



# MBH Bank Nyrt.

## **Flash Report on 1Q 2024 results**

Budapest, 30 May 2024

## Table of Contents

1	MBH Group 1Q 2024 Results – overview .....	3
2	Management Report on the 1Q 2024 Results of MBH Group.....	9
2.1	P&L development .....	9
2.1.1	Adjusted profit after taxation .....	10
2.1.2	Total comprehensive income .....	10
2.1.3	Net interest income .....	10
2.1.4	Net fee and commission revenues.....	11
2.1.5	Profit/loss on financial transactions (FX and FV result) .....	11
2.1.6	Other results.....	11
2.1.7	Operating expenses.....	11
2.1.8	Risk costs .....	11
2.1.9	Corporate income tax.....	12
2.2	Balance sheet .....	13
2.2.1	Loans .....	13
2.2.2	Securities .....	14
2.2.3	Financial assets.....	14
2.2.4	Other assets .....	14
2.2.5	Deposits and C/A.....	14
2.2.6	Interbank liabilities.....	14
2.2.7	Issued debt securities.....	14
2.2.8	Capital.....	15
2.2.9	Off-balance sheet exposures to customers.....	15
2.3	Capital adequacy .....	15
2.4	Presentation of business segment results.....	16
2.4.1	Corporate and institutional customers .....	16
2.4.2	Retail customers.....	19
2.4.3	Leasing.....	23
2.4.4	Investment services and Treasury activities .....	24
2.5	ESG strategy of MBH Group .....	26
2.6	Awards and recognitions.....	28
3	Financial figures .....	31
3.1	Correction factors 1Q 2024 .....	31
3.2	Consolidated, non-audited financial statements of the MBH Group according to IFRS.....	33

3.2.1	Income statement .....	33
3.2.2	Balance sheet .....	34
3.2.3	Shareholders' assets.....	35
3.3	Individual, non-audited financial statements of MBH Bank Nyrt. according to IFRS.....	36
3.3.1	Income statement .....	36
3.3.2	Balance sheet .....	37
3.3.3	Shareholders' assets.....	38
3.4	Other information .....	39
4	Annexes .....	41
4.1	Financial indicators.....	41
4.1.1	Adjusted KPIs on profit&loss.....	41
4.1.2	KPIs on profit&loss as in financial statement (unadjusted) .....	42
4.1.3	Volume KPIs.....	43
4.2	Summary of the methodology underlying the 1Q 2024 report .....	44
4.3	Abbreviations .....	45

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

# 1 MBH GROUP 1Q 2024 RESULTS – OVERVIEW

## Main components of P&L and balance sheet, key performance indicators

Main components of P&L (in HUF million)	Period					YTD		
	1Q 2023	4Q 2023	1Q 2024	P/P	Y/Y	1Q 2023	1Q 2024	Y/Y
<b>TOCI accounting (Total Comprehensive Income)</b>	<b>24,139</b>	<b>30,638</b>	<b>32,790</b>	<b>7.0%</b>	<b>35.8%</b>	<b>24,139</b>	<b>32,790</b>	<b>35.8%</b>
Other comprehensive income	1,799	28,373	-16,356	-157.6%	-	1,799	-16,356	-
<b>Consolidated Profit after tax (accounting)</b>	<b>22,340</b>	<b>2,264</b>	<b>49,146</b>	<b>-</b>	<b>120.0%</b>	<b>22,340</b>	<b>49,146</b>	<b>120.0%</b>
Adjustments total on PAT	68,463	5,505	30,190	-	-55.9%	68,463	30,190	-55.9%
<b>Adjusted TOCI</b>	<b>92,602</b>	<b>36,142</b>	<b>62,982</b>	<b>74.3%</b>	<b>-32.0%</b>	<b>92,602</b>	<b>62,982</b>	<b>-32.0%</b>
Adjusted Other comprehensive income (OCI)	1,799	28,373	-16,356	-157.6%	-	1,799	-16,356	-
<b>Adjusted Consolidated Profit after tax</b>	<b>90,803</b>	<b>7,769</b>	<b>79,338</b>	<b>-</b>	<b>-12.6%</b>	<b>90,803</b>	<b>79,338</b>	<b>-12.6%</b>
<b>Profit before tax (adjusted)</b>	<b>107,859</b>	<b>15,092</b>	<b>92,819</b>	<b>-</b>	<b>-13.9%</b>	<b>107,859</b>	<b>92,819</b>	<b>-13.9%</b>
Gross Operating Income (adjusted)	167,640	165,002	163,145	-1.1%	-2.7%	167,640	163,145	-2.7%
Net Interest Income (adjusted)	150,044	140,932	138,703	-1.6%	-7.6%	150,044	138,703	-7.6%
Net Fee Income (adjusted)	21,010	26,446	23,068	-12.8%	9.8%	21,010	23,068	9.8%
Net Other Income (adjusted)	-3,413	-2,376	1,375	-157.9%	-140.3%	-3,413	1,375	-140.3%
Operating Expenses (adjusted)	-60,418	-87,746	-61,593	-29.8%	1.9%	-60,418	-61,593	1.9%
Provision for losses on loans (adjusted)	636	-62,165	-8,733	-86.0%	-	636	-8,733	-
Main components of Balance sheet (in HUF million)	Volumes at the end of period					YTD average		
	1Q 2023	4Q 2023	1Q 2024	P/P	Y/Y	1Q 2023	1Q 2024	Y/Y
<b>Total Assets</b>	<b>10,446,808</b>	<b>11,107,048</b>	<b>11,784,740</b>	<b>6.1%</b>	<b>12.8%</b>	<b>10,455,082</b>	<b>11,445,894</b>	<b>9.5%</b>
Customer Loans (net)	4,677,573	4,901,416	5,357,287	9.3%	14.5%	4,589,167	5,129,352	11.8%
Customer Loans (gross)	4,927,444	5,170,578	5,643,120	9.1%	14.5%	4,764,385	5,406,849	13.5%
Provision for Customer loans	-249,871	-269,161	-285,833	6.2%	14.4%	-175,217	-277,497	58.4%
Deposits & C/A	6,421,763	6,957,100	7,588,548	9.1%	18.2%	6,307,450	7,272,824	15.3%
Subordinated debt	112,704	108,341	108,436	0.1%	-3.8%	90,850	108,388	19.3%
Shareholders' Equity	831,707	1,023,371	1,074,246	5.0%	29.2%	731,584	1,048,808	43.4%
KPIs based on adjusted and unadjusted PAT (%)	Period					YTD		
	1Q 2023	4Q 2023	1Q 2024	P-P	Y-Y	1Q 2023	1Q 2024	Y-Y
<b>ROAE (Return on Average Equity - accounting)</b>	<b>11.0%</b>	<b>0.9%</b>	<b>18.8%</b>	<b>18.0%-pt</b>	<b>7.8%-pt</b>	<b>11.0%</b>	<b>18.8%</b>	<b>7.8%-pt</b>
<b>ROAE (Return on Average Equity - adjusted)</b>	<b>44.9%</b>	<b>3.1%</b>	<b>30.4%</b>	<b>27.4%-pt</b>	<b>-14.5%-pt</b>	<b>44.9%</b>	<b>30.4%</b>	<b>-14.5%-pt</b>
<b>ROMC (Return on Minimum Capital - adjusted)</b>	<b>72.5%</b>	<b>5.2%</b>	<b>47.5%</b>	<b>42.3%-pt</b>	<b>-25.0%-pt</b>	<b>72.5%</b>	<b>47.5%</b>	<b>-25.0%-pt</b>
<b>ROAA (Return on Average Assets - adjusted)</b>	<b>3.5%</b>	<b>0.3%</b>	<b>2.8%</b>	<b>2.5%-pt</b>	<b>-0.7%-pt</b>	<b>3.5%</b>	<b>2.8%</b>	<b>-0.7%-pt</b>
<b>TRM (Total Revenue Margin - adjusted)</b>	<b>6.5%</b>	<b>6.0%</b>	<b>5.7%</b>	<b>-0.3%-pt</b>	<b>-0.7%-pt</b>	<b>6.5%</b>	<b>5.7%</b>	<b>-0.7%-pt</b>
<b>CIM (Core income margin - adjusted)</b>	<b>6.6%</b>	<b>6.1%</b>	<b>5.7%</b>	<b>-0.4%-pt</b>	<b>-0.9%-pt</b>	<b>6.6%</b>	<b>5.7%</b>	<b>-0.9%-pt</b>
<b>NIM (Net Interest Margin - adjusted)</b>	<b>5.8%</b>	<b>5.1%</b>	<b>4.9%</b>	<b>-0.2%-pt</b>	<b>-0.9%-pt</b>	<b>5.8%</b>	<b>4.9%</b>	<b>-0.9%-pt</b>
<b>NFM (Net Fee Margin - adjusted)</b>	<b>0.8%</b>	<b>1.0%</b>	<b>0.8%</b>	<b>-0.2%-pt</b>	<b>0.0%-pt</b>	<b>0.8%</b>	<b>0.8%</b>	<b>0.0%-pt</b>
<b>C/TA (Cost to Total Assets - adjusted)</b>	<b>2.3%</b>	<b>3.2%</b>	<b>2.2%</b>	<b>-1.0%-pt</b>	<b>-0.2%-pt</b>	<b>2.3%</b>	<b>2.2%</b>	<b>-0.2%-pt</b>
<b>CIR (Cost Income Ratio - adjusted)</b>	<b>36.0%</b>	<b>53.2%</b>	<b>37.8%</b>	<b>-15.4%-pt</b>	<b>1.7%-pt</b>	<b>36.0%</b>	<b>37.8%</b>	<b>1.7%-pt</b>
<b>Risk% (Risk cost rate - adjusted)</b>	<b>0.0%</b>	<b>4.2%</b>	<b>0.7%</b>	<b>-3.5%-pt</b>	<b>0.7%-pt</b>	<b>0.0%</b>	<b>0.7%</b>	<b>0.7%-pt</b>
<b>GOI/RWA (RWA efficiency - adjusted)</b>	<b>16.5%</b>	<b>14.6%</b>	<b>13.3%</b>	<b>-1.4%-pt</b>	<b>-3.3%-pt</b>	<b>16.5%</b>	<b>13.3%</b>	<b>-3.3%-pt</b>
<b>EPS (Earning Per Share - adjusted)</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>0.3</b>	<b>0.0</b>
Volume KPIs (%)	Period					YTD		
	1Q 2023	4Q 2023	1Q 2024	P-P	Y-Y	1Q 2023	1Q 2024	Y-Y
Provision/Total Assets	2.4%	2.4%	2.4%	0.0%-pt	0.0%-pt	2.4%	2.4%	0.0%-pt
<b>CAR (Capital Adequacy Ratio)</b>	<b>19.7%</b>	<b>22.2%</b>	<b>18.9%</b>	<b>-3.3%-pt</b>	<b>-0.8%-pt</b>	<b>19.7%</b>	<b>18.9%</b>	<b>-0.8%-pt</b>
RWA/Total Assets	39.3%	42.6%	43.9%	1.3%-pt	4.6%-pt	39.3%	43.9%	4.6%-pt
<b>LTD (Loan to Deposit)</b>	<b>76.7%</b>	<b>74.3%</b>	<b>74.4%</b>	<b>0.0%-pt</b>	<b>-2.4%-pt</b>	<b>76.7%</b>	<b>74.4%</b>	<b>-2.4%-pt</b>
DPD90+ rate	2.0%	1.9%	1.8%	0.0%-pt	-0.2%-pt	2.0%	1.8%	-0.2%-pt

The report is based on "Adjusted" figures presenting the indicators of the underlying business performance, the list of correction factors is included in Chapter 3.1. In order to comprehensive present the financial performance of the MBH Group, all data in the report and in the investor presentation are - unless otherwise indicated - alternative performance measurement indicators (Alternative Financial Indicator - APM).

For definition and calculation methodology of alternative performance measurement indicators used to depict the underlying business performance please refer to the Report for 1Q 2024 chapter 4.1 – Financial indicators.

Fundamenta transaction closed on 27th March 2024. 1Q 2024 consolidated balance sheet closing figures include Fundamenta volumes, while profit & loss and average volumes for the period are not impacted.

KPIs are calculated retrospectively using the actual number of days.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

MBH Bank Group achieved an excellent result for the first quarter, with robust profitability, strong cost efficiency, stable capital adequacy and liquidity positions, coupled with sound portfolio quality.

**In 1Q 2024 the following main factors were instrumental:**

- The Bank has signed a share purchase agreement with Bausparkasse Schwäbisch Hall AG (Germany) and with Bausparkasse Wüstenrot AG (Austria) as well as with Wüstenrot & Württembergische AG (Germany) in order to purchase a total of 76.35% stake of **Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt. The closing of the transaction was on 27 March 2024.**
- Inflation moderated to 3.6% by the end of 1Q 2024.
- **Benchmark one-day deposit tender interest rate** was cut from 10.75% to 8.25% in the 1Q.
- **Home Renovation Program:** The government encourages the energy modernization of homes with preferential loan schemes and non-refundable subsidies. The total amount of the program is HUF 108 billion. The program will be effective on June 3, 2024. The consortium of MBH Bank, Gránit Bank and OTP Bank won the tender for the development of the **MFB Pont Plusz residential network**. Home renovation program will be available here, in addition to the programs that will also be launched later with EU funds.
- **Interest margin reduction:** Commercial banks voluntarily undertake, with regards to new corporate HUF loan agreements (including current account, working capital and investment loans for which the disbursement will start this year) for the first 6 months of the loan term, a reduction of the interest margin above BUBOR to 0%. The promotional period lasted from February 1 to May 1, 2024.
- The government has changed the crediting mechanism of one of the banks' special taxes. As year 2024 is dropped from calculation, banks will receive back the **epidemic special tax** in 20% instalments in 2025 and 2026, in addition to 2021, 2022, and 2023.

