

# MBH Group

## 3Q 2024 results

Investor Presentation

28th November 2024

**MBH** BANK



We kindly draw your attention to that in this presentation MBH Bank's underlying financial performance presented – if not stated otherwise – using **adjusted financial figures** (alternative performance measurement indicators – APM).

For definition and calculation methodology of alternative performance measurement indicators please refer to 3Q 2024 Report chapter 4.1. – Financial indicators.

This presentation is to support the understanding of the underlying financial performance of MBH Group and it is a close and inseparable part of the 3Q 2024 Report.

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# Executive summary

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## Key highlights in 9M 2024

**ROE**  
**23.1%\***

High profitability, +20% ROE for the first 9 months

**Loans**  
**+18.4%**

Close to 20% y/y increase in the customer loan book

**LCR**  
**141.6%**

Liquidity at comfortable levels, with LCR above 140%

**CAR**  
**20.7%**

Stable capital position, 20.7% capital adequacy ratio

**NPL**  
**2.9%**

Stable portfolio quality



# Business environment

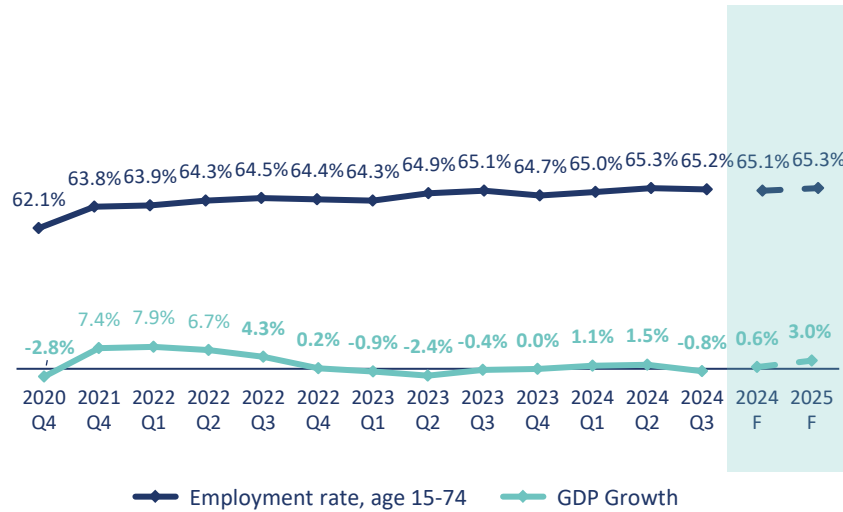
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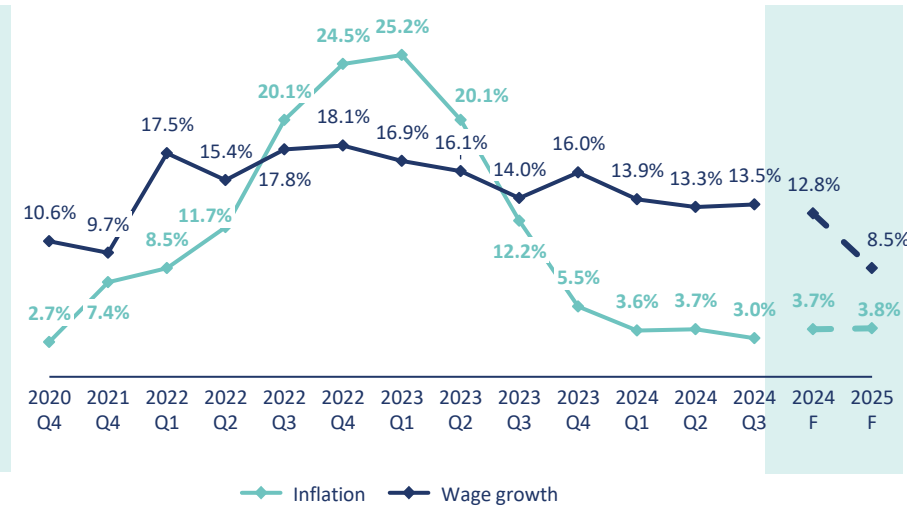
# GDP slower than expected in 3Q

- Real GDP fell 0.7% q/q in 3Q. As we saw a quarter-on-quarter contraction in 2Q, the Hungarian economy is again in a technical recession.
- Annual inflation fell to central bank's target of 3.0% in September for the first time since January 2021. By year-end, inflation may rise to well above 4%, with average inflation expected at 3.7% in 2024. **In 2025, inflation could mostly remain within the central bank's target range**, as we see average inflation at 3.8%.
- The employment rate stayed at 65.2% in 3Q. The unemployment rate was 4.6% in 3Q, compared with 4.0% a year earlier.
- Household lending remained buoyant in 3Q 2024: the volume of newly contracted mortgage loans increased by 120% y/y, while personal loans grew 56.5% y/y. **Corporate lending, meanwhile, continued to be sluggish in 3Q due to weak external demand and the resulting pale economic outlook.** By year-end the stock of household loans is expected to be 9% higher than at end-2023, but for NFCs, growth rate will likely remain below 4%.

