which monitors the Bank's management, business operations and the legality of its activities, and, amongst other things, approves the provisions of the Bank Group's Remuneration Policy. The Audit Committee, as a body, facilitates the effective functioning of the Supervisory Board and monitors the internal audit, risk management and reporting systems, as well as the activities of the auditor. The Board of Directors has established and operates standing and other committees to support management functions, including the Management Committee, the Assets and Liabilities Committee, the Credit Committee, the Non-Performing Loans Committee, the Subsidiaries Committee, and the Anti-Money Laundering and Counter-Terrorist Financing Committee

To ensure the Bank operates effectively, a number of other specialist committees are also in place, including, amongst others, the Consequence Management and Ethics Committee, the Breach of Confidentiality Management Committee and the Fraud Management Committee.

The Bank reports annually on the functioning of these bodies and committees in its Corporate Governance Report.

In 2025, the Board of Directors met 11 times, the Supervisory Board 8 times, and the Audit Committee 6 times. In addition to these meetings, 110 resolutions were passed by the Board of Directors and 37 by the Supervisory Board by way of written vote.

3.3 Events after the balance sheet date affecting the ownership structure and management

There were no events after the balance sheet date affecting the ownership structure or management.

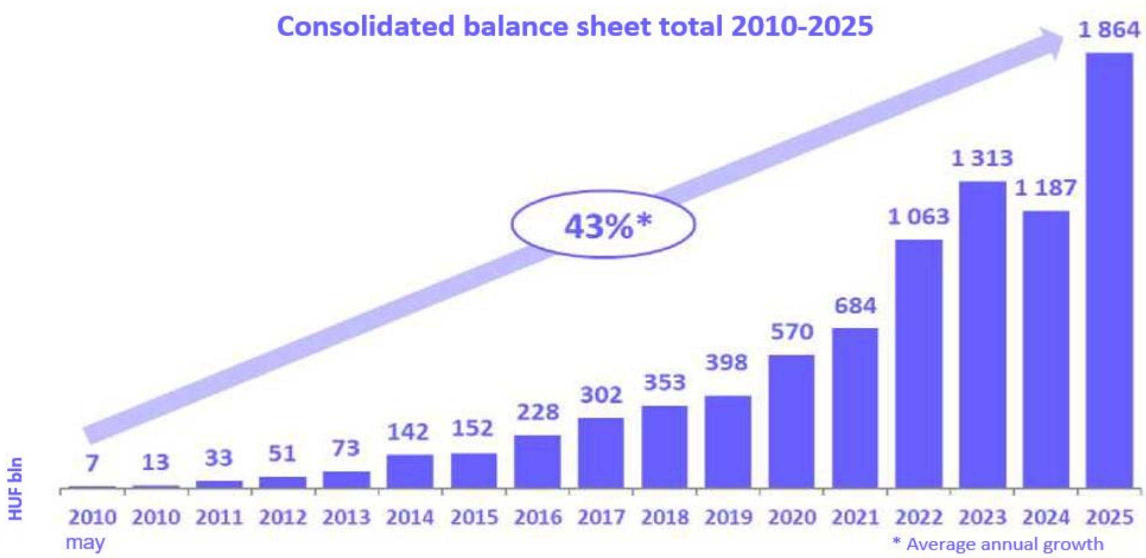
3.4 The Banking Group's results

The Bank has demonstrated in recent times that it can grow rapidly and successfully by combining a banking operating model based on electronic channels with simple, easy-to-understand and customer-focused service solutions, alongside the carefully planned and continuous expansion of its focus on a carefully selected customer segment.

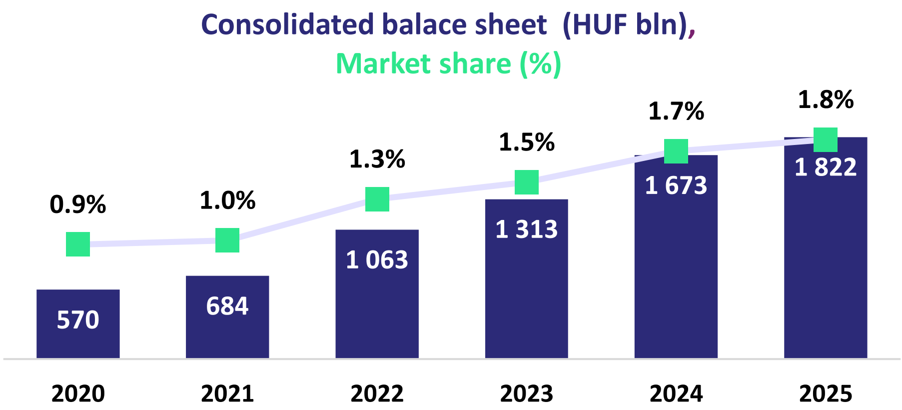
In 2025, the Banking Group continued the process of building the bank in line with its long-term strategy. As a result of the growth in business activity, the Banking Group's consolidated total assets approached 1,822 billion forints by the end of 2025, representing an 11.7 per cent increase compared with the previous year and an average annual growth rate of 43 per cent since its foundation.

GRÁNIT Bank achieved profitability for the first time in 2015, its fourth full financial year, as a result of its investments to date and the excellent structure of its portfolio.

[12] https://granitbank.hu/befektetoknek/kozzetetelek
[13] https://www.bet.hu/kereso?category=NEWS_NOT_BET&issuer=GR%C3%81NIT%20Bank%20Nyrt.



In 2025, the Banking Group achieved a prudential consolidated pre-tax profit of 22.7 billion forints, representing 98.8 per cent of the previous year's profit. Prudential profit after tax stood at 19.4 billion forints.
The Bank Group's market share of prudential consolidated total assets increased by 0.14 percentage points to 1.8% by the end of 2025.



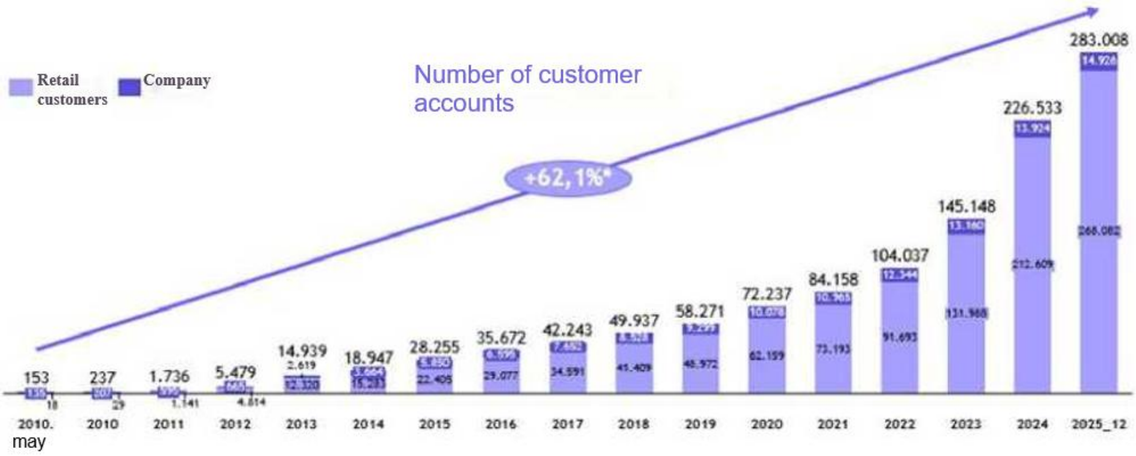
GRÁNIT Bank, which is committed to enhancing the competitiveness of the Hungarian economy and operates with domestic ownership, has now become a mid-sized bank as a result of its dynamic growth. GRÁNIT Bank aims to be a strategic partner to the general public and small and medium-sized enterprises, providing innovative and integrated financial services that enable financial matters to be managed simply, conveniently and quickly, with flexibility in terms of both time and location. The Bank participates in a wide range of economic development and retail programmes; it has been a BUBOR quoting institution since 2018, actively participates in programmes aimed at developing financial literacy, and is a committed advocate of environmentally conscious banking; furthermore, it supports the development of domestic culture and sport.

A key element of GRÁNIT Bank's strategy is to provide corporate and retail customers with financial services that are easy to understand, yet of a high standard and offering lasting value, through tailored solutions within a cost-effective operating model. GRÁNIT Bank aims to harness all the technological opportunities of the modern age to ensure fast and convenient customer service, whilst also bearing in mind environmental and sustainability considerations; it therefore places particular emphasis on service delivery via electronic channels.

GRÁNIT Bank acts as a partner in the pre-financing and co-financing of state and EU grants and has a stake in the long-term operation of the projects realised in this way. In this regard, it also relies strategically on its relationships with large corporations, which, with the Bank's active involvement, can help to revitalise the small and medium-sized enterprise sector.

Another key area of the Bank's strategy is the provision of retail payment services, the sale of diversified account packages and bank cards tailored to different customer habits, the provision of investment services, and the sale to its customers of home loans, home renovation loans, maternity loans and current account credit facilities to its customers, all whilst making the most of the opportunities offered by the online space.

The number of customers of the Gránit Banking Group rose by 19.2 per cent to 171,220 in 2025. Within this, the Bank's customer base continued to grow rapidly in 2025, with the number of retail customers rising by 23.0% and the number of corporate customers by 5.1%, thanks to innovations focusing on customer experience and convenient, straightforward banking, the numerous new features available in the eBank app, and effective marketing communications. Customer satisfaction and the rapidly growing brand awareness of the Banking Group have played a major role in this dynamic growth in customer numbers. Digital platforms play a particularly prominent role in raising brand awareness, a fact that is also reflected in the Group's marketing presence. Although the Banking Group appeared on television and in print media last year, communication campaigns were also launched on a number of new digital channels, including TikTok, with the involvement of influencers. The proportion of digital, 'selfie' account openings rose sharply; overall, more than 90.3 per cent of customers opened their accounts with the Gránit Banking Group entirely digitally (via the mobile app or Videóbank). A further 8.8 per cent began the account opening process digitally but ultimately decided to complete it at a branch. This means that 99 per cent of our customers initiated the account opening process digitally.
The following chart shows the trend in the number of customer accounts managed by the Bank within the Banking Group:



The driving force behind GRÁNIT Bank's growth, and the cornerstone of its strategy, is innovation, through which the Bank aims to simplify and facilitate financial matters – traditionally considered complex – for its customers as much as possible. GRÁNIT Bank regards the continuous expansion of the range of convenience services offered to customers as a fundamental business objective. GRÁNIT Bank has been at the forefront of online banking since its inception.

GRÁNIT Pay, launched in 2016 as the first of its kind in Europe, is a new-generation mobile banking wallet that allows a bank card to be digitised in a matter of seconds, after which contactless payments can be made at POS terminals using an NFC-enabled Android phone.

It had previously been possible to apply to open an account online; however, since 20 July 2017 – immediately upon fulfilment of the legal requirements – GRÁNIT Bank became the first in the country to launch online account opening linked to video identification via GRÁNIT VideoBank, which meets the most modern technological standards. Thanks to this development, the Bank's prospective customers can open a retail bank account that can be used in full from anywhere in the country without having to visit a branch in person. This innovative service has, for the first time in Hungary, made it possible to open a bank account via a smartphone, laptop or desktop computer, without having to visit a bank branch. An account can be opened in as little as 10 minutes, during which time the customer receives their contract and can already transfer money into their newly opened account.

GRÁNIT Bank's award-winning mobile app, the eBank service, is popular amongst its customers; it not only makes managing day-to-day finances quicker and easier, but is also more cost-effective and environmentally friendly, enabling the Bank to reduce costs for its customers. The app features a number of innovative, security and convenience functions. In the summer of 2018, GRÁNIT eBank was the first on the Hungarian banking market to be enhanced with the 'My Finances' expenditure analysis and financial management function, as no such feature had previously been integrated into a mobile banking app. The eBank module displays expenditure and income, which the app's self-learning algorithm presents in charts, broken down by month and categorised by type.

Customers had previously been able to block and unblock their cards via the app, as well as set transaction limits for their cards; in 2018, the ability to initiate bank transfers and set up fixed-term deposits was introduced as a new feature.

Among the innovations of 2019 were the option to open a securities account and purchase government securities via VideóBank as part of the expansion of digital banking services, both of which are also available online.

In 2020, the bank implemented the initiation and receipt of payment requests under the Instant Payment System and enabled payments based on the MNB's standard QR code. Artificial intelligence is revolutionising the account opening process; with its help, GRÁNIT Bank became the first in Hungary to introduce the option of opening an account via a selfie, meaning that a fully-fledged retail bank account can now be opened from home, without the assistance of a bank clerk, in just a few minutes. A further development is the so-called GRÁNIT Digital Card Service, which provides new customers with a contactless digital bank card suitable for shopping as early as the day after account opening – GRÁNIT Bank was also the first among Hungarian banks to introduce this. In 2020, there were also developments in the area of lending: the NHP Hajrá business loan is available at GRÁNIT Bank – the first in Hungary to offer it – with instant online pre-screening and a quick online application process. In the field of lending, the Bank introduced a unique digital smart calculator for the general public. With the Predictable Mortgage Calculator, it takes just 5 minutes and a few clicks to accurately work out how much a mortgage can be borrowed and what the monthly repayments will be; the calculator also helps customers put together the optimal combination of loans and available government schemes (mortgage, green loan, baby bonus, CSOK). Customers can submit and track the entire lending process via their online customer account. In addition, the Bank also offers retail customers the option to apply for the 'Babaváró' loan online.

During 2021, the Bank digitised its loan application processes. It moved the online application process for the 'Babaváró' loan entirely onto a digital platform, with contracts being concluded via VideóBank.

In 2021, the Bank optimised the entire mortgage lending process for digital channels.

From 2021, GRÁNIT Bank offered retail green mortgage loans under the NHP Green Home Programme on terms that were uniquely favourable in the market, through an end-to-end digital application process.

GRÁNIT Bank was among the first in the world – and the first commercial bank – to launch the Mastercard Carbon Calculator on 15 November 2021, which allows cardholders to see in their mobile banking app what impact their purchases have (in terms of CO_2 emissions) on the environment. In the eBank app, this impact can be offset with a single tap by funding tree planting.

The 'My Assets' feature has been added to the app, allowing customers to track changes in their total assets (current account, savings account, long-term savings account, fixed-term deposit, government bonds, shares and investment fund units).

The Bank has introduced a green bank card, made from rapidly biodegradable, environmentally friendly material. In the spirit of environmental awareness, the letters accompanying the cards – and even the envelopes – are made from recycled paper.

The Gránit Family app is the market-leading innovation of 2022, providing 6–18-year-olds with a tool that allows them to take control of their finances and develop their financial literacy, all under the safety of parental supervision. The app features Gránit's end-to-end user experience and a design tailored to children.

In October 2023, the Bank launched FairPay, a unique electronic payment solution based on payment requests, which it made available to higher education institutions in Hungary by integrating it into the Neptun system. Currently, more than 50,000 students at six universities are actively using it to settle study-related costs, with transactions totalling more than 2 billion forints.

The FairPay Payment Platform is a comprehensive payment solution (bank card and qvik); it is currently the only platform to offer contactless qvik payments via physical terminals (POS), as well as qvik-based payment solutions (qvik-QR, qvik-link) tailored to bulk invoicing processes.

The Bank is constantly developing FairPay to provide a unified, comprehensive payment platform that offers solutions for any payment scenario, from qvik payments right through to bank card purchases. By the end of 2025, FairPay had become a universal payment platform covering all payment channels – online, mobile and in-store.

The Bank became a sub-aggregator in 2025. From the second quarter of 2025, Gránit FairPay became the first on the market to enable the rapid and efficient bulk generation of up to several million unique qvik QR codes or qvik payment links for invoices, fee notices or other payment requests.

In 2023, we made it possible to open securities accounts, buy and sell government securities, and exchange foreign currency at a preferential mid-market rate via the eBank mobile app, up to a monthly limit of 550,000 Ft. Following the overhaul of the 'Babaváró' loan application process, applications can now be completed in as little as 30 minutes. New bank card features have been added to the eBank mobile app, allowing customers to apply for a new bank card and view their bank card details and the associated PIN code.

In 2024, the Bank Group expanded with a new subsidiary. The Bank acquired two Hungarian subsidiaries of the Dutch company DeLage Landen, thereby entering the leasing market under the name Gránit Lízing.
In 2024, the Bank launched its cross-border services in Romania, initially offering bank accounts, payment services and currency exchange.

In 2024, the eBank mobile banking app was enhanced with new features, such as a home insurance calculator, and Gránit GURU, a mortgage loan assistant powered by artificial intelligence (a generative AI solution), was launched.

At the end of 2024, the Bank also began offering investment services to its customers via the mobile app.

In 2024, the Bank began developing generative AI solutions for a number of business processes related to lending, with a view to making these processes as efficient as possible.

During 2025, the Bank's retail product range expanded further. Sales of the Munkás loan began at the start of the year; this can be applied for via the eBank app or by email, with the contract concluded via VideóBank.

In the middle of the year, the Bank entered the credit card market: the Gránit Gold Mastercard Credit Card can be applied for digitally via the eBank app, initially for existing customers. The credit application can be submitted easily, and the credit card can be used as early as the following day.

The Otthon Start preferential mortgage loan has been available to apply for online via the Digital Customer Portal since September 2025. The Bank also uses artificial intelligence solutions in the processing workflow, whilst the contract is signed in person in accordance with legal requirements. When the scheme was launched, the Bank offered the best-priced mortgage product available on the market. A key objective of the Bank is to encourage its customers to save regularly. Customers can easily set up standing orders to purchase investment units via eBank. The Bank also encourages regular savings through promotional offers.

The Bank's customers can link their DÁP (Digital Citizen Programme) ID to their bank account, enabling them to authenticate themselves using the DÁP app when logging into NetBank or when registering for the Gránit eBank mobile app.

Currency conversion at the mid-market rate is also available for accounts denominated in Romanian lei.

The Premium savings account package, which can be opened via the mobile app and offers daily interest payments with no fixed term, was launched in the final month of the year.

In line with its long-term strategy, the Bank has launched an AI-supported mortgage lending process, aimed at enhancing the customer experience and further improving cost-efficiency. Under this new solution, an AI-based agent assists loan officers in assessing the documentation submitted by customers.

The Bank has introduced an advanced real-time fraud monitoring system, which analyses bank transfer and card transactions using a complex set of rules even before the transaction is authorised, taking into account scores received from the Central Fraud Detection System (KVR). Thanks to this development, the number of bank card and transfer fraud cases at the Bank has fallen significantly, and in the six months following its introduction, total customer losses fell by 35 per cent compared with the previous six months.

