

Photo: Andrea Cherchi


UniCredit Jelzálogbank Covered Bonds

Product Explanation

UniCredit Jelzálogbank / Mortgagebank Zrt.

Budapest, March 2025

UniCredit - Public

Empowering
Communities to Progress. |  **UniCredit**



UniCredit Group





A pan-European Commercial Bank

UniCredit is a pan-European Commercial Bank with a unique service offering in **Italy, Germany, Central and Eastern Europe**. Our purpose is to empower communities to progress, delivering the best-in-class for all stakeholders, unlocking the potential of our people and our clients across Europe.

We serve circa **15 million customers** worldwide. They are at the heart of what we do in all our markets. UniCredit is organized in four core regions and three product factories, Corporate, Individual and Group Payments Solutions. This allows us to be close to our clients and use the scale of the entire Group for developing and offering the best products across all our markets.

Digitalisation and our commitment to **ESG** principles are key enablers for our service. They help us deliver excellence to our stakeholders and creating a sustainable future for our clients, our communities and our people.






Who we are

13 leading banks in 4 European regions






A pan-European
Commercial bank


Italy —————●  UniCredit


Germany —————●  HypoVereinsbank
Member of  UniCredit

CENTRAL EUROPE:


Austria —————●  Bank Austria
Member of  UniCredit


Czech Republic &
Slovakia —————●  UniCredit Bank


Hungary —————●  UniCredit Bank


Slovenia —————●  UniCredit Bank


EASTERN EUROPE:


Bosnia and
Herzeĝovina —————●  UniCredit Bank


—————●  UniCredit Bank Banja Luka

Bulgaria —————●  UniCredit Bulbank

Croatia —————●  Zagrebačka banka
UniCredit Group

Romania —————●  UniCredit Bank

Serbia —————●  UniCredit Bank

Russia —————●  ЮниКредит Банк



Who we are

Our Purpose: Empowering Communities to Progress

Unlock the full potential

We are driven by our **Purpose**: to unlock the full potential of individuals and businesses across Europe, and to **empower communities to progress**.

Our **ambition** guides our daily actions to become **the Bank for Europe's future**. At UniCredit, we are creating something that is built to last, that is beneficial to all our stakeholders and that is greater than the sum of its parts.

We will put the **Values of Integrity, Ownership and Caring** at the heart of our decision-making and in everything we do. We will do it together, as one team of people acting as true partners to our clients.



A red circular graphic with a white number '2' in the center. The circle has a dark red outer ring and a lighter red inner ring. A vertical dotted line passes through the center of the circle.