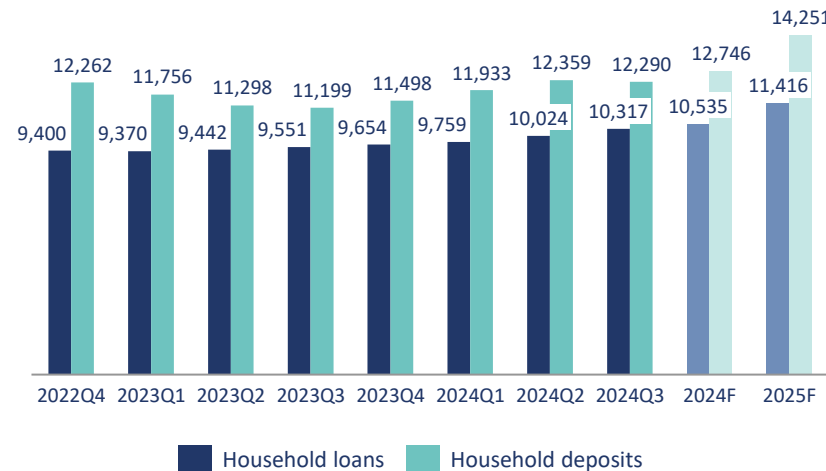
GDP growth (y/y%) and employment



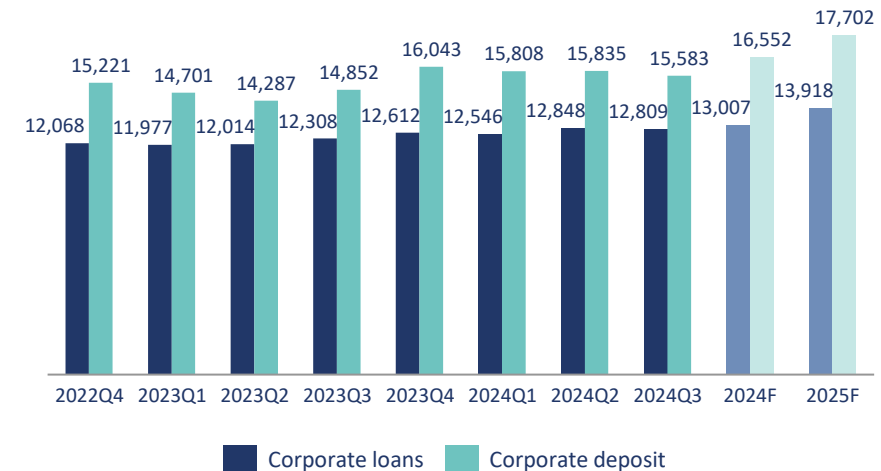
Average inflation and wage growth\* (y/y %)



Household volumes (HUF thous. bn)



Corporate volumes (HUF thous. bn)

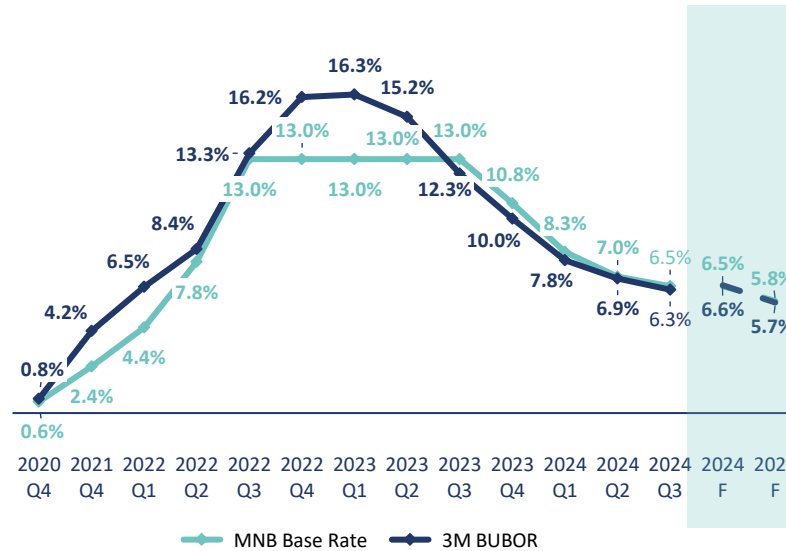


\* Febr. wage growth data was affected by the payment of the 'service premium' (the so-called 'firearms money') for the army and the law enforcement personnel corresponding to six-month salary in February 2022; Sources: HCSO, NBH, NBH forecast