**The main performance indicators of 1Q 2024:**

- **HUF 11,785 bn total assets** (+12.8% y/y; +6.1% p/p) partially supported by the boosting deposit portfolio (+9.1% p/p) and gross loan (+9.1% p/p).
- **HUF 79.3 bn adjusted profit after taxes (-12.6% y/y)** in 1Q 2024 and exceptionally high **30.4% adjusted ROE** (24.2% based on adjusted total comprehensive income), **mainly driven** by high net interest income in 1Q 2024.
- **1.9% y/y cost increase, C/I of 37.8% in 1Q 2024.**
- **HUF 8.7 bn risk cost** (provisions and other impairments) was charged in 1Q 2024.
- **Sound capital position: 18.9% capital adequacy and 17.3% CET1 ratio** at the end of 1Q, significantly above the regulatory requirement.

**Main business events/developments in 1Q 2024:**

- **Retail segment:**

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

Significant annual (+30.4% y/y) and quarterly (+27.3 p/p) growth in the retail loan portfolio and substantial boosting in deposit volumes (+23.7% y/y, 19.6% p/p) partially thanks to Fundamenta acquisition.

Product modernisation processes have been launched for retail account products, which will contribute to enhancing the customer experience.

Attractive growth in the personal loan portfolio, supported by active online campaigns.

- **Corporate segment:**

3.4% y/y increase in loan portfolio, 16.8% y/y increase in deposit volumes.

In the SZKP MAX+ programme which has been launched in January 2023 and is still running, MBH Bank has a 26% market share<sup>1</sup> of the number of loan applications in the Corporate business line, including micro and small companies.

- **Leasing segment:**

Leasing volume of MBH Group amounted to HUF 563.9 bn at the end of 1Q 2024 which means an increase of 9.5% compared to 1Q 2023.

The leasing group has a national network and a market share of more than 25%<sup>2</sup> based on the newly placed, aggregated leasing stock, making it the number one player in the leasing market.

MBH Group's **unadjusted** total comprehensive income was HUF 32.8 bn (HUF +8.7 bn y/y) in 1Q 2024, as a result of y/y increasing profit after tax (1Q 2024: HUF 49.1 bn, HUF +26.8 bn y/y) and decreasing other comprehensive income (1Q 2024: HUF -16.4 bn, HUF -18.2 bn y/y).

In 1Q 2024 the **adjusted** total comprehensive income (TOCI) was HUF 63.0 bn (HUF -29.6 bn y/y), including HUF +30.2 bn profit adjustment. The adjusted profit after tax was HUF 79.3 bn (HUF -11.5 bn y/y), adjusted other comprehensive income amounted to HUF -16.4 bn (HUF -18.2 bn y/y) in 1Q 2024.

**Total assets** amounted to HUF 11,784.7 bn (+6.1% p/p; +12.8% y/y) by the end of 1Q 2024. The Group's customer **deposits portfolio** was HUF 7,588.5 bn by the end of 1Q (HUF +631.4 bn p/p; HUF +1,166.8 bn y/y) thanks to the Fundamenta acquisition. **Gross customer loans** portfolio increased to HUF 5,643.1 bn (+9.1% p/p), the annual growth amounted HUF +715.7 bn, in which the Fundamenta transaction played a role. Securities portfolio together with trading portfolio increased by 10.6% y/y (+1.3% p/p). In 1Q 2024 the loans to deposits ratio reached 74.4% (+0.04%-pt p/p) by the end of the period. The **shareholders' equity** increased from HUF 1,023.4 bn at the end of 4Q 2023 to HUF **1,074.2 bn**. Capital adequacy ratio was steadily high, at 18.9% (-0.8%pt y/y), while MBH Group's adjusted return on shareholders' equity (ROE) was 30.4% (the unadjusted ROE was 18.8%) in 1Q 2024. ROE on adjusted total comprehensive income reached 24.2% compared to 45.8% in 1Q 2023.

### Post-closing events:

*Post-closing events cover the period until 15 May 2024.*

- **MBH Bank Plc. held its Annual General Meeting on 29 April 2024.** The General Meeting approved the Board of Directors' report on the 2023 business activities and, accepts - being aware of the reports of the Supervisory Board and the Auditor - its proposal for the separate (non-consolidated)

<sup>1</sup> KAVOSZ

<sup>2</sup> Hungarian Leasing Association

and consolidated financial statements for 2023 prepared in accordance with the International Financial Reporting Standards as well as the proposal concerning the distribution of profit and the payment of dividends. The General Meeting of MBH Bank Plc. decided to pay dividend of HUF 24,5 bn to the shareholders of the Company for the year 2023.

- The General Meeting elects **Ms Andrea Mager** from 01 September 2024 or, if the authorising decision issued by the NBH concerning the member of the Board of Directors has not been issued by 01 September 2024, from the date on which the authorising decision issued by the NBH concerning the **member of the Board of Directors** is issued and the member of the Board of Directors accepts her election in writing, for a fixed term of office until 31 August 2026.
- The General Meeting elects **Zsigmond Járai as a member of the Audit Committee** for a definite term from 29 April 2024 to 31 December 2025.
- On 27 March 2024, the transaction for the majority stake in **Fundamenta** was officially closed, which implied the introduction of **a new corporate governance model and the necessary changes in the management bodies**. As of 1 May 2024, László Morafcsik will be the new CEO of Fundamenta, following the resignation of Bernadett Tátrai, CEO of Fundamenta, from her position as Chairman of the Board of Directors, as well as from her membership on the Board of Directors and as CEO, effective 30 April 2024. She will continue to provide her experience and advice to the Board of Directors in the coming period.
- The upper limit of the obligations that can be undertaken to provide subsidies within the framework of the **Széchenyi Card Program** has increased by HUF 300 billion to HUF 1,700 billion. The government also decided to expand the **Agrár Széchenyi Card**: it will provide an additional HUF 45 billion until 2026, which will allow it to support the sector with an additional HUF 420 billion in loans.
- The international credit rating agency **Standard & Poor's** affirmed its investment-grade rating of 'BBB-/A-3' on Hungarian government debt obligations in foreign and local currency in the short and long term. The outlook was kept at stable.
- **Base rate cut**: MNB has cut the base rate by 50 basis points to 7.75% in April 2024 and by 50 basis points to 7.25%, effective from 22 May 2024.
- From 1 April 2024, the **deposit interest cap**, which applied to corporate, financial institution and retail bank deposits above HUF 20 million, was abolished, and the interest rate freeze on SME loans was also lifted on 1 April, leaving only retail mortgage loans with mandatory interest rate restrictions (currently until 30 June).

#### **Macroeconomic outlook and financial indicators of the Hungarian banking sector:**

The US **Federal Reserve** has kept the benchmark US interest rate at 5.25-5.50% since September 2023. Inflation started to rise again in the first quarter, with the US consumer price index rising to 3.2% in February and 3.5% (YoY) in March. However, core inflation, which excludes food and energy prices, has been on a downward path since April 2023, falling to 3.8% by the end of the first quarter this year. Furthermore, core PCE inflation, which is more closely monitored by the Fed, has been on a disinflationary trend since January 2023 and was already within the Fed's target range by December 2023.

Even after the Fed's March rate decision, the Fed indicated that inflation has not been defeated, but they are confident that disinflation will continue, and the Fed chairman hinted that a strong labour

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

market will not be a barrier to rate cuts. They indicated that they would continue to base their decisions on incoming macro data. Fed policymakers forecast in March a 75-basis point rate cut for this year, while the median of expected rate cuts for the coming years was pushed up amid more favourable growth expectations.

Since October 2023, the **ECB** has kept the benchmark interest rate for the euro area at 4.0-4.5%. At its April rate-setting meeting, the ECB paved the way for rate cuts, but indicated that it would not commit to a specific interest rate path in advance, and that future decisions would depend on macroeconomic developments.

Inflation in the euro area continued to ease in the first months of 2024, with the latest data for March showing annual inflation in the euro area falling to 2.4%. Core inflation, which is more important for the ECB, came down to 2.9% in March, the lowest level in more than two years. The disinflation trend for this indicator has been unbroken since July 2023. The European Central Bank is linking the possible timing of the first rate cut mainly to developments in wage data. Wage growth is gradually moderating, but the ECB President confirmed that more data on internal inflation (mainly wages and profits) are needed to assess developments. The result of these data will only be clearly visible in June.

The **Hungarian National Bank** has continued to cut interest rates this year, with the base rate falling from 10.75% at the end of 2023 to 8.25% in March (7.75% by the end of April). Between the 75 basis point rate cuts in January and March, the Monetary Council decided on a 100-basis point rate cut at its February meeting. In addition to lower-than-expected inflation in January, favourable developments in the country's risk perception was an additional factor that allowed for a temporary acceleration of the rate cut in February.

In the first months of this year, disinflation continued, but slowed down substantially, with monthly price changes reflecting a more subdued early-year repricing dynamic than seen in the past two years. **Consumer prices** rose by 3.6% in March, the lowest inflation rate since February 2021. The disinflationary process was helped by the base effect, and the significant increase in food prices, which represent a large weight, also continued to moderate. However, disinflation was slowed by the persistence of services inflation, which remained around 10%. By the end of this year, the rate of inflation is expected to rise to around 5%, with an average inflation rate of 4.1% expected for the year as a whole.

**FX market:** During the first quarter, the domestic currency showed some volatility, with the forint exchange rate against the euro fluctuating between a local minimum of 377 and a local maximum of 398. The weakening was influenced by significant risks related to the unwinding of EU funds, which may arrive in Hungary later than expected, to which markets reacted by selling the forint. At the beginning of the year, the market was expecting a 150 bp Fed rate cut, but since then investors have reduced their expectation to a cut of no more than 50 bp by the year-end. Higher interest rate expectations are associated with dollar appreciation, rising bond yields and thus a deterioration in risk appetite, which also weakens the forint. In our view, the market has become overly pessimistic, with the US economy already starting to show signs of cooling, and we maintain that the Fed could implement three 25bp rate cuts this year, which would also be positive for the forint. The impact of domestic rate cuts and the continued moderation in the attractive interest rate spread will be offset by a marked improvement in the external balance and current account balance - the balance could exceed a 1% surplus of GDP this year - implying a net forint buying position.

**Public finances:** The central budget recorded a deficit of HUF 2,321.4 billion in the first three months of 2024, more than 92% of the initial target. The first three-month deficit was HUF 232 billion higher than in the same period of 2023. The budget balance is worsened by the fact that interest payments

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon



amounted to HUF 1,241 billion by the end of March, which is HUF 604 billion higher than in the same period last year. Based on preliminary data released by the Hungarian Central Statistical Office, the budget deficit in 2023 was 6.7% according to the EU methodology. The government revised its original 2024 deficit target of 2.9% of GDP to 4.5% in March. Achievement of the increased deficit target would be highly doubtful in the absence of measures. However, the government recently made a decision to postpone investments of HUF 675 billion, which exceeds 0.8% of GDP expected for this year. Given our current economic growth forecast for 2024, we consider the government's new fiscal deficit target for 2024 to be achievable. The government debt ratio has resumed its downward path from 2022 onwards, reflecting the moderating financing needs and a substantial pick-up in nominal growth, and could fall from 76.8% of GDP in 2021 to 74.1% in 2022, 73.5% by end-2023 and 72.7% in 2024.

**Labour market:** In the three months between January and March 2024, the number of employed persons (aged 15-74) was 4 million 725 thousand. The employment rate in the 15-64 age group (a priority in EU methodology) increased to 74.7% between January and March. A year ago, the indicator stood at 74.3%, and 74.6% in the previous three months. The average number of unemployed was 229,000 in the three months under review, an annual increase of 30,000. The unemployment rate, calculated according to international methodology, stood at 4.6% between January and March, compared with 4.1% a year earlier.

Despite the easing of labour market tightness seen over the past year, the state of full employment is not too far away. As economic growth could become stronger in the second half of the year, this could put pressure on inflation, which could rise year-on-year anyway due to the base effect and very high real wage growth. It would therefore be particularly important for companies to focus more on efficiency and productivity gains and to carry out investments, especially capital-intensive investments, which have not been carried out so far due to the lack of sufficient labour, or would otherwise not have been profitable.

**GDP:** Economic output grew by 0.8% in the first quarter of this year compared with the previous quarter, with which the domestic economy remained in an expansion phase for the fourth quarter after a multi-quarter downward trend seen previously. The Hungarian economy grew by 1.1% year-on-year, according to raw data, while seasonally and working day adjusted growth was 1.7%. The adjusted figure was higher due to the fact that there were two fewer working days in the first quarter of this year than in the same period in 2023.