2

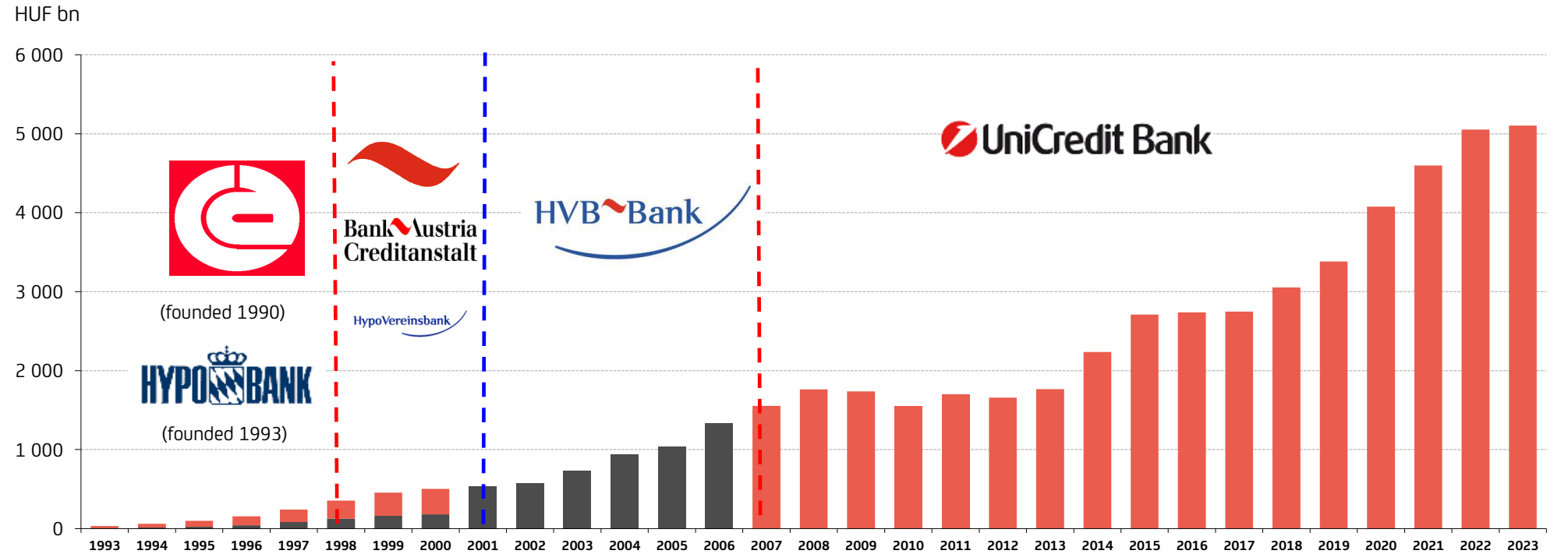
UniCredit Bank in Hungary



UniCredit Bank in Hungary

Greenfield investments in Hungary - Series of mergers of parent banks

Total Assets, consolidated IFRS

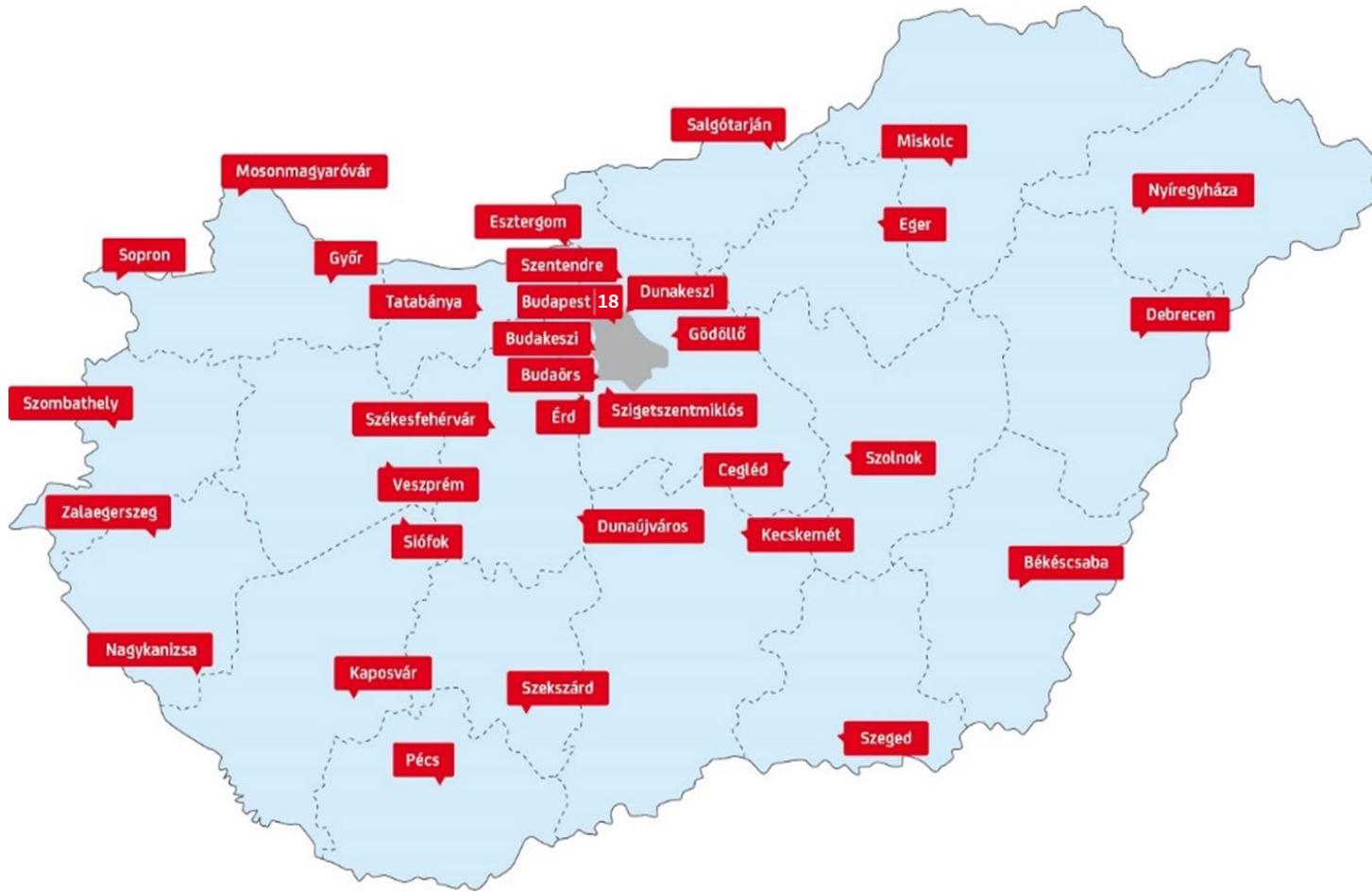


	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Staff number	1,005	1,015	1,043	1,209	1,366	1,520	1,583	1,902	1,982	1,971	1,967	1,878	1,796	1,733	1,647	1,728	1,756	1,748	1,744	1,770	1,763	1,774	1,755
Nr. of Branches	38	38	40	39	52	74	81	115	133	133	132	120	100	85	56	55	54	55	55	54	54	51	50
Operating Income (HUF bn)	28.2	27.7	31.4	46.7	48.8	55.7	62.6	67.5	76.5	86.0	86.7	75.7	102.0	122.3	115.9	129.5	120.5	123.9	108.2	108.1	117.1	98.4	108.3
Profit after Tax (HUF bn)	7.3	8.3	10.4	19.0	19.4	19.1	21.9	29.1	15.5	18.8	14.5	21.0	6.5	16.0	38.7	53.8	51.0	56.3	51.2	31.3	45.9	84.8	91.9



UniCredit Bank in Hungary

UniCredit Bank Hungary Zrt. – AT A GLANCE 4Q 2024 ¹



- Profit after taxes: EUR 204 million
- Loans: EUR 5.6 billion²
- Deposits: EUR 7.9 billion³



