

## Registration Document

### Erste Bank Hungary Zrt.

*(Privately owned company limited by shares in Hungary under registered number 01-10-041054)*

This supplement (the "**Supplement**") dated 13 January 2022 constitutes a supplement pursuant to Article 23 (1) of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") and is supplemental to, and should be read in conjunction with, the registration document dated 31 August 2021 (the "**Original Registration Document**" and together with the Registration Document Supplement No. 1 dated 12 November 2021, the "**Registration Document**") of Erste Bank Hungary Zrt. (the "**Issuer**" or "**Erste Bank Hungary**"). The Registration Document forms part of any base prospectus of the Issuer consisting of separate documents within the meaning of Article 8(6) of the Prospectus Regulation and as of the date of this Supplement, this Supplement relates to the base prospectuses consisting of separate documents in relation to the (i) EMTN programme dated 31 August 2021 and (ii) the multi issuer EMTN programme dated 2 December 2021.

The Original Registration Document has been approved on 31 August 2021 by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**").

This Supplement has been filed with and approved by the FMA in its capacity as competent authority, filed with the Vienna Stock Exchange (*Wiener Börse*) and published in electronic form on the Issuer's website under "[www .erstebank.hu/hu/ebh-nyito/bankunkrol/investor-relations](http://www.erstebank.hu/hu/ebh-nyito/bankunkrol/investor-relations)".

Terms defined in the Registration Document shall have the same meaning when used in this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Registration Document by this Supplement and (b) any other statement in or incorporated by reference in the Registration Document, the statements mentioned in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to the information included in the Registration Document has arisen or been noted, as the case may be, since the publication of the Registration Document.

**In accordance with Article 23 (2a) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for securities issued or to be issued by the Issuer before this Supplement was published have the right, exercisable within three working days after the publication of this Supplement, to withdraw their acceptances until, and including 18 January 2022, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period and the delivery of the securities issued or to be issued, whichever occurs first. Investors may contact the relevant financial intermediary if they wish to exercise their right of withdrawal.**

The accuracy of the information contained in this Supplement does not fall within the scope of examination by the FMA under the Prospectus Regulation. The FMA only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer that is the subject of this Supplement.



## RESPONSIBILITY STATEMENT

The Issuer, with its registered office at Népfürdő utca 24-26, 1138 Budapest, Hungary, is responsible for the information given in this Supplement.

The Issuer hereby declares that, to the best of the knowledge of the Issuer, the information contained in this Supplement is in accordance with the facts and makes no omission likely to affect its import.

### NOTICE

No person has been authorised to give any information or to make any representation other than those contained in this Supplement in connection with the issue or sale of securities issued or to be issued by the Issuer and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any arranger or dealer. Neither the delivery of the Registration Document and/or this Supplement nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries and participations taken as a whole (the "**Erste Bank Hungary Group**") since the date hereof or the date upon which the Registration Document has been most recently supplemented or that there has been no adverse change in the financial position of the Issuer or Erste Bank Hungary Group since the date hereof or the date upon which the Registration Document has been most recently supplemented or that any other information supplied in connection with the Registration Document is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Supplement and the offering or sale of securities issued or to be issued by the Issuer in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, any arranger and any dealer to inform themselves about and to observe any such restriction.

This Supplement does not constitute an offer of, or an invitation by or on behalf of any of the Issuer, any arranger or any dealer to subscribe for, or purchase, any securities issued or to be issued by the Issuer.

In case of any arranger or dealer none of them has independently verified the information contained in this Supplement and none of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Supplement. Neither this Supplement nor any financial statements supplied in connection with the Registration Document or any securities issued or to be issued by the Issuer are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer, any arranger or any dealer that any recipient of this Supplement or any financial statements should purchase securities issued or to be issued by the Issuer. Each potential purchaser of securities issued or to be issued by the Issuer should determine for itself the relevance of the information contained in this Supplement or any financial statements and its purchase of securities issued or to be issued by the Issuer should be based upon any such investigation as it deems necessary. None of any arranger or any dealer undertakes to review the financial condition or affairs of the Issuer or Erste Bank Hungary Group during the life of the arrangements contemplated by this Supplement nor to advise any investor or potential investor in securities issued or to be issued by the Issuer of any information coming to the attention of any arranger or any dealer.