Economic performance was boosted most by real estate and information and communication, while the decline in the value added of industry held back the economy. The poor performance of the sector is mainly due to weak demand in export markets. Industry, which accounts for around a quarter of the economy, should start to recover in the second half of this year, thanks to buoyant domestic and external demand, and the sector's annualised growth could exceed 3% this year. Moreover, it could benefit significantly this year and in the coming years from the high levels of working capital investment. In the first quarter of this year, consumption could be supported again by real wages at around 10%. This year, consumption should start to pick up, which fell short last year due to sharply higher consumer prices and the resulting strong fall in real wages. However, the recovery in consumption will be gradual, as households first try to recoup their savings instead of spending their increased salaries.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

## 2 MANAGEMENT REPORT ON THE 1Q 2024 RESULTS OF MBH GROUP

### 2.1 P&L development

MBH Group								
Consolidated, IFRS P&L (in HUF million)	Period					YTD		
	1Q 2023	4Q 2023	1Q 2024	P/P	Y/Y	1Q 2023	1Q 2024	Y/Y
<b>TOCI accounting (Total Comprehensive Income)</b>	<b>24,139</b>	<b>30,638</b>	<b>32,790</b>	<b>7.0%</b>	<b>35.8%</b>	<b>24,139</b>	<b>32,790</b>	<b>35.8%</b>
Other comprehensive income	1,799	28,373	-16,356	-157.6%	-	1,799	-16,356	-
<b>Profit after tax (accounting)</b>	<b>22,340</b>	<b>2,264</b>	<b>49,146</b>	<b>-</b>	<b>120.0%</b>	<b>22,340</b>	<b>49,146</b>	<b>120.0%</b>
<b>Adjustments total on PAT</b>	<b>68,463</b>	<b>5,505</b>	<b>30,190</b>	<b>-</b>	<b>-55.9%</b>	<b>68,463</b>	<b>30,190</b>	<b>-55.9%</b>
Banking tax	15,480	34	17,464	-	12.8%	15,480	17,464	12.8%
Extra profit tax	57,498	4,642	12,725	174.1%	-77.9%	57,498	12,725	-77.9%
Extra OBA fee expenses	-4,756	0	0	-	-100.0%	-4,756	0	-100.0%
Integration costs	241	829	0	-100.0%	-100.0%	241	0	-100.0%
Badwill	0	0	0	-	-	0	0	-
<b>Adjusted TOCI</b>	<b>92,602</b>	<b>36,142</b>	<b>62,982</b>	<b>74.3%</b>	<b>-32.0%</b>	<b>92,602</b>	<b>62,982</b>	<b>-32.0%</b>
Adjusted Other comprehensive income (OCI)	1,799	28,373	-16,356	-157.6%	-	1,799	-16,356	-
<b>Adjusted Profit after tax</b>	<b>90,803</b>	<b>7,769</b>	<b>79,338</b>	<b>-</b>	<b>-12.6%</b>	<b>90,803</b>	<b>79,338</b>	<b>-12.6%</b>
<b>Adjusted Profit before tax</b>	<b>107,859</b>	<b>15,092</b>	<b>92,819</b>	<b>-</b>	<b>-13.9%</b>	<b>107,859</b>	<b>92,819</b>	<b>-13.9%</b>
<b>Gross Operating Income (adjusted)</b>	<b>167,640</b>	<b>165,002</b>	<b>163,145</b>	<b>-1.1%</b>	<b>-2.7%</b>	<b>167,640</b>	<b>163,145</b>	<b>-2.7%</b>
<b>Net Interest Income (adjusted)</b>	<b>150,044</b>	<b>140,932</b>	<b>138,703</b>	<b>-1.6%</b>	<b>-7.6%</b>	<b>150,044</b>	<b>138,703</b>	<b>-7.6%</b>
Interest Income (adjusted)	306,417	307,020	284,841	-7.2%	-7.0%	306,417	284,841	-7.0%
Interest Expense (adjusted)	-156,374	-166,088	-146,139	-12.0%	-6.5%	-156,374	-146,139	-6.5%
<b>Net Fee Income (adjusted)</b>	<b>21,010</b>	<b>26,446</b>	<b>23,068</b>	<b>-12.8%</b>	<b>9.8%</b>	<b>21,010</b>	<b>23,068</b>	<b>9.8%</b>
<b>Net Other Income (adjusted)</b>	<b>-3,413</b>	<b>-2,376</b>	<b>1,375</b>	<b>-157.9%</b>	<b>-140.3%</b>	<b>-3,413</b>	<b>1,375</b>	<b>-140.3%</b>
FX and FV result	-6,239	4,198	3,098	-26.2%	-149.7%	-6,239	3,098	-149.7%
Other Income (adjusted)	2,826	-6,574	-1,723	-73.8%	-161.0%	2,826	-1,723	-161.0%
<b>Operating Expenses (adjusted)</b>	<b>-60,418</b>	<b>-87,746</b>	<b>-61,593</b>	<b>-29.8%</b>	<b>1.9%</b>	<b>-60,418</b>	<b>-61,593</b>	<b>1.9%</b>
Personnel Expenses (adjusted)	-30,422	-44,242	-30,547	-31.0%	0.4%	-30,422	-30,547	0.4%
Operating Expenses (adjusted)	-23,110	-30,721	-22,647	-26.3%	-2.0%	-23,110	-22,647	-2.0%
Amortisation and depreciation (adjusted)	-6,886	-12,782	-8,399	-34.3%	22.0%	-6,886	-8,399	22.0%
Provisions (adjusted)	636	-62,165	-8,733	-86.0%	-	636	-8,733	-
Banking tax	0	0	0	-	-	0	0	-
Corporate income tax (adjusted)	-17,056	-7,323	-13,481	84.1%	-21.0%	-17,056	-13,481	-21.0%
<b>KPIs based on adjusted PAT (%)</b>	<b>Period</b>					<b>YTD</b>		
	<b>1Q 2023</b>	<b>4Q 2023</b>	<b>1Q 2024</b>	<b>P-P</b>	<b>Y-Y</b>	<b>1Q 2023</b>	<b>1Q 2024</b>	<b>Y-Y</b>
<b>ROAE (Return on Average Equity - adjusted)</b>	44.9%	3.1%	30.4%	27.4%-pt	-14.5%-pt	44.9%	30.4%	-14.5%-pt
<b>ROAA (Return on Average Assets - adjusted)</b>	3.5%	0.3%	2.8%	2.5%-pt	-0.7%-pt	3.5%	2.8%	-0.7%-pt
<b>TRM (Total Revenue Margin - adjusted)</b>	6.5%	6.0%	5.7%	-0.3%-pt	-0.7%-pt	6.5%	5.7%	-0.7%-pt
<b>CIM (Core income margin - adjusted)</b>	6.6%	6.1%	5.7%	-0.4%-pt	-0.9%-pt	6.6%	5.7%	-0.9%-pt
<b>NIM (Net Interest Margin - adjusted)</b>	5.8%	5.1%	4.9%	-0.2%-pt	-0.9%-pt	5.8%	4.9%	-0.9%-pt
<b>NFM (Net Fee Margin - adjusted)</b>	0.8%	1.0%	0.8%	-0.2%-pt	0.0%-pt	0.8%	0.8%	0.0%-pt
<b>C/TA (Cost to Total Assets - adjusted)</b>	2.3%	3.2%	2.2%	-1.0%-pt	-0.2%-pt	2.3%	2.2%	-0.2%-pt
<b>CIR (Cost Income Ratio - adjusted)</b>	36.0%	53.2%	37.8%	-15.4%-pt	1.7%-pt	36.0%	37.8%	1.7%-pt
<b>Risk% (Risk cost rate - adjusted)</b>	-0.01%	4.20%	0.66%	-3.5%-pt	0.7%-pt	0.0%	0.66%	0.7%-pt

The presentation of financials in this report is based on Total Comprehensive Income ("TOCI"), which is an IFRS category aimed at presenting the economic impact for the given period by incorporating "fair value through other comprehensive income" (FVTOCI) results. Based on the fact that MBH Bank holds a large securities portfolio, part of which is valued against capital (FVTOCI), and hedges its interest risk position with IRS transactions, TOCI figures should only be used to evaluate the results.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

**In 1Q 2024 the adjusted profit after tax of MBH Group amounted to HUF 79.3 bn**, mostly driven by stable net interest income. Adjusted total comprehensive income amounted to HUF 63.0 billion (HUF -29.6 bn y/y), impacted by other comprehensive income of HUF -16.4 bn in 1Q 2024.

The (adjusted) **ROAE** was 30.4% (-14.5%-pts y/y) as a result of strong PAT. ROAE on adjusted total comprehensive income reached 24.2%.

The core income declined by 2.7% y/y, with the decrease in interest income (-7.6% y/y) offset by an **increase in fee and commission income** (+9.8% y/y) and **in the results from financial operations** (+149.7% y/y). Interest income on free liquidity contributed to the MBH Group's interest income. The adjusted **total revenue margin** (TRM) decreased by 0.7%-pt y/y to 5.7%.

HUF 8.7 bn **provisions and impairments** were charged in 1Q 2024. The adjusted risk cost rate was 0.7%.

**Operating expenses** increased by 1.9% compared to the same period last year, the **cost-to-income** ratio for 1Q 2024 rose to 37.8% (+1.7%-pts y/y) driven by a minimal decline in revenues.

### 2.1.1 Adjusted profit after taxation

MBH Group's **adjusted consolidated profit after tax** amounted to HUF 79.3 bn (HUF +71.6 bn p/p, HUF -11.5 bn y/y,) in 1Q 2024.

**Adjustments** amounted to HUF +30.2 bn in 1Q 2024, relating to the special tax on the extra profit and the banking tax.

### 2.1.2 Total comprehensive income

MBH Group's **accounting** (unadjusted) **total comprehensive income** (TOCI) in 1Q 2024 amounted to HUF 32.8 bn, up HUF 8.7 bn compared to the same period last year.

The HUF 63.0 bn 1Q **adjusted total comprehensive income** (HUF +26.8 bn p/p) was a result of the HUF 79.3 bn profit after tax and the HUF -16.4 bn other comprehensive income (OCI). The 1Q adjusted total comprehensive income decreased by HUF 29.6 bn y/y. The decrease was mainly driven by a lower level of net interest income due to changes in the market environment and lower other comprehensive income due to changes in the fair value of government bonds measured through OCI.

### 2.1.3 Net interest income

MBH Group's cumulated **net interest income** was HUF 138.7 bn in 1Q 2024 (HUF -11.3 bn y/y), representing a 7.6% y/y decline due to the change in the yield environment, despite the expanding loan portfolio and growing ALM portfolio. Interest income was decreased on a quarterly basis (-1.6% p/p), with the increase in liquid portfolio offsetting the quarterly further decline in short interest rates.

**The interest income for 1Q 2024** amounted to HUF 284.8 bn (HUF -21.6 bn, -7.0% y/y). The interest income in 1Q decreased by HUF 22.2 bn (-7.2% p/p) compared to 4Q. The annual decrease in interest income was affected by changes in the yield environment, interest income on free liquidity contributed to the MBH Group's interest income.

The **interest expense** amounted to HUF 146.1 bn in 1Q 2024, down HUF 10.2 bn (-6.5% y/y), despite rising customer and interbank deposit portfolio, with the decline was driven by a fall in the market yields.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

The **net interest margin** (NIM) was 4.9% in 1Q 2024 (-0.9%-pt y/y, -0.2%-pt p/p) because increase in average total assets.

#### 2.1.4 Net fee and commission revenues

The **net fee and commission income** was HUF 23.1 bn in 1Q 2024 (+9.8% y/y). The commission income for 1Q decreased by HUF 3.4 bn (-12.8% p/p) relative to the preceding quarter, driven mainly by the decreasing turnover at the beginning of the year.

#### 2.1.5 Profit/loss on financial transactions (FX and FV result)

In 1Q 2024 the **profit on financial transactions** amounted to HUF 3.1 bn, 149.7% (HUF +9.3 bn) higher year-on-year.

As a result of falling yields, the exchange and revaluation result decreased by 26.2% p/p in 1Q, the OCI effect due to revaluation of the fixed rate government securities portfolio was also reduced to HUF -16.4 bn (HUF -44.7 bn p/p; HUF -18.2 bn y/y) in 1Q 2024. The quarterly **net revaluation result and exchange rate gain** – as a result of the two impacts – was HUF -13.3 bn.

#### 2.1.6 Other results

The tax and/or regulatory fees and commission expenses of MBH Group are recognized under other profit/loss: levy, OBA and IPF fees and other revenues/expenses of ordinary business operation. Other results was HUF -1.7 bn in 1Q 2024 (HUF +4.9 bn p/p; HUF -4.5 bn y/y), which includes HUF 1.5 bn of results from companies valued using the equity method.

#### 2.1.7 Operating expenses

MBH Group's **operating expenses** were HUF 61.6 bn in 1Q 2024 (-29.8% p/p). On year-on-year basis, operating expenses increased below inflation (+1.9% y/y; HUF +1.2 bn), the **cost-to-income** ratio for the quarter increased to 37.8% (+1.7%-pts y/y) driven by reducing revenues and minimally rising costs.

The **personnel expenses** amounted to HUF 30.5 bn in 1Q 2024, increased by 0.4% - below wage inflation - compared to the same quarter of the previous year.

The number of employees of MBH Group together with employees of Fundamenta-Lakáskassza Lakástakarékpénztár Zrt. at the end of March 2024 was 9,401.5 FTE (+563.7 FTE; +6.4% y/y).

**Other operating expenses** in 1Q 2024 were HUF 22.6 bn, decreased by 2.0% y/y due to strict cost control (-26.3% p/p).

**Depreciation** in 1Q 2024 amounted to HUF 8.4 bn. 1Q 2024 cost compared to the same period of the previous year increased by 22.0% due to the impact of the capitalisation of developments and real estate investments.

#### 2.1.8 Risk costs

The adjusted credit risk cost was HUF 8.7 bn (charge) in 1Q 2024.

The quality of the portfolio does not justify an increase in the impairment coverage on non-moratorium stocks.

The **NPL closing portfolio** was HUF 173.6 bn at the end of 1Q 2024, decreased by HUF 1.5 bn during the quarter (-0.9%-pt p/p). **IFRS-based NPL ratio** decreased to 3.1%. The **NPL coverage** stood at 164.6%, the **total coverage** was 5.1%.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

### 2.1.9 Corporate income tax

In 1Q 2024 HUF 10.5 bn unadjusted **corporate income tax expense** was recorded, as a result of HUF 2.7 bn current corporate income tax expense, HUF 2.3 bn deferred tax expense, HUF 4.7 bn local business tax and HUF 0.8 bn innovation contribution.