- Headcount: 1,742⁴



- Number of branches: 50



- Nr. of customers over 330,000

¹IFRS consolidated

²Loans to customers, net

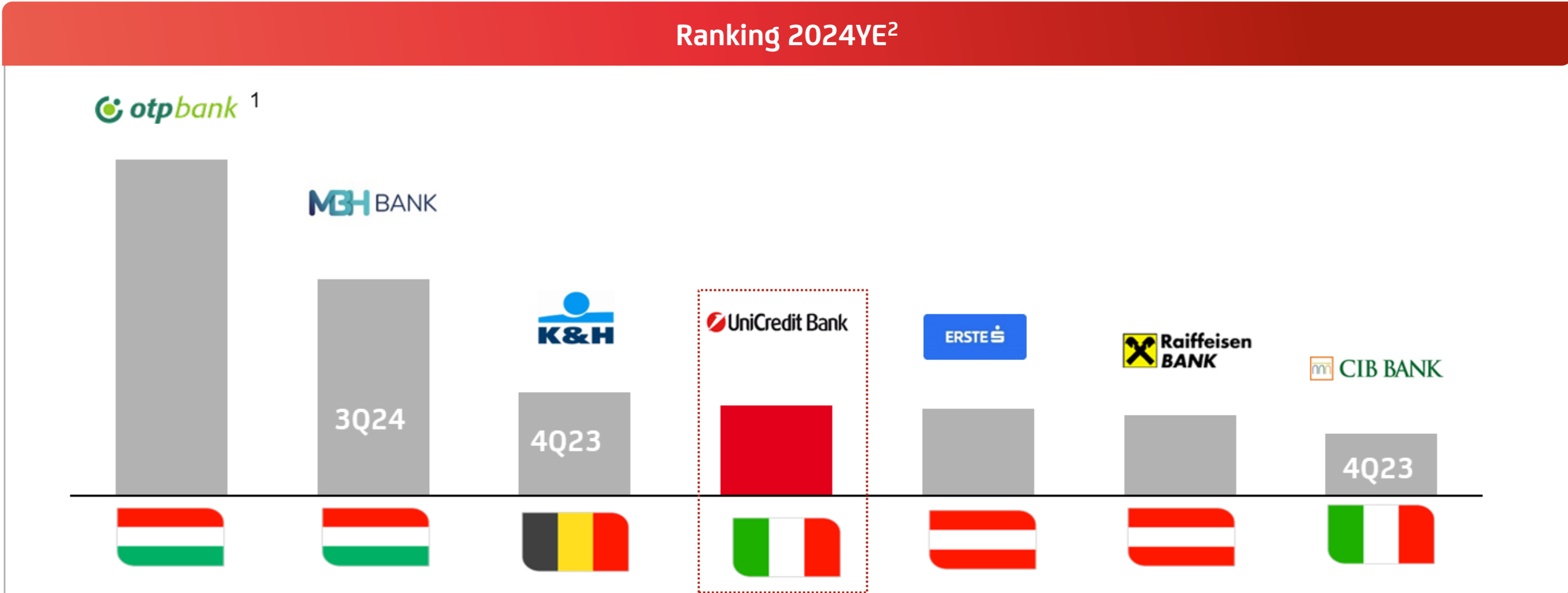
³Excluding Repos and intercompany items

⁴Full time employees



UniCredit Bank in Hungary

Ranking of the biggest banks in terms of total assets

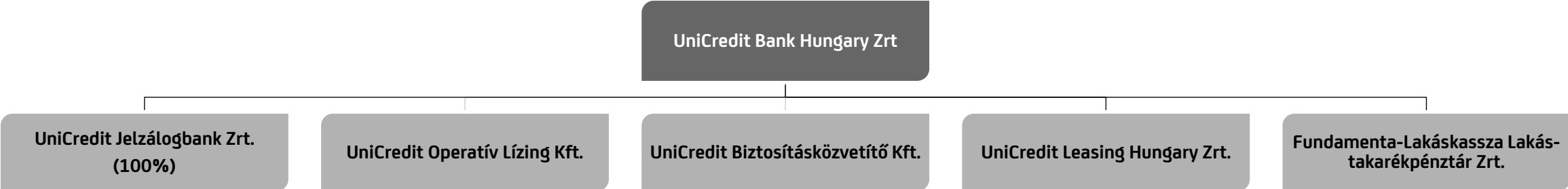


1 OTP refers to HU Core Business – basic activity in Hungary

2 In case data is not 2024YE it is indicated on the diagram



The Main Companies of the UniCredit Hungary Group



UniCredit Jelzálogbank (Mortgage Bank) in Hungary

- UniCredit Jelzálogbank has been operating on the Hungarian market since 1999
- UniCredit Bank Hungary Zrt is the sole shareholder of UniCredit Jelzálogbank.
- The operational framework (e.g. processes, internal regulations, controls and IT background) of UniCredit Jelzálogbank is strongly integrated into UniCredit Bank Hungary Zrt, several activities are outsourced to UniCredit Bank Hungary Zrt.
- Members of the Board:
 - Mr. Tamási Attila (Chairman, CEO of UniCredit Jelzálogbank);
 - Dr Juhász Viktor (Internal member, Head of Funding & Capital Management at UniCredit Bank Hungary);
 - Csáky Attila (External member, Head of Client Risk Management & Treasury at UniCredit Bank Hungary);
 - Borbély Árpád (External member, Head of Balance Sheet Management at UniCredit Bank Hungary)
- ESG Framework: UniCredit Group Sustainability Bond Framework, ICMA-Green Bond Principle
- Collateral Pool Asset Controller: **PricewaterhouseCoopers Könyvvizsgáló Kft.**
- Auditor: **KPMG Könyvvizsgáló és Tanácsadó Kft.**
- Sustainability Bond Report 2024 Auditor: **KPMG Könyvvizsgáló és Tanácsadó Kft.**





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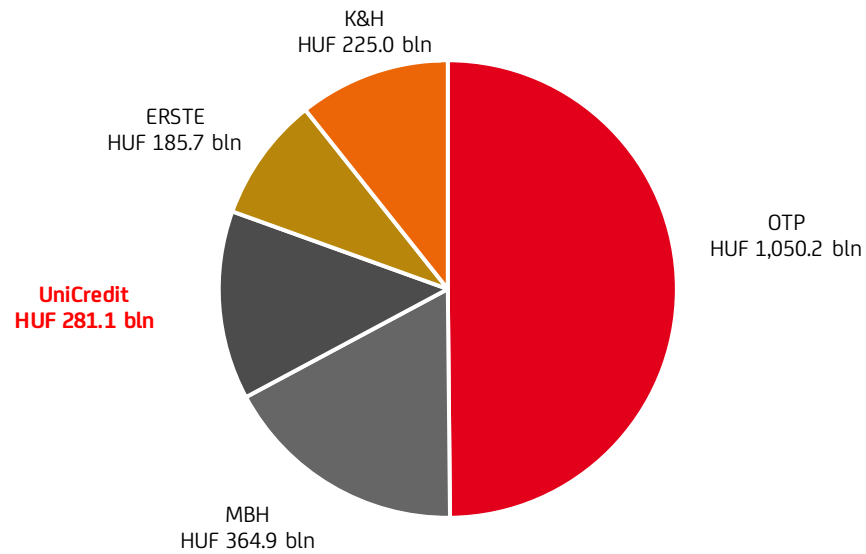
Covered Bond Portfolio



Hungarian Mortgage Bond Market

Main milestones, market players and regulatory limits

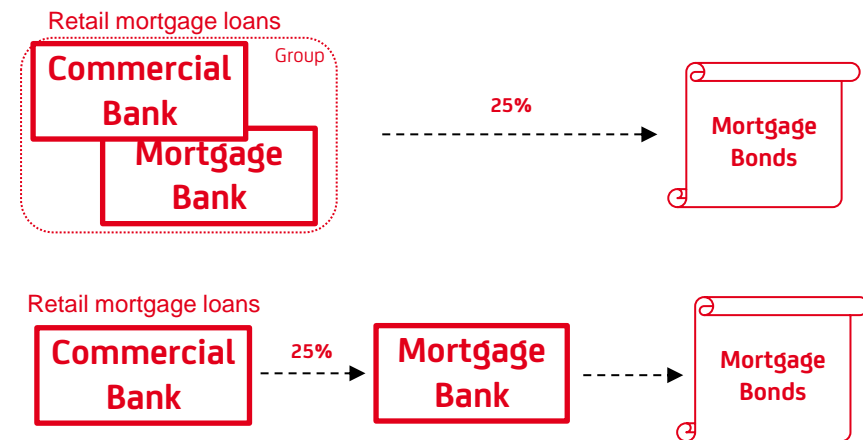
Hungarian Mortgage Bond Market



Based on the nominal value of issued bonds
(Data as of December, 2024)