The combination of innovative solutions and services tailored to customer needs forms the basis of GRÁNIT Bank's **'Bank of the Future in the** Present' concept.
In 2020, GRÁNIT Bank secured podium finishes in five categories at the Mastercard 'Bank of the Year 2020' competition, considered the most prestigious showcase for Hungarian banks. The independent jury awarded GRÁNIT Bank the titles of 'Premium Banking Service of the Year' and 'Sustainable Bank of the Year'; furthermore, GRÁNIT Bank was named – jointly with OTP Bank – 'Most Innovative Bank of the Year'. It also secured second place in both the 'Socially Responsible Bank of the Year' and 'Digital Banking Service of the Year' categories. In their justification for the awards, the judges highlighted that the Bank distinguishes itself from its competitors through continuous innovation and premium solutions that deliver an outstanding customer experience.

The Bank achieved outstanding performance in facilitating the MNB Growth Loan Programme 'Hajrá', launched in 2020; in the two months following the programme's launch, it granted the highest number of loans under the MNB scheme, for which it was the first to receive the NHP Hajrá Excellence Award from the Magyar Nemzeti Bank.
In 2022, GRÁNIT Bank took first place in two of the six categories in the Mastercard – Bank of the Year 2022 competition, as well as securing one second place and one third place. The independent jury awarded GRÁNIT Bank gold medals for 'Digital Banking UX Solution of the Year' and 'Youth Programme of the Year'; the Bank also took second place in the 'Sustainable Initiative of the Year' category for its Eco Calculator, and third place in the 'Premium Banking Activity of the Year' category. In their justification for the awards, the judges highlighted that the Bank sets itself apart from its competitors through continuous innovation and premium solutions that deliver an outstanding customer experience.

The Bank was recognised by Superbrands and awarded the "Outstanding Digital Credit Institution" trademark as part of the Digital Wellbeing Programme. "

In 2023, GRÁNIT Bank came first in three categories and second in one in the Mastercard – Bank of the Year 2023 competition, and was joint winner of the Bank of the Year title. The Bank received the 'Fastest-Growing Digital Bank in Hungary 2023' award from Global Banking and Finance Review magazine.

GRÁNIT Bank came second in the 'Retail Government Securities Distributor of the Year' category at the awards ceremony organised by the Government Debt Management Centre Ltd.

At the Exim Bank awards gala, GRÁNIT Bank received the "Most Dynamically Growing Refinancing Partner 2023" award.

In 2024, GRÁNIT Bank took first place in two of the nine categories across three segments in the Mastercard – Bank of the Year competition and was crowned the winner of the "Beyond Banking" segment. The independent jury awarded GRÁNIT Bank first place in the 'Cybersecurity Education Campaign of the Year' and 'Marketing Communications Campaign of the Year' categories, as well as second place in the 'Premium Banking Offer of the Year' category and three third-place finishes in the 'Financial Solution of the Year for Young People', "CSR Initiative of the Year" and "Fintech Collaboration of the Year". The awards recognised GRÁNIT Bank's business strategy, which sets the Bank apart from its competitors through continuous innovation and premium solutions that deliver an outstanding customer experience.

Gránit Bank won the Best Digital Bank award in the 2025 digital retail banking competition organised by *Global Finance*, a New York-based financial magazine.

In 2025, Global Banking and Finance Review Magazine, the renowned British financial publication, once again awarded Gránit Bank the 'Fastest-Growing Digital Bank in Hungary' award.

Furthermore, the Government Debt Management Centre awarded Gránit Bank the silver prize for “Retail Government Securities Distributor of the Year”, as well as the award for “Outstanding Online Retail Government Securities Seller of the Year”.

4. Risk management, principles and methods

4.1 Risk types relevant to the Bank and covered under Pillar 1

a) Credit risk, including:
   - credit risk,
   - counterparty risk,
   - credit valuation adjustment (CVA) risk,
   - settlement risk.

   The capital requirement for credit risk is calculated using the standardised approach, whilst the capital requirement for counterparty risk is calculated using the standardised approach (SA-CCR, Standardised Approach for Counterparty Credit Risk), the capital requirement for credit valuation adjustment (CVA) is determined by the Bank using the Basic Approach in accordance with Article 384 of the CRR, and the capital requirement for settlement risk is determined in accordance with Articles 378 and 379 of the CRR.

b) Market risks, including:
   - equity price risk in the trading book,
   - trading book interest rate risk,
   - total foreign exchange risk.

   The Bank determines the capital requirement for market risks using the standardised approach.

c) Operational risk, which covers all related risk sub-types as defined by legislation (human, system, legal, external, modelling, etc.).

   The Bank calculates the capital requirement for operational risk using the standardised approach (SMA).

4.2 The Bank’s internal capital adequacy assessment process, principles and strategy

Risk appetite, target risk profile

Risk appetite is the amount of risk that an organisation is prepared to take on and is able to tolerate.

Factors to be considered when determining risk appetite:

what type and level of risk the Bank intends to assume, and what return can be expected from it;

does the Bank have a comparative advantage in any particular area;

what are the Bank’s capital requirements in relation to its actual risks;

an inventory of all risks undertaken by the institution – including risks inherent in off-balance-sheet activities;

review and adjustment based on environmental, business and risk information and analyses.

It is the responsibility of the Bank’s governing body and management to determine the risk appetite and risk tolerance levels that serve the institution’s business and risk strategy.

The Bank builds its loan portfolio in line with its asset-liability strategy, giving preference to loans that are repaid on a cash-flow basis, whilst, of course, ensuring loan repayment through the provision of maximum collateral. In its lending activities, the Bank pays particular attention to negative impacts affecting specific sectors and makes its business decisions accordingly.

Setting targets and indicators

The Bank conducts risk management in such a way that the risk cost of the loan portfolio does not exceed 3.5 per cent of total assets. As long as the Bank applies the standardised approach, it aims to keep non-performing loans below 5 per cent. The Bank pursues a business policy that ensures compliance with the requirements for own funds set out in Article 92 of the CRR, the provisions on capital buffers set out in Sections 86–96 of the Banking Act, and the additional capital requirements prescribed by the MNB (Supervisory Authority).

Based on the medium-term strategy, the Bank's Board of Directors adopts a detailed annual financial plan. Within this framework, it conservatively estimates the degree of non-compliance and the cost of risk for each business line and product group, taking market information into account.

The Asset-Liability Committee monitors the composition and quality of the portfolio on a monthly basis. A risk report on the development of results and the quality of the portfolio is prepared monthly for the Executive Committee and quarterly for the Board of Directors.

The Bank limits its risk exposure by setting limits. Compliance with these limits is monitored and regularly measured using limits defined and established in accordance with internal regulations, and with the aid of a key information system developed by the Strategy and Analysis Division in accordance with internal regulations. This ensures (even under stress conditions) that the limits set and the risk indicators are consistent with the institution's risk appetite and risk tolerance.

The Bank has a detailed understanding of its risk profile – that is, the proportion of each risk type within the portfolio, as well as its concentration and significance – and the Assets and Liabilities Committee therefore monitors these on a monthly and quarterly basis. The main risks to which the Bank is exposed in the course of its operations are credit, market, liquidity and operational risks. The Bank currently regards credit risk as the primary risk type.

Among environmental risks, the Bank also takes into account the risks to its customers arising from climate change when formulating and reviewing its Sustainability Strategy and Corporate Social Responsibility Strategy, both of which are published on its website. As part of this, for example, in retail lending, by applying the list of localities detailed in the Collateral Valuation Policy, the Bank provides loans for properties located in regions less exposed to climate change; the Bank's marketing campaigns focus on digital operations. The Bank encourages its customers to adopt environmentally conscious banking practices through its free and advanced VideoBank, NetBank and eBank services. The Bank's business model also supports sustainability: its own carbon footprint is significantly smaller than that of other banks due to its two-branch business model (compared to competitors with a similar number of customers, the Bank operates with one-eighth as many branches).

A key part of the Bank's strategy is the gradual expansion of green lending, thereby helping to achieve the targets set out in the Paris Agreement on climate change.

The Bank measures the amount of paper saved through its digital operations and how many trees this saves from being felled. The Bank continuously measures and publishes the amount of carbon dioxide saved through its digital operations.

From 2020 onwards, the Bank has voluntarily produced a Sustainability Report using the Global Reporting Initiative's ([14]) methodology, which it has published on its website.

The Bank prepared its first legally required consolidated Sustainability Report for the 2024 financial year, and its second for the 2025 financial year. The Sustainability Report – which

[14] Global Reporting Initiative

includes the implementation of the CSRD[15] – was prepared in accordance with Act C of 2000 on Accounting. The Sustainability Report for the 2025 financial year was approved by the Bank's 2026 Annual General Meeting as part of the annual report. The Sustainability Report is published exclusively in electronic form on the same platform as the financial statements.

The subject of ICAAP ([16]) is regulated in the Bank's Capital Adequacy Policy. The ICAAP review must be carried out at such intervals – but at least once a year – as to ensure that risks are adequately covered and that the capital buffer reflects the Bank's actual risk profile. The annual review must also cover the fulfilment of the tasks prescribed by the Supervisory Authority during its previous year's inspection. Any change in the Bank's strategic focus, business plans, operating environment, or any factor that materially affects the assumptions or methodology of the Capital Adequacy Policy must result in an amendment to the policy. The Bank identifies new risks arising in its business operations and incorporates them into the Capital Adequacy Policy.

The Bank's simplified risk map and the approach to managing risk types:

Risk types	Capital requirement / risk management approach	Responsible organisational unit	Name of the policy governing its management
Credit risk	Capital requirement under Pillar 2: yes Method of calculating capital requirement = Managed under Pillar 1 Managed on an ongoing basis, limit	Credit Risk Management Directorate, Risk Control Directorate, Treasury Directorate, Strategy and Analysis Division	RISK-001/2016. Capital Adequacy Policy RISK-002/2011. Lending Policy RISK-013/2011. Risk-Taking Policy and Related Procedures RISK-001/2014. Counterparty Limit Management Policy RISK-015/2011. Monitoring Policy on Risk Exposure to Corporate Clients and Counterparties PÜFO-001/2014. Policy on the Management of Non-Performing Corporate Transactions and Procedures for the Recovery of Corporate Loans PÜFO-002/2014. Policy on the management and recovery of non-performing retail loans CONT-011/2011. Methodology for calculating capital requirements for credit and counterparty risk
Counterparty risk	Capital requirement under Pillar 2: yes Method for calculating capital requirements = Pillar 1 Managed as a process, limit	Treasury Directorate, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-001/2014. Counterparty Limit Policy
Credit Valuation Adjustment (CVA)	Capital requirement under Pillar 2: yes Method for calculating capital requirements = Pillar 1	Risk Control Directorate, Strategy and Analysis Directorate	RISK-001/2016. Capital Adequacy Policy

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

[16] ICAAP, Internal Capital Adequacy Assessment Process

Risk types	Capital requirement / risk management approach	Responsible organisational unit	Name of the policy governing its management
	Including counterparty risk		
Dilution risk	Not relevant	Not relevant	RISK-001/2016. Capital Adequacy Policy
Settlement risk - delayed settlement (Article 378 of the CRR)	Capital requirement under Pillar 2: yes Method of calculating the capital requirement = Pillar 1 Managed as part of a process, limit	Treasury Directorate, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-001/2014. Counterparty Limit Policy
Settlement risk - open delivery (Article 379 of the CRR)	Capital requirement under Pillar 2: yes Method of calculating capital requirement = Pillar 1 Managed as part of the process, limit	Treasury Directorate, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-001/2014. Counterparty Limit Policy
Securitisation risk	Not relevant	Not relevant	RISK-001/2016. Capital Adequacy Policy
Concentration risk (lending + other)	Capital requirement under Pillar 2: yes Method of calculating capital requirements: based on a comparison of the large exposure and own funds ratios Managed through a process, with a limit	Strategy and Analysis Division, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy CONT-003/2014. Large Exposure Policy RISK-013/2011. Risk-Taking Policy RISK-002/2014. -Recovery Plan
Country Risk	Capital requirement under Pillar 2: no Managed through processes, with limits	Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-008/2011 Country Risk Management Policy
Residual risk	Capital requirement under Pillar 2: no Managed through processes	Credit Risk Management Directorate, Risk Control Directorate	RISK-001/2016 Capital Adequacy Policy RISK-003/2011. Collateral Valuation Policy RISK-003/2017. Policy on Transaction Classification and Valuation, and on Impairment and Provisioning
High-risk portfolios (Annex 4 to the ICAAP/ILAAP/BMA Methodological Manual)	Capital requirement under Pillar 2: yes Method for calculating capital requirements: in accordance with Annex 4 of the ICAAP/ILAAP/BMA Methodological Handbook Managed on an ongoing basis, with limits	Strategy and Analysis Division, Credit Risk Management Directorate, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-013/2011. Risk Appetite Policy CONT-011/2011 Methodology for calculating capital requirements for credit and counterparty risk, RISK-015/2011 Monitoring Policy on the Organisation's Risk Exposure to Customers and Counterparties

Risk types	Capital requirement / risk management approach	Responsible organisational unit	Name of the policy governing its management
Risk associated with other assets (e.g. property)	Capital requirement under Pillar 2: yes Method for calculating capital requirements = Pillar 1 Managed as part of a process	Strategy and Analysis Division	RISK-001/2016. Capital Adequacy Policy
Operational risk	Capital requirement under Pillar 2: yes Method for calculating capital requirements = Pillar 1 + additional capita subject to individual decision Managed as part of the process	Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-009/2011. Operational Risk Management Policy ITI-014/2011. IT Security Policy
Legal risks and business conduct risks	Capital requirement under Pillar 2: no Managed through processes	Legal Directorate, Strategy and Analysis Division; Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-009/2011. Operational Risk Management Policy
ICT (Information and Communication Technology) Risk	Capital requirement under Pillar 2: no Managed through processes	IT Directorate, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy RISK-009/2011. Operational Risk Management Policy, ITI-001/2014. IT Operations Policy
Reputational Risk	Capital requirement under Pillar 2: no Managed as part of the process	Marketing Department and Communications and PR Department, Strategy and Analysis Division, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy
Market risks (trading book and foreign exchange risk)	Capital requirement under Pillar 2: yes Method of calculating capital requirements = VAR, SVAR Managed on an ongoing basis, with limits	Risk Control Directorate, Strategy and Analysis Division	RISK-001/2016. Capital Adequacy Policy CONT-001/2010. Policy on the Management of the Trading Book and the Determination of Capital Requirements
Interest rate risk in the banking (non-trading) book	Capital requirement under Pillar 2: yes Method of calculating capital requirement = Duration gap Managed as part of a process (hedging, product range design, etc.), limit	Treasury Directorate, Risk Control Directorate, Strategy and Analysis Division	RISK-001/2016. Capital Adequacy Policy TRE-003/2011. Policy on asset and liability management and its limit system, as well as the extent of open foreign exchange positions

Risk types	Capital requirement / risk management approach	Responsible organisational unit	Name of the policy governing its management
Modelling Risk	Capital requirement under Pillar 2: no Managed as part of the process	Risk Control Directorate, Strategy and Analysis Division, Credit Risk Management Directorate	RISK-001/2016. Capital Adequacy Policy RISK-001/2018. Model Validation Policy
Strategic and Business Risk	Process + capital requirement, where necessary	Strategy and Analysis Division	RISK-001/2016. Capital Adequacy Policy
Risks associated with corporate governance and control functions	Capital requirement under Pillar 2: no Managed through processes	all organisational units	RISK-001/2016. Capital Adequacy Policy JOG-003/2011. Organisational and Operational Policy COM-001/2015. Policy on the Establishment and Operation of Internal Control Lines
Liquidity risk	Capital requirement under Pillar 2: no Managed on an ongoing basis, via limits, liquidity reserves, partner relationships and trading limits received	Treasury Directorate, Risk Control Directorate, Strategy and Analysis Division	RISK-001/2016. Capital Adequacy Policy TRE-001/2012. Liquidity Policy TRE-003/2011. Liquidity Strategy and Liquidity Management Policy
Regulatory risks	Capital requirement under Pillar 2: no Managed as part of the process	Legal Department	JOG-003/2011. Organisational and Operational Regulations
Climate change and environmental risks	Capital requirement under Pillar 2: no Managed as part of a process	Strategy and Analysis Division	RISK-013/2011 Risk Appetite Policy RISK-001/2016 Capital Adequacy Policy
Stress tests	Process, limits, action plans, capital requirements, if necessary	Risk Control Directorate Contributors: Strategy and Analysis Division, Treasury Directorate, Credit Risk Management Directorate	RISK-001/2016. Capital Adequacy Policy TRE-001/2012. Liquidity Policy TRE-003/2011. Liquidity Strategy and Liquidity Management Policy RISK-002/2014. Recovery Plan
Capital requirements for stress tests	Capital requirement under Pillar 2: yes		RISK-001/2016. Capital Adequacy Policy

Risk types	Capital requirement / risk management approach	Responsible organisational unit	Name of the policy governing its management
Risk of excessive leverage	Managed through processes, with limits	Strategy and Analysis Division, Treasury Directorate, Risk Control Directorate	RISK-001/2016. Capital Adequacy Policy

Areas of responsibility and duties are set out in detail in the Bank's internal policies.

Risk types covered under Pillar 2

Credit risk
- Concentration risk
- country risk
- residual risk
- high-risk portfolios
- other: (e.g. model risk associated with credit risk)

Operational risk
- other: (e.g. modelling risk, legal risk, IT risk, reputational risk)

Market risk
- Interest rate risk in the banking book (not the trading book)
- Other: (e.g. model risk associated with market risk)

Other risks
- Strategic and business risk (business model risk)
- corporate governance and control functions
- stress testing
- Other: (e.g. general model risk, liquidity risk, regulatory risk)

The risk management concepts and procedures for each type of risk are set out in separate policies.

4.3 Credit risk

4.3.1 Risk strategy, processes, scope of application

The Bank manages risks in a prudent and conservative manner, taking care to ensure that customers do not incur debt in excess of their repayment capacity, even during periods of potential economic turbulence.

The Bank structures its portfolio in line with conservative risk management and a prudent business policy; to ensure the highest possible quality, it employs the following tools as part of its risk management strategy and policy:

- In expanding its asset base, the Bank focuses on building a portfolio of exceptionally high quality from a risk perspective.
- The ultimate objective of all the Bank's business activities is to generate a sufficient and sustainable profit after setting aside risk provisions (loan loss provisions, specific provisions).