The adjustments in the flash report had a tax effect of HUF 3.0 bn therefore the **adjusted corporate income tax** was HUF 13.5 bn expense.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

## 2.2 Balance sheet

MBH Group					
Adjusted balance sheet (in HUF million)	1Q 2023	4Q 2023	1Q 2024	P/P	YTD
<b>Financial assets</b>	<b>1,315,836</b>	<b>1,516,889</b>	<b>1,611,966</b>	<b>6.3%</b>	<b>22.5%</b>
Trading portfolios - Assets	393,624	271,995	268,279	-1.4%	-31.8%
Securities	3,580,334	3,909,840	3,959,703	1.3%	10.6%
<b>Loans and advances to customers/Customer Loans (net)</b>	<b>4,677,573</b>	<b>4,901,416</b>	<b>5,357,287</b>	<b>9.3%</b>	<b>14.5%</b>
Loans and advances to customers/Customer Loans (gross)	4,927,444	5,170,578	5,643,120	9.1%	14.5%
Retail business segment	1,699,151	1,741,069	2,216,504	27.3%	30.4%
Corporate business segment	2,664,148	2,840,531	2,755,802	-3.0%	3.4%
Leasing	515,171	559,822	563,866	0.7%	9.5%
Other	48,975	29,156	106,948	266.8%	118.4%
Provision for Customer loans	-249,871	-269,161	-285,833	6.2%	14.4%
<b>Total other assets</b>	<b>479,440</b>	<b>506,908</b>	<b>587,505</b>	<b>15.9%</b>	<b>22.5%</b>
Investments in jointly controlled entities and associates	88,985	118,725	132,454	11.6%	48.9%
Intangibles, property and equipment	163,372	191,667	222,218	15.9%	36.0%
Other assets	227,083	183,252	220,212	20.2%	-3.0%
<b>Total Assets</b>	<b>10,446,808</b>	<b>11,107,048</b>	<b>11,784,740</b>	<b>6.1%</b>	<b>12.8%</b>
<b>Interbank liabilities</b>	<b>2,361,338</b>	<b>2,153,789</b>	<b>2,135,099</b>	<b>-0.9%</b>	<b>-9.6%</b>
<b>Deposits &amp; C/A</b>	<b>6,421,763</b>	<b>6,957,100</b>	<b>7,588,548</b>	<b>9.1%</b>	<b>18.2%</b>
Retail business segment	2,560,670	2,647,836	3,166,529	19.6%	23.7%
Corporate business segment	3,456,713	3,989,987	4,036,123	1.2%	16.8%
Other	404,380	319,277	385,896	20.9%	-4.6%
Issued debt securities	383,493	629,241	617,993	-1.8%	61.1%
Other liabilities	448,507	343,547	368,855	7.4%	-17.8%
<b>Shareholders' Equity</b>	<b>831,707</b>	<b>1,023,371</b>	<b>1,074,246</b>	<b>5.0%</b>	<b>29.2%</b>
<b>Total Liabilities &amp; Equity</b>	<b>10,446,808</b>	<b>11,107,048</b>	<b>11,784,740</b>	<b>6.1%</b>	<b>12.8%</b>
Loan commitments given	1,227,263	1,204,082	1,370,914	13.9%	11.7%
Financial guarantees given	102,721	101,220	94,592	-6.5%	-7.9%
Other Commitments given	264,146	296,502	291,841	-1.6%	10.5%
<b>Customer off Balance items</b>	<b>1,594,130</b>	<b>1,601,804</b>	<b>1,757,347</b>	<b>9.7%</b>	<b>10.2%</b>

The balance sheet of the MBH Group is presented on the basis of consolidated financial statements prepared according to IFRS.

MBH Group's **total assets** amounted to HUF 11,784.7 bn by the end of 1Q 2024 (HUF +677.7 bn; +6.1% p/p), with a yearly increase of HUF 1,337.9 bn (+12.8% y/y). The 1Q growth on the asset side was mainly driven by **expanding customer loan portfolio**, while on liabilities side due to the **increasing customer deposit portfolio**.

**Loan portfolio** increased by HUF 472.5 bn in 1Q (+9.1% p/p), within this, the performance of the retail business was dominant.

The **deposit portfolio** increased to HUF 7,588.5 bn at the end of 1Q 2024. The 1Q increase was mainly driven by a growth in the retail segment.

**Loan-to-deposit ratio** reached 74.4%, 2.4%-pts lower than in the same period of the previous year (+0.04%-pts p/p). **LCR** (154.8%) and **NSFR** (135.6%) ratios are well above the regulatory minimum.

**Shareholders' equity** increased to HUF 1,074.2 bn (+5.0% p/p; +29.2% y/y). The **18.9% capital adequacy ratio** at the end of the period, significantly exceeded the regulatory minimum requirements. **17.3% CET1 ratio**.

### 2.2.1 Loans

**Gross loans** increased by 9.1% (HUF +472.5 bn p/p) compared to the previous quarter, while year-on-year loans the growth reached 14.5% y/y (net: 14.5% y/y).

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

The **retail business** positively supported the development of the loan portfolio on quarterly basis. In addition to organic development, volume growth was also supported by the Fundamenta acquisition. Gross customer loans increased by 27.3% (p/p), to HUF 2,216.5 bn at the end of March. On yearly basis, the growth rate reached 30.4%.

**Corporate** gross loan portfolio increased by 3.4% compared to the same period last year, reaching HUF 2,755.8 bn at the end of 1Q 2024 (-3.0% p/p).

The **leasing** portfolio increased by 9.5% y/y (+0.7% p/p).

**Provisions for customer loans** was 6.2% higher than at the end of the previous quarter, while the year-on-year increase reached 14.4%.

## 2.2.2 Securities

In a changing inflation and yield environment, the popularity of different securities is undiminished, and this is reflected in the performance of the portfolio.

Securities portfolio together with trading portfolio increased by HUF 379.4 bn (+10.6%) y/y, and as a result, the **portfolio of securities** amounted to HUF 3,959.7 bn at the end of 1Q 2024 (+1.3% p/p).

## 2.2.3 Financial assets

The **portfolio of financial assets** increased by HUF 95.1 bn during the quarter (+6.3% p/p), while the year-on-year growth was HUF 296.1 bn (+22.5% y/y) due to higher deposits with the MNB. Thus, the stock stood at HUF 1,612.0 bn at the end of the period.

## 2.2.4 Other assets

Other assets reached HUF 587.5 bn at the end of the quarter (+22.5% y/y).

## 2.2.5 Deposits and C/A

**Customer deposit portfolio** amounted to HUF 7,588.5 bn (+9.1% p/p) at the end of the quarter. The quarterly increase was mainly driven by the rise in deposits in the **retail segment** (+19.6% p/p), **Corporate deposit portfolio** increased by HUF 46.1 bn (+1.2% p/p), reaching HUF 4,036.1 bn at the end of the quarter.

On an annual basis, customer deposit portfolio grew by 18.2%, with a positive contribution from the retail segment (+23.7% y/y) and also the corporate segment (+16.8% y/y).

## 2.2.6 Interbank liabilities

The portfolio of **interbank liabilities** amounted to HUF 2,135.1 bn (HUF -18.7 bn p/p; HUF -226.2 bn y/y) at the end of 1Q 2024. The decrease was primarily due largely due to a decline in loans from other credit institutions and interbank deposits.

## 2.2.7 Issued debt securities

The stock of issued debt securities decreased by 1.8% (HUF -11.2 bn p/p) over the quarter to HUF 618.0 bn at the end of 1Q 2024 (HUF +234.5 bn y/y).

During 1Q 2024, the Bank announced three subscription periods for the placement of senior bonds, mainly sold to retail customers, during which a total of HUF 8,633,100,000 and EUR 6,610,000 bonds were placed. These issues were made under the new HUF 400 billion domestic issuance programme

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

approved by Decision H-KE-III-813/2023 of NBH dated 29 November 2023. In addition, in the context of the performance-related remuneration scheme of its remuneration policy, the Bank issued seven subordinated discount bonds in March 2024 with a total nominal value of HUF 9,685,710,000.

## 2.2.8 Capital

MBH Group's **capital amounted to HUF 1,074.2 bn** at the end of 1Q 2024.

Capital accumulation continued both in p/p and y/y terms: +5.0% and +29.2% respectively, significantly increasing the shock absorbing capabilities of the Bank.

## 2.2.9 Off-balance sheet exposures to customers

MBH Group's **off-balance sheet exposure** was HUF 1,757.3 bn at the end of 1Q 2024, corresponding to a 9.7% (HUF +155.5 bn p/p) increase on a quarterly basis (+10.2%; HUF 163.2 bn y/y). The year-on-year growth was attributable to an increase in the volume of loan commitments given (+11.7% y/y) and other commitments given (+10.5% y/y).

## 2.3 Capital adequacy

The capital adequacy of MBH Bank Group remains strong, with a **capital adequacy ratio (CAR)** of **18.9%** at the end of 1Q 2024 (-78 bps y/y), and **CET1** ratio of **17.3%**. The capital adequacy ratio significantly exceeds the regulatory minimum requirements, thus providing a convenient capital buffer for the Group's operations.

In 1Q 2024, T1 capital decreased by 7.0, while T2 capital moderated by 1.8% over the quarter (-12.3% y/y). Please note, that the intra-year unaudited after-tax profit is not taken into account in the regulatory capital under the IFRS rules.

The growth in RWA (HUF +443.7 bn p/p) in 1Q 2024 was parallel with the gross loan increase, resulting in HUF 5,173.1 bn volume.



## 2.4 Presentation of business segment results

*In this chapter, MBH Group's customer portfolio and market share are presented by segments. The segments are formed according to the requirements used in the reports prepared for the National Bank of Hungary (HNB), and the portfolios are presented accordingly.*

### 2.4.1 Corporate and institutional customers

Relying on its traditional strengths, MBH Bank's strategic goal is to further develop and build a strong corporate business line. The business line focuses on local knowledge, professional service, consulting-based sales and the provision of innovative solutions.

MBH Bank provides comprehensive business solutions and advice to its customers, sets up comprehensive loan schemes if necessary and satisfies special financial customer needs. MBH Bank is able to provide efficient and unique solutions to all players in the corporate segment.

MBH Bank Group remained an active participant in the continually renewed Széchenyi Card Program. In the SZKP MAX+ program, which has been launched in January 2023 and is still running, MBH Bank market share increased to 26% regarding the number of loan applications in the Corporate business segment, including micro and small companies.

MBH Bank has traditionally maintained close ties with Eximbank to enable customers to benefit from EXIM financing sources. In order to provide flexible and comprehensive services to its customers, the Bank continues to actively participate in all subsidized loan programs announced by Eximbank, including the Baross Gábor Reindustrialisation Investment Loan Programme Plus, which is scheduled to continue in 2024, where a total of 160 billion forints out of the 200 billion forint budget became available for commercial banks for investment loans with a fixed low interest rate in forints and euros until the end of the maturity period. The bank's clients have requested these products in significant amounts, including for green investment purposes.

The Bank Group was awarded in three categories at the Exim Awards ceremony held on March 20, 2024:

- Bank of the Year 2023 (MBH Bank)
- The Most Successful Green Refinancing Partner in 2023 (MBH Bank)
- The Most Active Leasing company in 2023 (Euroleasing)

In the first quarter of 2024, there was high demand for subsidized loan products compared to market-rate loans. These products offer a significantly lower interest burden for companies, which enhances the competitiveness of domestic businesses both domestically and internationally.

Among the corporate loans, the portfolio of non-financial enterprises (based on the segmentation as per the HNB's statistics requirements) amounts to HUF 2,395.7 bn, 1.9% lower than in the previous quarter, while on an annual basis the change was 5.2% (HUF +118.0 bn). The Bank's market share reached 19.1% at the end of the quarter.

The gross loan portfolio of large non-financial corporations increased by HUF 118.2 bn to HUF 726.0 bn compared to the same period last year (-7.7% p/p). The loan portfolio of medium-sized enterprises increased by HUF 22.1 bn during the quarter, it reached to HUF 1,065.4 bn (+2.1% p/p).

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

The non-financial corporate deposit portfolio (based on the segmentation as per the HNB's statistics requirements) increased by 13.3% y/y to HUF 3,127.1 bn (HUF -82.8 bn p/p). The Bank's market share reached 19.8% at the end of the quarter.

## **Agricultural clients**

### **Market environment and business results**

Factors shaping the market environment have had mixed, overall, moderately negative effects on agricultural and food finance:

- Farm business profitability, to varying degrees and along different patterns depending on the sector, has shown very significant fluctuations over the past period, making farmers and industry players cautious.
- In arable crops, 2023 has already brought much better yield averages after the historic drought of 2022, but the market oversupply (Russian, Ukrainian cereals) and the significant increase in transport costs have already led to losses for many farmers without subsidies.
- The livestock sectors have generally operated with better profitability than the long-term average due to relatively low feed prices.
- In the food sectors, the end-user demand side has not yet returned to previous levels following the decline in real income over the past 1-1.5 years.
- Interbank benchmark interest rates, which influence market interest rates, fell significantly in the quarter under review (by more than 200 basis points in the 3-month BUBOR) and are now close to economically sustainable levels, but this has not yet been sufficient to generate a significant increase in credit demand.
- In the run-up to the Rural Development Programme tenders, the investment credit market is experiencing a slowdown, also related to the above factors, while the demand for subsidised, construction and production finance loans is stronger in the market. Large companies typically requested financing for energy efficiency investments under the Baross Gábor programme, which are relatively fast-returning investments that can also generate higher interest rates.

### **Business results:**

- Also due to the above effects, the on-balance sheet lending of the client base engaged in agricultural, food and related other agribusiness activities managed by the Business Unit decreased minimally (low single digits) during the quarter.
- For process efficiency reasons and to improve the customer experience, we decided to expand factoring-based financing activity in 2023, the results of which were strongly reflected in the stock figures. In 2023, we increased our agricultural factoring lending portfolio several-fold, which was maintained at the same level in the quarter under review.
- In line with the seasonal movements in agriculture, the business line's deposit portfolio showed a single-digit decline in the quarter under review.

### **Partnership with the Agricultural Business Credit Guarantee Foundation (AVHGA):**

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

- The Managing Director of the Business Unit, Mr. Dávid Hollósi, has taken on a role as a member of the Supervisory Board of AVHGA from 2023 to further develop the cooperation between the parties.
- In the quarter under review, the portfolio of both the Agricultural Széchenyi Card (ASZK) and the Agricultural Széchenyi Investment Loan (ASZB) registered with MBH Bank increased.
- In the Agricultural Széchenyi Card (ASZK) programme, four out of five transactions are financed by MBH Bank's agricultural business, while the Bank also has a market-leading share in the Agricultural Széchenyi Investment Loan (over 50% in both volume and number of transactions).