- **25 years experience** in the mortgage banking industry: UniCredit Jelzálogbank is the second oldest mortgage bank in Hungary.
- **13% market share** in the covered bond market: the **mortgage bond portfolio** of UniCredit Jelzálogbank is the **third biggest** in the industry.
- Hungarian mortgage banks have to comply with the local regulatory limit called **Mortgage Funding Adequacy Ratio**. Based on the regulation lenders currently have to back at least 25% of their mortgage loans with long-term liabilities.



MFAR (JMM) - Mortgage Funding Adequacy Ratio



UniCredit Jelzálogbank Covered Bonds Rating

Moody's assigned A1 rating to UniCredit Jelzálogbank's covered bonds (March 2025)

- Moody's Investor Service has assigned definitive **A1** long-term ratings to the mortgage covered bonds issued by UniCredit Jelzálogbank Zrt.
- Main factors:
 - The credit strength of issuer.
 - The cover pool's credit quality, which is reflected in the collateral score of 7.2% and the over-collateralisation of 20.9% (as of 30 Sep 2024).
 - The support provided by the Hungarian legal framework for covered bonds.
 - The local and foreign currency bond ceiling for Hungary which caps the rating of the covered bonds at A1.
- CR Assessment: unpublished
- CR Anchor: CR assessment +1 notch
- Extended refinance period: No
- Principal payment type: hard bullet
- Timely payment Indicator (TPI): probable

MOODY'S Covered Bond / Bond (govie)	CQS*
Aaa Aa1 Aa2 Aa3	1
A1 A2 A3 	2
Baa1 Baa2 Baa3 	3
Ba1 Ba2 Ba3	4

*Credit Quality Steps is defined by CRR, it influences the haircuts in the LCR reporting

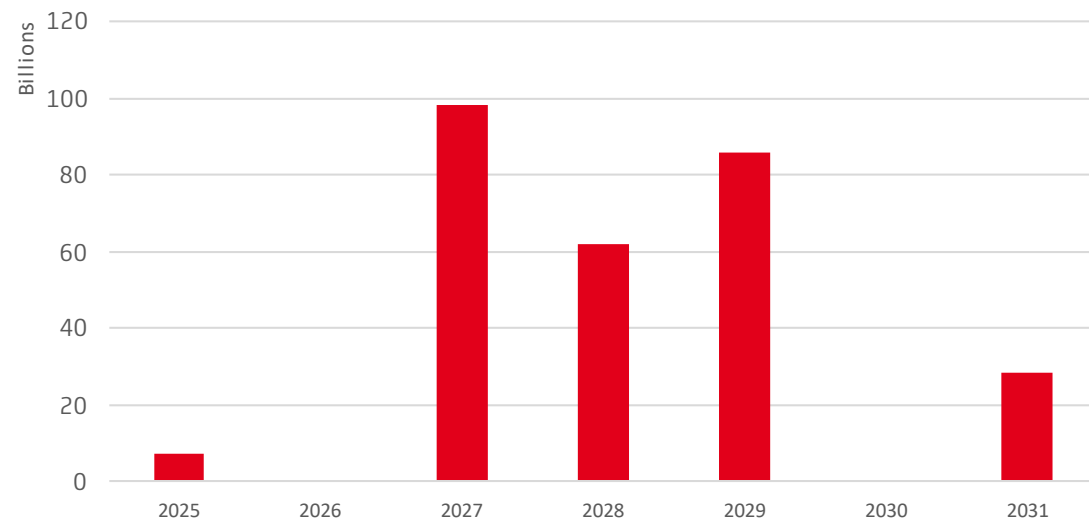


Outstanding Covered Bond Portfolio

Covered bond portfolio as of February 28, 2025

- The size of the **outstanding mortgage bond portfolio** was **HUF 281 bn** at the end of February 2025. The portfolio consists only **HUF** denominated mortgage bonds with **fixed or floating coupons**.
- According to the CRR art. 129 mortgage bonds issued by UCJ meet the eligibility requirements for preferential treatment.
- Moody's Investors Service rating agency assigned definitive **'A1'** long-term ratings to the **mortgage bonds** issued by UniCredit Jelzálogbank Zrt in 2021.
- All issued bond series are **Central Bank repo eligible, rated by Moody's, listed and firm quoted** in Budapest Stock Exchange (BSE) and most of it part of BSE's mortgage bond indices (BMBX).
- **Issuer's all payment obligations are guaranteed by UniCredit Bank Hungary (suretyship)**

Issued bonds Maturity Concentration



Main Characteristics of Outstanding Mortgage Bond Portfolio

Instrument	Outstanding Amount	Currency	Coupon type	Annual Coupon	Maturity	Moody's Rating	Green bond	European premium CB
UCJBF 2025/A	HUF 7,1 bln	HUF	Fix	1,60%	2025.06.24	A1	No	No
UCJBV 2027/A	HUF 82,9 bln	HUF	Float	3M BUBOR+23bps	2027.04.25	A1	No	Yes
UCJBF 2027/A	HUF 15,4 bln	HUF	Fix	3,50%	2027.10.27	A1	No	No
UCJBF 2028/A	HUF 61,9 bln	HUF	Fix	3,25%	2028.10.22	A1	No	Yes
UCJBF 2029/A	HUF 27,5 bln	HUF	Fix	7,50%	2029.05.23	A1	No	Yes
UCJBG 2029/A	HUF 20,0 bln	HUF	Fix	7,50%	2029.05.23	A1	Yes	Yes
UCJBV 2029/A	HUF 38,1 bln	HUF	Float	3M BUBOR+90bps	2029.08.22	A1	No	Yes
UCJBG 2031/A	HUF 28,2 bln	HUF	Fix	3,75%	2031.10.22	A1	Yes	Yes