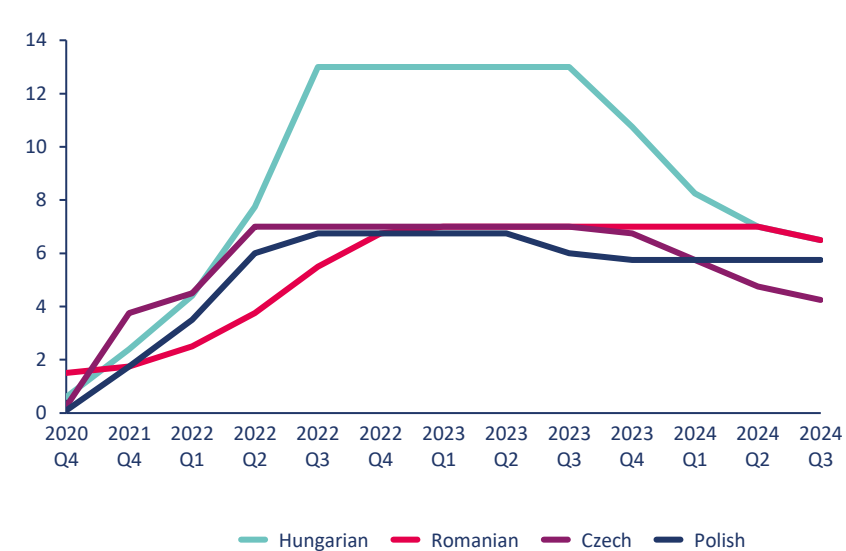
# Base rate fell to 6.5% by the end of September, weakening EURHUF exchange rate

- The Monetary Council announced that it has reached a new phase in conducting policy in June 2024, judging the necessary rate move on a case-by-case basis at every meeting. The Council decided between a hold or a small cut in interest rates during the meetings in 3Q 2024. Overall, the central bank did not take any action in August, while cut the rate by 25 basis points in July and September. With these moves, the base rate was lowered to 6.50% by the end of the quarter.
- The forint started to weaken in 3Q, but the EUR/HUF currency pair had not yet reached the 400 level by the end of the quarter. Due to risks to inflation, further rate cuts could be slowed or halted by too much HUF depreciation.
- Yields moved down in 3Q in the government bond market.

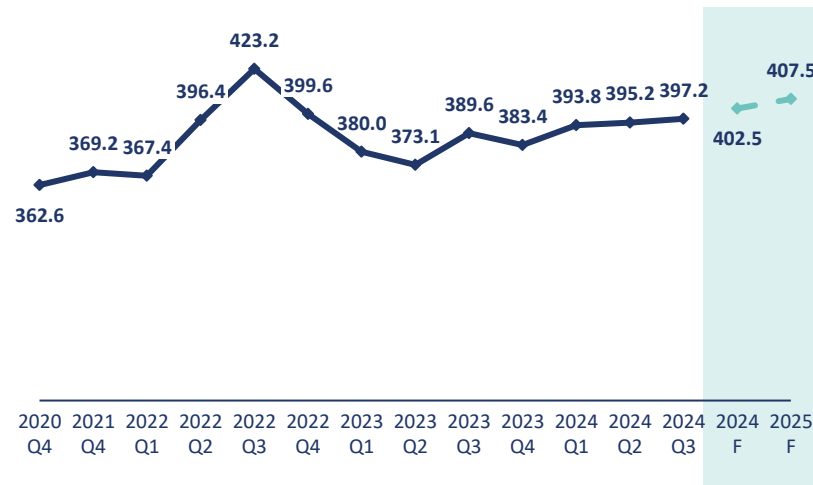
MNB base rate and 3M BUBOR (%)