#### **Professional appearances of the Business Unit, participation in events:**

- AgriTrend Index press presentation: the Agri-Food Business Unit of MBH Bank presented its analysis for the last quarter of 2023, its agri-food confidence index, based on the assessment of clients, interprofessional organisations and the Bank's analysts, and which precedes official statistics.
- Agromash Expo and Agro Machinery Show: at the most important trade fair for the domestic agricultural sector, MBH Bank was represented with a stand, signed a cooperation agreement with the National Association of Field Machinery Manufacturers and participated in several round-table discussions on the latest developments in the agricultural economy.
- Portfolio Agrarian Conference: the most important spring event for the agricultural sector, MBH Bank's Agri-Food Business also discussed the market outlook and key issues related to financing.
- "FeHoVa" exhibition: MBH Bank was represented with a stand and presented to the public, through its professional partner, the Hungarian Aquaculture and Fisheries Interprofessional Organisation, a water quality monitoring and early warning system with an unparalleled ability to analyse the entire water column of surface waters.
- "Prega" Precision Farming Conference: MBH Bank's Agri-Food Business participated in the most important national conference on precision farming, where it hosted Finance Corner to support the efforts to expand data-driven farming and the necessary change of mindset among farmers.

During the period under review, we started preparing regional customer information events on the EU CAP Rural Development Programme.

#### **Churches**

In 1Q 2024, the specialised area of MBH Bank dedicated to serving church clients continued the strategy started in the previous year, deepening its active cooperation with the highest level of all three historic churches.

MBH Bank currently manages nearly 2,000 church clients. The priority of the church sector is to reach out to the network of educational, social and health institutions run by churches and to further expand its existing business relationships through the signing of strategic cooperation agreements. As a result, the number of large healthcare institutions with accounts with MBH Bank increased in the first quarter and the Bank started reaching out to church employees through its employer partner programme.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

In addition to financial services, MBH Bank is actively involved in the daily life of church organisations through social responsibility programmes and sponsorship of various events.

### **Municipal clients**

In 1Q 2024, MBH Bank's Municipal segment continued to increase its market activity, with a special focus on providing high quality services to municipal customers and municipal-owned corporate customers. MBH Bank aims to become a market leader in the entire municipal segment. It is already the number one player in eight counties (Baranya, Borsod-Abaúj-Zemplén, Csongrád-Csanád, Győr-Moson-Sopron, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok, Komárom-Esztergom) in terms of the number of local governments with accounts. In the Hungarian market as a whole, the Bank has maintained its second position and strengthened its position in the customer base through the successful acquisition of significant municipalities and municipalities with county rights.

MBH Bank currently manages the accounts of 1,253 municipalities and their institutions (primary education institutions, kindergartens, nurseries, etc.). The aim of this area is to give greater emphasis within the portfolio to the full range of services provided to customers with municipal and county status.

The significant growth in the number and quality of the customer portfolio and the positive shift in customer size has further increased the deposits managed by the municipal area.

As a result of the complex service delivery model, the municipal sector is strengthening its role in financing Esco projects and continues to be a key participant in the successful delivery of services to a number of public-private mixed water utility customers.

MBH Bank's Municipal Area is focused on broadening its involvement in local communities and local economic and social ecosystems, supported by a dedicated and expanded management and reference team with specific municipal and banking experience.

### **2.4.2 Retail customers**

In retail account products, the focus remained on supporting the realization of business plans in 1Q 2024, and the Bank launched product modernization processes with the objective of account portfolio uniformization. Less, simpler, and more uniform product offer helps to provide better customer experience. The simplification of products and services also supports the digital transformation of the bank.

Retail savings further expanded during the first quarter. Investment funds remained the most popular, in particular short bonds, long bonds and mixed investment funds. During the quarter the subscription of own bonds was successfully realized in several phases for the retail clients.

From 1 January 2024, MBH Bank continues to voluntarily support the institution of APR cap and set the interest rate of home loans with market conditions below the 7.3% cap. To achieve this level, the bank applied 85-100 bp interest rate cuts for these loans and fine-tuned its pricing discount scheme.

Following the modification of the Home Support Program, the new CSOK Plusz loan, the Falusi CSOK with modified conditions and the Babaváró Loan are available in the Bank's product portfolio since 1 January 2024. The demand for these advantageous loans with subsidised interest rates increases progressively, and their share in the home loan portfolio is growing accordingly.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

From 1 January 2024, the Bank continued the cash back promotion for the Baby Loan.

Further increase of the personal loan sales volume was maximized by active online campaigns, so the Bank's market share in new loan contracts further strengthened. To keep profitability the bank is less active in the price competition and tries to maintain its increasingly prominent market position with improved service level and attractive product offer.

In Q1 2024, the bank overperformed credit card sales plan both by the 3<sup>rd</sup> party and by the branch sales. The bank started to increase the number of Post sales points; the objective is that MyPost credit card be available at 550 Post sales points.

In 1Q 2024, the amount of loans sold by our merchant partners for the purchase of goods increased by 13% and the number of credit cards issued by 2% compared to the same period last year.

The closing volume of retail deposits (based on segmentation according to the HNB's statistics criteria) was HUF 2,365.0 bn, which means an increase of 32.7% p/p. The significant change already reflects the impact of the Fundamenta transaction. The Bank's market share reached 19.8% at the end of the quarter.

The number of MBH SZÉP card exceeded 263 thousand by the end of the first quarter.

Cardholders received HUF 8,1 billion employer contribution via 168 thousand transactions between 1 January and 31 March. The number of transactions linked to employer contributions increased by 1.6%, while the amount of received contributions increased by 20.8% compared to the same period of the last year.

MBH SZÉP cardholders spent HUF 6.3 billion via 1,1m transactions between 1 January and 31 March. The number of transactions decreased by 13.6% and the amount spent decreased by 9.2% compared to the same period of the last year.

Cardholders can pay with their MBH SZÉP card at almost 40 thousand acceptance points.

The housing market has been given a significant boost by the year-end wait for those interested in government support schemes for mortgages, which triggered a surge in property purchases and related loan applications at the beginning of the year with the publication of new schemes. Due to the complexity of the new loan scheme, more than average numbers of people turned to loan intermediaries for help, leading to increased competition between banks. The loan intermediary channel was able to further increase its growth rate, which was established in the last quarter of 2023, to the first quarter of 2024. In terms of its share within the Bank, the channel performed exceptionally well, with the value proposition offered through the Partners winning the hearts of the Customers.

MBH Bank currently works with a total of 67 credit intermediaries 85 retail partners.

The volume of MBH Group's retail loans (based on segmentation according to the HNB's statistics criteria) at the end of 1Q 2024 amounted to HUF 2,057.9 bn, which represents an increase of HUF 499.0 bn compared to the previous quarter. On a year-on-year basis, the increase reached HUF 519.4 bn. The significant change already reflects the impact of the Fundamenta transaction. The market share of the Bank reached 21.1% at the end of 1Q 2024.

The closing portfolio of mortgage loans amounted to HUF 1,399.0 bn at the end of the quarter (HUF +493.0 bn y/y, HUF +498.9 bn p/p). The Bank's market share reached 24.1%. The portfolio of consumer and other unsecured loans stagnated during the quarter, thus amounting to HUF 658.8 bn at the end of the period (+26.5 bn y/y).

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

The Bank reshaped its group life insurance products with its insurance partner CIG Pannónia with the objective that the insurance amounts offer real safety in case of an insurance event happens, thus the so-called Extra insurance related to accident, life, income, banking and digital safety became more modern from 1 March.

Group insurances reached 48% growth in the first quarter of 2024, compared to the same period the last year, mostly driven by payment protection insurance. Sales of PPI related to personal loans doubled compared to Q1 2023.

In individual life insurances, the annual portfolio premium increased by 147% compared to the same period of the previous year in case of regular premium insurance, while in case of one-time fee insurances the increase was 191% for the whole Banking group.

Thanks to the recovery of the mortgage market and the home insurance campaign launched by the Ministry of National Economy in March 2024 the portfolio fees of the home insurances sold tripled compared to the previous year's same period.

The number of premium clients continued to increase in the first quarter, the Bank closed the quarter with 33,700 premium clients, the amount of managed assets increased to 820 bn HUF (5,1% increase compared to the previous quarter). Investment penetration rate of the portfolio is 82% with a steadily growing trend. The diversification of investment portfolios continued; the share of investment funds reached 49.3% in the portfolio.

### **MBH Private Banking**

MBH Bank Private Banking is the youngest player on the domestic market and one of the most experienced at the same time. Our service was launched in May 2023, when Budapest Bank, Takarékbank and MKB Bank merged to each other, bringing together almost thirty years of experience and professional knowledge of three organizations.

In addition to private individuals with significant savings, Private Banking services are also available to actively investing companies.

In November 2023, the MBH Investment Bank had been established within the MBH Group. 80% of the Private Banking business became part of this Investment Bank and 20% remained in MBH Bank in order to maintain the usual commercial banking functions to the customers.

In addition to the core activity of MBH Bank Private Banking, it is a gold-level supporting member of the Association of Socially Utility Investors, an important element of which is the support of family wealth planning, and its special branch is the increasingly important topic of succession planning and inheritance.

Continuing the trend of the previous years, it was possible to significantly increase the volume of the portfolio managed by private banks. Taking advantage of market conditions, developing the skills of private banker colleagues, and increasing the number of services and products available to clients, the client assets managed in the business branch exceed HUF 1,350 billion, making it the second largest private bank managing assets on the domestic market.

Thanks to its private banking and asset management activities, MBH Private Banking won first place in two categories at the international Euromoney's Private Banking Awards in March 2024. We received the prestigious accolades in the category "Hungarian Private Bank of the Year in the High Net Worth Clientele" for servicing high-net-worth clients, as well as in the "Discretionary Portfolio Management of the Year Hungarian Private Bank" category for the development of asset management services.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

**Micro and small business segment:**

Széchenyi Card Programme MAX+ will be available in 2024. In this context, interest in overdrafts and working capital loans has remained unbroken in the recent period, i.e. free-use loans providing liquidity remain the most popular. Investment, on the other hand, remains on the sidelines. Customers are still getting acquainted with the green credit targets launched this year under the Széchenyi Card Programme, which is popular among SMEs.

In the short term, we expect government-subsidised loans to continue to drive the market as the Széchenyi Card Programme continues, with own-source loans taking a back seat. Therefore, the value proposition to customers is high quality banking services, i.e. there will continue to be a strong focus on improving the loan servicing processes.

Within non-financial corporations, the loan portfolio of microenterprises stood at HUF 502.7 bn (-1.9% p/p; -10.8% y/y) at the end of the period.

**MFB Points**

In the first quarter of 2024, MBH Bank opened its remaining 80 branches to develop the MFB Pont Plus corporate network in the framework of the EU financial cycle 2021-2027. The new corporate MFB Pont Plus network has thus been expanded to 154 branches in MBH Bank.

During the quarter, the integration of the systems and processes planned for the new EU financial cycle started. In addition, preparations have started for the launch of the first SME Technology Plus Loan Programme.

**Branch network**

Following the merger in 2023, the branch renovations and modernizations continued in 1Q 2024 to improve the customer experience.

To meet the needs of the younger generation, new Digital Kiosk capsules were delivered. These units, which operate with modern video banking technology, offer a secure, fast and convenient way to open bank accounts without the need for personal customer service.

One of MBH Bank's key objectives is to create a unified set of convenience and digital services across the entire network. In line with these objectives, preliminary branch surveys related to the roll-out of the unified customer call system were started at the end of 2023, followed by the physical implementation phase from the beginning of 2024. In addition to the physical roll-out, modern, customised enhancements have started to allow remote queuing in addition to booking appointments based on branch capacity, thus reducing waiting times at the branch.

In addition to system improvements and process standardisation, the bank is also paying particular attention to harmonising its product range. The product consolidation project, launched in March, aims to provide our customers with a smaller, simpler and more uniform product range, which also means less back-office burden. The product modernisation process will be implemented in a pre-scheduled manner throughout the year and will affect a total of 500,000 customers. This will make the work of our branch colleagues easier and improve the quality and speed of service.

In March 2024, the acquisition process of Fundamenta Group was successfully completed. MBH Bank's extensive branch network and the Fundamenta Personal Banker network together represent a strong

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

sales force in the domestic market. MBH Bank aims to become a leading player in the domestic savings and mortgage market through the existing and untapped synergies between the two businesses. By combining product ranges, combining banking, home savings and insurance products, and increasing the efficiency of administration, customers will have access to a range of new investment, insurance and loan products through cross-selling.

The education and training of branch network colleagues remains a key strategic priority for 2024. The first wave of a major training programme launched last year has been completed. It covered a period of almost 6 weeks and involved the support team members in 12 pilot branches on a daily basis. Thanks to a change of approach based on the new methodology and using the feedback and experience from the branches participating in the first wave, the full network implementation has started. The roll-out will continue in waves, in phases, throughout the year.

## 2.4.3 Leasing

### Euroleasing

The consolidated MBH Group includes the dominant operators of the domestic leasing market, Euroleasing Ltd., Budapest Lízing Ltd. and Euroleasing Ingatlan Ltd.

As an important step in the merger process, from the first day of 2022, Euroleasing Ltd., Budapest Leasing Ltd., Euroleasing Ingatlan Ltd., and MBH Bank's car financing segment (Budapest Autó) continue to operate in the same management structure, in a coordinated and integrated manner.

The leasing group has a national network and a market share of more than 25 percent based on the newly placed, aggregated leasing stock – all showing the importance of this step. After the integration, new loan and leasing services will primarily be provided by Euroleasing Ltd., while contracts concluded before January 1, 2022 will continue to be managed by the original leasing companies or their legal successors.

### Car financing activity

The leasing group has become a key operator in the vehicle financing segment of the leasing market. Starting from the fourth quarter of 2021, the introduction of the different, subsidized KAVOSZ Széchenyi Leasing had a stimulating effect on the financing market, which drove a significant number of commercial vehicle buyers towards the financing market in 2023.