- In accordance with internal regulations, the business and risk management divisions share responsibility for the quality of the Bank’s asset portfolio.
- A separate risk management division operates independently of the business division, as an organisational unit reporting directly to the Bank’s Chairman and Chief Executive Officer.
- The Compliance Division and Anti-Money Laundering (hereinafter: AML officers) carry out their activities organisationally separate from operations and risk-taking processes.
- The prudent and conservative risk management policies were reviewed again 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 operation of the risk management systems it has established, reviews the results wherever possible, and refines and further develops them based on experience. The Bank’s governing body, which has decision-making authority, approves, regularly reviews and assesses the strategies and rules relating to the segregation of duties within the organisation, the prevention of conflicts of interest, and the assumption, measurement, management, monitoring and assessment of risks, which also covers risks arising from changes in the macroeconomic environment and the economic cycle.
- The development of effective risk management processes forms part of the risk strategy.
- The risk management process forms part of the Bank’s comprehensive governance system, the principles of which are reflected in strategic and annual planning.
- Risk-taking is undertaken in all cases only up to the approved limit, in accordance with the guidelines of the Lending Policy.
- The Bank only assumes risks that are measurable and manageable, and which do not exceed its risk-bearing capacity. Risks are taken into account in business decisions.
- The Bank focuses its risk-taking on business activities where it possesses the necessary expertise and technical capabilities to assess, measure and monitor risk. The Bank’s risk management policy incorporates the principles of safe operation, avoidance of conflicts of interest, management of material risks, cost-benefit analysis, and avoidance of prohibited activities.
- The Bank operates a multi-tiered decision-making process for its lending decisions.
- Banking risks are determined in accordance with the Capital Adequacy Policy and the CRR.
- The Bank monitors exposures as part of its regular monitoring process and checks compliance with limits at the levels of the Lending Committee, the Assets and Liabilities Committee and the Board of Directors. The risk management policy also includes balancing and continuously monitoring the risk and return of positions.
- The prior approval of the Assets and Liabilities Committee (ALC) is required before the key risk management rules and policies, as detailed in the ALC’s rules of procedure, are submitted to other bodies.
- The Bank also applies the four-eyes principle when implementing risk-taking decisions, in order to ensure compliance and full adherence to the regulations.
- In order to minimise risks and capital requirements, the Bank only assumes risk against collateral or security of an appropriate quality, depending on the customer’s creditworthiness and the risk structure of the transaction: e.g. guarantees received, deposits, government securities as collateral, sureties, mortgage rights, etc.

The risks relevant to the Bank and the methods used to manage them are set out in detail below.

4.3.2 Organisational units and functions responsible for identifying, measuring and monitoring risks

The Bank has established and operates its internal lines of defence, as well as the individual elements forming part of them, in accordance with the relevant legal requirements and in line with the specific nature, scope, complexity and risks of the services provided by the Bank.

Accordingly, the Bank has established and operates internal lines of defence which facilitate:

- the Bank's reliable and efficient operation in compliance with legislation and internal regulations,
- the protection of the Bank's assets, the economic interests of its customers and owners, and its social objectives,
- and, through these, the Bank's smooth and effective operation and the maintenance of confidence in the Bank.

The primary task of the Bank's internal lines of defence is to contribute to the fulfilment of the above objectives in a preventive and proactive manner by identifying and addressing any problems or shortcomings that may arise during their operations at the earliest possible stage – as soon as they arise, or, where possible, even before they arise – thereby ensuring that solutions are swift and effective.

The Bank's internal lines of defence consist of responsible internal governance and internal control functions. The Bank ensures the implementation of responsible internal governance through the establishment and operation of the organisational structure, organisation and committee system set out in its Organisational and Operational Regulations, and through the exercise of management and control functions. The Bank has a separate policy on business continuity, which sets out in detail the procedures and areas of responsibility. The tools of the internal control functions are the risk control function, the compliance function and the internal audit system. These tools – which are independent of one another and of the functions they oversee – are governed by the Bank's separate regulations.

The Assets and Liabilities Committee regularly reviews the operation of the internal lines of defence and the individual subsystems forming part of them, and reports on this to the Board of Directors on a regular basis.

Separate regulations and rules of procedure govern the operation of the Bank's various decision-making bodies and committees (Board of Directors, Supervisory Board, Executive Committee, Credit Committee, EFB, Non-Performing Loans Committee) and the Internal Audit Department, as well as their relationships with one another.

Overall, the internal lines of defence function effectively. Meetings of the Management Committee and the Assets and Liabilities Committee are held at least monthly, whilst those of the Credit Committee, the Board of Directors and the Supervisory Board are held at least quarterly. Any shortcomings that arise are addressed through immediate measures.

The Compliance Division and AML officers also operate separately from operations and risk-taking processes.

In accordance with the relevant EU regulations, as well as the statutory provisions set out in the Banking Act (Bszt)[17] and the Credit Institutions Act (Hpt), the Bank has defined in a separate policy the specific cases of personal conflicts of interest, the possible types of conflicts of interest, the rules for managing conflicts of interest, and the business processes most frequently affected by conflicts of interest.

Risk management function:

Risk management is independent of the activities it supervises and controls, as well as from the compliance function and the internal audit function.

[17] Act CXXXVIII of 2007
on investment firms and commodity exchange service providers, and the rules governing the activities they may carry out

The organisational framework for the process by which risk appetite can be established, and the level of risk undertaken can be monitored and continuously maintained, has been defined within the risk strategy.

The Bank does not restrict its risk management activities solely to the risk management department; as an institution with a risk-aware culture, the management body, senior management and staff also share responsibility for managing the Bank's risks.

The Bank's risk areas are overseen by the Chief Risk Officer (CRO), who reports directly to the Chairman and Chief Executive Officer.

The Risk Management Directorate, headed by the Chief Risk Officer (CRO), comprises the following organisational units:

- Credit Risk Management Directorate
    - Corporate Credit Risk Management Department
    - Retail Credit Risk Management Department
    - Corporate Credit Monitoring Department
- Risk Control Directorate:
    - Market and Operational Risk Management Division

Independent oversight of the risk management system and its operation is primarily carried out by the Assets and Liabilities Committee and the Board of Directors, whose remit is set out in detail in the relevant rules of procedure.

The Bank conducts its risk-taking activities in accordance with a detailed written set of rules, which are reviewed annually.

The Asset-Liability Committee monitors the composition and quality of the portfolio on a monthly basis. A report on performance trends and portfolio quality is prepared monthly for the Executive Committee and quarterly for the Board of Directors.

4.3.3 Risk mitigation and hedging

The main principles of the policies governing risk mitigation and the use of credit risk hedging, and the strategies and processes for monitoring the effectiveness of risk mitigation and credit risk hedging instruments:

The Bank's Collateral Valuation Policy and Capital Adequacy Policy set out the main criteria for the valuation of collateral and the elements of collateral management.

Principles:

The policy specifies the loan-to-value ratios the Bank applies to different types of collateral.

The methodology applied to determine the loan collateral value (depending on the type of collateral):

- Collateral recognised at 100% as specified by law: e.g. surety, state guarantee.
- Collateral/liquidation value determined by valuers accepted by the Bank. The policy sets out the requirements for valuers used for the various types of collateral, as well as the minimum discount rate applicable.
- By discounting the value recorded in the books of the party providing the collateral, where it is not possible to determine the value using the two previous methodologies.
- In the case of a surety or guarantee undertaken by a third party in respect of the Bank's debtor's liabilities, a value determined by applying a discount rate commensurate with the third party's credit rating.
- In the case of securities, the value determined using discount rates that take into account price volatility in accordance with the methodology set out in the policy.

The credit value of collateral is determined in accordance with the methodology set out in the policy; where valuers approved by the Bank are engaged, the credit value determined by them is validated following a review by an in-house property valuer.

The credit collateral value of all collateral must be reviewed annually (every three years in the case of residential property), or immediately upon the emergence of any adverse information. The Bank verifies the existence of collateral at least annually, and for certain types of collateral at least half-yearly.

The Bank also accepts collateral that does not meet the requirements for reducing capital requirements (e.g. personal suretyship, a specific charge on an asset, public warehouse receipts, etc.), but for the purposes of reducing the capital requirement for credit risk, only collateral that meets the CRR requirements is taken into account.

4.3.4 Credit risk

The Banking Group’s net receivables from customers (loans, bank bonds and corporate bonds) stood at 1,044.2 billion forints at the end of 2025, which is 35.4 per cent higher than the figure at the end of the previous year. The portfolio grew by an average of 62.8% per annum from the date of incorporation to the end of the reporting period. The consolidated asset portfolio (loans, guarantees issued, corporate and institutional bonds) stood at 1,132.9 billion forints at the end of 2025, with an average annual growth rate of 63.3%. The quality of the portfolio is excellent, with 99.42 per cent of the Banking Group’s asset portfolio classified as performing. The number of transactions treated differently from the performing/non-restructured category:

	Non-performing			Performing	
	Not restructured	**Restructured through contract amendment**	**Restructured due to a moratorium**	**restructured by amending the contract**	**restructured due to a moratorium**
Retail baby loan	10				
Retail overdraft / account arrears rescheduled via	11	3	--	--	--
Retail mortgage loans	4	1	--	3	--
Personal loans for workers	27	--	--	--	--
Corporate loans	4	21	2	--	2
Exposure to counterparties	1	--	--	--	--
Total	57	25	2	3	2

As at 31 December 2025, the Bank had a total of 57 non-performing, non-restructured transactions amounting to a total of HUF 1,649 million (as at 31 December 2024, there were 21 non-performing, non-restructured transactions amounting to HUF 1,435 million). The increase is attributable to ‘baby-expectant’ and ‘worker’ loan transactions; there were no significant changes in other product categories, either in terms of number or volume.

As at 31 December 2025, the Bank records 32 transactions involving 19 customers as restructured, totalling 4,188 million HUF (as at 31 December 2024, it recorded 14 transactions involving 13 customers as restructured, totalling 1,238 million HUF). The increase is attributable to the restructuring of transactions involving clients belonging to a single client group. Within the restructured portfolio, there was also a decrease of 532, million HUF; this decrease was primarily due to the sale of receivables relating to two clients, which in itself resulted in a reduction of 377 million HUF in the restructured portfolio. Of the portfolio as at the balance sheet date, HUF 538 million is classified as performing; their restructured classification may be removed following the expiry of the probationary period. In 2025, the Banking Group recognised an expected credit loss of HUF 1,663.8 million in accordance with IFRS 9, which is the result of the expected loss-based impairment methodology underpinning the IFRS standard, including the effect of the amendment. The outstanding portfolio quality is attributable to the highly regulated and conservative risk-taking policy and practices.

The Bank's exposure to shadow banks[18] is shown in the table below:

Shadow Banking Exposures	31. December 2025 HUF Millions
Exposure amount before the application of exemptions and credit risk mitigation	2 556
Exposure amount after the application of exemptions and credit risk mitigation	2 488

The Bank pays particular attention to ensuring that customers are able to repay their loans from their regular income; at the same time, to protect depositors, it employs a wide range of collateral to adequately secure credit risk, and as a result, the portfolio's collateralisation ratio exceeds 63 per cent. The excellent quality of the portfolio is the combined result of thorough risk management analysis prior to decision-making, the decision-making mechanism (pre-screening, risk analysis, the Credit Committee, and, depending on the loan amount, a decision by the Board of Directors), the use of a wide range of collateral, and strict loan monitoring.

a. *The Bank determines the credit risk (limit) for customers or customer groups on the basis of strict rules and through individual decisions, in accordance with the following structure:*

Types of risk exposure limits

- Credit limit for all loans and credit substitute products,
- Guarantee limit for guarantees in the narrower sense, letters of credit, bill of exchange transactions and similar transactions in which the Bank undertakes to fulfil a specific obligation of the debtor,
- Substitution limit (pre-settlement) for foreign exchange transactions, derivatives, forward rate agreements, repo transactions, securities-backed loans, etc.,
- Settlement limit: for risks arising from the execution and clearing of trading products,
- Issuer limit: this covers debtor and issuer risks appearing in the trading or banking book.

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

A prerequisite for entering into risk-bearing transactions is, in all cases, prior limit approval by the body with decision-making authority in accordance with the regulations in force, or,

[18] Article 4(155) of the CRR: 'shadow banking entity' means an entity engaged in banking activities outside the regulatory framework

in the case of standard retail current account overdrafts and maternity loans, by the Head of Retail Business and Risk Management.

Limit monitoring is carried out on a daily closing basis. A separate internal policy governs the management of limit breaches, subject to an obligation to report such breaches immediately.

b. *The maximum credit risk threshold that may be assumed for each customer or customer group is determined by the approved limits, which take into account GRÁNIT Bank's large exposure limit.*

   The Large Exposure Policy sets out the rules regarding the exceeding of large exposure limits.

c. *Causal (sector) concentration is the risk of collective default attributable to a common cause or causes.*

   The purpose of sectoral limits is to enable the Bank to control the scale of the risks it undertakes and to mitigate the Bank's risk exposure in sectors posing a higher risk.

   The Bank sets limits for its corporate portfolio in relation to individual sectors of the national economy.

   The Bank also applies product limits in respect of retail mortgage loans, overdraft facilities, maternity loans and Lombard loans.

d. *The* country limit caps the total amount of risk that may be assumed in relation to a given country, i.e. the state itself, and in relation to economic entities registered in that country that are contracting parties or risk-bearers of the Bank, nationals of a foreign state, or economic entities subject to the jurisdiction of a foreign state for any other reason.

   Exposure is also subject to country risk where the recovery of the exposure(s) to the client in question is derived from income originating in a foreign country. Where multiple criteria apply, the country limit with the lower rating must be applied.

   The rules governing the setting of country limits for individual countries, as well as their approval and record-keeping, are set out in the 'Country Risk Management Policy'.

e. The Bank sets limit(s) on the degree of concentration in property-backed assets within the framework of its quantitative and qualitative objectives for concentration risks.

f. *The valuation limit:* with regard to assignments given to external valuers, the Bank takes into account the concentration of valuations and any resulting risks, and accordingly sets a limit in accordance with the as detailed in the policy entitled 'Procedures for the Determination and Review of the Value of Property Collateral Relating to Corporate Risk-Taking Transactions'.

The detailed rules are set out in the Risk-Taking Policy and the Lending Policy.

Customer and Transaction Rating

Customer rating, as a function, comprises, on the one hand, an assessment carried out prior to the Bank's risk assessment and, on the other hand, ongoing risk monitoring.

Should the analyst become aware of significant warning signs, the rating must be updated immediately upon receiving this information. Where justified, an exceptional rating may serve as the basis for measures that serve the Bank's security interests.

Under its Customer and Partner Rating Policy, the Bank may take into account the ratings of recognised external credit rating agencies.

External ratings are mapped as follows:

The Bank acts in accordance with the provisions of the CRR regarding the application or applicability of credit ratings issued by recognised credit rating agencies or export credit agencies.

Where the rating is issued by an external credit rating agency approved by the Supervisory Authority, the Bank shall have access to the probability-of-default data published by the rating agency in relation to that rating. The mapping of external ratings issued by individual external credit rating agencies or export credit agencies to the credit quality steps specified in the Regulation is carried out in accordance with the standard mapping issued by the Supervisory Authority (EBA[19]).

When determining the value of the risk-weighted exposure amount, the credit rating of a recognised external credit assessment institution or export credit agency used by the Bank, in the case of non-Hungarian entities:

S&P	Moody's	Fitch	Credit institution Risk weight
AAA	Aaa	AAA	20%
AA+ AA AA-	Aa1 Aa2 Aa3	AA+ AA AA-	20%
A+ A A-	A1 A2 A3	A+ A A-	50%
BBB+ BBB	Baa1 Baa2	BBB+ BBB	100%
BBB-	Baa3	BBB-	100%
BB+ BB BB-	Ba1 Ba2 Ba3	BB+ BB BB-	100%
B+ B B-	B1 B2 B3	B+ B B-	100%
CCC+ CCC CCC- CC C	Caa1 Caa2 Caa3	CCC+ CCC CCC- CC	150%
D	Ca C	C DDD DD D	

The Bank takes external credit ratings into account only in the case of foreign NOSTRO accounts, and when assessing the risk profile of clients and partners who hold such ratings.

When assessing outstanding debts, the Bank considers, taken together, any delays in the repayment of principal and interest arising in connection with the debt, any changes in the debtor's financial position, stability and income-generating capacity, as well as any negative changes in the value, as well as any negative changes in the value, realisability and accessibility of the collateral offered.

In accordance with the CRR, it must report on exposures and commitments classified as high-risk, as well as all outstanding amounts exceeding 1 billion forint, non-performing transactions, transactions subject to special credit management, and problem transactions, an individual textual transaction assessment is also prepared on a quarterly basis – upon their mandatory classification. In the case of such classifications, the Bank takes strict account of any changes in the financial position, stability and income-generating capacity of the customer or group of transactions.

[19] EBA, European Banking Authority / EBH, European Banking Authority

The recognition, utilisation and release of loan losses and provisions are carried out in accordance with the Policy on Transaction Classification, Valuation, Impairment and Provisioning (Transaction Classification Policy), taking into account the relevant legal requirements.

- Number of days in arrears: The Bank counts days in arrears from the first day following the repayment date.
- The terms 'credit risk adjustment' or 'impaired' refer to the amount of specific credit risk provisions (loan loss provisions and risk provisions) set aside by the Bank for credit risk losses, which are recognised in the Bank's financial statements in accordance with the applicable accounting regulations.
- Past due loan: any loan agreement under which the borrower remains indebted to the Bank following the final maturity date specified in the loan agreement, arising from that loan agreement, is classified as a past due loan.

When determining the order of priority for the settlement of claims and when making interest payments conditional, the Bank acts in accordance with the provisions of the relevant government decree.

The Bank carries out a transaction classification of its exposures at least once every calendar quarter, as at the last day of the quarter.

As a first step in determining the expected credit losses on its financial instruments, the Bank classifies its financial instruments into one of three transaction classification categories (valuation basket, stage).

Basket 1 (Stage 1) – performing financial instruments

This basket essentially comprises those financial instruments which the Bank considers to be performing well, as their credit risk is typically low or has not increased significantly since initial recognition.

When credit risk increases – regardless of whether the increase in credit risk is insignificant, meaning that the financial instrument in question is not reclassified from basket 1 ('performing') to basket 2 ('underperforming') – the expected credit loss increases, and the Bank therefore re-estimates the amount of the required credit loss allowance or provision based on the increased credit risk.

A review must be carried out in each reporting period to determine whether the criteria for classifying a financial asset as **'low credit risk'** continue to be met.

Basket 2 (Stage 2) – underperforming financial instruments

This basket comprises financial instruments whose credit risk has increased significantly in accordance with the Transaction Classification Policy, but which are not yet classified as non-performing.