Significant new factors, material mistakes and/or material inaccuracies (as referred to in Article 23 (1) of the Prospectus Regulation) have arisen which in the Issuer's perception are capable of affecting the assessment of securities issued or to be issued by the Issuer, and are thus herewith included in the Registration Document as follows:

1.1. In the section entitled "2. ERSTE BANK HUNGARY ZRT.", subsection entitled "2.2 BACKGROUND" commencing on page 17 of the Original Registration Document as amended by Registration Document Supplement No. 1 dated 12 November 2021 the first sentence and the table regarding the subsidiaries and participations shall be replaced by the following information:

"Erste Bank Hungary Group consists of Erste Bank Hungary and its subsidiaries and participations as follows (as of 1 January 2022):

Name of the subsidiary	Ownership interest	Principal activity	Registered office	Registered capital (thousand HUF)
ERSTE Ingatlan Kft.	100%	Real estate development/ utilization	Népfürdő utca 24-26, 1138 Budapest, Hungary	141,181
ERSTE Lakástakarék Zrt.	100%	Home savings	Népfürdő utca 24-26, 1138 Budapest, Hungary	2,025,000
ERSTE Jelzálogbank Zrt.	100%	Mortgage bank	Népfürdő utca 24-26, 1138 Budapest, Hungary	3,010,000
Erste Befektetési Zrt.	100%	Investment firm	Népfürdő utca 24-26, 1138 Budapest, Hungary	2,000,000
Collat-real Kft.	Indirect 100%	Real estate sale and purchase	Népfürdő utca 24-26, 1138 Budapest, Hungary	3,000
Random Capital Broker Zrt.	Indirect 100%	Securities and commodity exchange brokerage	Népfürdő utca 24-26, 1138 Budapest, Hungary	285,500
RND Solutions Zrt.	Indirect 100%	Computer programming	Népfürdő utca 24-26, 1138 Budapest, Hungary	160,000
<b>Name of the participation</b>				
UNION Vienna Insurance Group Zrt.	1.36%	Insurance company	Baross utca 1, 1082 Budapest, Hungary	5,000,000
Budapesti Értéktőzsde Zrt.	2.32%	Stock exchange	Szabadság tér 7. Platina torony. I. ép. IV. em., 1054	541,348

			Budapest, Hungary	
Garantiqa Hitelgarancia Zrt.	2.17%	Guarantee provision	Kisfaludy u. 32, 1082 Budapest, Hungary	7,839,600"

**1.2. In the section entitled "2. ERSTE BANK HUNGARY ZRT.", subsection entitled "2.8 COVID-19 PANDEMIC" on page 22 of the Original Registration Document the paragraphs shall be replaced by the following paragraphs:**

"The Hungarian economy and the Hungarian banking sector as well were hit by COVID-19. Due to the COVID-19 pandemic, the gross domestic product ("**GDP**") decreased, the average unemployment rate increased and government deficit and public debt significantly deteriorated as a result of the new measures introduced. Despite the economic downturn in 2020 and in the first quarter of 2021, there was an economic recovery in 2021 starting late spring as the economy gradually reopened and a relatively high vaccination level was reached. The moratoria introduced by the Hungarian government in April 2020 had a major effect on the Hungarian banking sector and will not end before the end of June 2022 (as of November 2021 moratoria are only available for some vulnerable group of customers, new applications are no longer possible). Sector profitability decreased by 39% in 2020 driven mainly by risk cost bookings, however in the first three quarters of 2021 the net result of the banking sector surpassed the pre-covid level. Loan and deposit volumes are continuously growing while new disbursement in 2021 has also exceeded the level of 2020.