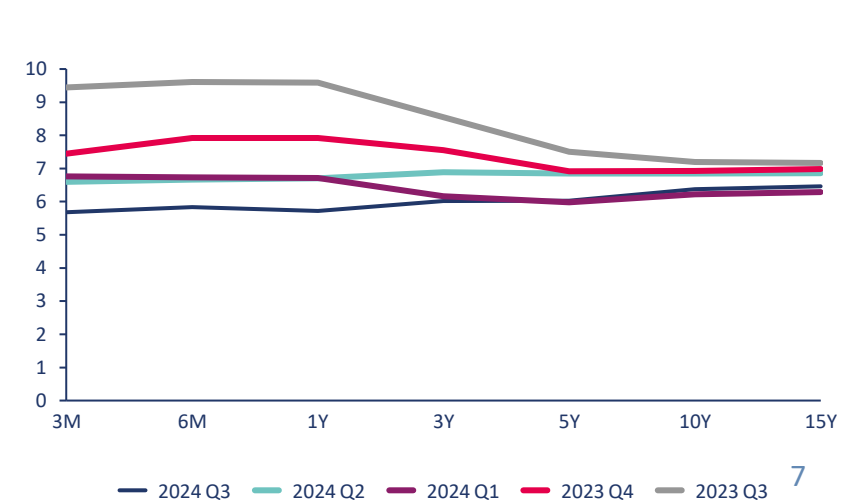
Regional base rates (%)



EUR/HUF rate



GDMA benchmark yields (%)