Basket 3 (Stage 3) – defaulted financial instruments

This basket comprises exclusively financial instruments that have become in default, which are classified in the 17th and final 'default' category on the Bank's 17-tier master scale for measuring credit losses, or which have become in default according to other criteria defining default.

The quarterly transaction classification determines the status of exposures

(i) classified as performing and
(ii) non-performing categories as set out in the Transaction Classification Policy,

with restructured receivables being distinguished within both categories (hereinafter 'classification'), along with the necessity and magnitude of any associated credit losses or the creation or release of provisions.

Correlation between transaction classification buckets under IFRS 9 and transaction classification categories

The Bank classifies its receivables and off-balance-sheet liabilities in accordance with both the requirements of IFRS 9 and the MNB Decree, following the chronological order of classifications. The relationship between transaction classification baskets under IFRS 9 and transaction classification categories is illustrated in the matrix below:

Transaction classification category	Transaction classification basket under IFRS 9		
Performing	Basket 1: Performing	Basket 2: Underperforming	
Non-performing			Basket 3

Within the 'performing' and 'non-performing' transaction rating categories, the Bank presents restructured and non-restructured exposures separately, which it identifies in accordance with the provisions of the Transaction Rating Policy. This classification is summarised in the matrix below:

Transaction Classification	Restructured	Non-restructured
Performing	Basket 2 under IFRS 9[20]	Basket 1 under IFRS 9; Basket 2
Non-performing	Basket 3 under IFRS 9	Basket 3 under IFRS 9

Restructured and non-restructured receivables, classification and reclassification rules

The Bank sets out the rules for restructuring in detail as follows:

1) The Bank treats as a restructured receivable any loan, purchased receivable or other receivable arising from a transaction classified as a cash loan or from other financial services, which has been made available to the obligor at the initiative of the debtor, the obligor (hereinafter collectively referred to as the 'obligor' or 'customer') or the Bank, and which includes a concession. A restructured receivable also includes a commitment relating to the granting of a loan which, at the customer's discretion, may become a receivable (hereinafter collectively referred to as 'receivable') if the concession was granted to a debtor who is experiencing, or is expected to experience, financial difficulties in meeting their financial obligations.
2) The Bank classifies as a restructured receivable any receivable involving a concession where the original contract giving rise to the receivable has been amended on one or more occasions to avoid non-payment, because the debtor is unable to meet their repayment obligation under the original contractual terms, or would be unable to do so in the absence of the concession (see also point 4 below).
3) The same approach applies where restructuring becomes necessary as a result of several contract amendments which, taken individually, do not necessitate restructuring, but which are interrelated and, taken together, result in restructuring. In the absence of information to the contrary, it may be presumed that the debtor is not experiencing financial difficulties if, within the 90 days preceding the conclusion of the contract or the amendment thereto, the debtor has not been in arrears for more than 30 days in respect of any of its obligations to the Bank.
4) For the purposes of recording the debt as a restructured claim, the Bank shall regard the following as concessions:
    a) an amendment to the previous terms of the contract to enable a debtor facing financial difficulties to meet their debt servicing obligations, which the Bank would not have granted had the debtor not been facing financial difficulties,

[20] Except as set out in point 3.5

b) the partial or full refinancing of a loan agreement classified as non-performing under the Policy on the Management of Non-Performing Corporate Transactions, the Procedures for the Recovery of Corporate Loans or the Policy on the Management and Recovery of Non-Performing Retail Transactions, which the Bank would not have granted had the debtor not been experiencing financial difficulties,
c) the approval of the application of a clause for a debtor facing financial difficulties, under which the debtor – at their own discretion, taking into account their individual needs and the interests of – may amend the terms of the contract (hereinafter: 'built-in restructuring clause') where the differences between the previous and amended terms are to the obligor's advantage, or where the amended terms are more favourable than those the Bank would offer to another customer with similar risk characteristics.
d) A contract amendment constituting a concession
   - may relate, amongst other things, to the deferral of repayments (interest and principal repayments) for a transitional period (grace period), payment in instalments, a change in the interest rate, repricing (for example, in the form of an interest rate concession), capitalisation of interest, a change in the currency, an extension of the loan term, rescheduling of repayments, a reduction in the level of required collateral or security, replacement with other collateral or security, or a waiver of collateral (release of collateral), to establish new contractual terms, to terminate part of the original terms,
   - subject to the Bank's decision, a supplementary agreement or a new contract may be concluded between the parties, or between the debtor and an affiliated undertaking of the original creditor, for the purpose of repaying the debt (principal and interest) and to further commitments aimed at avoiding an increase in risk and mitigating losses; in which case, claims arising at the Bank as a result of such a supplementary agreement or related new contract (including any institution qualifying as an affiliated undertaking of the original creditor) shall also be classified as restructured claims.

5) The Bank treats the following cases as restructuring:
   a) the amended contract was classified as non-performing prior to the amendment, or would have been classified as such in the absence of the amendment,
   b) the contract amendment involves a partial or full debt write-off,
   c) the Bank approves the application of a built-in restructuring clause in respect of a debtor classified as non-performing, or a debtor who would be classified as non-performing without the application of the built-in restructuring clause,
   d) at the same time as, or around the same time as, a concession granted in respect of other debt, the debtor has made an interest payment or principal repayment in respect of a loan owed to the Bank which falls within the scope of the defaulted exposure or would be classified as such in the absence of the concession,
   e) an amendment to the contract involving repayment through the realisation of collateral, provided that the amendment also includes a concession.
6) The Bank shall only refrain from classifying the following debt instruments as restructured claims on the basis of evidence credibly demonstrating the contrary:
   a) in respect of the amended contract, there was at least one instance of full or partial default lasting more than 30 days within the 90 days preceding the amendment, or such default would have existed without the amendment (except where due to a statutory moratorium),
   b) at the same time as, or around the same time as, a concession granted in respect of another debt, the debtor made an interest payment or principal repayment under a contract with the Bank in respect of which there had been, at least once within the 90 days preceding the amendment, a delay exceeding 30 days, either in full or in part;
   c) the Bank approves the application of the built-in restructuring clause to a debtor who is more than 30 days in arrears or to debtors who, without the application of the built-in restructuring clause, would fall into arrears of more than 30 days,

d) in respect of claims that already include a concession, where such concession was granted by the Bank to a debtor who is experiencing, or is expected to experience, financial difficulties in meeting their financial obligations: within 90 days prior to the amendment to the contract at, the probability of default (PD[21]) of the obligor was increased in the Bank's internal rating systems,
e) within 90 days prior to the contract amendment, the obligor was subject to special procedures and closer monitoring under the early warning system operated by the Bank.

7) In addition to exposures classified as non-performing at the time of restructuring, exposures that became non-performing as a result of the restructuring or subsequently shall also be regarded as restructured exposures classified as non-performing.
8) When assessing the debtor's financial position, the Bank examines at least the following elements:
   a) the availability of new collateral,
   b) the ratio of short-term receivables to short-term liabilities,
   c) the expected cash flow trend.
9) Loans (receivables) that have been rescheduled or renegotiated through a contract amendment are also classified as restructured if
   a) this is due to a significant deterioration in the client's financial position or solvency,
   b) the contractual amendment provides terms that are substantially more favourable to the customer than those in the original contract, deviating from market conditions,
   c) a supplementary agreement or a new contract may be concluded between the parties, or between the credit institution's affiliated undertaking and the original debtor, the purpose of which is to finance the repayment of the original debt or to enter into a further commitment.
10) In the case of balloon and bullet-type loan transactions, when they are refinanced
   a) if the term is longer than the possible term specified in the original credit decision, or
   b) if a repayment schedule slower than that specified in the original credit decision is adopted, or
   c) if riskier parameters are set compared to those specified in the original credit decision,

   the Bank interprets the restructuring rules more strictly, as it may be the case that the borrower is not in arrears (e.g. they have no repayment obligation, or it is significantly lower than in the case of a standard loan), but the terms of the contract must be amended due to the borrower's financial situation.

   The above rules governing the handling of balloon and bullet transactions do not apply to:
   - loans of less than 10 million forints,
   - current account-type loans (e.g. the Széchenyi card),
   - interbank loans and refinancing loans provided by financial institutions,
   - working capital loans disbursed under the NHP Growth Loan Programme,
   - loans granted to housing associations/co-operative housing organisations with the involvement of Housing Savings Fund savings,
   - loans secured by cash or securities,
   - loans granted to consumers.
11) The Bank does not regard as restructured loans (receivables) those loans for which the contract has been amended due to changes in market conditions, and in the course of which the parties agree on market terms applicable to contracts of a similar type, and where the debtor's solvency confirms that they will be able to fulfil their obligations in accordance with the contract.

[21] PD, probability of default

Practice applicable to retail exposures:

As a general rule, the Bank classifies exposures as restructured and, consequently, reclassifies them into the credit loss category applied due to a significant increase in credit risk (hereinafter: Stage 2 category) in the cases set out in this sub-clause 12), except in cases where – provided that any one of the conditions listed below is met – it can be assumed that the debtor is not experiencing financial difficulties and is not expected to do so:

- the debtor's income, credited to their current account held with the Bank and meeting the definition of verified monthly net income under the JTM Decree[22] , did not decrease by more than 15 per cent in the two months preceding the current classification of the exposure, February and March 2020, or
- if no income is credited to the account, the debtor provides a certificate from their employer confirming that their income has not decreased by more than 15 per cent as detailed in the previous point, or
- the higher of the minimum account turnover or credit balance stipulated in the bank account agreement or the credit agreement has been, and continues to be, consistently met in the debtor's current account held with the Bank throughout the moratorium period, or
- the level of savings available to the debtor at the time of assessment provides cover for at least one year's debt service on the exposures held with the Bank.

The Bank may also carry out the above assessment using information available at group level.

12) The Bank shall consider it credibly demonstrated that the debtor is not experiencing financial difficulties if, within the 90 days preceding the amendment to the contract, the debtor has not been in arrears for more than 30 days in respect of any of their obligations to the institution.

A delay is considered to be of a technical nature if it is caused by any of the following:

a) a data error or a fault in the IT systems, i.e. where the Bank determines that the cause of the non-performance is a data or system error on the Bank's part, including manual errors occurring during standard processes, but excluding incorrect lending decisions,

b) malfunction of the payment system: the Bank determines that the cause of the non-performance is the failure to execute, or the incorrect or delayed execution of, a payment transaction initiated by the obligor, or there is evidence that the payment failed due to a fault in the payment system,

c) a time lag between the Bank's receipt of the payment and its crediting to the relevant account, or

d) the consequences of an extraordinary external event (such as a disaster or war).

e) According to the EBA Guidelines on the application of the '[23] ', in addition to the above:
   - there is a time lag, arising from the nature of the transaction, between the Bank's receipt of the payment and the crediting of the payment to the relevant account, as a result of which the payment was received by the Bank before the expiry of the 90-day grace period, whilst the amount was credited to the customer's account after its expiry,
   - in the specific case of factoring agreements under which the purchased receivables are included in the Bank's balance sheet and have exceeded the materiality threshold set by the Bank in accordance with Article 178(2)(d) of the CRR, whilst none of the receivables due from the obligor are more than 30 days past due.

[22] MNB Decree No. 32/2014 (10 September) on the regulation of income-to-repayment ratios and loan-to-value ratios
[23] EBA, European Banking Authority

Technical arrears shall not be regarded as default under Article 178 of the CRR. The Bank must rectify all identified errors giving rise to technical arrears as soon as possible.

13) The Bank shall cease to classify a claim as a restructured claim where all of the following conditions are met:
    a) the claim is classified as performing, including where the reclassification of the claim was carried out, taking into account the obligor's financial position, with a view to reclassifying it from the non-performing category to the performing category,
    b) at least a two-year probationary period has elapsed since the restructured claim was classified as performing,
    c) regular principal or interest repayments of more than a negligible amount have been made during at least half of the probationary period referred to in point (b), and
    d) at the end of the probationary period, none of the obligor's obligations is more than 30 days past due.
14) **If the obligor (debtor) of a restructured loan (receivable) changes** and a new obligor is appointed, the receivable may be regarded as a new asset; it need not be classified as a restructured loan thereafter and may be classified taking into account the solvency of the new obligor (debtor), provided that
    a) the contract amendment with the new obligor (debtor) is carried out in accordance with market conditions,
    b) the recognised credit loss is written back in full upon completion of the restructuring,
    c) a genuine restructuring takes place, rather than merely the transfer of an overdue claim between the debtor's affiliated companies,
    d) the new obligor (debtor) has adequate creditworthiness and solvency (the ability to repay principal and interest).
15) Short-term and long-term restructuring measures that may be applied during the process of selecting the restructuring measure, or combination of measures, to be actually implemented:

    The Bank considers it a fundamental principle to apply only viable short- or long-term restructuring measures that provide a genuine solution to the problems that have arisen. In most cases, some combination of short- and long-term measures represents the most effective approach; the proposer should base their assessment of this on a comparison of the net present value of the outcome achievable through the proposed solution with the net present value of the outcome achievable through other possible solutions (such as the sale of the receivable).

    As a general principle, the Bank applies restructuring measures on a stand-alone basis – for short-term project loans, for a period not exceeding one year, and for other receivables, for a maximum period of two years – provided that all of the following conditions are met:
    a) the exceptional circumstance that caused the debtor's temporary liquidity difficulties is clearly identifiable and does not affect the debtor's long-term solvency,
    b) the debtor's income situation is expected to stabilise in the short term,
    c) the debtor has been cooperative and has fully met their contractual payment obligations during the period preceding the restructuring measure – the duration of which is laid down in the financial institution's internal regulations.
16) In accordance with the MNB's requirements, restructuring measures may only be implemented in all cases following an appropriate decision-making process – taking the above into account – and must be carried out in a documented manner.

    As part of the preparations for a decision on restructuring measures, the proposer(s) must in all cases also assess whether the debtor is likely to be able to meet their obligations under the new terms offered by the Bank, based on an assessment of their current and conservatively estimated future repayment capacity. In the case of retail claims, the use of decision trees is also permitted when applying standardised restructuring measures.

Any deviation from the restructuring rules is only possible following prior authorisation by the Chief Risk Officer (CRO) and with the approval of the Chairman and Chief Executive Officer.

17) When applying restructuring measures in relation to retail loans, the Bank also takes into account the requirements set out in the current MNB recommendation on the consumer protection principles expected in the management of retail loan, credit and finance lease agreements affected by payment arrears.

Pricing:

The Bank takes into account the expected capital requirement and the return on capital when making corporate risk-taking decisions.

4.4 Market risks and interest rate risk on the banking books

Market risk is the present and/or future threat of losses arising from changes in market prices (such as changes in the prices of bonds, shares, commodities and foreign exchange rates, or in the interest rates affecting positions) on on-balance-sheet and off-balance-sheet positions.

The Bank limits its foreign exchange, interest rate and equity exposures through an appropriate system of internal and external targeted limits. At present, a significant proportion of the Treasury Department's proprietary trading is linked to liquidity management, meeting and hedging client needs, and hedging the market risk of the Bank's other business activities.
With regard to market risks, counterparty and client limits are established and recorded in the Treasury front-office system (Inforex).

Trading book exposures continued to pose a market risk in 2025, albeit within a limited scope and with limits being adequately adhered to; trading mainly involved government securities, discount treasury bills and repurchased government securities.

The capital requirement for interest rate risk in the banking book (IRRBB[24]) in 2025 was determined, as in previous years, under Pillar 2, primarily in accordance with the MNB ICAAP/ILAAP/BMA methodological handbook[25] , in which the effects of standard interest rate shock scenarios on changes in capital value and interest income are assessed.

Interest rate risk typically arises from differences in the repricing periods, maturities, bases or interest rate sensitivities of asset and liability items.

Interest rate risks in the banking book are monitored by internal limits that are stricter than external limits; the Bank also assesses non-mandatory shock scenarios and currencies, which it monitors and limits using its own limit system. The repricing period for demand deposits, inflows and outflows into and from term deposits, and their interest rate sensitivity are modelled; these models depend on the direction and magnitude of the stress.

The Bank quantifies interest rate risk on a monthly basis. As at 31 December 2025, the capital requirement for interest rate risk on the banking book stood at 6,210.1 million forints, an increase primarily attributable to the growth in the Bank's size and portfolio.

---

[24] IRRBB, Interest Rate Risk in the Banking Book

[25] Methodological handbook on the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP) and their supervisory review, as well as Business Model Analysis (BMA) for supervised institutions

The Bank manages the banking book risk associated with changes in credit spread (CSRBB)[26] by setting limits on the one hand, and by covering it through the evaluation of stress tests on the other.

[27]The Bank determines the capital requirement for its market risks under Pillar 2 within the methodological framework prescribed by the Supervisory Authority in the ICAAP/ILAAP/BMA methodological handbook, which includes the consideration of Stressed Foreign Exchange VaR (a 'triple Value at Risk' method with a 99% confidence level and a 10-day holding period). The Bank carries out these calculations for its total foreign exchange risk, as well as for interest rate risk, equity risk and commodity risk in the trading book, provided that the Bank holds positions in the respective categories.
The Pillar 2 capital requirement for the aforementioned exposure categories is determined on the basis of the capital requirement surplus calculated using the VaR methodology, in excess of the Pillar 1 capital requirement, with a minimum surplus of 0.
In the case of the standard VaR methodology, the multipliers specified in the CRR[28] are applied in the event of back-testing overshoots; back-testing must be carried out at least quarterly.

Market risk management functions within the Bank are carried out by the Market and Operational Risk Management Department, which reports to the Risk Control Directorate of. This department carries out market risk analysis tasks, individual analyses and regular monitoring, which also includes the monitoring of market risk limits (daily, weekly, monthly, etc.). This department also carries out the tasks described in the following section:

- credit risk assessment and monitoring of counterparties,
- assessing, monitoring and managing country risks,
- monitoring of internal liquidity and funding ratios,
- monitoring of Treasury transaction, trader, nostro and statutory reserve limits,
- calculating and monitoring partner and client margins,
- regulating fair value methodology and performing pricing control tasks,
- verification of the BUBOR quote,
- compiling macroeconomic forecasts for the calculation of credit losses.

These activities are primarily overseen by the Assets and Liabilities Committee and the CRO; in the case of country risk, by the Credit Committee; and, through this channel, as well as via regular monthly monitoring and limit approvals, management involvement is ensured.

The Market and Operational Risk Management Department, in collaboration with the Strategy and Analysis Division, reports monthly to the Assets and Liabilities Committee on capital requirements under Pillar 2.