Although the COVID-19 pandemic had a negative effect on Erste Bank Hungary's 2020 and first quarter 2021 results as well, the Issuer was overall able to close this period successfully. Profitability in 2020 decreased mainly because of the high level of risk cost creation, while based on the first three quarters of 2021 Erste Bank Hungary could surpass the profit level of the same period of 2019. Operating income increased, deposit and loan volumes significantly increased as well while new disbursement also grew compared to 2020. The non-performing loan ("**NPL**") ratio increased in the fourth quarter 2021 as clients with financial difficulties were classified as default after an unlikely-to-pay (UTP) analysis, but it is still well below 5%. The NPL ratio is still on a low level in Erste Bank Hungary, however the actual non-performing portfolio will be fully visible after the moratoria ends. Risk cost creation was less in 2021, but the higher level of impairment shall be kept till closure of the moratoria. As a result of the proactive approach, Erste Bank Hungary could reach and inform its customers about the moratoria, which resulted in a participation rate much lower than the market average."

**1.3. In the section entitled "2. ERSTE BANK HUNGARY ZRT.", subsection entitled "2.10 RECENT EVENTS" on page 23 of the Original Registration Document the paragraph shall be replaced by the following paragraphs:**

"Erste Bank Hungary is acquiring Commerzbank's Hungarian corporate banking subsidiary Commerzbank Zrt. Both banks signed the contract to this effect on 17 December 2021. Through this purchase, Erste Bank Hungary Group is strengthening its position in the corporate banking business in Hungary. Erste Bank Hungary Group will be taking over 100% of Commerzbank Zrt., including its customer portfolio and the Commerzbank Zrt.'s head office building in Budapest. The transaction is still subject to approvals from antitrust and banking authorities. The conclusion of the sale and start of the operative implementation of the transaction is planned for the second half of 2022.

Other than that, there are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency."

**1.4. In the section entitled "2. ERSTE BANK HUNGARY ZRT.", subsection entitled "2.13 SELECTED FINANCIAL INFORMATION" as added by Registration Document Supplement No. 1 dated 12 November 2021 on page 23 of the Original Registration Document the information shall be replaced by the following information:**

"Key profitability and efficiency ratios (on consolidated basis)

<b>Erste Bank Hungary</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>30 June 2021</b>
Return on Equity (ROE) ratio, %	17.7%	16.8%	15.9%	5.6%	14.6%
Net Interest Margin (NIM) ratio, %	3.3%	3.1%	2.9%	2.7%	2.5%
Cost/Income (C/I) ratio, %	54.1%	48.8%	47.3%	48.5%	44.8%
Loan/deposit ratio net, %	72.9%	74.5%	73.1%	65.3%	64.1%
Solvency ratio, %	19.4%	20.1%	21.0%	22.0%	22.2%

Source: Information of the Issuer

### Key risk indicators (on consolidated basis)

<b>Erste Bank Hungary</b>	<b>30 June 2021</b>
Non-Performing Loan (NPL) ratio, %	3.0%
Non-Performing Loan (NPL) coverage ratio, %	115.1%

Source: Information of the Issuer

<b>Erste Bank Hungary</b>	<b>31 December 2017</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>30 June 2021</b>
Risk cost ratio, %	-2.5%	-0.9%	-0.4%	1.6%	0.1%

Source: Information of the Issuer

<b>Erste Bank Hungary</b>	<b>31 December 2018</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>30 June 2021</b>
Risk costs (HUF billion)	-11.6	-5.9	27.4	1.1

Source: Information of the Issuer

<b>Alternative Performance Measure</b>	<b>Calculation</b>
Return On Equity (ROE) ratio	<p>ROE ratio is expressed as:</p> <p>Profit or loss for the year attributable to the owners of the parent / simple average of two year ends of shareholder's equity attributable to the owners of the parent</p> <p>ROE ratio is a profitability ratio which assesses how well equity is used to generate profit.</p> <p>Example for ROE ratio calculation as of 31 December 2020:</p>