Execution of mortgage bond auctions



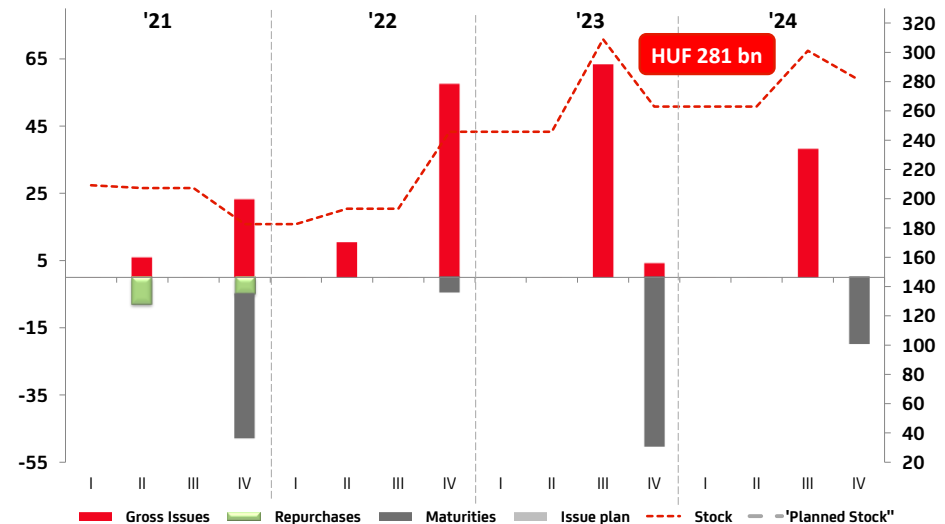
- **Mortgage bond auctions** to local market are held at **Budapest Stock Exchange**, lead manager is **Treasury Department of UniCredit Bank Hungary**.
- International lead managers are involved into international issuances.
- **Public Offering** and **the Final Terms** will be published before auctions with the relevant parameters of the new issues.
- **Auction results** will be published on the auction day between **1.00 PM and 3.00 PM (Hungarian time)**.
- Announcements are published at the following websites: www.jelzalogbank.hu; www.unicreditbank.hu; www.bet.hu; kozvetelek.mnb.hu.

Contract – Lead manager



UniCredit Bank Hungary
Treasury - **Institutional Sales**
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btis@unicreditgroup.hu
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Issuance Activities (HUF denominated)





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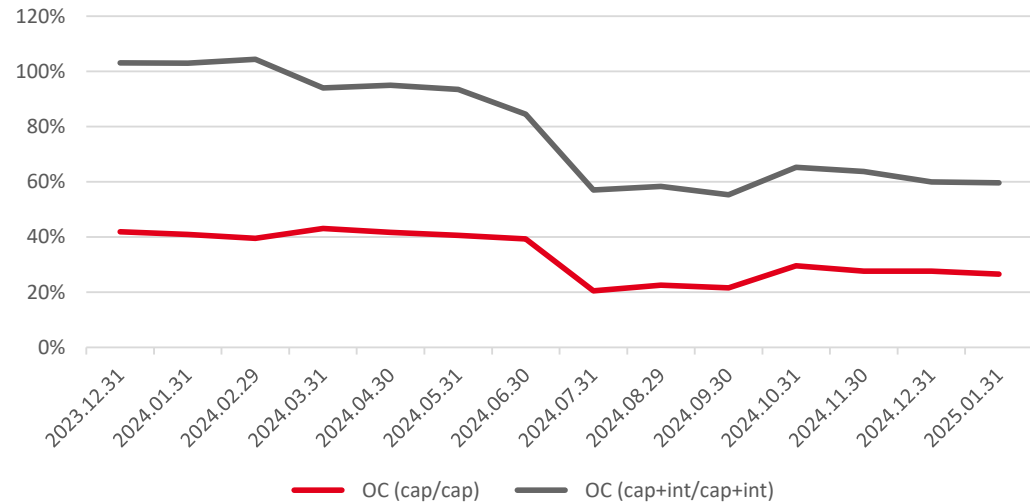
Cover Pool Information



Key Cover Pool Characteristics

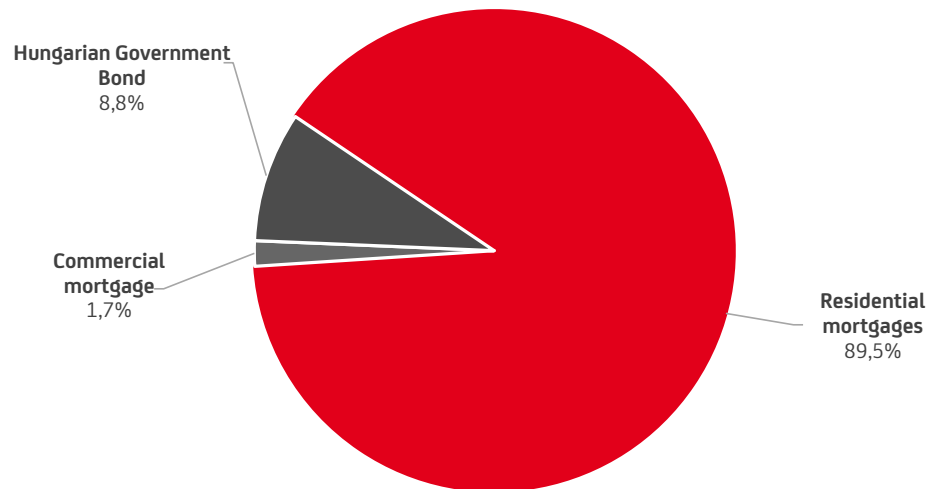
Cover pool overview as of December 31, 2024