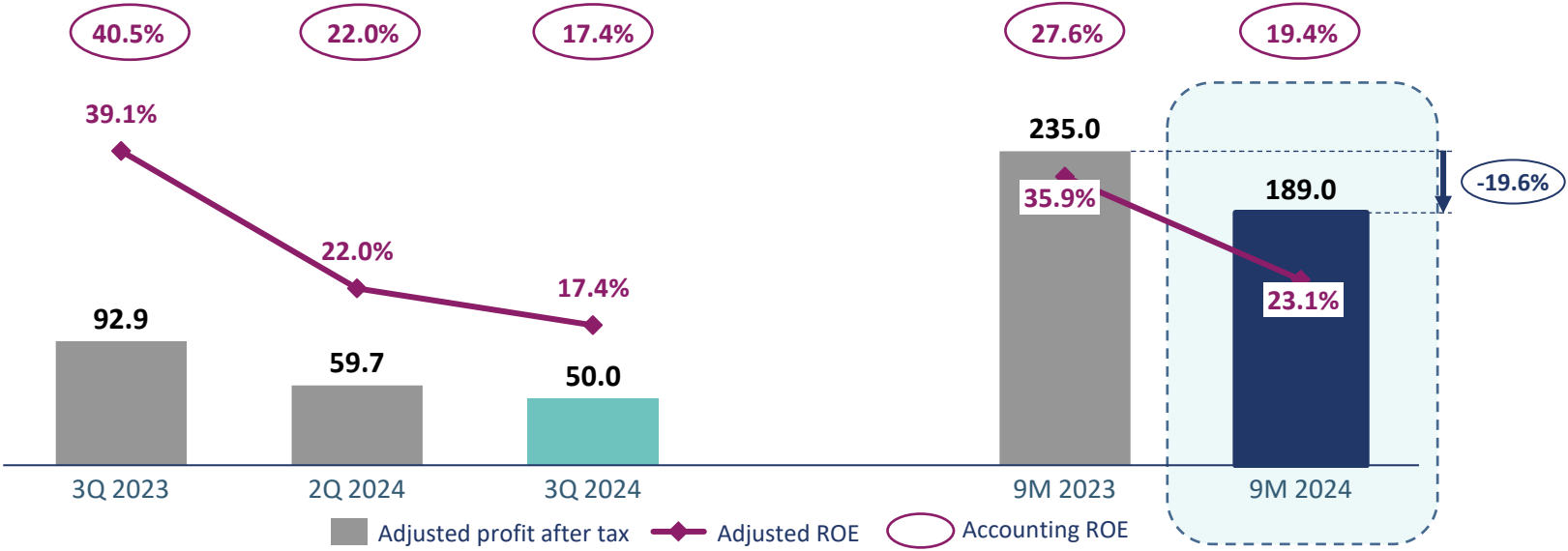
# Financial performance

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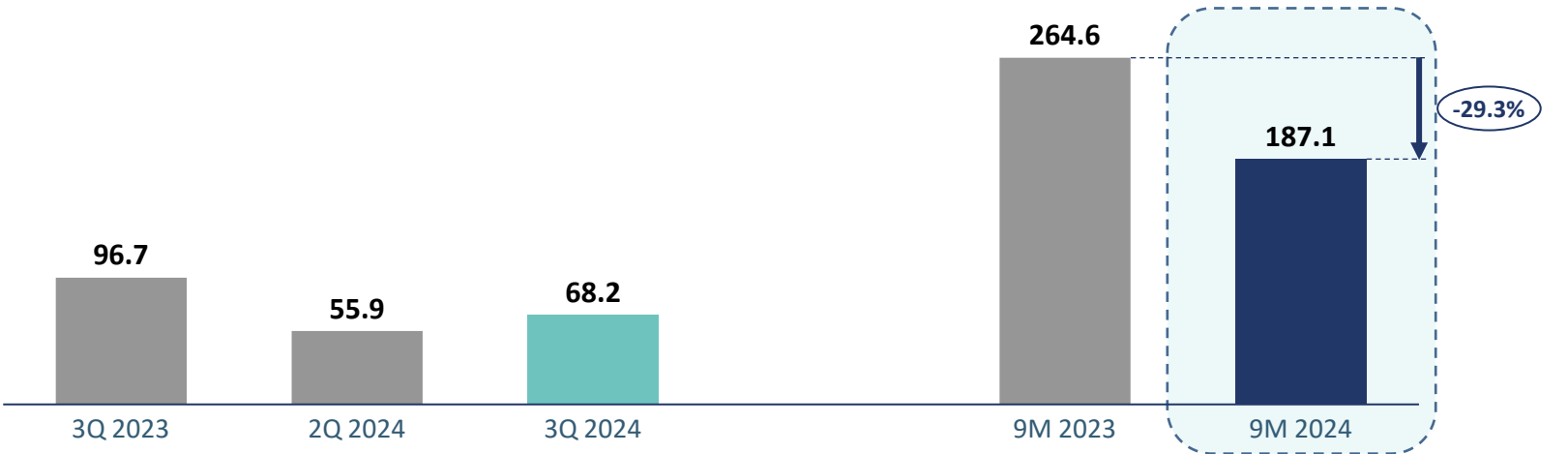
# MBH BANK More than HUF 189 bn adjusted profit in 9M 2024, with moderating net interest income levels

Adjusted PAT (HUF bn), Adjusted ROE (%), Accounting ROE (%)