<u>Further details on the stressed foreign exchange VaR methodology applied under Pillar 2</u>

In the context of Pillar 2 capital calculations, the stressed VaR calculation is to be regarded as a sub-component of the Bank's VaR calculation where no separate reference is made to it; therefore, for the purposes of monitoring and limit compliance, the highest value determined on the basis of the two components must be taken into account.

[26] CSRBB, credit spread risk in the banking book
[27] VAR, Value at Risk
[28] REGULATION (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012

The total capital requirement under the VaR methodology for each risk type shall be calculated as follows:

$$Capital\ requirement_{Total} = Max(Capital\ requirement_{VaR}\ ; Capital\ requirement_{SVaR})$$

$$Capital\ requirement_{SVaR} = max(1.5 * average(previous\ 60\ days\ SVaR), SVaR_{t-1})$$

$$Capital\ requirement_{VaR} = max(k * average(previous\ 60\ days\ VaR), VaR_{t-1})$$

where „k" is a correction factor dependent on the back-test results, with a minimum value of 3.

The 1.5-fold multiplier corresponds to the level applied in the FRTB ([29]) Expected Shortfall, which approximately covers the uncertainty arising from model risk and from the disregard of intraday changes in exposure, in accordance with the supervisory authority's ICAAP/ILAAP/BMA methodological handbook.

Unless otherwise specified, the parameters and methodology of the standard VaR model must also be applied in the calculation of Stressed VaR, including the one-tailed confidence level, the holding period, and the frequency of calculation and review.It is not necessary to back-test the results of the Stressed VaR calculation against the portfolio's realised losses.

For the calculation of Stressed VaR, the Bank defines a continuous historical period of at least 12 months, the 'stress period', during which it calculates the covariance matrix – which serves as the input for the parametric currency VaR calculation – based on historical market variables (e.g. exchange rate data in the case of currency VaR). In estimating the covariance matrix, deviations from the VaR model are permitted; the number of days used for the estimate may be adjusted, and, on an expert basis, the weighting or the decay factor (in the case of EWMA) may be modified, or uniform period weighting may be applied to ensure that the estimate better aligns with the duration and symmetry of the designated stress period (expected peaks in variance occurring in the middle, or a stress peak, if it lies sufficiently far in the past).

The Bank determines the stress period on an expert basis, which is carried out by the Market and Operational Risk Management Department. In determining the stress period, the typical magnitude of the Bank's positions over the last year must be taken into account as weights when analysing market risk factors (recommended method: the higher absolute value of the 90th percentile empirical extremes over the last year). The standard deviation of exchange rates must be taken into account when comparing periods, based on a period of at least one year, the aim being to select the period from amongst those with the highest standard deviation for significant risk factors (e.g. exchange rates, yields, stock market prices).
Due to the relevance of the economic structure and business environment, only the period from 2005 onwards is taken into account in the analysis.
Due to the distorting effect of trends, an expert adjustment involving a time shift may be applied when selecting the period, with the aim of moderating the trend in the time series of risk factors that are significant from the Bank's perspective.

When calculating VaR and Stressed VaR, the ratio of Stressed VaR to VaR must be quantified: SVaR ratio = SVaR / VaR.

The selection of the stress period must be reviewed at least when

[29] FRTB, Fundamental Review of the Trading Book

1. the SVaR ratio falls below 1 for more than 15 working days within any consecutive period of 30 working days, or

2, the Head of the Market and Operational Risk Management Department or the Assets and Liabilities Committee deems it necessary (criteria: time elapsed since the period, the emergence of a suitable new period, recent market stress).

The outcome of the review may be an expert assessment or a comment to the effect that an adjustment to the SVaR period will only be necessary – or will not be necessary – should several other circumstances arise. The review takes into account the comparison issue arising from the different weightings of VaR and SVaR, as well as the dynamics of the new stress period. If the new stress situation that has arisen cannot yet be regarded as a closed period – particularly if the stress intensifies – it may be the case that, even with the same weighting and daily adjustments, the SVaR value would merely replicate the VaR values with a one-day lag, thus falling short and failing to provide the analysis with an additional risk measurement value, as the VaR would typically remain consistently higher in the max() function.
The expert comments and assessments formulated as a result of the review must be recorded during the daily monitoring process.
If the SVaR period or weighting changes, this must be noted not only in the documentation produced during daily monitoring but also in the monthly report prepared for the EFB.

When applying this methodology, the European Banking Authority (EBA) guidelines on 'stress value at risk (stress VaR)' for general VaR models subject to supervisory approval under Pillar 1 (EBA/GL/2012/2) must be regarded as authoritative.

4.5 Liquidity risk

GRÁNIT Bank's liquidity risk management methodology identifies and manages the exposures arising from the institution's risk profile in line with the scope of the Bank's activities. The framework for managing liquidity risk sets out in detail the risk management process and the parties responsible. The liquidity risk management methodology and risk management strategy are reviewed and approved annually by the Board of Directors, following approval by the Bank's Assets and Liabilities Committee, taking into account the findings of supervisory reviews.

The Bank manages liquidity risks by maintaining an adequate level of high-quality liquidity reserves, prudent measurement methods, the precise definition of transparent areas of responsibility and accountability, the establishment of effective procedures and processes, and high-quality reporting at appropriate intervals to provide senior management with the information necessary for informed decision-making.

The department responsible for managing liquidity risk reports monthly to the Assets and Liabilities Committee on changes to the Bank's risk profile, as well as on the development of the reserves available to cover liquidity risks and the indicators measuring liquidity risks, and assesses these against the specified internal regulatory and external statutory limits.

The liquidity reserve consists of assets which, due to their maturity or eligibility for repurchase agreements, can be converted into cash within a short time frame, and can thus be used to meet liabilities as they fall due – whether expected or unforeseen. The Bank's liquidity reserve consists of assets of the highest quality.
With regard to funding sources, the Bank endeavours to attract diversified, long-term customer deposits, which greatly supports the maintenance of a stable liquidity coverage ratio.

To calculate the Liquidity Coverage Ratio (LCR[30]), the Bank uses only the items listed in the LCR table.

The Bank calculates and monitors the LCR on a daily basis for two main currencies (HUF and EUR).

The minimum regulatory requirement for the LCR is 100 per cent. The Bank's LCR level remained stable at over 140 per cent in 2025, which significantly exceeds the 130 per cent level required by the MNB for the[31] .

The derivation and level of the Liquidity Coverage Ratio (LCR) are set out in the EU LIQ1 table (Quantitative information on the Liquidity Coverage Ratio).

The derivation and level of the Net Stable Funding Ratio (NSFR[32]) are set out in the EU LIQ2 table (Net Stable Funding Ratio).

4.6 Counterparty risk

Counterparty risk is the potential loss arising from the counterparty to a given transaction failing to meet its contractual obligations upon the settlement of the transaction (the final settlement of cash flows). As a type of credit risk, this risk relates to the credit risks of the counterparty, typically a financial institution.

In managing counterparty risk, lending and trading limits are integrated into the counterparty risk management system as follows.

The rules for setting partner limits and the limit management methodology are approved by the Bank's Board of Directors, and their ongoing monitoring is supported by the Treasury front-office system (Inforex). The Market and Operational Risk Management Department checks compliance with the limits on the basis of information from the system, and reports on this regularly to the Assets and Liabilities Committee.

As a general rule, the Bank only enters into obligations involving risk exposure if an approved limit is in place. For every bank/counterparty and customer with whom the Treasury intends to enter into a transaction involving risk-taking, a limit must be established in advance, approved by the body with the appropriate decision-making authority, or the credit risk must be excluded.
Transactions involving derivatives entered into by the Bank with its counterparties are typically conducted under an ISDA[33] contract.

The following factors are taken into account in the processes of setting limits, counterparty analysis and monitoring, whilst complying with the provisions of the Customer and Counterparty Rating Policy and the Counterparty Limit Management Policy:

- Collateral eligible for reducing capital requirements, such as a government guarantee/surety, financial collateral or real estate collateral. The level of collateral required from counterparties depends on the counterparty's rating and size, as detailed in the Collateral Valuation Policy.

---

[30] LCR, Liquidity Coverage Ratio

[31] Management Circular on the requirements for credit institutions' liquidity buffers (Reference No.: 505127-2/2025)

[32] NSFR, Net Stable Funding Ratio

[33] ISDA, International Swaps and Derivatives Association

In the case of institutional counterparties, the Bank does not typically set counterparty limits based on collateral other than financial or other guarantees.

- In order to manage wrong-way risk exposures, counterparty groups and group limits are established for those counterparties between whom there is a credit risk correlation.

For each Treasury transaction, the Bank determines the risk weight and percentage charge applicable to that transaction, as set out in the Counterparty Limit Management Policy, which are applied to the limits established for the counterparty (pre-settlement, credit settlement, issuer limits, etc.).

In order to identify and manage risks, counterparty assessment, as a function, comprises, on the one hand, an assessment carried out prior to assuming the exposure, and, on the other hand, ongoing risk monitoring.

Limit monitoring and the measurement of counterparty risk, as the minimum requirements for monitoring, are supplemented by close cooperation with the mandatory quarterly outstanding balance assessment and by tasks relating to collateral in accordance with the Transaction Rating Policy and the Collateral Valuation Policy.

Counterparty ratings must be reviewed at least once a year, or whenever an event arises that necessitates a review of the rating; in the case of a problematic counterparty, a specific, focused management process may be implemented. When assessing counterparty risk, the associated market, liquidity, legal and operational risks must be taken into account. During the monitoring process, the Bank also monitors the transparency of the counterparty or group.

Should the analyst or any member of the Bank’s management become aware of any significant warning signs (for example: a deterioration in the counterparty’s external rating, a significant deterioration in its financial position, the announcement of the commencement of insolvency or liquidation proceedings, persistent payment delays, etc.), a case-by-case analysis must be carried out immediately upon receipt of the information. Where justified, the special rating may serve as the basis for measures that serve the Bank’s security interests.
In the event of negative market news, the Head of Treasury or the Head of the Risk Management Directorate is authorised to temporarily suspend the counterparty limit applicable to the Bank’s relevant counterparty.
The Assets and Liabilities Committee has the authority to decide on the closure of a counterparty limit or the settlement of outstanding transactions.

The Bank essentially limits the risk of unexpected margin calls arising under ISDA contracts – including those resulting from a downgrade of the Bank’s credit rating – by maintaining only minimal trading positions and, typically, hedging positions in its operations. Furthermore, when regulating the minimum level of liquidity reserves, the Bank takes into account the need to prepare for stress scenarios and the results of regularly conducted stress tests.
When entering into ISDA contracts, the Bank is able to appropriately apply the principle of symmetrical terms between the parties and alignment with market standards.

The Bank determines the capital requirement for counterparty risk (in respect of transactions listed in Annex II to the CRR) under Pillar 1 and Pillar 2 on the basis of the standardised approach applicable to counterparty credit risk ([34] , SA-CCR).

[34] Articles 274–280 of the CRR

4.7 Securitisation risk

The GRÁNIT Banking Group has no securitisation exposure.

4.8 Operational risk

The aim of operational risk management is to help keep operating costs low and, in doing so, to ensure the efficient functioning of the organisation.
The Bank manages operational risks primarily by focusing on prevention, through the continuous monitoring and appropriate development of internal regulations and procedures, the collection of incident data and self-assessment, the provision of appropriate training for staff involved in work processes, and the further development and maintenance of built-in control mechanisms.

The measurement of risk levels is carried out through self-assessment based on the continuous collection of incidents and regular forward-looking estimates at departmental level. These assessments outline the nature of the distribution of incidents, thereby helping to identify areas where intervention is required. The process is supported by a network of operational risk liaisons designated across the organisation.

All operational risks must be reported to the operational risk manager; a report on these is prepared quarterly for the Assets and Liabilities Committee and at least annually for the Board of Directors. The Bank carries out an annual self-assessment of its operational risks, on which a report is also prepared for the ALC and the Board of Directors.

Based on the compilation of loss events, it can be stated that during 2025, the capital calculated by under Pillar 1 (9,078 million forints) was sufficient to cover operational risks in 2025, as actual events resulted in a loss of only 105.4 million forints at consolidated level.

In 2025, the Bank carried out a self-assessment of its operational risks and, based on the results of this assessment, there is no need to set additional capital requirements, as the expected annual loss remained significantly below the specified capital requirement.
Overall, the management of operational risks was in line with the objectives and policies in 2025.

The Bank has set out the process for calculating the capital requirement for operational risks in its policy on 'Operational Risk Management and Capital Requirements'. The Bank calculates the capital requirement for operational risks under Pillar 1 using the standardised approach (SMA[35]), and sets an additional capital requirement under Pillar 2, where justified by the results of event collections or self-assessments. This was not necessary in 2025.

As part of the operational risk analysis process, regular stress tests are carried out to analyse the following significant and complex risks:

- information security stress tests:
  IT Security carries out vulnerability tests on critical systems at least once a year in accordance with the annual IT security plan, and an audit is also conducted annually by an external auditor.
- Business continuity stress tests (BCP[36])
  In accordance with the relevant policy, an on-site business continuity test is carried out annually at the backup site.

Most areas of the Bank are involved in these regular tests to ensure the maintenance of secure operations.

[35] SMA, Standardised Measurement Approach
[36] BCP, Business Continuity Plan

In addition, when introducing new developments, systems or significant new processes, the Bank naturally carries out targeted tests, stress tests and vulnerability assessments as necessary and in proportion to the risks involved.
The Bank addresses identified vulnerabilities in a preventative and forward-looking manner by amending its internal processes, systems and policies.

4.9 Risk of excessive leverage

The Bank ensures that risks arising from excessive leverage are monitored as part of its monthly monitoring process. The Bank calculates leverage in accordance with the CRR and reports it to the Assets and Liabilities Committee.
The Assets and Liabilities Committee may order specific measures if the ratio falls below the warning level or the threshold.

4.10 High-risk portfolios

The Bank sets limits on the main ‘high-risk portfolios’ (balloon, bullet, etc.) as defined by the MNB, and accordingly establishes a diversified portfolio, paying particular attention to risk assessment prior to credit decisions and to the post-lending monitoring of loans. The Assets and Liabilities Committee is informed monthly, and the IG/FB quarterly, regarding the development of the portfolio and the utilisation of limits.

4.11 Modelling risk

Modelling risk has been identified by the Bank as a material risk. The Bank treats modelling risk as a relevant risk type, primarily in relation to the risk models developed for calculating expected credit losses under IFRS 9 and market risk VaR models. To ensure that modelling risk is managed appropriately, the Bank subjects the identified models to regular validation every three years. The Bank classifies modelling risk as an operational risk.

The Bank has a Model Validation Policy in place, which sets out the framework, process and tools for the regular validation of risk models; it also covers the specific rules for the validation of all models operated by the Bank as listed in the Bank’s model inventory.

The Bank compiles a model inventory, which it reports to the Assets and Liabilities Committee. To ensure the appropriate management of modelling risk, the Bank subjects the identified models to an annual review.

No capital requirement needed to be determined in respect of modelling risk during 2025.

4.12 Risks deemed not relevant and the reasons for this

Securitisation risk
The Bank does not intend to act as a risk transferor, risk recipient or sponsor in relation to securitisation transactions.

Dilution risk
Dilution risk is the risk that the recoverable amount of a receivable may be reduced through defences and set-offs that the obligor may assert.
The Bank does not calculate a capital requirement for dilution risk, given that this type of risk is negligible in the Bank’s case.

4.13 Credit Valuation Adjustment (CVA)

The CVA ([37]) adjustment involves adjusting the portfolio of transactions with a counterparty to the market mid-point. This adjustment reflects the current market value of the credit risk exposure to the counterparty.

The Bank treats credit valuation adjustment risk under Pillar 2 in the same way as under Pillar 1, supplemented by margining with significant counterparties and netting agreements, such as ISDA, CSA[38] and GMRA[39] contracts; furthermore, these risks are also mitigated through the Bank's limit system.

The Bank determines its capital requirements for credit valuation adjustment risk under Pillar 1 and Pillar 2 on the basis of the Basic Approach set out in Article 384 of the CRR[40] .

4.14 Risks associated with other assets

In accordance with supervisory requirements, institutions may use the (regulatory) risk weights under Pillar 1 for other assets (primarily property, other non-lending-related receivables, etc.).

The Bank also takes into account the capital requirement calculated under Pillar 1 for other assets under Pillar 2.

4.15 Legal and operational risk

The Bank also identifies, collects and manages data on loss events relating to legal and operational risks.
The Bank follows a conservative approach to identifying and monitoring legal and business risks, managing them as part of its operational risk management framework. The requirements necessary for prevention have been incorporated into the relevant policies (e.g. the Product Development Policy). Compliance also monitors adherence to these requirements and plays a key role within the operational risk management framework.

When compiling risk events, the Bank classifies the following losses, other costs and 'near-miss' cases in its operational risk management database:

- those arising from non-compliant conduct as a result of which the Bank faces legal proceedings, or
- which arise from deliberate actions taken in the Bank's interest with the aim of avoiding anticipated legal risks.

Conduct risk is a type of operational risk arising from the provision of financial and investment services, resulting from the inadequate provision of services or from deliberate, unacceptable conduct or business practices.

The Bank places great emphasis on lawful and ethical business conduct and continuously monitors developments relating to customer complaints, litigation, legal costs, regulatory measures, fines, etc.
To this end, the Bank maintains a regularly updated business conduct risk product catalogue.

---

37 CVA, Credit Valuation Adjustment
38 CSA, Credit Support Annex
39 GMRA, Global Master Repurchase Agreement
40 From 1 January 2025

4.16 Information and Communication Technology (ICT) Risk

The Bank has an ICT strategy and comprehensive regulations in place to manage ICT risks.

The Bank identifies ICT risks and determines which systems and services are critical to the proper functioning, availability, continuity and security of the Bank's core activities.

The Bank has a business continuity plan (BCP), which is governed by a separate policy.

The Bank regularly conducts an IT risk mapping exercise, which includes the formulation of necessary measures. Related policies: BCP plan; Business Continuity Plan (BCP) and IT Disaster Recovery Plan (DRP[41]), Service Continuity Policy.

4.17 Risk Committees

The **Assets and Liabilities Committee** (abbreviated to EFB) is a standing committee established by the Board of Directors. It has decision-making authority over the Bank's asset and liability management, and over related risk management and capital adequacy issues, within the specified limits. The committee's detailed rules of procedure are set out in a separate policy.

The **Credit Committee** (abbreviated to CC) is a standing committee established by the Board of Directors. It has decision-making authority on matters relating to risk-taking and the monitoring thereof. The committee's detailed rules of procedure are set out in a separate set of regulations.