The high interest rates reduced the demand for financing last year, at the same time rising prices had a negative effect on the sales market.

In 2023, new car sales volumes were slightly below the previous year, while the car finance leasing market grew significantly, as car prices increased. The growth of the financing market was also supported by a turnaround in interest rates and significant sales support from importers and dealers, mainly in the form of interest rate subsidies in addition to price support.

In the first quarter of 2024, the volume of new car sales increased slightly compared to the same period in 2023, but at the same time car prices and thus the average financing amount also decreased slightly.

On 27 February 2023, Euroleasing Ltd. and RCI Services Llc. signed a partnership agreement under the leasing company will become the official domestic financier of the Renault, Dacia and Alpine brands from 1 March 2023, providing financing solutions under the name Mobilize Financial Services.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon



From April 2024, the company will also cooperate with Magyar Posta Zrt in order to sell its products as widely as possible.

### **Asset financing activity**

The leasing group has a dominant market position in the asset financing leasing market and achieved a leading position with a significant market share in its two most significant segments, the financing of agricultural equipment and commercial vehicles.

Every third investment in agricultural equipment financed through leasing and every fifth purchase of commercial vehicles financed through leasing was carried out with the support of Euroleasing in 2023. Excellent partnerships with the largest agricultural machinery dealers, limit-oriented service to returning customers and efficient cross-selling within the banking group have contributed significantly to increasing market share and maintaining market leadership.

State support programs (EXIM, KAVOSZ) had a significant impact on the asset financing market segment, and the Euroleasing group remains clearly the most important player in the leasing market in terms of the intermediation of subsidised transactions.

The deterioration in the economic environment was transmitted to the asset finance market through a contraction in investment appetite and demand from the second half of 2023.. This decline in demand is expected to continue to be adequately cushioned by government economic stimulus programmes and sales support solutions from manufacturers/distributors.

### **Changes in the economic environment affecting the leasing group**

The group devotes considerable attention to the follow-up and monitoring of the portfolios of customers who have exited previous moratoriums or are in moratorium in order to reduce potential losses.

The considerable diversification of the group's financing portfolio plays an important role in countervailing the negative external effects, the development of which is an important pillar of the company's strategy.

## **2.4.4 Investment services and Treasury activities**

### **Treasury**

In 1Q 2024, with a slightly weakening forint, the foreign exchange market was characterised by relatively low volatility, but the Treasury made good use of the market opportunities while maintaining risk exposures low.

The Treasury Trading area effectively managed short-term interest rate positions arising from counterparty positions and also made good use of the business opportunities arising from the monetary policy tools.

The Bank was an active participant in the bond market, with a significant share in the auctions of the ÁKK (Government Debt Management Agency) as primary dealer.

### **ALM & Liquidity service**

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

In terms of operational liquidity management, the business unit continuously adapted to the changing monetary environment and fully executed the transactions necessary for the smooth functioning of the bank's payment flows.

### **Sales**

Following last year's preparations, in Q1 treasury sales took a big step forward towards unified service. The harmonisation of processes and systems has enabled the introduction of a new service model, which will align the treasury sales organisation with the bank segmentation in the most efficient way. Dedicated salespeople have started to strengthen close, direct links with the corporate departments and their respective clients. The new operation has generated considerable activity both in the corporate areas and among customers, resulting in a large number of customer meetings and above-average turnover.

### **Corporate Finance**

During 1Q 2024, the Bank announced three underwriting periods for the placement of senior bonds, mainly sold to retail customers, and successfully completed three issues. These issues took place in the framework of the Bank's domestic issuance programme of HUF 400 billion.

### **Intermediary currency exchange**

The first quarter was a good quarter for intermediary currency exchange activity, with a significant increase in the volume of business compared to the same period last year.

### **Investment services**

#### **Investment services - sales**

In the first quarter of 2024, the demand for Premium Hungarian Government Bonds increased, while the supply shrank further. Treasury Bill (DKJ) traffic did not decrease further, thanks to the stabilization of the short side of the yield curve. The underwriting of MBH Bank's own bonds continued to have high priority, the volume of secondary market sales soared due to the declining yield environment. Even though the EUR and USD interest rates were also trending downward, there was no sharp drop in yield as in the case of the HUF, so the turnover of bonds denominated in these two currencies have decreased, but the Bank still generated substantial turnover. Bank's turnover of both foreign and BÉT shares was able to grow. In foreign exchange products, the Bank's turnover almost doubled on a quarter/quarter basis, the expansion was particularly significant in the options line.

#### **Investment Products and Services Management**

In 2024 Q1, MBH Bank maintained its position as one of the largest securities distribution networks in the Hungarian market and continues to develop its network in line with its objectives.

MBH Befektetési Bank Zrt. commenced its operations in 2023 Q4 as a member of MBH Group. The Investment Bank intensified its pre-existing partnership agreements, under which securities brokerage services are provided at 35 business entities and bank branches in addition to the intermediary network of MBH Group.

In line with its long-term investment services strategy, in the first quarter of the year:

- MBH Group launched its certificate distribution operations intensely, as 6 new structured bonds denominated in HUF as well as USD and EUR were issued,

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

- Several thousand new securities accounts were opened in the retail and corporate segments,
- The portfolio volume of investment fund units ended the year 10% up on the fourth quarter of last year,
- During the quarter, MBH Alapkezelő Zrt. continued optimizing its investment fund offering along with designing and developing new products.

As of 31 March 2024, the Fund Manager managed a total of HUF 2 354,7 bn in net assets under management, representing a market share of 10.76%<sup>3</sup>. Within this, it invests HUF 1 640,3 bn in 67 investment funds and 2 private equity funds and manages assets totalling HUF 714,4 bn for 9 funds, 3 insurance companies and 6 other customers in the context of portfolio management. MBH Fund Management is ranked second among pension fund asset managers<sup>4</sup> (in terms of assets under management).

### **Custody Sales**

A highly intensive start of the year was brought about for the regular clientele of the institutional custody division by the quest for solutions reflecting to current market demands as well as by the need in reacting to the regulatory changes – an important role the Custody Sales played in this elaboration process as co-operative service provider and consulting partner. A similarly high activity was experienced in the segment of non-institutional custody customers whose transactions required deep knowledge of custody procedures - here Custody Sales was acting as an internal specialist team in the Bank. At the same time – a kind of proof for the change of earlier tendency – the size of assets under institutional custody kept growing contrary to the close of the beginning of the year.

## **2.5 ESG strategy of MBH Group**

MBH Bank’s sustainability vision goes beyond legislative compliance to inspire and amplify action. MBH Bank frames sustainability as a business opportunity through ongoing educational outreach. It factors ESG risks across management decisions to reduce carbon emissions and contribute towards climate targets.

Green finance supports projects with positive environmental impacts, particularly in the areas of energy consumption and efficiency as well as energy modernisation of residential properties. An automatic ESG assessment is conducted for all clients using EBRD heatmap data and special company databases. Additional customer-supplied data could improve the ESG risk rating by one level — if the company holds ESG certifications, its revenues align with green EU taxonomy, its activity supports environmental objectives and its energy consumption derives from renewable sources.

As a responsible corporate citizen and top-rated employer, MBH Bank integrates transparent and ethical governance processes across internal and external operations. The bank prioritises the personal

<sup>3</sup> Resource: BAMOSZ (market share)

<sup>4</sup> Resource: BAMOSZ (market share)

and professional development of its workforce, from employees' physical and mental health to their ESG awareness and knowledge.

A third of MBH employees have been with the bank for more than a decade. Women represent 70 percent of the MBH workforce and a third of the top management team.

MBH Bank encourages volunteerism among staff — and it leads by example. Its primary corporate citizenship goals aim to increase financial literacy, support socio-economic community development as well as protect and preserve the environment.

In 2023, the MBH Forest was created, initially by planting 10,000 trees (to be repeated every year) to start offsetting the Bank's own emissions and to raise customer awareness of the importance of nature conservation.

MBH Bank has entered into cooperation with Ipoly Forest Ltd. with the aim of supporting the company in the rehabilitation of certain forest stands. The partnership with MBH Bank will involve the clearing and reforestation of nearly 13 hectares of damaged land.

On 21 March, World Forests Day, 140 MBH Bank staff travelled to the Tolna County village of Hőgyész to continue the work started last year to further enrich the MBH Forest. This year, the MBH Forest has grown to 23,000 trees with the planting of around 10,000 saplings native to our country.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

## 2.6 Awards and recognitions



**APEX HRPOWER:** HR Toplist – 1st place



### Best of BSE (Budapest Stock Exchange) 2023

- Mortgage Bond Issuer of the Year
- Investment Service Provider of the Year
- Private capital increase of the Year
- Special Award for Equity Analysts: Vágó Attila, Director of MBH Fund Management



### Euromoney Global Private Banking Awards 2024

- Hungary's Best for High-Net-Worth
- Hungary's Best for Discretionary Portfolio Management



**CSR Excellence Awards:** Best Financial ESG & Corporate Responsibility Initiative - Hungary winning tender



### JV SZ, Companies for the Future Award 2024:

The Best Ecosystem builder special award - BUPA

**Business Program of the Year**

### Bank of the Year MasterCard 2023:

Business Program of the Year 2023: 1st place



**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

**Cyber Security Education Campaign of the Year**

2023

**Bank of the Year MasterCard 2023:**

Cyber Security Education Campaign of the Year: 3rd place

**CSR Initiative of the Year**

2023

**Bank of the Year MasterCard 2023:**

CSR Initiative of the Year 2023: 3rd place


**EXIM Awards 2024**

- Bank of the Year 2023
- The Most Successful Green Refinancing Partner 2023
- The Most Active Leasing Company 2023 (Euroleasing Zrt.)


**Top Employers Institute**

Top Employer 2024


**Hungarian Money Week 2024**

MBH Bank was recognised for its supportive role in the field of financial culture and business development, for a decade of outstanding professionalism and active engagement.


**Privátbankár.hu – Fund Manager Klasszis 2024**

- Best Advanced Market Equity Fund: MBH USA Equity Fund HUF Series
- Best Commodity Market Fund: MBH Conventional Energy Fund Series A
- 2nd Best Short Bond Fund: Budapest Bonitas Fund
- 2nd Best Absolute Return and Derivatives Fund, High Risk: MBH Rotunda Absolute Return Investment Fund

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

## Declaration

MBH Bank Nyrt. (hereinafter Bank) issues the following declaration in relation to its report on the 1Q 2024 results (Flash Report):

The Bank declares that the Flash Report has been prepared in compliance with the applicable accounting regulations. The Flash Report, prepared according to the best knowledge and information of the experts and decision-making managers of the Bank concerned reflects a true and fair view of the assets and liabilities, financial position and profit and loss of the Bank as securities issuer and the consolidated companies, furthermore the 1Q 2024 financial statements give a fair view of the position, development and performance of the Bank, disclosing the risks and the factors of uncertainty.

No independent audit report has been prepared for the Flash Report.

Budapest, 30 May 2024

MBH Bank Nyrt.

Mr Zsolt Barna, dr.  
Chairman Chief Executive

Mr Péter Krizsanovich  
Deputy Chief Executive Officer  
for Strategy and Finances

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

### 3 FINANCIAL FIGURES

#### 3.1 Correction factors 1Q 2024

in HUF million	1Q 2024 Accounting Report	Structure corrections	Business corrections					Adjusted PAT
			Banking tax	Extra profit tax	Extra OBA fee	Badwill	Integration costs	
Interest income	277,819	7,022	0	0	0	0	0	284,841
Interest expense	-139,490	-6,649	0	0	0	0	0	-146,139
<b>Net interest income</b>	<b>138,329</b>	<b>373.17</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>138,703</b>
Net income from commissions and fees	34,741	-11,673	0	0	0	0	0	23,068
Results from financial instruments	4,680	-1,582	0	0	0	0	0	3,098
Other operating income / (expense), net	-2,142	162	2,751	0	-2,495	0	0	-1,723
Impairments and provisions for losses	-8,215	-518	0	0	0	0	0	-8,733
Dividend income	0	0	0	0	0	0	0	0
Share of jointly controlled and associated comp	1,526	-1,526	0	0	0	0	0	0
Operating expenses	-109,278	14,765	16,441	13,984	2,495	0	0	-61,593
<b>Profit / (Loss) before taxation</b>	<b>59,641</b>	<b>0</b>	<b>19,192</b>	<b>13,984</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>92,819</b>
Income tax expense / (income)	-10,495	0	-1,727	-1,259	0	0	0	-13,481
<b>PROFIT/ (LOSS) FOR THE YEAR</b>	<b>49,146</b>	<b>0</b>	<b>17,464</b>	<b>12,725</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>79,338</b>
<i>Other comprehensive income</i>	-16,356	0	0	0	0	0	0	-16,356
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>32,790</b>	<b>0</b>	<b>17,464</b>	<b>12,725</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>62,982</b>

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon



in HUF million	1Q 2024 Report	Structure corrections				Adjusted BS structure
		Liabilities Customer deposits and other liabilities reclassification	Assets Customer loans and other assets reclassification	Assets Cash reserves and interbank loans reclassification	Assets Cash reserves and other assets reclassification	
<b>Total Assets</b>	<b>11,784,740</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,784,740</b>
Cash reserves	76,922			697	1,221	78,840
Loans and advances to banks	1,533,823			-697		1,533,126
Trading portfolio	272,074					272,074
Securities	3,955,909					3,955,909
Loans and advances to customers	5,357,287					5,357,287
Other assets	234,125		-72		-1,221	232,832
Investments in jointly controlled entities and associates	132,454					132,454
Intangibles, property and equipment	222,147		72			222,218
<b>Total liabilities and equity</b>	<b>11,784,740</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11,784,740</b>
<b>Total liabilities</b>	<b>10,710,495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,710,495</b>
Amounts due to other banks	2,135,099					2,135,099
Deposits and current accounts	7,588,548					7,588,548
Derivate financial liabilities	149,531					149,531
Other liabilities and provisions	219,324					219,324
Issued debt securities	617,993					617,993
<b>Shareholders' Equity</b>	<b>1,074,246</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,074,246</b>
Share capital	322,530					322,530
Reserves	751,716					751,716