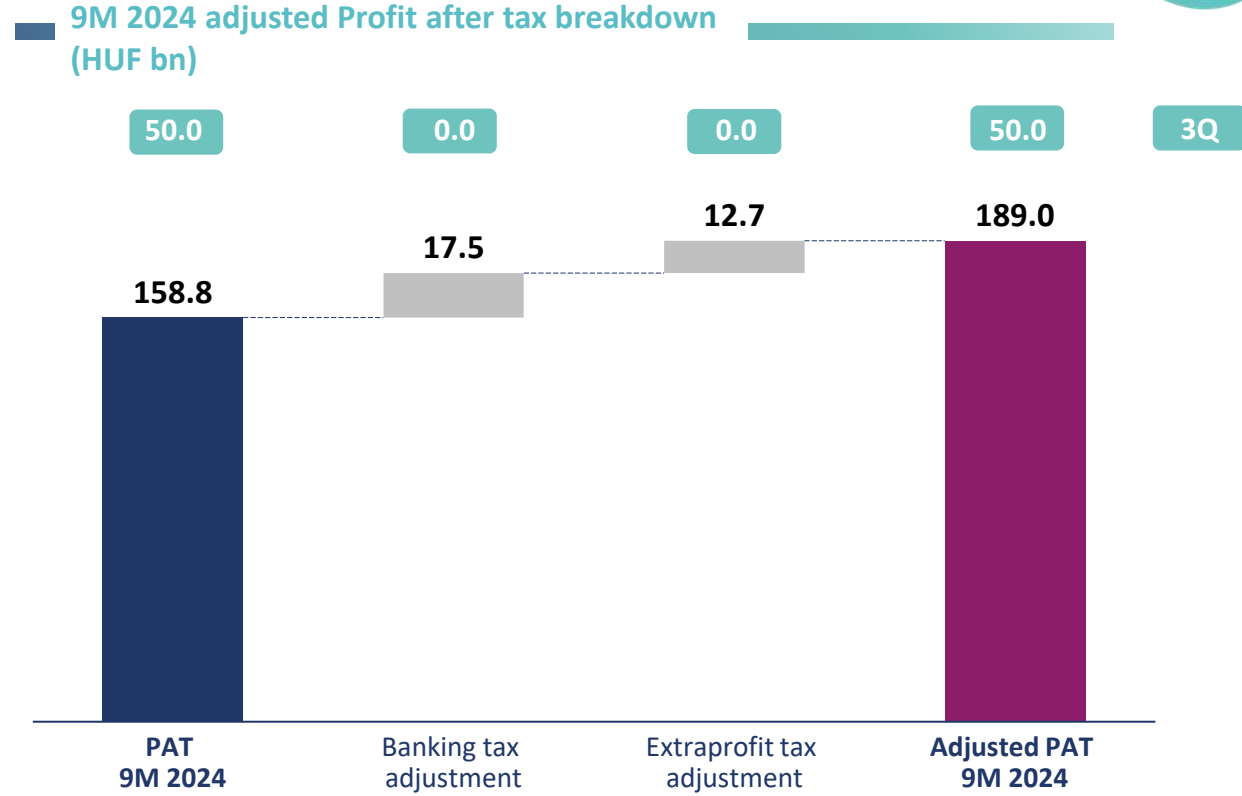
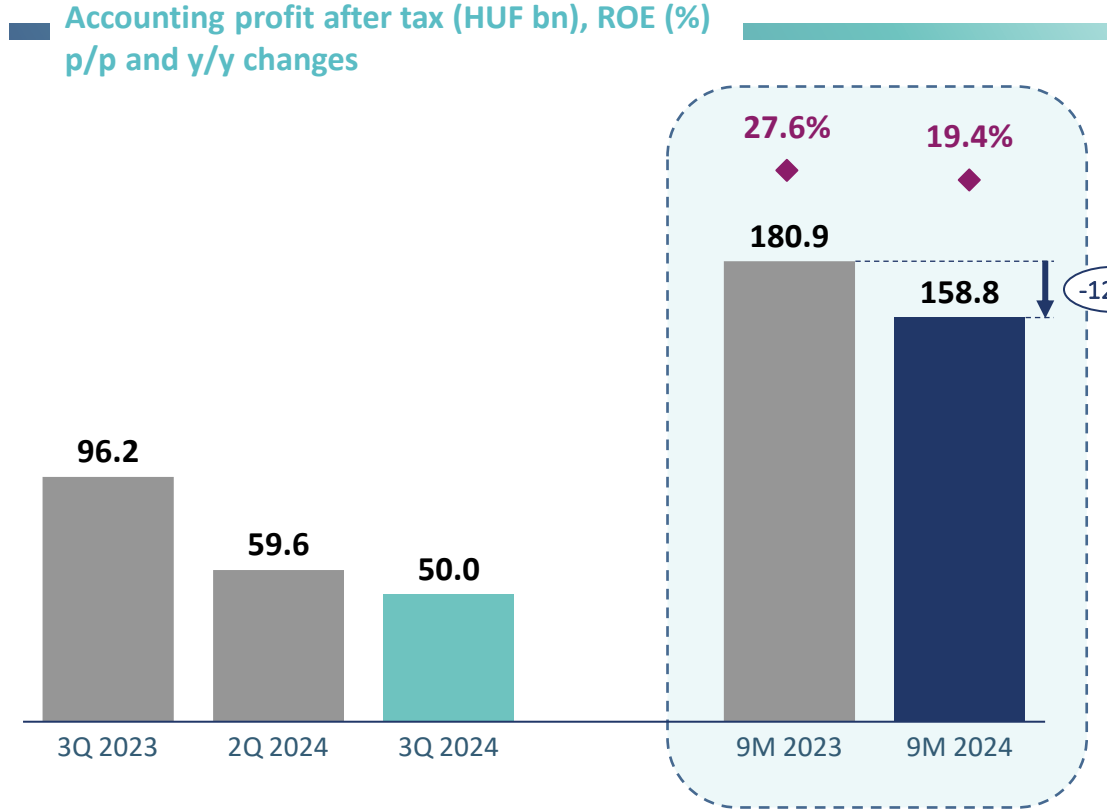


- Strong profitability in 3Q 2024, with adjusted return on equity reaching 23.1% in 9M 2024 (accounting ROE also strong at 19.4%).
- HUF 189.0 bn adjusted profit after tax (-19.6% y/y) in 9M 2024. The Q/Q decrease in 3Q was mainly driven by the drop in revenues.
- Total adjusted comprehensive income for 9M 2024 amounted to HUF 187.1 bn (-29.3% y/y).

Adjusted TOCI (HUF bn)



# Accounting profits at HUF 158.8 bn; extra profit tax and banking tax are the adjustments on PAT in 9M 2024



Accounting profit after tax in 3Q 2024 was HUF 50.0 bn. The Q/Q decrease in 3Q was primarily driven by the drop in revenues and increase in costs.