The **Non-Performing Loans Committee** (abbreviated to PKB) is a standing committee established by the Board of Directors. It has decision-making authority regarding the recovery of overdue receivables, activities relating to transactions affected by other breaches of contract or other circumstances, and the monitoring, management and recovery of receivables and commitments arising from problem transactions and with problem customers. The detailed rules of procedure for the committee are set out in a separate regulation.

[41] DRP, Disaster Recovery Plan

4.18 Presentation of the pre-risk mitigation amounts of credit exposures at consolidated level, as well as their geographical and sectoral breakdown

Net value of exposures before risk mitigation:

Total exposure (HUF millions)			
Exposure Categories	31.dec.25		2025 FY
	Closing Balance	of which SMEs	Average exposure
Exposure to central governments or central banks	686 720	0	746 907
Exposure regional governments or local authorities central banks	1	0	1
Exposure to public sector institutions	112 197	0	104 932
Exposure to multilateral development banks	0	0	0
Exposure to international organizations	0	0	0
Exposure to institutions	359 666	0	312 916
Exposure to corporations	743 200	206 086	629 572
Exposure to households	0	0	0
Exposure secured by registered liens on real estate	114 625	35 902	104 975
Non-performing exposures	3 955	3 174	2 625
Exposures with exceptionally risk	0	0	0
Covered bonds	901	0	886
Claims on institutions and corporations with short-term credit ratings	0	0	0
Exposures in the form of investment unit or shares in collective investment undertakings (CIUs)	0	0	0
Equity-like exposure	0	0	0
Items representing securitization positions	0	0	0
Other items	49 758	16	44 848
Total	**2 071 022**	**245 178**	**1 947 662**

Geographical breakdown of exposures as at 31 December 2025:

Exposure Classes (HUF million)	Belgium	United Kingdom	Netherland	Hong Kong	Poland	Hungary	Austria	Denmark	Czechia	Serbia	Luxem-burg	USA	Other
Central governments or central banks	0.0	0.0	0.0	0.0	0.0	686 713.4	0.0	0.0	0.0	0.0	0.0	4.7	1.5
Regional governments or local authorities	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Public sector entities	0.0	0.0	0.0	0.0	0.0	112 196.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multilateral Development Banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
International Organisations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Institutions	15 592.1	0.0	2 130.2	150.7	462.3	340 394.3	0.0	0.0	936.1	0.0	0.0	0.0	0.0
Corporates	0.0	2.9	0.0	0.0	0.4	724 626.5	2.0	16 249.2	1.5	3.9	2 280.3	6.8	26.7
Retail	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exposures secured by mortgages on immovable property	0.0	0.0	0.0	0.0	0.0	114 625.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Exposures in default	0.0	0.1	0.0	0.0	0.0	3 952.8	0.0	0.0	0.0	0.0	0.0	0.0	1.7
Items associated with particularly high risk	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Covered bonds	0.0	0.0	0.0	0.0	0.0	900.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Claims on institutions and corporates with a short-term credit assessment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Units or shares in collective investment undertakings (CIUs)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equity exposures	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Securitisation positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other items	0.0	0.0	0.0	0.0	0.0	49 758.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**15 592.2**	**3.0**	**2 130.2**	**150.7**	**462.7**	**2 033 168.6**	**2.0**	**16 249.2**	**937.6**	**3.9**	**2 280.3**	**11.5**	**30.0**

Remaining maturity of exposures as at 31 December 2025:

Total exposure (HUF millions)					
Exposure Classes	**< 1 year**	**1-5 year**	**Over 5 year**	**No expiration date specified**	**Total**
Exposures to central governments or central banks	72 765	1 704	89 268	522 983	686 720
Exposures to regional governments or local authorities	0.0	0	1	0	1
Exposures to public sector entities	15 023.1	28 848.6	68 325	0	112 197
Exposures to multilateral development banks	0	0	0	0	0
Exposures to international organisations	0	0	0	0	0
Exposures to institutions	112 607	88 542	151 297	7 219	359 666
Exposures to corporates	66 490	246 585	406 554	23 571	743 200
Retail exposures	0	0	0	0	0
Exposures secured by mortgages on immovable property	1 151	37 512	75 962	0	114 625
Exposures in default	215	1 258.3	2 454	28	3 955
Items associated with particularly high risk	0	0	0	0	0
Covered bonds	0	0	901	0	901
Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0
Exposures in the units or shares in collective investment undertakings (CIUs)	0	0	0	0	0
Equity exposures	0	0	0	0	0
Securitisation positions	0	0	0	0	0
Other items	0	0	145	49 614	49 758
TOTAL	**268 251**	**404 450**	**794 907**	**603 414**	**2 071 022**

Sectoral breakdown of corporate exposures as at 31 December 2025:

Sectoral concentration – 31 Dec 2025	
Sector (NACE)	**Corporate portfolio based on exposure at default (EAD)**
Agriculture, forestry and fishing	1.8%
Mining and quarrying	0.0%
Manufacturing, food industry	9.2%
Electricity, gas, steam and air conditioning supply	8.3%
Water supply; sewerage, waste management and remediation activities	0.0%
Construction	4.9%
Wholesale and retail trade; repair of motor vehicles and motorcycles	16.7%
Transportation and storage	4.5%
Accommodation and food service activities	2.3%
Information and communication	0.0%
Financial and insurance activities	7.5%
Real estate activities	33.1%
Professional, scientific and technical activities	4.8%
Administrative and support service activities	5.5%
Public administration and defence; compulsory social security	0.0%
Education	0.0%
Human health and social work activities	1.3%
Arts, entertainment and recreation	0.1%
Other service activities	0.0%
Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	0.0%
Activities of extraterritorial organisations and bodies	0.0%
TOTAL	**100%**

5. Information relating to corporate governance

5.1 Number of board positions held by members of the Bank's senior management

Members of the Board of Directors	Number of directorships (pursuant to Article 435(2) CRR)		Members of the Supervisory Board	Number of directorships (pursuant to Article 435(2) CRR)	
	Within Gránit Bank	Outside Gránit Bank		Within Gránit Bank	Outside Gránit Bank
Hegedűs Éva (Chairwoman and CEO)	1	0	Nyúl Sándor (Chairman)	0	1
Jendrolovics Péter Bence (Deputy CEO)	1	0	Benczédi Balázs	0	1
Major János (Deputy CEO)	1	0	Dr. Gubuznai Judit	0	0
Vida István (External board member)	1	3	Oláh Márton	0	2
Dr. Tóth Judit (External board member)	1	5	Tóth Szabolcs Gábor	0	3

5.2 Educational qualifications of the Bank's senior management

Members of the Board of Directors		Members of the Supervisory Board	
Hegedűs Éva (Chairwoman and CEO) Karl Marx University of Economic Sciences	Economist (1979)	**Nyúl Sándor (Chairman)** Karl Marx University of Economic Sciences	Economist (1981)
Jendrolovics Péter Bence (Deputy CEO) Corvinus University of Budapest	Economist (2011)	**Benczédi Balázs** College of Finance and Accountancy	Economist (1995)
Major János College of Foreign Trade Corvinus University of Budapest	International trade business economist (1991) MBA-qualified manager (1995)	**Dr. Gubuznai Judit** Eötvös Loránd University, Faculty of Law and Political Sciences	Lawyer (1977)
Vida István University of Debrecen Faculty of Economics	Economist (2008)	**Oláh Márton** International Business School	Economist (1996)
Dr. Tóth Judit University of Pécs	Lawyer (2010)	**Tóth Szabolcs Gábor** College of Finance and Accountancy Budapest University of Economic Sciences and Public Administration	Economist (2000) Certified economist (2002)

5.3 Selection criteria for members of the Bank's senior management

Requirements for persons holding senior positions are set out in European legislation applicable to credit institutions (Directive 2013/36/EU[42] ; the CRD) and domestic legislation (Act CCXXXVII of 2013; the Hpt).

A member of the Bank's Board of Directors must be a person whose skills, experience and professional competence are consistent with the Bank's activities. It is essential that a member of the management body possesses a good business reputation, as well as the professional knowledge and experience necessary to manage business activities. There must be no conflict of interest in relation to the Bank, and they must meet the conditions set out in the relevant regulations of the Magyar Nemzeti Bank. Only persons against whom there are no grounds for disqualification as defined by law, and who meet the relevant legal requirements, may be elected or nominated as members of the Board of Directors.

[42] DIRECTIVE 2013/36/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on access to the activity of credit institutions and the prudential supervision of credit institutions

The authorisation of the Hungarian National Bank, in its capacity as the financial supervisory authority, is required in all cases for the election of members of the Bank's governing body. Members of the governing body perform their duties independently in order to scrutinise the decisions of senior management and oversee the decision-making process.

6. Human Resources and Remuneration Policy

The selection of members of the management body is governed by Chapter VII. , Point 60 of the Credit Institutions Act, the rules applicable to owners, members of management bodies and senior executives, and Section 91 of Act I of 2012 on the Labour Code (hereinafter 'the Labour Code'). The provisions set out in the rules governing senior employees are decisive, and it is on this basis that the expectations regarding the expertise, skills and experience of senior staff are determined. In all recruitment cases, the Bank acts in accordance with the internal regulations in force entitled 'Procedures for the Establishment of an Employment Relationship'. Key elements of the selection policy for employees in managerial positions include, alongside relevant and diverse professional experience and general skills and abilities, managerial experience. In all cases, candidates undergo a multi-stage interview process and are also assessed through professional and other tests.

The guiding principles to be followed in the application of the remuneration policy are as follows:

(a) the fundamental aim of the remuneration policy is for the Bank and the Banking group to establish a system of incentives for senior executives and employees that prioritises the achievement of long-term objectives over short-term interests;
(b) the remuneration policy must reflect the Bank and the Banking group's capacity and willingness to take risks;
(c) the Bank and the Banking group shall apply the individual provisions in accordance with its specific characteristics arising from its size, the nature of its activities, its business model and its legal form, insofar as permitted by law;
(d) the Bank and the Banking group selects the various instruments of performance-related remuneration in such a way as to incentivise senior management and employees who have a material impact on the Bank and the Banking group's risk profile to contribute to the Bank and the Banking group's long-term successful operation, and to allow for ex-post adjustments based on risks;
(e) Members of the Bank and the Banking group's governing body with executive powers do not decide on their own remuneration, but refer decision-making to the governing body with supervisory powers, the owner (shareholder) or the general meeting.

Contents of the remuneration policy:

- a system of performance targets for the Bank, its individual business units and its employees;
- methods of performance measurement, including performance criteria;
- the structure of performance-related remuneration, including the instruments through which the Bank provides such remuneration;
- the ex ante and ex post risk management tools for performance-related remuneration; − the remuneration principles applied by the Bank;
- the scope of the remuneration policy in terms of personnel;
- the forms of remuneration used in the implementation of the remuneration policy;
- the performance assessment methods;
- the deferral and clawback rules relating to performance-related remuneration;
- risk adjustment of performance-related remuneration;
- the criteria for determining individual benefits;

- the determination of the ratio between performance-related remuneration and base remuneration;
- the rules applicable to the payment of remuneration;
- the method of disclosure relating to remuneration.

The remuneration policy focuses in particular on the Bank and the Banking group's senior management, as well as on employees performing risk-taking and control functions as defined in the internal regulations, and on those employees falling within the same remuneration category as the former whose activities have a material impact on the Bank's risk-taking.
When setting individual targets, the Bank and the Banking group ensures that the remuneration of employees performing control functions is independent of the performance of the organisational units they oversee; thus, the performance criteria consist solely of targets relating to the remit of the areas concerned.
GRÁNIT Bank launched its first employee share ownership scheme (MRP) in 2017, which was followed by a further three. The primary aim of these schemes is to further motivate key employees to contribute to the long-term growth of shareholder value. In October 2024, prior to its stock market listing, GRÁNIT Bank's MRP organisation carried out a capital increase of HUF 30 billion, thereby increasing its ownership stake to 32.90 per cent.
The Bank has amended its remuneration policy and applies it in line with the MRP organisation's remuneration policy.

Remuneration: any benefit provided by the Bank to a senior executive or employee, whether directly or indirectly, in cash, in kind, in the form of property rights or in any other form, on the basis of their employment relationship.

Basic remuneration: that part of the remuneration which the Bank and the senior executive, employee, and which appropriately reflects the professional experience and responsibility required to fulfil the role, including any benefits also received by other employees.

Bonus pool: the total amount of performance-related remuneration that can be determined through a determination procedure established at the level of the Bank or a business unit of the Bank.

Management body with supervisory powers: a term defined in the Hpt. and the Bszt.

Performance-related remuneration: that part of remuneration which the Bank may provide to a senior manager or employee in addition to their basic remuneration if they deliver performance exceeding that specified in their employment contract, or if they perform tasks not set out in their employment contract or in any supplements or amendments thereto.

Performance measurement period: the period during which the performance of the relevant person is assessed and measured, on the basis of which the amount of performance-related remuneration is determined, with or without taking into account any negative effects of performance that are subsequently identified, measured or assessed. The performance measurement period is at least one year, but may extend over a longer period.

Determination of remuneration: the process by which, following the performance measurement period, the amount and composition of performance-related remuneration are determined, taking into account the provisions of legislation and internal regulations.

Vesting: the date on which a decision is made regarding the award and payment of the non-deferred portion, determined on the basis of the performance assessment carried out following the performance measurement period, and the date on which a decision is made regarding the award and payment of the deferred portion, the amount of which is determined on the basis of ex-post risk performance reassessments carried out during or at the end of the deferral period, from which date the person concerned becomes entitled to the performance-related remuneration specified in cash or other assets.

Deferral period: in the case of deferred payment as prescribed in Section 118(12) of the Hpt., the period following the performance measurement period, at the end of which the portion of the performance-related remuneration specified in the remuneration policy is paid or granted to the remunerated person in a single lump sum, or in equal instalments during that period. The remunerated person acquires a conditional entitlement to the deferred portion (or instalments) of the performance-related remuneration; the amount due at the time of payment may be adjusted on the basis of ex-post risk performance assessments.

Ex-post risk performance reassessment: a reassessment of performance evaluated in relation to the performance measurement period, prior to the award and payment of the deferred portion of performance-related remuneration:

- on the one hand, to take account of any negative impacts or risks relating to the conduct of the individual concerned that have been identified retrospectively,
- on the other hand, in view of the institution's financial position, and, accordingly – where justified – a reduction in the amount of deferred performance-related remuneration due, in the manner and to the extent specified in the remuneration policy.

Reclaim: an agreement under which the employee is required, subject to certain conditions, to surrender ownership of the amount of performance-related remuneration previously paid or granted to them.

Vesting period: the period following the grant of assets awarded as performance-related remuneration, during which the assets may not be sold by the employee or freely disposed of by them.

MRP organisation: An organisation with legal personality established by the Founder (GRÁNIT Bank) for the purpose of managing the financial instruments that may be acquired under the MRP remuneration policy.

MRP Initiator: GRÁNIT Bank, which, by a resolution of its founders, decides to launch the MRP and to adopt the Articles of Association of the MRP Organisation, following the adoption of the MRP remuneration policy on which the MRP is based and the drafting of the Articles of Association of the MRP Organisation.

Participants: Those natural persons entitled to participate who exercise their right to acquire Member Shares as provided for in the MRP remuneration policy.

Eligible Participants: Those natural persons who fall within the scope of the MRP remuneration policy.

Member Share: The totality of rights and obligations relating to Member Shares issued by the MRP organisation in connection with shares that may be acquired in return for consideration under the MRP remuneration policy.

MRP Shareholder Groups: The categorisation of natural persons eligible for participation, as defined in point 2 of the MRP remuneration policy, according to the Member Shares they may acquire.

In 2025, the Bank's remuneration consisted of a basic salary, and in specific cases, a year-end bonus following the completion of tasks requiring exceptional organisational performance, as well as fixed components supplementing the remuneration – to which everyone is uniformly entitled – therefore there is no incentive scheme that would encourage individual managers or employees to take on increased risk. The basic salary reached or exceeded the average income typical for the sector and level of qualification for every employee.

The Bank sets out the total budget and components of non-monetary benefits in its 'Regulations on Non-Monetary Benefits' by 20 January of each calendar year. Employees in the Bank's service are entitled to a Cafeteria allowance, the amount of which is determined in accordance with their annual working hours, after the third month following their joining the Bank; in 2025, this amounted to 17,000 HUF per month and consisted of the following optional component: the SZÉP card allowance.

Persons covered by the remuneration policy

Taking into account the relevant provision of the Credit Institutions Act (Section 117(2)), the Bank includes the following persons within the scope of its remuneration policy.

Key management personnel at the Bank
- Members of the Board of Directors
- Members of the Supervisory Board
- Chairman and Chief Executive Officer
- Deputy Chief Executive Officer for Finance and Operations
- Deputy Chief Executive for Compliance
- Deputy Chief Executive for Strategy and Analysis
- Deputy Chief Executive Officer in charge of the Corporate Board

Key executives at Subsidiaries
- Members of the Board of Directors
- Supervisory Board
- Chief Executive Officer (CEO)
- Chief Financial Officer (CFO)
- Chief Risk Officer (CRO)
- Deputy CEO for Business / Commercial Deputy CEO
- Person designated by the Chairman-CEO of the Bank

Persons performing risk-taking functions

The Bank classifies the following persons as key risk-taking personnel at the Bank:
- Head of the Retail Division
- Head of the Treasury Division
- Head of the Corporate Division

At Subsidiaries:
- Head of Business / Head of Commercial Division
- Head of Finance (CFO)

Persons performing control functions

Persons fulfilling control functions according to the lines of defence.

Bank:

First line of defence:
- Deputy CEO for Finance and Operations
- Head of Strategy and Analysis Division
- Deputy CEO for IT and Subsidiary Coordination Division

- Head of Back Office Directorate
- Head of HR Department
- Head of Legal Directorate

Second line of defence:
- Deputy CEO for Compliance Division
- Head of Risk Management Directorate
- Head of Risk Control Directorate

Third line of defence:
- Head of Internal Audit Department

Subsidiaries

First line of defence:
- Head of Finance
- Head of IT
- Head of Back Office
- Head of HR
- Head of Legal

Second line of defence:
- Head of Compliance
- Head of Risk Management

Third line of defence:
- Head of Internal Audit

Performance-related remuneration

General Principles

Performance-related remuneration must not jeopardise the sustainability of the Bank's profitable operation or the strengthening of its share capital, nor must it encourage excessive risk-taking. The proportion of performance-related remuneration must not exceed a reasonable level relative to the basic salary.