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

## 3.2 Consolidated, non-audited financial statements of the MBH Group according to IFRS

### 3.2.1 Income statement

in HUF million	1Q 2023	1Q 2024
Interest and similar to interest income	302,504	277,819
Interest and similar to interest expense	(151,517)	(139,490)
<b>Net interest income</b>	<b>150,986</b>	<b>138,329</b>
Net income from commissions and fees	32,172	34,741
Results from financial instruments	(3,820)	4,680
Other operating income / (expense), net	4,575	(616)
(Impairment) / Reversal on financial and non-financial instruments	541	(8,215)
Dividend income	-	-
Operating expense	(151,829)	(109,278)
<b>Profit before taxation</b>	<b>32,625</b>	<b>59,641</b>
Income tax income / (expense)	(10,285)	(10,495)
<b>PROFIT FOR THE YEAR</b>	<b>22,340</b>	<b>49,146</b>
Other comprehensive income	1,799	(16,356)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>24,139</b>	<b>32,790</b>

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

**3.2.2 Balance sheet**

in HUF million	YE 2023	1Q 2024
<b>Assets</b>		
Cash and cash equivalents	1,347,889	1,457,060
<b>Financial assets measured at fair value through profit or loss</b>	<b>756,308</b>	<b>769,174</b>
Loans and advances to customers mandatorily at fair value through profit or loss	510,988	520,605
Securities held for trading	2,621	3,773
Securities mandatorily at fair value through profit or loss	47,516	54,847
Derivative financial assets	195,183	189,949
<b>Hedging derivative assets</b>	<b>73,652</b>	<b>80,831</b>
<b>Financial assets measured at fair value through other comprehensive income (Securities)</b>	<b>912,538</b>	<b>997,897</b>
<b>Financial assets measured at amortised cost</b>	<b>7,689,462</b>	<b>8,125,224</b>
Loans and advances to banks	106,544	105,937
Loans and advances to customers	4,390,428	4,836,681
Repurchase assets	17,918	2,808
Securities	3,010,864	2,971,450
Other financial assets	163,708	208,348
<b>Investments in subsidiaries and associates</b>	<b>55,169</b>	<b>64,343</b>
<b>Intangible assets, Property, plant and equipment</b>	<b>191,595</b>	<b>222,146</b>
<b>Other assets</b>	<b>80,435</b>	<b>68,065</b>
<b>Total assets</b>	<b>11,107,048</b>	<b>11,784,740</b>
<b>Liabilities</b>		
<b>Financial liabilities measured at fair value through profit or loss</b>	<b>152,581</b>	<b>147,415</b>
<b>Financial liabilities measured at amortised cost</b>	<b>9,789,825</b>	<b>10,381,896</b>
Amounts due to banks	2,027,667	2,016,532
Amounts due to customers	6,957,100	7,588,548
Repurchase liabilities	11,767	26,396
Issued debt securities	520,901	509,557
Subordinated debt	108,341	108,436
Other financial liabilities	164,049	132,427
<b>Hedging derivative liabilities</b>	<b>17,018</b>	<b>18,331</b>
<b>Provisions</b>	<b>31,240</b>	<b>34,614</b>
<b>Other liabilities</b>	<b>93,013</b>	<b>128,237</b>
<b>Total liabilities</b>	<b>10,083,677</b>	<b>10,710,493</b>
<b>Equity</b>		
Share capital	322,530	322,530
Reserves	700,841	751,717
<b>Total equity</b>	<b>1,023,371</b>	<b>1,074,247</b>
<b>Total liabilities and equity</b>	<b>11,107,048</b>	<b>11,784,740</b>

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

**3.2.3 Shareholders' assets**

in HUF million	Share capital	Share premium	Retained earnings	Other reserves	Accumulated other comprehensive income	Non-controlling interests	Total equity
<b>On 1 January 2023</b>	321,699	313,947	121,534	32,552	(21,357)	40,361	808,736
Profit/ (loss) for the year	-	-	176,679	-	-	6,511	<b>183,190</b>
Other comprehensive income for the year	-	-	-	-	57,554	359	<b>57,913</b>
<b>Total comprehensive income</b>	-	-	176,679	-	57,554	6,870	<b>241,103</b>
Share issue and share premium	-	-	-	-	-	-	-
Dividend	-	-	(25,093)	-	-	-	<b>(25,093)</b>
General reserve for the year	-	-	(11,832)	11,832	-	-	-
Changes from business combination - Takarékbank Zrt. merger	831	34,947	(39,578)	6,682	-	(3,108)	<b>(226)</b>
Other increases and decreases from business combinations	-	-	(277)	-	268	(1,140)	<b>(1,149)</b>
<b>Transactions with owners</b>	<b>831</b>	<b>34,947</b>	<b>(76,780)</b>	<b>18,514</b>	<b>268</b>	<b>(4,248)</b>	<b>(26,468)</b>
<b>At 31 December 2023</b>	<b>322,530</b>	<b>348,894</b>	<b>221,433</b>	<b>51,066</b>	<b>36,465</b>	<b>42,983</b>	<b>1,023,371</b>
<b>At 1 January 2024</b>	<b>322,530</b>	<b>348,894</b>	<b>221,433</b>	<b>51,066</b>	<b>36,465</b>	<b>42,983</b>	<b>1,023,371</b>
Profit/ (loss) for the year	-	-	47,175	-	-	1,973	<b>49,148</b>
Other comprehensive income for the year	-	-	-	-	(16,364)	8	<b>(16,356)</b>
<b>Total comprehensive income</b>	-	-	47,175	-	(16,364)	1,981	<b>32,792</b>
Dividend	-	-	-	-	-	-	-
General reserve for the year	-	-	-	-	-	-	-
Other correction	-	-	-	-	-	-	-
Equalisation reserve	-	-	(8,748)	8,748	-	-	-
Other increases and decreases from business combinations	-	-	-	-	-	18,266	<b>18,266</b>
<b>Transactions with owners</b>	-	-	<b>(8,887)</b>	<b>8,748</b>	-	<b>18,223</b>	<b>18,084</b>
<b>At 31 March 2024</b>	<b>322,530</b>	<b>348,894</b>	<b>259,721</b>	<b>59,814</b>	<b>20,101</b>	<b>63,187</b>	<b>1,074,247</b>

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

### 3.3 Individual, non-audited financial statements of MBH Bank Nyrt. according to IFRS

#### 3.3.1 Income statement

in HUF million	1Q 2023	1Q 2024
Interest and similar to interest income	234,072	273,270
Interest and similar to interest expense	(148,999)	(152,504)
<b>Net interest income</b>	<b>85,073</b>	<b>120,766</b>
Net income from commissions and fees	16,677	28,743
Results from financial instruments	(8,773)	12,512
Other operating income / (expense), net	4,470	(2,224)
(Impairment) / Reversal on financial and non-financial instruments	(1,453)	(8,544)
Dividend income	-	-
Operating expense	(83,509)	(100,770)
<b>Profit before taxation</b>	<b>12,485</b>	<b>50,483</b>
Income tax income / (expense)	(3,664)	(8,569)
<b>PROFIT FOR THE YEAR</b>	<b>8,821</b>	<b>41,914</b>
Other comprehensive income	(1,173)	(18,345)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>7,648</b>	<b>23,569</b>

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

**3.3.2 Balance sheet**

in HUF million	YE 2023	1Q 2024
<b>Assets</b>		
Cash and cash equivalents	1,305,409	1,352,628
<b>Financial assets measured at fair value through profit or loss</b>	720,727	732,463
Loans and advances to customers mandatorily at fair value through profit or loss	490,802	500,227
Securities held for trading	1,017	2,494
Securities mandatorily at fair value through profit or loss	37,736	42,986
Derivative financial assets	191,172	186,756
<b>Hedging derivative assets</b>	73,012	80,233
<b>Financial assets measured at fair value through other comprehensive income (Securities)</b>	906,612	986,151
<b>Financial assets measured at amortised cost</b>	7,578,461	7,459,637
Loans and advances to banks	456,886	458,174
Loans and advances to customers	4,272,323	4,210,634
Repurchase assets	34,533	16,724
Securities	2,655,843	2,573,636
Other financial assets	158,876	200,469
<b>Investments in subsidiaries and associates</b>	262,074	345,562
<b>Intangible assets, Property, plant and equipment</b>	92,601	93,237
<b>Other assets</b>	69,725	50,769
<b>Total assets</b>	<b>11,008,621</b>	<b>11,100,680</b>
<b>Liabilities</b>		
<b>Financial liabilities measured at fair value through profit or loss</b>	141,377	136,563
<b>Financial liabilities measured at amortised cost</b>	9,763,018	9,810,305
Amounts due to banks	2,324,268	2,303,986
Amounts due to customers	6,850,774	6,916,346
Repurchase liabilities	68,752	79,736
Issued debt securities	254,068	284,602
Subordinated debt	113,679	114,269
Other financial liabilities	151,477	111,366
<b>Hedging derivative liabilities</b>	17,018	18,331
<b>Provisions</b>	30,794	32,870
<b>Other liabilities</b>	75,782	98,411
<b>Total liabilities</b>	<b>10,027,989</b>	<b>10,096,480</b>
<b>Equity</b>		
Share capital	322,530	322,530
Reserves	658,102	681,670
<b>Total equity</b>	<b>980,632</b>	<b>1,004,200</b>
<b>Total liabilities and equity</b>	<b>11,008,621</b>	<b>11,100,680</b>

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

**3.3.3 Shareholders' assets**

in HUF million	Share capital	Share premium	Retained earnings	Other reserve	Accumulated other comprehensive income	Total equity
<b>On 1 January 2023</b>	<b>321,699</b>	<b>313,947</b>	<b>148,792</b>	<b>32,552</b>	<b>(23,978)</b>	<b>793,012</b>
Profit/ (loss) for the year	-	-	118,316	-	-	<b>118,316</b>
Other comprehensive income for the year	-	-	-	-	51,283	<b>51,283</b>
<b>Total comprehensive income for the year</b>	-	-	<b>118,316</b>	-	<b>51,283</b>	<b>169,599</b>
Issue of share capital and share premium	-	-	-	-	-	-
Dividend	-	-	(25,092)	-	-	<b>(25,092)</b>
General reserve for the year	-	-	(11,832)	11,832	-	-
Increase / decrease due to the merger	831	34,947	6,952	6,682	(6,299)	<b>43,113</b>
<b>At 31 December 2023</b>	<b>322,530</b>	<b>348,894</b>	<b>237,136</b>	<b>51,066</b>	<b>21,006</b>	<b>980,632</b>
Profit/ (loss) for the year	-	-	41,914	-	-	<b>41,914</b>
Other comprehensive income for the year	-	-	-	-	(18,345)	<b>(18,345)</b>
<b>Total comprehensive income</b>	-	-	<b>41,914</b>	-	<b>(18,345)</b>	<b>23,568</b>
Dividend	-	-	-	-	-	-
General reserve for the year	-	-	-	-	-	-
Increase / decrease due to the merger	-	-	-	-	-	-
<b>On 31 March 2024</b>	<b>322,530</b>	<b>348,894</b>	<b>279,050</b>	<b>51,066</b>	<b>2,661</b>	<b>1,004,200</b>

\*Due to the application of uniform accounting policy principles, the general reserve is separated in the other reserve.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

### 3.4 Other information

#### Consolidated companies

Name of Company	Country of incorporation	Brief description of activities	MKB's share of ownership, total, according to Credit Institutions Act (%)	MKB's share of voting right, total (%)
Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.	Hungary	Other monetary intermediation services	77.74	77.74
Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft.	Hungary	Other auxiliary financial activities	100.00	100.00
Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Kft.	Hungary	Real estate agency activity	100.00	100.00
MBH DOMO Kft.	Hungary	Renting and operating of own or leased real estate	100.00	100.00
MBH Befektetési Alapkezelő Zrt.	Hungary, Czech Republic	Fund management	75.54	75.54
Budapest Lízing Zrt.	Hungary	Financial leasing	100.00	100.00
Euroleasing Ingatlan Zrt.	Hungary	Other credit granting	100.00	100.00
Euroleasing Zrt.	Hungary	Financial leasing	100.00	100.00
Budapest Eszközfinanszírozó Zrt.	Hungary	Renting and leasing of other machinery, equipment and tangible goods	100.00	100.00
MBH Ingatlanfejlesztő Kft.	Hungary	Renting and operating of own or leased real estate	100.00	100.00
MBH Bank MRP Szervezet	Hungary	Entity operating based on the ESOP Act	100.00	100.00
MBH Befektetési Bank Zrt.	Hungary	Credit institution, investment and Treasury services	80.56	100.00
MBH Duna Bank Zrt.	Hungary	Other monetary intermediation services	98.46	98.46
MBH Jelzálogbank Nyrt.	Hungary	Issuance of mortgage bonds, refinancing of mortgage loans	48.46	48.53
Takarék Faktorház Zrt.	Hungary	Other credit granting	100.00	100.00
Takinfo Kft.	Hungary	Formerly: computer facilities management activities, now only operation and utilisation of real estates	52.38	52.38
TAKARÉK Ingatlan Zrt.	Hungary	Management of real estate on a fee or contract basis	100.00	100.00
MBH Blue Sky Kft.	Hungary	Asset management (holding)	100.00	100.00
MITRA Informatikai Zrt.	Hungary	Data processing, hosting and related activities	96.47	96.47
MBH Szolgáltatások Zrt.	Hungary	Renting and operating of own or leased real estate	100.00	100.00
Magyar Strat-Alfa Befektetési Zrt.	Hungary	Buying and selling of own real estate Renting and operating of own or leased real estate	50.00	50.00

#### List and presentation of owners with more than 5% participation (31.03.2024)

Name	Number of shares	Ownership share (%)	Voting rights (%)
Hungarian Bankholding Ltd.	318 883 966	98.87%	98.87%