9M 2024 accounting profit after tax amounted to HUF 158.8 bn, which is 12.2% lower than the same period in 2023. This was mostly driven by decreasing margin levels as an impact of the change in the yield environment.

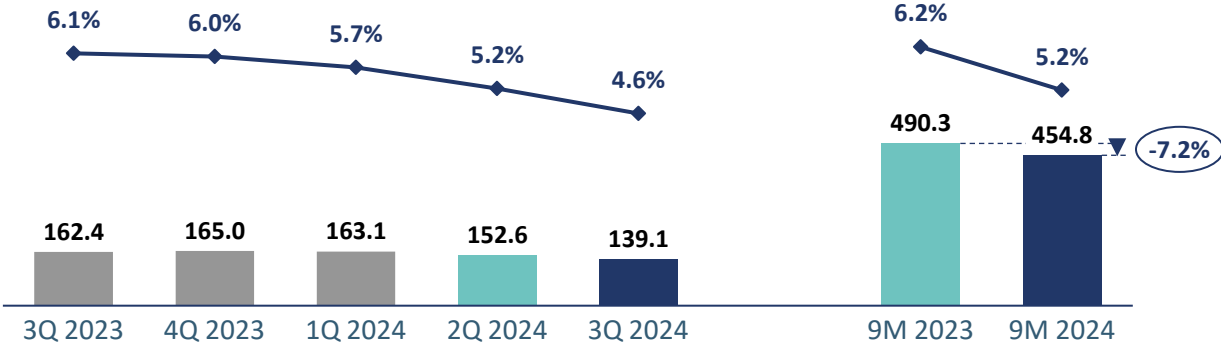
In order to provide better understanding and comparable views of the underlying financial performance, MBH Group uses adjustments in this report.

Adjustments for 9M 2024 (after tax) are the following:

- Banking tax adjustment totalling HUF 17.5 bn
- Extra profit tax adjustment was HUF 12.7 bn

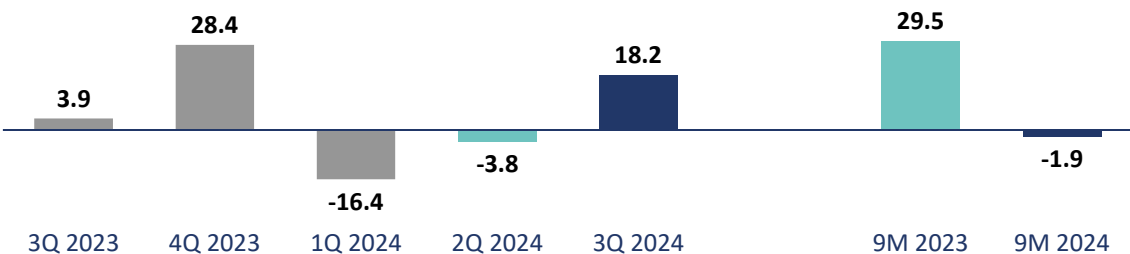
# MBH Group's gross income moderated in 3Q, with some decrease in the margins mostly driven by the change in the yield environment