Performance-related remuneration is in all cases linked to performance; no prior commitment may be made in this regard (except where a joining bonus is specified in the year of joining). The Bank reserves the right in all cases to decide to waive performance-related remuneration entirely, depending on the company's results.

The Bank determines the content of its remuneration policy in accordance with the provisions of the Credit Institutions Act, in a manner proportionate to its current size, internal organisation, the nature, scope, scale and complexity of its activities, and the specific characteristics arising from its legal form.

The Bank determines the level of performance-related remuneration on the basis of performance indicators set out in advance in the remuneration policy.

The performance indicators applied by the Bank in determining remuneration at any given time must include at least the following criteria:

a) profit before tax achieved
b) compliance with capital adequacy requirements,
c) the proportion of non-performing loans

d) achievement of indicators measuring liquidity risks,

When determining performance-related remuneration, the Bank shall take into account performance indicators covering at least three years.

Performance indicators must be defined in such a way that, even in the event of an increase in the Bank’s profit, the maximum level of performance-related remuneration can only be achieved if the values of the indicators characterising prudent operation (points a–d above) have not deteriorated to an extent that jeopardises prudent operation.

As a general principle, where the Bank applies performance-related remuneration to persons performing control functions, the structure of the remuneration of employees performing control functions must be designed in such a way that it does not jeopardise their independence or create a conflict with their supervisory and advisory roles.

Annual Bonus

Employees may receive an annual performance-related bonus once a year, based on their performance in the previous year. Payment of the performance-related remuneration for the current year is made as a lump-sum cash payment following the closing of the balance sheet for the current year (with the exception of key personnel, for whom special rules apply).
The total bonus pool available for performance-related remuneration at bank level is determined during the planning process prior to the relevant year.
Taking into account the Bank’s results, capital adequacy ratio, fulfilment of its annual strategy, and other factors relevant to the Bank’s operations, the Bank’s management may decide to reduce the bonus amount by between 0 and 100 per cent.
The decision to pay a bonus and the determination of its amount fall within the exclusive discretion of the Chairman and Chief Executive Officer, who exercises the employer’s rights.
The Bank determines the total distributable bonus amount for the Bank as a whole, taking into account current and future risks, the cost of capital and the required liquidity.
If the Bank as a whole fails to meet the business plan set by the Board of Directors, the payment of bonuses may, at the discretion of senior management, be reduced or withdrawn compared to the planned amount.
Individual amounts are determined at the discretion of senior managers, subject to the approval of the Chairman and Chief Executive Officer, on the basis of individual performance appraisals and the performance of the relevant business area.

Target bonus (project bonus)

The Bank’s management may set target bonuses (project bonuses) for employees with a view to achieving the company’s business objectives, improving performance over a given period, increasing market share, and completing certain projects ahead of schedule. Employees who, in addition to their day-to-day work, also work towards achieving these targets may be eligible for a target bonus, subject to successful completion and fulfilment, based on their performance and the effort expended. Payment of the target bonus typically takes place upon completion of the task (project).

Rewards

Employees may receive incentive bonuses for completing sales competitions announced by the Bank’s Chairman and Chief Executive Officer, or for tasks requiring exceptional individual or organisational performance.

Participation in the MRP Organisation

Within the MRP Organisation established by the Bank, subject to the conditions set out in the MRP remuneration policy and for the employees specified therein, the conditional acquisition of ordinary shares issued by GRÁNIT Bank is intended to ensure that, through their direct stake thus established in GRÁNIT Bank, in their capacity as shareholders ( ) they may also contribute to GRÁNIT Bank's effective and efficient risk management as required by the Act on Credit Institutions and Financial Enterprises, to the successful implementation of GRÁNIT Bank's strategy, and to the enhancement of shareholder value.

Ratio of base pay to performance-related pay:

The Bank ensures an appropriate level of basic salary for all its employees, which must be determined in accordance with the employee's qualifications, professional knowledge, experience, performance, the value of the role held by the employee, and remuneration practices in the financial sector.

The Bank reviews the maximum limits applicable to the proportion of performance-related pay at regular intervals; any ad hoc deviation from these limits may be approved by the Board of Directors.

Where performance-related pay exceeding 100 per cent of the basic salary is applied to senior executives, the provisions of Sections 118(2)–(5) of the Hpt. must be followed.

The Bank determines the ratio of basic salary to performance-related remuneration in such a way that:

- it ensures that employees are motivated and committed to achieving the Bank's long-term objectives and interests,
- it is sustainable,
- it does not encourage excessive risk-taking, and
- allows performance-related pay to be aligned with the Bank's current results and strategy, whilst maintaining competitiveness.

In the case of senior executives who are not employed by the Bank, the Bank may also determine remuneration exclusively in the form of an honorarium, which is classified as basic salary for the purposes of the remuneration policy requirements of the Credit Institutions Act.
The Bank sets the maximum proportion of performance-related pay in relation to total annual basic salary for various roles, taking into account market pay levels and the nature of the role, as follows:

Position	Maximum proportion of total annual Bank performance-related remuneration* as a percentage of basic remuneration
Administrative and junior clerical roles	25
Specialist, key roles	45
Head of Department	50
Head of Division, Director, Managing Director Deputy Director, Managing Director	60
Deputy Chief Executive	100
Chairman and Chief Executive Officer	200

* Bonus, performance-related bonus, reward

Position	Maximum percentage of annual total MRP performance-related pay as a percentage of basic pay
1. Shareholding group	200
2nd Share Group	100
3rd share group	75
4th share group	45

Specific rules relating to the performance-related remuneration of senior management and employees who have a material impact on the Bank's risk-taking

Deferred and non-cash payments

The Bank applies a deferred payment procedure to the payment of performance-related remuneration to senior management and employees who have a material impact on the Bank's risk-taking.

Entitlement to 60 per cent of the performance bonus, determined on the basis of performance in the current year, may be acquired in the current year, whilst 40 per cent is deferred and distributed in equal instalments over a period of three years.

Payments – taking into account the proportions set out in the relevant legislation – may be made in cash or in non-cash forms (e.g. shares, bonds, etc.), provided that the Bank's decision-making body has approved the relevant rules and conditions.

Performance-related remuneration for key personnel may be paid provided that the minimum key performance indicators set for the relevant year are met.

If the key performance indicators are not met in the relevant year, no payment—whether immediate or deferred—may be made for that year.

If an employee working in a role deemed to involve significant risk changes roles and is consequently removed from the group of key personnel, the Board of Directors shall decide on the payment of performance-related remuneration for the current year under consideration and the schedule for any outstanding deferred payments.

Payments made within the framework of the MRP Organisation

Participants in the MRP organization shall be entitled to remuneration provided that they fulfill the conditions set out in the MRP Remuneration Policy at the end of the respective remuneration policy period. The earliest date on which remuneration may be paid in accordance with the conditions set out in advance at is 90 days from the date on which the Condition is met; the final deadline for the payment of all remuneration due to each Participant is two years from the date on which the Condition is met.

Reclaimability

If, during the performance appraisal or the ex-post risk assessment, it transpires that the employee or senior manager in question

- has committed a serious breach of the rules
- has caused serious and deliberate damage to the Bank
- has acted unethically,

- was involved in or responsible for practices that caused the Bank significant loss;
- does not meet the requirements set out in the Bank's regulations in force at the time

any cash allowance already paid to them or any non-monetary benefit already received by them may subsequently be reclaimed in full or reduced. In all cases, such reclamation or reduction must comply with the applicable Hungarian labour regulations and must be demonstrable and reasonable on the part of the employer.

Termination of employment

In the event of termination of employment, the settlement of performance-related remuneration is handled in different ways depending on the reason for and form of termination:

a) Termination of the employment relationship takes place either at the employee's initiative by giving notice, or at the employer's initiative by immediate termination pursuant to Section 78(1) of the Labour Code, or by termination at the employer's initiative pursuant to Section 78(1) of the Labour Code. Section 78(1) of the Labour Code, or by the employer terminating the contract, provided that the employee is not entitled to severance pay under the provisions of the Labour Code.
In this case, the employee does not become entitled to deferred and as yet unpaid performance-related remuneration. In the event of termination with immediate effect by the employer, it must also be examined whether any breach of the rules has occurred that would justify the recovery of payments already made, as discussed in point 4.2

b) The employment relationship is terminated at the employee's initiative by notice with immediate effect (Section 78(1) of the Labour Code), or at the employer's initiative by ordinary notice – except for the termination mentioned in the previous point, the employee retires, a fixed-term employment contract expires, or it is terminated by the employer before the end of the fixed term.
In such cases, the employee is entitled to receive their deferred and as yet unpaid performance-related pay in a single lump sum on their last day of work. Prior to payment, a revaluation procedure must be carried out for those years for which deferred payment is still outstanding, and, where necessary, the amount payable must be adjusted in accordance with the result of the revaluation.

c) The employment relationship shall be terminated by mutual agreement.
In this case, the parties shall enter into an individual agreement based on the circumstances of the termination of the employment relationship, taking the above principles into account. Unless the parties otherwise agree, the employee shall not be entitled to such payment.
A one-off payment made by mutual agreement, in excess of the statutory minimum relating to the notice period and severance pay, is not a performance-related payment; therefore, the rules on deferral and withholding do not apply to it.

MRP Organisation – Termination of employment with a bank

If, within the MRP Organisation, the legal relationship forming the basis of the Member's Share ceases, the Participant (employee) forfeits the right to enforce any claim arising from their Member's Share, regardless of whether or not they would have been able to enforce such a claim by the date of termination.

Monitoring and review of the remuneration policy

Areas of responsibility, formulation, approval and oversight of the remuneration policy

The governing body with supervisory powers – the Bank's Supervisory Board – is responsible for adopting and reviewing the institution's remuneration policy, and monitors its implementation.

The approval of the Supervisory Board is required to amend the remuneration policy or to grant any subsequent significant exemptions affecting individual employees.

The MNB expects the governing body with supervisory powers to collectively possess, as a body, the appropriate knowledge, skills and experience regarding remuneration policies and practices, as well as the potential incentives and risks arising therefrom.

The Supervisory Board ensures that the Bank's remuneration policy and practices are consistent with the Bank's overall corporate governance framework, corporate culture, risk appetite and related governance processes.

In applying the remuneration policy, any potential conflicts of interest and conflicts of interest relating to the remuneration determined are identified and managed appropriately, including through the internal reporting system, appropriate controls, and the establishment of objective performance assessment and determination criteria based on the four-eyes principle.

As part of its corporate governance procedures, the Bank ensures that no conflicts of interest arise in relation to employees performing audit and internal control functions, and this is also reflected in the remuneration policy.

Appropriate documentation of the decision-making process (such as minutes of significant meetings, reports, other relevant documents), as well as the proposals and background materials supporting the remuneration policy, must be retained for the period specified in Act C of 2000 on Accounting regarding the retention of records.

The Bank's Board of Directors and Supervisory Board work closely together and ensure that the remuneration policy is consistent with sound and effective risk management, and that it promotes its effective implementation.

Performance appraisal:

The Bank assesses employees' annual performance at least once a year, based on the targets set at the beginning of the year.
The annual targets set for employees to achieve the Bank's strategy and objectives include the following elements:

- individual quantitative and qualitative requirements and performance targets derived from the Bank's and the relevant division's strategy and business plan,
- the competency requirements necessary to fulfil the role in question,
- training and development objectives.

No recruitment bonuses or severance pay were paid during the financial year, and no employee received annual remuneration of EUR 1 million or more.

The table below sets out the consolidated aggregate remuneration data for senior executives and managers with risk-taking responsibilities.

		Management body in its supervisory function	Management body in its management function	Other senior management	Other identified staff
Number of staff whose activities have a material impact on the risk profile, expressed as full-time equivalents	FTE	5	5	15	31
Total fixed remuneration	HUF m	21	261	619	787
Of which: cash-based	HUF m	21	261	619	787
Total variable remuneration	HUF m	0	140	303	491
Of which: cash-based	HUF m	0	140	303	491
Of which: deferred	HUF m	0	140	138	271
Of which: shares or equivalent ownership interests	HUF m	0	0	0	0
Of which: deferred	HUF m	0	0	0	0
Total remuneration for the year	**HUF m**	**21**	**402**	**922**	**1 279**

There is currently no diversity policy in place regarding the selection of members of the management body, as the relevant regulations have not been generally adopted in the European Union or in Hungary.

7. Information on regulatory capital

The figures are presented in accordance with the Bank Group's consolidated financial statements prepared in accordance with International Financial Reporting Standards.
At the end of 2025, the Banking Group's audited, consolidated regulatory capital stood at 142,045 million forints, of which Tier 1 (T1) capital amounted to 142,045 million forints and Tier 2 capital to 0 million forints. The breakdown of consolidated Tier 1 capital is set out in the table below.

Own funds (HUF million)	
	2025.12.31
Common Equity Tier 1 capital: instruments and reserves	**158 306.3**
Capital instruments and the related share premium accounts	18 410
Share premium	61 995
Retained earnings	58 973
Applicable costs of T1 capital instrument issuance	
Accumulated other comprehensive income	-395
Other reserves	533
Funds for general banking risk	140
Minority interests given recognition in CET1 capital	1 007
Interim profits independently verified	17 643
Common Equity Tier 1 (CET1) capital: regulatory adjustments	**16 261**
(-) Intangible assets	9 005
(-) Goodwill	6 785
Additional value adjustments (Prudential valuation)	462
Insufficient coverage for non-performing exposures	8
Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0
Common Equity Tier 1 (CET1) capital	**142 045**
Additional Tier 1 capital	**0**
Tier 1 capital	**142 045**
Subordinated and ancillary loan capital	0
Tier 2 capital	**0**
Own funds	**142 045**

In calculating its equity and regulatory capital, the Banking Group took into account the prudential filters and deductions in accordance with the CRR.

8. Information on capital adequacy

The Banking Group has established its capital adequacy policies in accordance with domestic legislation, broken down by the main risk categories. The statutory requirements specify the identification of risk categories, as well as the method for determining, measuring and monitoring the associated capital requirements.

Capital requirement	
31.dec.25	**M Ft**
Credit risk and counterparty credit risk	52 974
Market risk*	674
Operational risk	9 078
TOTAL	**62 726**
* Includes the capital requirement for Credit Value Adjustment (CVA).	

The audited regulatory capital requirement (Pillar 1) necessary to cover risks (credit, market and operational risks) stood at HUF 62,726 million at the end of 2025, on the basis of which the Banking Group's consolidated total capital adequacy ratio was 18,12 per cent.
The Banking Group continued to comply with capital adequacy requirements throughout 2025. The capital conservation buffer stood at +2.5% and the countercyclical capital buffer at +1.0% as at 31 December 2025.

The Banking Group's consolidated return on average equity (ROAE), calculated on the basis of audited results, was 12.4% in 2025; excluding the bank levy and the extra-profit tax, the ratio stood at 14.3%, whilst its return on average assets (ROAA) was 1.1%.

The Banking Group's consolidated leverage ratio stood at 7.20% as at the end of December 2025.

Calculation of the leverage ratio (31 Dec 2025)	
	M Ft; %
On-balance sheet exposures	1 832 434
Off-balance sheet exposures	140 623
Regulatory adjustments (transitional definition)	16 253
Tier 1 capital	142 045
Leverage ratio (%)	7.20%

The growth in equity and the increase in risk-weighted assets, which accompany the Bank Group's development, had the greatest impact on the trend in the leverage ratio.

9. Exposures

When calculating its capital requirements under Pillar 1, the Bank applies the standardised approach for credit risk, market risk and operational risk.

The Bank's consolidated capital requirements under the standardised approach are set out in the table below.

Exposure Classes (HUFm)	8% of risk-weighted exposures
Exposures to central governments or central banks	1 185
Exposures to regional governments or local authorities	0
Exposures to public sector entities	2 053
Exposures to multilateral development banks	0
Exposures to international organisations	0
Exposures to institutions	2 952
Exposures to corporates	39 212
Retail exposures	0
Exposures secured by mortgages on immovable property	7 020
Exposures in default	409
Items associated with particularly high risk	0
Covered bonds	11
Claims on institutions and corporates with a short-term credit assessment	0
Exposures in the units or shares in collective investment undertakings (CIUs)	0
Equity exposures	0
Securitisation positions	0
Other items	2 058
TOTAL	54 900

In 2025, the Bank had a small amount of non-Hungarian exposures – amounting to just 1.83 per cent of total exposures: 0.93 per cent of total exposures were with foreign institutions (Belgium, Poland, Hong Kong, Norway, the Netherlands, the Czech Republic), and 0.90% with foreign enterprises (the United Kingdom, the Czech Republic, Denmark, Poland, Slovakia, the USA).

10. Disclosure of consolidated-level liabilities

A – Assets

HUF million	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets	232 886	0	1 588 855	0
Equity instruments	0	0	1 881	1 881
Debt securities	133 786	0	335 673	335 673
Other assets	0	0	0	0

B – Collateral received (recorded off-balance sheet)

HUF million	Fair value of received encumbered collateral or issued own debt securities	Fair value of collateral received or own debt securities issued that can be encumbered
Collateral received	146 010	993 648
Equity instruments	0	0
Debt securities	2 029	135 175
Loans and advances other than on demand	4 687	38 926
Other collateral received	139 294	819 547
Own debt securities issued other than own covered bonds and asset-backed securities	0	0

C – Liabilities relating to encumbered assets and collateral received

HUF million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued, other than covered bonds and asset-backed securities encumbered
Carrying amount of selected financial liabilities	0	378 896

D – Information on the significance of encumbrances

In line with the Bank's business model and conservative risk management policy, it only utilises the option of asset encumbrance in clearly justified cases.

11. Trading book

In its day-to-day risk management practices in 2025, the Bank continued to use its risk management systems (Varitron and Inforex) to monitor risks on a daily basis and to prepare the Bank's internal risk reports.

The Bank prepares the daily and monthly reports required by the relevant government decree in accordance with the standard method set out in the CRR and also takes into account the Hungarian National Bank's ICAAP/ILAAP/BMA methodological handbook.

The trading book comprises

- positions in financial instruments and commodities which the Bank has established with the intention of trading, i.e. acquired with a view to realising short-term profits arising from the difference between the purchase and sale prices or from changes in interest rates, as well as the hedging positions relating to these positions (trading positions), furthermore, any open positions arising from obligations contractually undertaken by the investment firm when providing other investment services , in particular when buying and selling financial instruments and commodities, including risks arising from agency agreements;
- settlement risk directly linked to positions in the trading book and exposures arising from open deliveries;
- exposures arising from repo, reverse repo and securities lending transactions, where the underlying asset is held in the trading book;
- internal hedging transactions.