ROE ratio

$$= \frac{22.95 \text{ (Profit or loss for YE 2020 attributable to the owners of the parent in HUF bn)}}{\text{Average}(402.34; 423.86) \text{ (simple average of volume of shareholder's equity for YE 2019 and YE 2020 in HUF bn)}}$$

= 5.6%

**Net Interest Margin (NIM) ratio** NIM ratio is expressed as:

Net interest bearing income (Net interest income + Dividend income + Net result from equity method investments / simple average of two year ends of interest bearing assets (Other financial assets held for trading + Non-trading financial assets mandatorily at fair value through profit or loss + Financial assets at fair value through other comprehensive income + Financial assets at amortized cost + Trade and other receivables + Finance lease receivables + Investments in subsidiaries, joint ventures and associates)

NIM ratio is a profitability ratio which assesses how profitable investment (asset) is when compared to expenses used to fund it.

Example for NIM ratio calculation as of 31 December 2020:

$$\text{Net interest bearing income} = \text{Net interest income (HUF 79.94bn)} + \text{Dividends received (HUF 0bn)} + \text{Share of the profit or (-)loss of investments in subsidiaries accounted for using the equity method (HUF 0bn)} = 79.94$$

*Net interest bearing assets*

- = Other financial assets held for trading (simple average of YE 2019 and YE 2020 (HUF 32.82bn; HUF 108.70bn))
- + Non trading financial assets mandatorily at FVTPL (simple average of YE 2019 and YE 2020 (HUF 115.36bn; HUF 212.28bn))
- + Financial assets at FVTOCI (simple average of YE 2019 and YE 2020 (HUF 125.74bn; HUF 135.07bn))
- + Financial assets at AC (simple average of YE 2019 and YE 2020 (HUF 2339,55bn; HUF 2820,18bn))
- + Trade and other receivables (simple average of YE 2019 and YE 2020 (HUF 10,67bn; HUF 12,22bn))
- + Finance lease receivables (simple average of YE 2019 and YE 2020 (HUF 43,57bn; HUF 38,94bn))
- + Investments in subsidiaries, joint ventures and associates (simple average of YE 2019 and YE 2020 (HUF 0bn; HUF 0bn))

*NIM ratio* =

$$= \frac{79.94 \text{ (Net interest bearing income for YE 2020 in HUF bn)}}{\text{Average}(2667.71; 3327.39) \text{ (simple average of volume of interest bearing assets for YE 2019 and YE 2020 in HUF bn)}}$$

= 2.7%

**Cost Income (C/I) ratio** C/I ratio is expressed as:

Operating expense (Personnel expenses, Other administrative expenses, Depreciation and amortization) / Operating income (Net interest income, Net fee and commission income, Dividend income, Net trading result, Gains/losses from financial instruments measured at fair value through profit or loss, Net result from equity method investments, Rental income from investment properties & other operating leases)

C/I ratio is an efficiency ratio which assesses how many units of cost must be invested to generate one unit of revenue.

Example for C/I ratio calculation as of 31 December 2020:

$$C/I \text{ ratio} = \frac{74.94 \text{ (Operating expense for YE 2020 in HUF bn)}}{154.55 \text{ (Operating income for YE 2020 in HUF bn)}} = 48.5\%$$

**Solvency ratio, %** Solvency ratio is expressed as:

Own funds / Total risk exposure amount

Solvency ratio represents bank's ability to absorb losses in going concern situation.

Example for Solvency ratio calculation as of 31 December 2020:

$$\text{Solvency ratio} = \frac{452 \text{ (Own funds for YE 2020 in HUF mrd)}}{2,051 \text{ (Total risk exposure amount for YE 2020 in HUF mrd)}} = 22.0\%$$