Over-Collateralization

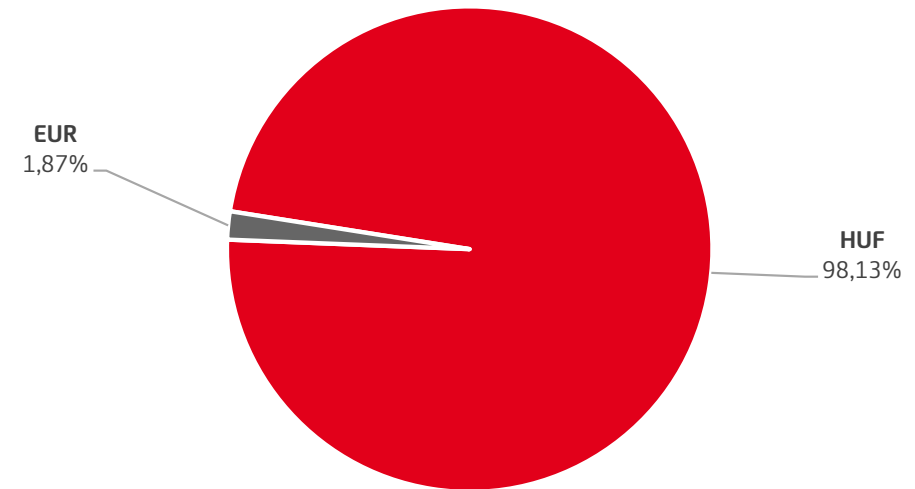


- The cover pool of UniCredit Jelzálogbank contains **HUF denominated private loans**, an EUR commercial loan and Government Bonds as substitute assets.
- **Retail mortgages** represent more than **89.5%** of the cover pool. Hungarian Government Bonds made up the **8.8%** of the pool. The share of the commercial mortgages is 1.7%.
- UniCredit Jelzálogbank targets keeping **significant overcollateralization**.
- Due to the active cover pool management, the OC requirement was complied. (repurchasing or new asset inclusion before significant issuances)
- The loans included to the cover pool are backed by real estates in Hungary. The majority of the real estates involved to the cover pool concentrates near to the capital of Hungary and country seats.

Asset Types



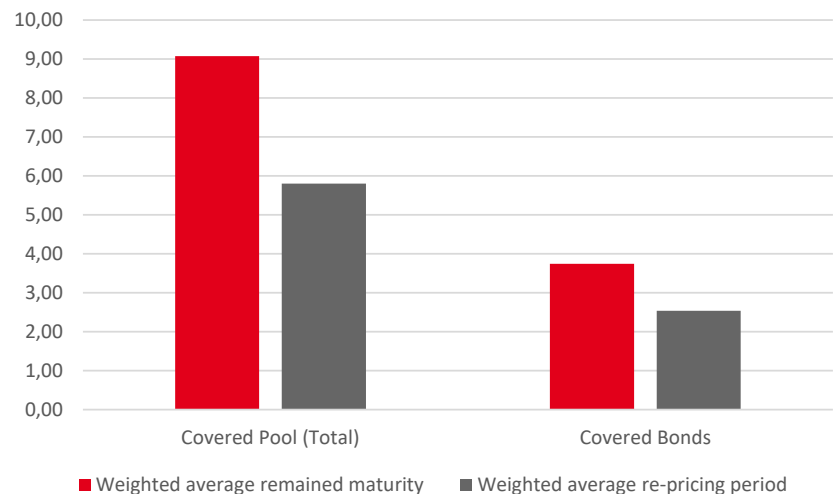
Currency Mix (cover pool)



Key Cover Pool Characteristics

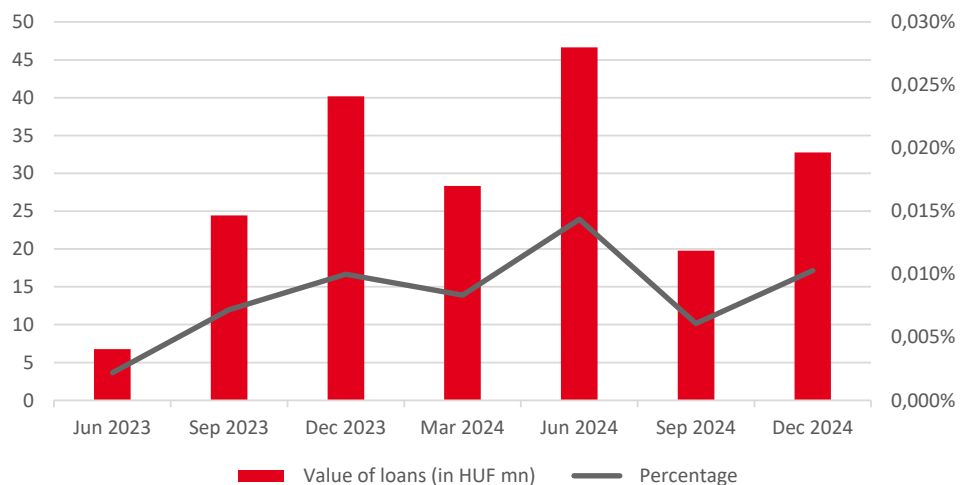
Cover pool overview as of December 31, 2024

Maturity and re-pricing Structure (in years)

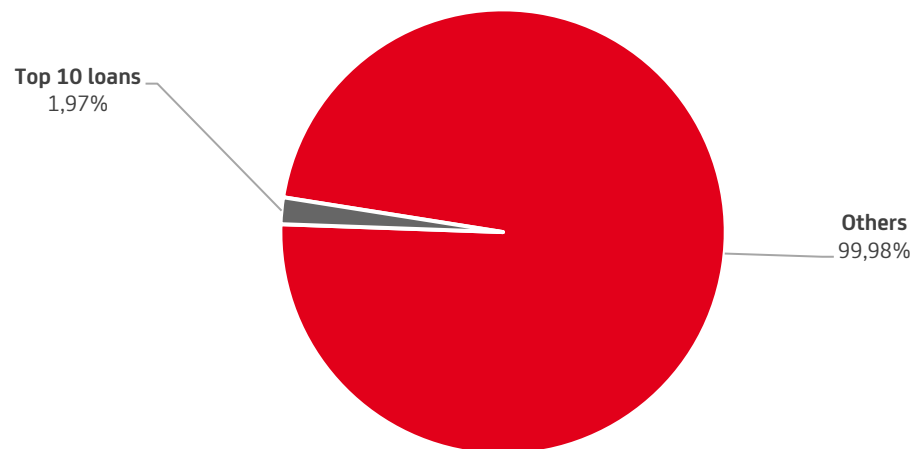


- UniCredit Jelzálogbank regularly examines the status of the loans involved to the cover pool and withdraws the loans with more than 90 days past due.
- At the end of Q4 2024, 0.01% of the loans with 90+ days were in a past due status within the pool.
- The 10 biggest loans involved to the pool account for about 1.97 percent of the portfolio, signaling low concentration.
- CRR 129 information to Investors at website: https://www.jelzalogbank.hu/investor_information/cover_pool_crr_129/cover_pool_crr_129.html?defaultLanguage=english