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon



## Full-time employees

FTE, end of period	31.12.2022	31.03.2023	30.06.2023	30.09.2023	31.12.2023	31.03.2024
MBH Bank Nyrt.	4,737.63	5,170.95	8,371.01	8,141.71	7,603.77	7,804.48
MBH	1.25	0.00	0.00	0.00	0.00	0.00
MITRA Informatikai Zrt.	402.00	149.00	149.55	144.65	144.70	139.70
MBH Ingatlanfejlesztő Kft.	31.72	30.97	28.72	26.72	24.61	22.87
MBH DOMO Kft.	0.00	0.00	0.00	2.00	3.00	5.33
Eurolízing	347.55	346.00	347.75	350.63	350.45	353.45
Alapkezelő	42.75	40.75	44.00	43.00	44.00	44.00
Budapest Eszközfinanszírozó Zrt.	3.25	4.25	4.25	5.25	6.75	7.50
MBH Bank MRP Szervezet	2.00	2.00	2.00	2.00	2.00	2.00
MBH Duna Bank Zrt.	0.00	0.00	0.00	170.75	168.50	169.63
MBH Befektetési Bank Zrt.	414.24	407.69	386.38	356.55	411.56	209.53
Takarékbank Zrt.	3,398.60	3,342.57	0.00	0.00	0.00	0.00
MBH Jelzálogbank Nyrt.	14.23	14.23	16.20	16.50	16.50	16.50
Takarék Faktorház Zrt.	7.88	7.88	3.50	0.15	0.15	0.15
Takarék Ingatlan Zrt.	17.63	17.63	1.00	0.00	0.00	0.25
Euroleasing Ingatlan Zrt.	0.50	1.50	0.50	0.50	0.00	0.00
MBH Szolgáltatások Zrt.	52.95	70.53	69.53	61.88	61.83	63.70
<b>MBH Group</b>	<b>9,474.18</b>	<b>9,605.95</b>	<b>9,424.38</b>	<b>9,322.28</b>	<b>8,837.82</b>	<b>8,839.08</b>

## Managers and strategic employees

Type <sup>1</sup>	Name	Position	Beginning of mandate	End/termination of mandate	Number of shares held
IT, SP	Dr. Zsolt Barna	Chairman and CEO	01.01.2021	31.12.2025	0
IT	István Sárváry	member	04.04.2022	12.31.2025	0
IT	Dr. Balázs Vinnai	member	05.04.2022	12.31.2025	0
IT	Marcell Tamás Takács	member	30.07.2020	29.07.2025	0
IT, SP	Ádám Egerszegi	member	04.04.2022	12.31.2025	0
IT, SP	Levente László Szabó	member	04.04.2022	12.31.2025	0
IT	Andrea Mager	member	01.09.2022	31.08.2024	0
FB	Dr. Andor Nagy	Chairman	04.04.2022	12.31.2025	0
FB	Zsigmond Járai	member	04.04.2022	12.31.2025	0
FB	Miklós Vaszi	member	04.04.2022	12.31.2025	0
FB	Dr. Géza Láng	member	01.09.2022	12.31.2025	0
FB	Rita Feodor	member	01.09.2022	12.31.2025	0
FB	Dr. Péter Magyar	member	01.09.2022	10.02.2024	0
FB, SP	Kitti Dobi	member	26.07.2021	24.07.2026	0
FB	Balázs Bechtold	member	26.07.2021	06.07.2026	0
FB	Dr. Ilona Török	member	02.09.2022	31.03.2026	0
FB	Dr. Árpád Kovács	member	26.03.2024	12.31.2025	0
SP	Ildikó Ginzer	Deputy CEO	21.12.2016		0
SP	Ádám Egerszegi	Deputy CEO	10.12.2021		0
SP	Levente László Szabó	Deputy CEO	10.12.2021		0
SP	Péter Krizsanovich	Deputy CEO	02.02.2023		0
SP	Kitti Dobi	Deputy CEO	09.12.2021		0
SP	András Bakonyi	Deputy CEO	15.06.2023		0
SP	András Puskás	Deputy CEO	16.06.2023		0
SP	Dr. Beatrix Mészáros	Deputy CEO	10.02.2022		0

<sup>1</sup> Employee in strategic position (SP), Board of Directors member (IT), Supervisory Board member (FB)

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon

## 4 ANNEXES

### 4.1 Financial indicators

#### 4.1.1 Adjusted KPIs on profit&loss

KPI	Short description	Formulation	Current cumulated figures
ROAE	Adjusted rate on average equities	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average equities (HUF bln)}}$	$\frac{79,338}{1,048,808} * \frac{366}{91} = 30.42\%$
ROMC	Adjusted rate on minimum capital	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average minimum capital (HUF bln)}}$	$\frac{79,338}{671,849} * \frac{366}{91} = 47.50\%$
ROAA	Adjusted rate on average total assets	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{79,338}{11,445,895} * \frac{366}{91} = 2.79\%$
TRM	Adjusted total revenue margin	$\frac{\text{Annualised adjusted Gross Operating Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{163,145}{11,445,895} * \frac{366}{91} = 5.73\%$
CIM	Adjusted core income margin	$\frac{\text{Annualised adjusted net interest + net fee (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{(138,703 + 23,068)}{11,445,895} * \frac{366}{91} = 5.68\%$
NIM	Adjusted net interest income margin	$\frac{\text{Annualised adjusted Net Interest Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{138,703}{11,445,895} * \frac{366}{91} = 4.87\%$
NFM	Adjusted net fee margin	$\frac{\text{Annualised adjusted Net Fee Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{23,068}{11,445,895} * \frac{366}{91} = 0.81\%$
C/A	Adjusted cost to total assets	$\frac{\text{Annualised adjusted General Admin. Expenses (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{61,593}{11,445,895} * \frac{366}{91} = 2.16\%$
C/I	Adjusted cost-income ratio	$\frac{\text{Adjusted General Admin. Expenses (HUF bln)}}{\text{Adjusted Gross Operating Income (HUF bln)}}$	$\frac{61,593}{163,145} = 37.75\%$
Risk%	Adjusted risk cost rate	$\frac{\text{Annualised adjusted provision for losses on loans (HUF bln)}}{\text{Average gross loans (HUF bln)}}$	$\frac{8,886}{5,406,849} * \frac{366}{91} = 0.66\%$
GOI/RWA	Adjusted RWA efficiency	$\frac{\text{Annualised adjusted Gross Operating Income (HUF bln)}}{\text{Average Total RWA (HUF bln)}}$	$\frac{163,145}{4,951,234} * \frac{366}{91} = 13.25\%$
EPS	Adjusted earnings per share	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average number of shares (bln pcs)}}$	$\frac{79,338}{319} * \frac{366}{91} = 1000.67$

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

**4.1.2 KPIs on profit&loss as in financial statement (unadjusted)**

KPI	Short description	Formulation	Current cumulated figures
ROAE	Rate on average equities	$\frac{\text{Annualised PAT (HUF bln)}}{\text{Average equities (HUF bln)}}$	$\frac{49,148}{1,048,808} * \frac{366}{91} = 18.85\%$
ROMC	Rate on minimum capital	$\frac{\text{Annualised PAT (HUF bln)}}{\text{Average minimum capital (HUF bln)}}$	$\frac{49,148}{671,849} * \frac{366}{91} = 29.42\%$
ROAA	Rate on average total assets	$\frac{\text{Annualised PAT (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{49,148}{11,445,895} * \frac{366}{91} = 1.73\%$
TRM	Total revenue margin	$\frac{\text{Annualised Gross Operating Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{163,145}{11,445,895} * \frac{366}{91} = 5.73\%$
CIM	Core income margin	$\frac{\text{Annualised net interest + net fee (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\left( \frac{138,703 + 23,068}{11,445,895} \right) * \frac{366}{91} = 5.68\%$
NIM	Net interest income margin	$\frac{\text{Annualised Net Interest Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{138,703}{11,445,895} * \frac{366}{91} = 4.87\%$
NFM	Net fee margin	$\frac{\text{Annualised Net Fee Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{23,068}{11,445,895} * \frac{366}{91} = 0.81\%$
C/A	Cost to total assets	$\frac{\text{Annualised General Admin. Expenses (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{61,593}{11,445,895} * \frac{366}{91} = 2.16\%$
C/I	Cost-income ratio	$\frac{\text{General Admin. Expenses (HUF bln)}}{\text{Gross Operating Income (HUF bln)}}$	$\frac{61,593}{163,145} = 37.75\%$
Risk%	Risk cost rate	$\frac{\text{Annualised provision for losses on loans (HUF bln)}}{\text{Average gross loans (HUF bln)}}$	$\frac{-8,886}{5,406,849} * \frac{366}{91} = 0.66\%$
GOI/RWA	RWA efficiency	$\frac{\text{Annualised Gross Operating Income (HUF bln)}}{\text{Average Total RWA (HUF bln)}}$	$\frac{163,145}{4,951,234} * \frac{366}{91} = 13.25\%$
EPS	Earnings per share, IFRS	$\frac{\text{PAT (HUF bln)}}{\text{Average number of shares (bln pcs)}}$	$\frac{49,148}{319} * \frac{366}{91} = 619.9$

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

### 4.1.3 Volume KPIs

KPI	Short description	Formulation	Current cumulated figures
<b>Provision/ Total Assets</b>	Provision to Total Assets	$\frac{\text{Provision for customer loans (HUF bln)}}{\text{Total Asset (HUF bln)}}$	$\frac{285,833}{11,784,741} = 2.43\%$
<b>Securities rate</b>	Securities to Total assets	$\frac{\text{Securities (HUF bln)}}{\text{Total Asset (HUF bln)}}$	$\frac{3,959,703}{11,784,741} = 33.60\%$
<b>CAR</b>	Capital adequacy ratio	$\frac{\text{Regulatory capital (HUF bln)}}{\text{Total RWA (HUF bln)}}$	$\frac{977,976}{5,173,065} = 18.91\%$
<b>RWA/ Total Assets</b>	Risk weighted assets to Total assets ratio	$\frac{\text{Total RWA (HUF bln)}}{\text{Total Asset (HUF bln)}}$	$\frac{5,173,065}{11,784,741} = 43.90\%$
<b>DPD coverage</b>	Rate of loans past due for more than 90 days covered by provision	$\frac{\text{Provision for customer loans (HUF bln)}}{\text{Loans past due for more than 90 days (HUF bln)}}$	$\frac{285,833}{103,227} = 276.90\%$
<b>NPL rate</b>	Rate of non-performing loans	$\frac{\text{Non-performing customer loans (HUF bln)}}{\text{Gross customer loans (HUF bln)}}$	$\frac{173,606}{5,643,120} = 3.08\%$
<b>Direct NPL coverage</b>	Rate of non-performing loans covered directly by provision	$\frac{\text{Provision for non-performing customer loans (HUF bln)}}{\text{Non-performing customer loans (HUF bln)}}$	$\frac{96,088}{173,606} = 55.35\%$
<b>NPL coverage</b>	Rate of non-performing loans covered by provision	$\frac{\text{Provision for customer loans (HUF bln)}}{\text{Non-performing customer loans (HUF bln)}}$	$\frac{285,833}{173,606} = 164.64\%$
<b>Total coverage</b>	Rate of loans covered directly by provision	$\frac{\text{Provision for customer loans (HUF bln)}}{\text{Gross customer loans (HUF bln)}}$	$\frac{285,833}{5,643,120} = 5.07\%$

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

## 4.2 Additional information to the 1Q 2024 report

- MBH Nyrt's information on its 1Q 2024 performance is based on data contained in the consolidated balance sheet and profit and loss statement prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The analysis of the Bank's activity was based on audited data as at 31st December 2022, audited data as at 31st December 2023 and unaudited data as at 31st March 2024.
- MBH Public Limited Company, according to the Act LIX of 2006, fully accounted the amount defined as a special tax on financial institutions for the year 2024 – as required by IFRS – in the first quarter of the year, as the amount determined by this law is not disputed and must be paid by the Bank till the end of 2024.
- The summary rows of the tables in the report do not necessarily sum to the subdivision rows, due to the application of the rounding formula.

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)  
**Investors' contact person:** Gergely Gózon

### 4.3 Abbreviations

MBH, MBH Bank, MBH Group	MBH Group
HNB, NBH, MNB	National Bank of Hungary (the central bank of Hungary)
y/y	Year on year
p/p	Period on period
bp	Basis point
CAGR	Compounded Annual Growth Rate
(Y), YTD	Year to date data
PAT	Profit after tax
PBT	Profit before tax
GOI	Gross Operating Income
GAE	General Administrative Expenses
OCI	Other comprehensive income
TOCI	Total other comprehensive income
FX	FX result
FV	Revaluation result
IRS	Interest rate swap
TA, A	Total assets
RWA	Risk weighted assets
Secured loans	Home Loans + Free-to-Use Mortgages
FVTOCI	Fair value through OCI
FVTPL	Fair value through P&L
FTE	Full time equivalent
NPL	Non performing loans
NPE	Non performing exposures
DPD90+	Days past due over 90 days
POCI	Purchased or Originated Credit Impaired Asset
ROE, ROAE	Return on average equity
ROMC	Return on minimum capital
ROA, ROAA	Return on average assets
C/I, CIR	Cost-to-income ratio
TRM	Total revenue margin
NIM	Net interest margin
NFM	Net fee margin
CIM	Core Income Margin
CAR	Capital adequacy ratio
LTD	Loans to deposits
EPS	Earning per share
AVA	Asset value adjustment – CRR specification
ÁKK	Price of government bond reference yields determined daily by the National Debt Management Center (ÁKK)
GDMA	Government Debt Management Agency
NHP	FGS, Funding for Growth Scheme
KSH	Hungarian Central Statistical Office
ESG	Environmental, Social, Governance

**Company name:** MBH Bank Nyrt.  
**Address:** 1056 Budapest, Váci u. 38.  
**Sector:** Other monetary activity  
**Reporting period:** 01.01.2024-31.03.2024

**Phone:** +36 (1) 268-7173  
**E-mail address:** [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

**Investors' contact person:** Gergely Gózon