In order to prevent capital adequacy issues in the trading book, the Bank generally sets limits for internal use that are stricter than those required by law.
The Bank's Assets and Liabilities Committee (ALC) reviews capital adequacy trends on a monthly basis. Should capital adequacy ratios reach the **warning level**, this must be highlighted in the EFB's monthly report, and the EFB is obliged to investigate the cause of the change and, where justified, is authorised to take the necessary measures to maintain the ratio at an appropriate level.
Immediate action, including the immediate convening of the EFB, is required if the ratios fall below the minimum levels specified in Article 92 of the CRR.

The Bank Group's consolidated market risk capital requirement is shown in the table below:

Position, Foreign Exchange and Counterparty Risk Capital Requirement (31 December 2025)	
	HUF million
Position risk	141
Foreign exchange risk	0
Counterparty risk	414
Total	**555**

12. Long-term investments

The Bank holds the following long-term investments – which do not feature in the trading book – representing equity interests:

Description	Stake (%)	Carrying amount 31 December 2025 (Ft)
VISA	0.0000%	5,574,433
Garantiqa Credit Guarantee Ltd.	0.1036%	10,000,000
MBH Fund Management Ltd.	0.9594%	6,120,000
MBH Mortgage Bank Plc.	0.0184%	14,600,000
OPUS GLOBAL Plc.	0.0837%	29,887,560
Equilor Investment Ltd.	50.01%	3,100,000,000
Tarragona Holding Ltd.	95.00%	8,645,000,000
Gránit Leasing Ltd.	100.00%	6,783,428,515
Gránit Financial Leasing Ltd.	76.66%	537,021,485
GBG Szolgáltató Kft.	100.00%	10,000,000
GRÁNIT Bank MRP Organisation	0.00%	4,666,665,000
Total		**23,778,409,433**

13. Operational risk

The Bank's capital requirement for operational risk at consolidated level under Pillar 1 stood at HUF 9,078 million at the end of 2025. The Bank calculates its capital requirement for operational risk using the Standardised Method (SMA)[43] .

14. Qualitative and quantitative information on ESG risks

As a small and non-complex institution, the Bank is required to disclose the information referred to in Article 449a of the CRR, in accordance with Article 433b(1)(e) of the CRR.

Article 449a concerns the disclosure of environmental, social and governance risks (ESG risks).

The implementing technical standards concerning the application of the information referred to in Titles II and III of Part Eight of the CRR with regard to its disclosure by institutions are set out in Commission Implementing Regulation (EU) 2024/3172 of 29 November 2024. Pursuant to Article 22 of the Implementing Regulation, the information referred to in Article 449a of the CRR must be disclosed as specified in Section 21 of Annex I to the Implementing Regulation ('Prudential disclosure of ESG risks') (qualitative (textual) information in Tables 1-3, and quantitative (numerical) information in Tables 1-10).

On 11 July 2025, the MNB issued a management circular (Reference No.: 325867-2/2025) on the measures required in relation to the disclosure of ESG risks. The management circular notes that the European Banking Authority (EBA) was authorised in July 2024 to develop draft implementing technical standards to define uniform disclosure formats for ESG risks, ensuring that these are consistent with the principle of proportionality, whilst avoiding overlaps with disclosure requirements already laid down in other applicable EU law. However, this legislation has not yet been published; consequently, the European Commission's Implementing Regulation 2024/3172, which – in line with the previous provisions of the CRR – contains only provisions relating to ESG risk disclosure requirements for large and systemically important institutions.

[43] SMA, Standardised Measurement Approach

Pursuant to the authorisation granted under the amendment to the CRR which entered into force on 1 January 2025, the EBA, acting under the authorisation granted by that amendment, prepared a draft on the adoption of implementing technical standards governing the formats for the disclosure of new ESG risks, which it published for public consultation on 22 May 2025. In line with the European Commission's Omnibus proposal, the EBA has developed a set of disclosure requirements for ESG risks that is proportionate to the type, size and complexity, setting out simplified disclosure requirements for institutions that do not qualify as large, in particular small and non-listed institutions.

In view of the above, and in line with the EBA's proposal set out in the consultation document and the expected content of the EBA's forthcoming letter on 'waiver of measures', the MNB does not consider the disclosure of quantitative information on the proportion of green assets and the Taxonomy Regulation (Tables 6–10) to be a priority for large and listed institutions. As regards other institutions, the MNB does not regard the implementation of the disclosure of all qualitative (Tables 1–3) and quantitative information (Tables 1–10) relating to ESG risks as a priority. The MNB maintains this position for the transitional period set out in the EBA's consultation document (from 22 May 2025 until the ITS enters into force), or for the period until the management circular is amended or withdrawn.

The MNB considers it good practice for institutions to voluntarily disclose the information required under the on ESG risks even during the transitional period.

In light of the above, the Bank discloses the required information on ESG risks on a voluntary basis, in accordance with the 1A. (Qualitative information on ESG risks) and Table 1A (Simplified ESG information for SNCI and other non-listed institutions, covering both transitional and physical risks).

Qualitative information on ESG risks is set out in **Annex 3**.

Quantitative information on ESG risks is set out in the worksheet for Table 1A in **Annex 2**.

15. ANNEXES

15.1 Annex 1: Availability of qualitative information on market risks, which may be provided in free-text format in accordance with the CRR and Commission Implementing Regulation (EU) 2024/3172, and Commission Implementing Regulation (EU) 2021/637, as set out in the relevant tables within the document

In accordance with the provisions of the CRR and the Implementing Regulation relating to 'small and non-complex institutions', the Bank discloses the textual information based on the following tables containing qualitative information:

- EU OVA table – The institution's risk management approach
- EU LIQA table – Management of liquidity risk
- EU LIQB table – Qualitative information on the liquidity coverage ratio, supplementing the EU LIQ1 table
- EU MRA table – Qualitative disclosure requirements relating to market risk
- EU ORA table – Qualitative information on operational risk
- EU OVC table – ICAAP information
- EU REMA table – Remuneration policy
- EU CRA table – General qualitative information on credit risk
- Table 1A – Qualitative information on ESG risks

The following section shows where the various points in the relevant table are discussed in this document.

Table EU OVA – Institution risk management approach			
Legal basis	**Row number**	**Qualitative information - free format**	**Reference in the document**
Point (f) of Article 435(1) CRR	a)	Disclosure of concise risk statement approved by the management body	1 Disclosure
Point (b) of Article 435(1) CRR	b)	Information on the risk governance structure for each type of risk	Not applicable
Point (e) of Article 435(1) CRR	c)	Declaration approved by the management body on the adequacy of the risk management arrangements.	1 Disclosure
Point (c) of Article 435(1) CRR	d)	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Not applicable
Point (c) of Article 435(1) CRR	e)	Disclose information on the main features of risk disclosure and measurement systems.	Not applicable
Point (a) of Article 435(1) CRR	f)	Strategies and processes to manage risks for each separate category of risk.	4 Risk Management, Principles, and Method
Points (a) and (d) of Article 435(1) CRR	g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.	4 Risk Management, Principles, and Method

Table EU LIQA - Liquidity risk management			
Legal basis	**Row number**	**Qualitative information - free format**	**Reference in the document**
in accordance with Article 451a(4) CRR 4. Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk in accordance with Article 86 of Directive 2013/36/EU.	a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,	4.5 Liquidity risk
	b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	4.5 Liquidity risk
	c)	A description of the degree of centralisation of liquidity management and interaction between the group's units	4.5 Liquidity risk
	d)	Scope and nature of liquidity risk reporting and measurement systems.	4.5 Liquidity risk
	e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	4.5 Liquidity risk
	f)	An outline of the bank`s contingency funding plans.	4.5 Liquidity risk
	g)	An explanation of how stress testing is used.	4.5 Liquidity risk
	h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.	1 Statement - Summary liquidity risk statement 4.5 Liquidity risk
	i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body. These ratios may include: - Concentration limits on collateral pools and sources of funding (both products and counterparties) - Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank - Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity - Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps	1 Statement - Summary liquidity risk statement 4.5 Liquidity risk

Table EU LIQB - on qualitative information on LCR, which complements template EU LIQ1

Legal basis	Row number	Qualitative information - free format	Reference in the document
in accordance with Article 451a(2) CRR 2. Institutions shall disclose the following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1): (a) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period; (b) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer; (c) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated in accordance with the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.	a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time	4.5 Liquidity risk
	b)	Explanations on the changes in the LCR over time	4.5 Liquidity risk
	c)	Explanations on the actual concentration of funding sources	4.5 Liquidity risk
	d)	High-level description of the composition of the institution`s liquidity buffer.	4.5 Liquidity risk
	e)	Derivative exposures and potential collateral calls	4.5 Liquidity risk
	f)	Currency mismatch in the LCR	4.5 Liquidity risk
	g)	Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	4.5 Liquidity risk

Table EU MRA - Qualitative disclosure requirements related to market risk

Legal basis	Row number	Qualitative information - free format	Reference in the document
Points (a) and (d) of Article 435 (1) CRR	a)	Description of the institution's strategies and processes to manage market risk, which includes the following: - an explanation of the strategic objectives pursued by management during the conduct of trading activities, as well as the processes applied for identifying, measuring, monitoring and controlling the institution's market risks - policies for mitigating and hedging risk, and the strategies and processes for monitoring the continuing effectiveness of hedges	4.4 Market and non-tradingbook interest rate risk 11 Trading book
Point (b) of Article 435 (1) CRR	b)	Description of the structure and organisation of the market risk management function, including a description of the market risk governance structure set up to implement the strategies and processes of the institution discussed in row (a) and explaining the relationships and communication mechanisms between the different parties involved in market risk management.	not applicable
Point (c) of Article 435 (1) CRR	c)	Scope and nature of risk reporting and measurement systems	not applicable

Table EU ORA - Qualitative information on operational risk

Legal basis	Row number	Qualitative information - free format	Reference in the document
Article 435(1)(a) (b) (c) (d) CRR	a)	Disclosure of risk management objectives and policies	4.8 Operational risk
Article 446 CRR	b)	Disclosure of the approaches for determining the minimum own funds requirements	not applicable
Article 446 CRR	c)	Description of the use of the Advanced Measurement Approaches (AMA) (where applicable)	not applicable
Article 454 CRR	d)	Disclosure of the use of insurance for the purpose of mitigating risk under the Advanced Measurement Approaches (AMA) (where applicable)	not applicable

Table EU OVC - ICAAP information

Legal basis	Row number	Qualitative information - free format	Reference in the document
Article 438(a) CRR	a)	Approach to assessing the adequacy of the internal capital	not applicable
Article 438(c) CRR	b)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process	no supervisory request

Table EU REMA - Remuneration policy			
Legal basis	**Row number**	**Qualitative information - free format**	**Reference in the document**
Article 450 (1) (a), (b), (c), (d), (e), (f), (j) és (k) CRR	a)	Information relating to the bodies that oversee remuneration. Disclosures shall include: - Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year. - External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework. - A description of the scope of the institution's remuneration policy (eg by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries. - A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.	6 Human Resources and Remuneration Policy
	b)	Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include: - An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders. - Information on the criteria used for performance measurement and ex ante and ex post risk adjustment. - Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration. - Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee. - Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.	6 Human Resources and Remuneration Policy
	c)	Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.	6 Human Resources and Remuneration Policy
	d)	The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.	6 Human Resources and Remuneration Policy
	e)	Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include: - An overview of main performance criteria and metrics for institution, business lines and individuals. - An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance. - Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments. - Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.	6 Human Resources and Remuneration Policy
	f)	Description of the ways in which the institution seeks to adjust remuneration to take account of longterm performance. Disclosures shall include: - An overview of the institution's policy on deferral, payout in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff. - Information of the institution' criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law). - Where applicable, shareholding requirements that may be imposed on identified staff.	6 Human Resources and Remuneration Policy
	g)	The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include: - Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.	6 Human Resources and Remuneration Policy
	h)	Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.	no supervisory request
	i)	Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR. - For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	6 Human Resources and Remuneration Policy

Table EU CRA - General qualitative information about credit risk			
Legal basis	**Row number**	**Qualitative information - free format**	**Reference in the document**
Article 435(1)(f) CRR	a)	In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.	1 Statement - Summary risk statement 4.3 Credit Risk
Article 435(1)(a) (d) CRR	b)	When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.	4.3 Credit Risk
Article 435(1)(b) CRR	c)	When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.	not applicable
Article 435(1)(b) CRR	d)	When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.	not applicable

Table 1A: Qualitative Information on ESG Risks			
Legal Basis	**Sor jelölése**	**High-quality information – open format**	**Contact Information in the Document**
Article 449a of the CRR	(a)	**Business Strategy and Processes**	
	(i)	Integration of environmental risks identified by the institution, including physical and transitional risks	Appendix 3 – Qualitative Information on ESG Risks 1.1 Material Impacts, Risks, and Opportunities, and Their Interaction with the Strategy and Business Model 1.2 GRÁNIT Bank's Activities and Services 1.3 Green Strategy 1.4 ESG Strategy for the 2026–2028 Period 1.5 Stakeholder Interests and Perspectives
	(ii)	Integration of social risks identified by the institution	Appendix 3 – Qualitative Information on ESG Risks 1.1 Material Impacts, Risks, and Opportunities, and Their Interaction with Strategy and Business Model 1.2 GRÁNIT Bank's Activities and Services 1.3 Green Strategy 1.4 ESG Strategy for the 2026–2028 Period 1.5 Stakeholders' Interests and Perspectives
	(b)	**Governance**	
	(i)	Integration of environmental risks identified by the institution, including physical and transitional risks	Appendix 3 – Qualitative Information on ESG Risks 2.1 The Role of the Administrative, Executive, and Supervisory Bodies 2.2 Monitoring Impacts, Risks, and Opportunities 2.3 Ensuring Sustainability Expertise 2.4 Information Provided to the Bank's Administrative, Executive, and Supervisory Bodies and the Sustainability Issues They Address
	(ii)	Integration of social risks identified by the institution	Appendix 3 – Qualitative Information on ESG Risks 2.1 The Role of the Administrative, Executive, and Supervisory Bodies 2.2 Monitoring Impacts, Risks, and Opportunities 2.3 Ensuring Sustainability Expertise 2.4 Information Provided to the Bank's Administrative, Executive, and Supervisory Bodies and the Sustainability Issues They Address
	(iii)	Integration of governance risks identified by the institution	Appendix 3 – Qualitative Information on ESG Risks 2.1 The Role of the Administrative, Executive, and Supervisory Bodies 2.2 Monitoring Impacts, Risks, and Opportunities 2.3 Ensuring Sustainability Expertise 2.4 Information Provided to the Bank's Administrative, Executive, and Supervisory Bodies and the Sustainability Issues They Address
	(c)	**Risk Management**	
	(i)	Integration of environmental risks identified by the institution, including physical and transitional risks	Appendix 3 - Qualitative Information on ESG Risks 3.1 The Dual Materiality Assessment Process 3.2 ESG Risk Management Policy 3.3 Measures to Manage Environmental Risks
	(ii)	Integration of social risks identified by the institution	Appendix 3 - Qualitative Information on ESG Risks 3.1 The Dual Materiality Assessment Process 3.2 ESG Risk Management Policy 3.4 Measures to Manage Social Risks
	(iii)	Integration of governance risks identified by the institution	Appendix 3 – Qualitative Information on ESG Risks 3.1 The Dual Materiality Assessment Process 3.2 ESG Risk Management Policy 3.5 Measures to Manage Corporate Governance Risks

15.2 Annex 2: quantitative information in accordance with the CRR and Implementing Regulation (EU) 2024/3172, and, with regard to market risks, Commission Implementing Regulation (EU) 2021/637, based on the relevant tables

The tables set out in Implementing Regulation (EU) 2024/3172, which the Bank Group is required to disclose, are contained in a separate Annex 2 to this disclosure document.

The tables contain the Bank Group's consolidated, audited financial data as defined in the Implementing Regulation.

In accordance with the provisions of the CRR and the Implementing Regulation relating to 'small and non-complex institutions', the Bank discloses tables containing the following figures:

Disclosure of an overview of risk management, key prudential indicators and risk-weighted assets

EU OV1	Overview of total risk exposure amounts
EU KM1	Key indicators

Disclosure of credit quality

EU CR1	Performing and non-performing exposures and related provisions
EU CQ1	Credit quality of restructured exposures
EU CQ3	Credit quality of restructured exposures
EU CQ7	Collateral acquired through repossession and enforcement

Disclosure of liquidity requirements

EU LIQ1	Quantitative information on the liquidity coverage ratio
EU LIQ2	Net stable funding ratio

Disclosure of remuneration policy

EU REM1	Remuneration awarded for the financial year
EU REM2	Special payments to staff whose professional activities have a material impact on the institution's risk profile
EU REM3	Deferred remuneration
EU REM4	Remuneration of EUR 1 million or more per year

Prudential disclosure of ESG risks

Table 1A	Simplified ESG information for SNCI and other non-listed institutions, covering both transitional and physical risks

15.3 Annex 3: qualitative information on ESG risks

Qualitative information on ESG risks is set out in Annex 3, which is separate from this document.

15.4 Annex 4: content of the disclosure policy

In accordance with the requirements of Article 431(3) of the CRR, the Bank and the Group have in place a policy to ensure compliance with disclosure requirements.

The Disclosure Policy was adopted by the Bank's Board of Directors as a standalone policy. The policy must be reviewed at least once a year. The version in force at the time of drafting this document comes into effect on 31 December 2025.

The Disclosure Policy also fulfils the role of the so-called disclosure policy.

The Disclosure Policy has been drawn up in accordance with the Act on Credit Institutions and Financial Enterprises, as well as the content requirements set out in Recommendation No. 7/2022. (IV.22.) on the general requirements for disclosure practices under the CRR, and the substantive requirements of other relevant legislation (CRR, Hpt.), with the aim of providing market participants with a well-founded and comprehensive picture of the Group's risk profile and of complying with regulatory requirements.

To this end, the document identifies the specialist departments responsible for preparing the document, providing data during the process and ensuring the accuracy and completeness of such data, as well as the organisational units performing control functions and those involved in the approval and publication process. The policy sets out the rules governing the content of financial statements for the Group and its Group members, with reference to the relevant legal framework.

The policy sets out the principles governing disclosure and the handling of non-material, protected and confidential information within the Group. It defines the requirements and principles relating to the verification of information to be disclosed.

15.5 Annex 5: Availability of the information set out in Part Eight, Titles II and III of the CRR in the Bank's disclosure document

The information set out under Titles II and III of Part Eight of the CRR is available in a separate Annex 5 to the Bank's disclosure document.