Loans With 90+ Days Past Due



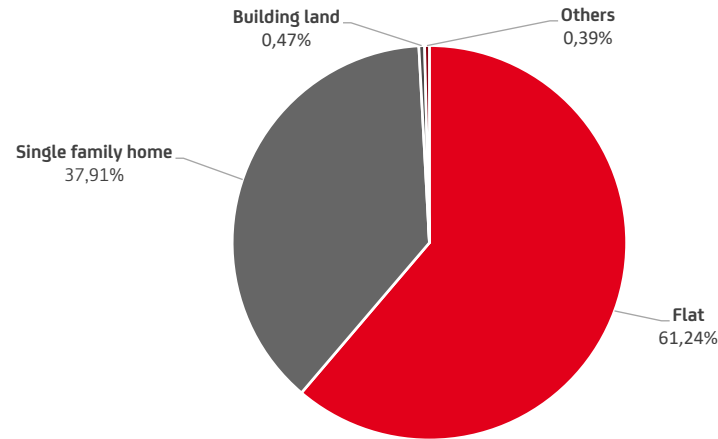
Loan Concentration (TOP 10 loans)



Key Characteristics - Residential mortgage portfolio

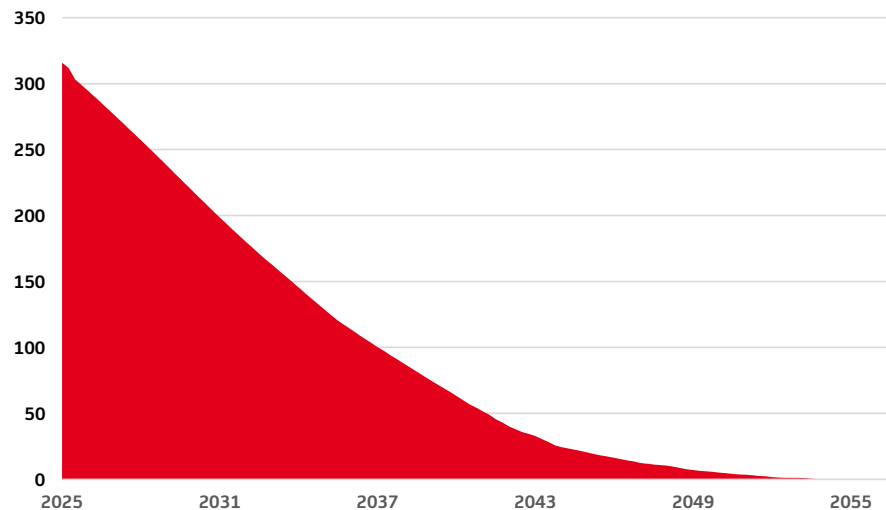
Cover pool overview as of December 31, 2024

Property Type

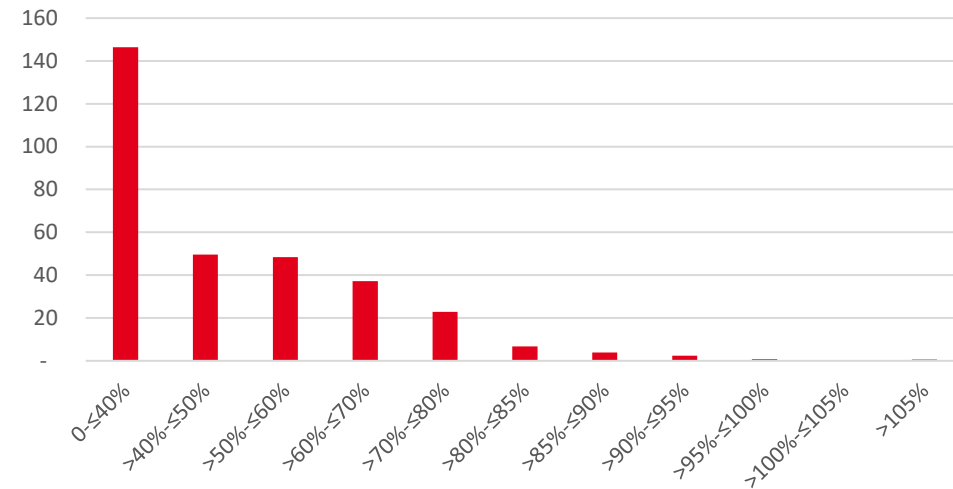


- The Loans of the residential mortgage portfolio are collateralized by flats and single family homes. The weight of other technical type properties (connecting to residential flats but others in registry system typology) is not significant in the pool.
- The weighted loan-to-value ratio has been decreasing gradually and stabilized in the recent years. At the end of 2024 the weighted LTV was 50.13%.

Assets amortization profile (HUF bln)