Loan/Deposit net, ratio	<p>Loan/Deposit net ratio is expressed as:</p> <p>Net loans and advances to customers (Loans and advances to customers at amortized cost, Loans and advances to customers at fair value through profit or loss (FVTPL), Trade and other receivables, Finance lease receivables to customers) / Deposits from customers</p> <p>The loan-to-deposit ratio is used to assess a bank's liquidity by comparing a bank's customer loans, net to its customer deposits for the same period.</p> <p>Example for Loan/Deposit net, ratio calculation as of 31 December 2020:</p> $\text{Loan/Deposit ratio} = \frac{1751.98 \text{ (Customer loans, net for YE 2020 in HUF bn)}}{2683.24 \text{ (Customer deposits for YE 2020 in HUF bn)}} = 65.3\%$
Risk cost ratio	<p>Risk cost ratio is expressed as:</p> <p>Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss / simple average of two year ends of volume of gross Loans to customers (LTC) (incl. Trade and other receivables and Finance Lease Receivables)</p> <p>Risk cost ratio assesses loss over a period related to credit risk as a percentage of an average gross loan volume.</p> <p>Example for risk cost ratio calculation as of 31 December 2020:</p> $\text{Risk cost ratio} = \frac{27.4 \text{ (Impairment result from financial instruments YE 2020 in bn HUF)}}{(1609.17 + 1812.65)/2 \text{ (gross LTC for YE 2019 and YE 2020 in bn HUF)}} = 1.6\%$
Non-Performing Loan (NPL) ratio	<p>NPL ratio is expressed as:</p> <p>Volume of Non-Performing Loans to customers (incl. Trade and other receivables and Finance Lease Receivables) / Volume of gross loans to customers (incl. Trade and other receivables and Finance Lease Receivables)</p> <p>NPL ratio is a risk ratio which assesses the quality of a portfolio by showing the percentage of loans which are unlikely to be paid over the gross loan volume.</p> <p>Example for NPL ratio calculation as of 31 December 2020:</p> $\text{NPL ratio} = \frac{54.81 \text{ (Volume of Non - Performing Loans to customers for 2020 in bn HUF)}}{1812.65 \text{ (Volume of gross loans to customers for 2020 in bn HUF)}} = 3.0\%$
Non-Performing Loan (NPL) coverage ratio	<p>NPL coverage ratio is expressed as:</p> <p>Volume of provisions for loans to customers (incl. Trade and other receivables and Finance Lease Receivables) / Volume of Non-Performing Loans to customers (incl. Trade and other receivables and Finance Lease Receivables)</p> <p>NPL coverage ratio is a risk ratio which assesses how well is the NPL volume covered with balance sheet provisions.</p> <p>Example for NPL coverage ratio calculation as of 31 December 2020:</p> $\text{NPL coverage ratio} = \frac{62.53 \text{ (Volume of Loan loss allowances for 2020 in bn HUF)}}{54.81 \text{ (Volume of Non - Performing Loans to customers for 2020 in bn HUF)}} = 114.1\%$

Source: Information and calculation of the Issuer on the basis of the Audited Consolidated Financial Statements 2020

### Capital Position (on consolidated basis)

Basel 3 capital (phased-in, HUF billion)	31 December 2019	31 December 2020	30 June 2021
Basel 3 CET 1	355	387	388
Basel 3 AT 1	-	-	-
Basel 3 Tier 2	55	64	69


Total capital	Basel 3	411	452*	457
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\* Due to the rounding the stated total amount may deviate from that total amount which is calculated by adding the stated single items.

<b>Risk-weighted assets (RWA) (phased-in, billion)</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>30 June 2021</b>
Market risk	17	32	21
Operational risk	502	547	527
Credit risk	1,437	1,472	1,509
Total risk-weighted assets	1,956	2,051	2,057
<b>Basel 3 capital ratios (phased-in)</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>30 June 2021</b>
Basel 3 CET 1 ratio	18.2%	18.9%	18.9%
Basel 3 Tier 1 ratio	18.2%	18.9%	18.9%
Basel 3 total capital ratio	21.0%	22.0%	22.2%

Source: Information of the Issuer"



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	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2022-01-13T13:19:05Z
	Aussteller-Zertifikat	CN=a-sign-corporate-light-02,OU=a-sign-corporate-light-02,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	532114608
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Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: <a href="http://www.signaturpruefung.gv.at">http://www.signaturpruefung.gv.at</a>	
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	