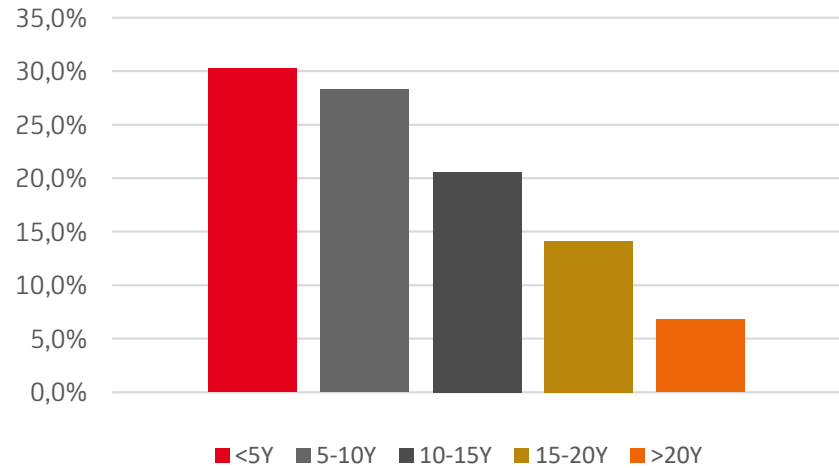
LTV distribution



Key Characteristics - Residential mortgage portfolio

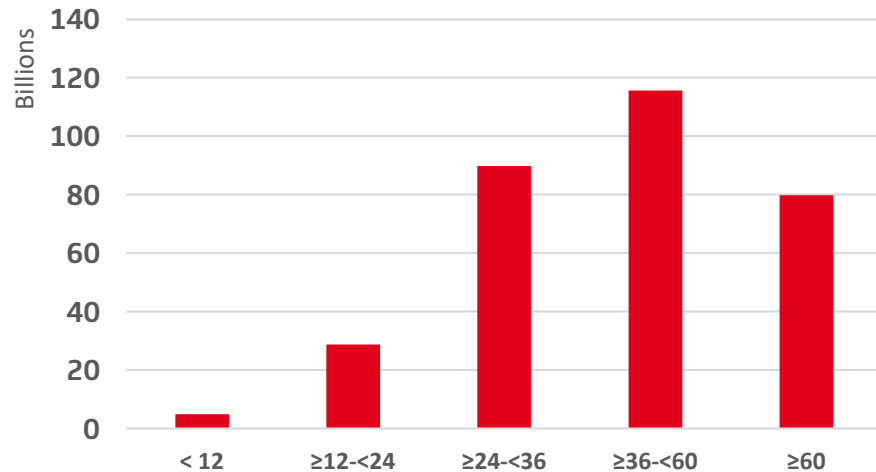
Cover pool overview as of December 31, 2024

Remaining maturity structure

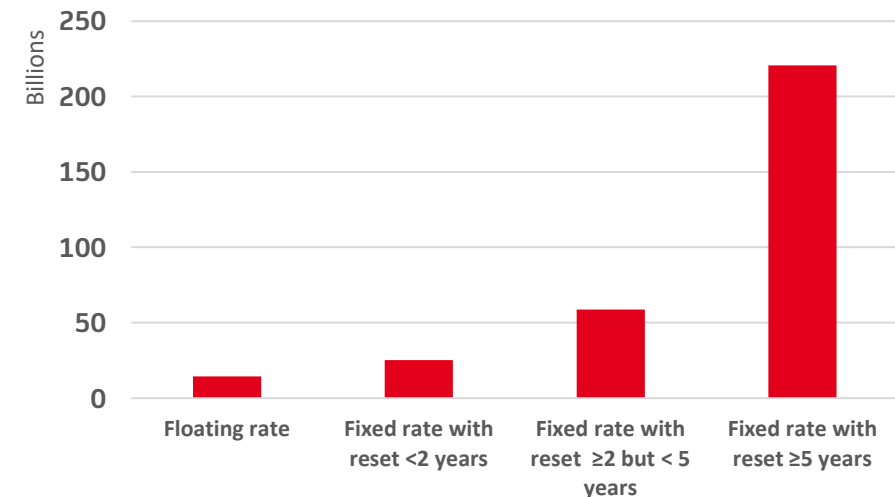


- Majority of the loans is repriced above 5 years or has fixed rate during the whole lifetime (66.1%). 4.3% of the portfolio has a floating interest rate.

Seasoning



Interest rate type



Green Bond Framework

UniCredit Group Sustainability Bond Framework

ESG Framework

- In 2021 UniCredit Jelzalogbank implemented the UniCredit Group Sustainability Bond Framework, based on ICMA GBP standard
- Utilized ESG goal is Green buildings

Green covered bonds and allocation

- As result of 3 issuances, the amount of issued green bonds is HUF48.2bn.

Impacts

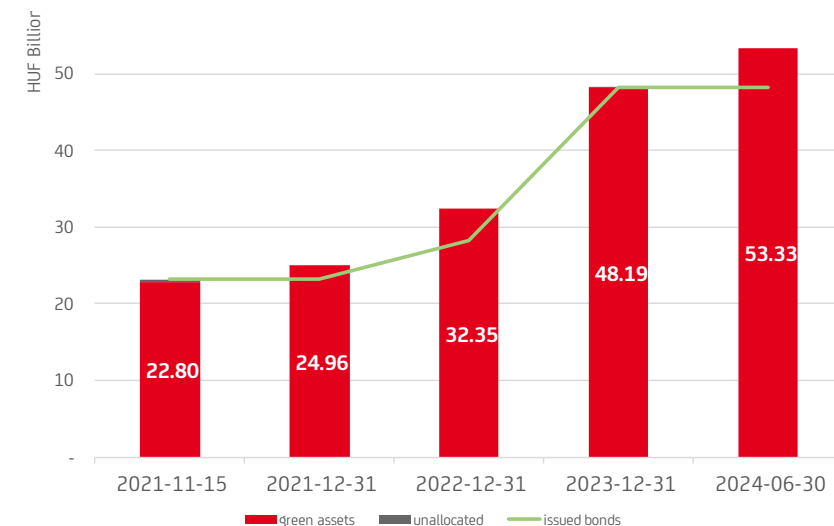
- Reported ESG KPIs:
 - Annual energy savings: 6-7 GWh/year
 - Annual CO₂e savings: 1-2 ktCO₂e/year
 - Investment intensity: 42-50 tCO₂e/m€/y

	Annual energy savings (MWh/year)	Annual CO ₂ e savings (tCO ₂ e/year)	Investment intensity (tCO ₂ e/m€/y)	Final energy benchmark (kWh/m ² /year)	CO ₂ e benchmark (kgCO ₂ e/m ² /year)
31 March 2022	5,732	1,121	17.56	214.10	41.86
31 March 2023	7,587	1,488	19.68	231.35	45.36
30 June 2024	6,773	1,861	14.60	180.16	49.50

GREEN AND SOCIAL ELIGIBLE CATEGORIES

The grid lists the following categories and their associated SDGs:

- GREEN**
 - Renewable energy (SDG 7)
 - Clean transportation (SDG 9, 11)
 - Green buildings** (SDG 11)
 - Pollution prevention and control (SDG 12)
- SOCIAL**
 - Sustainable water and wastewater management (SDG 6)
 - Healthcare (SDG 3)
 - Social Assistance (SDG 10)
 - Affordable housing (SDG 10)
 - Support to disadvantaged areas (SDG 8)
 - Education (SDG 4)
 - Social Impact Banking (SDG 1, 5, 8, 10)



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