**Gross Operating Income (GOI, HUF bn)<sup>1</sup>, TRM %**

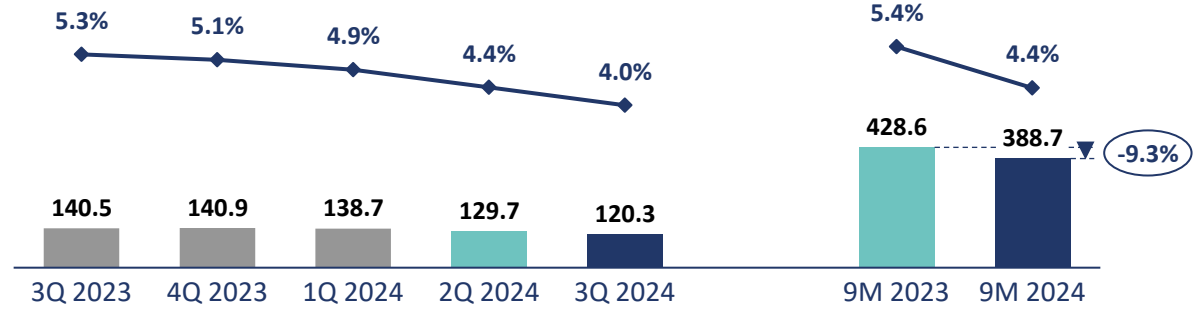


- **Gross Operating Income reached HUF 139.1 bn (HUF -13.5 bn p/p, HUF -23.3 bn y/y) in 3Q 2024**, which is **down by 14.4%** compared to the same quarter last year, mainly driven by the decline in NII due to change in yield environment.
- **Net interest income reached HUF 120.3 bn in 3Q 2024** (HUF -20.2 bn, -14.4% y/y). The net interest margin was at 4.0% in 3Q.
- **Net fee & Commission income was HUF 72.9 bn in 9M 2024 (+8.2% y/y) and HUF 23.5 bn in 3Q 2024 (-10.4% p/p)**, quarterly reduction driven mainly by the increase in transaction levy with the off-setting measures taking effect only from 4Q.
- **Other income totalled HUF -4.8 bn in 3Q 2024** with the p/p changes being impacted by volatile money market conditions.

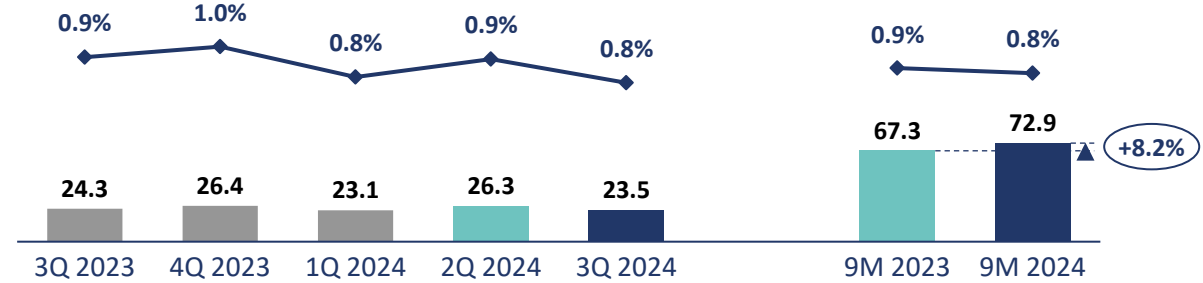
**Other comprehensive income (OCI, HUF bn)**



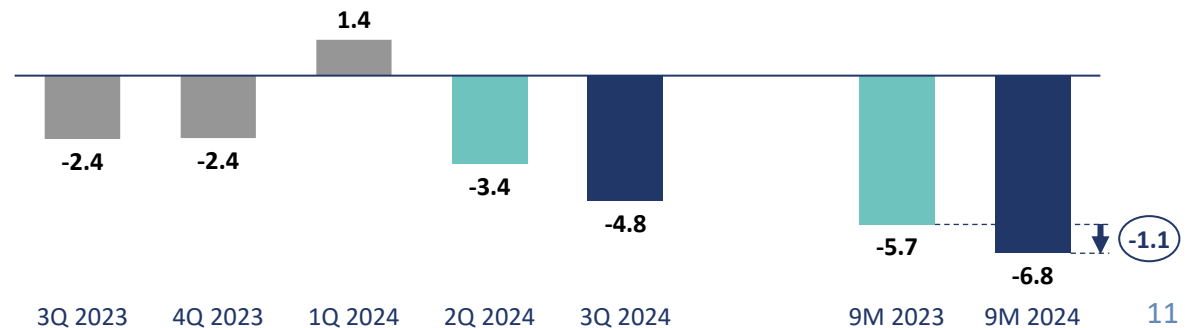
**Net interest income (HUF bn), NIM %**



**Net fee income (HUF bn), NFM %**



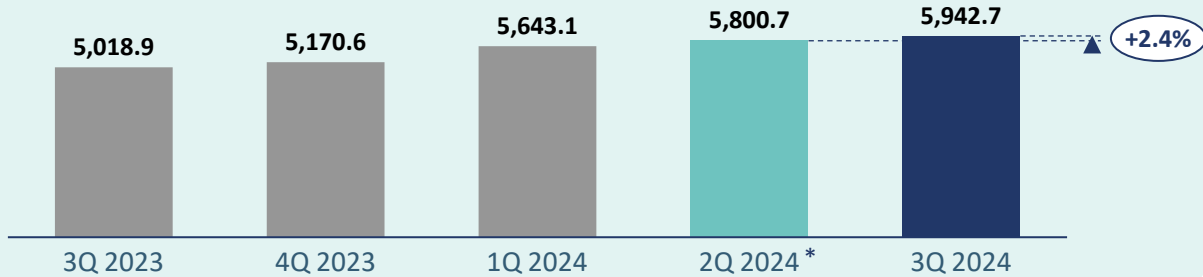
**Other income<sup>2</sup> (HUF bn)**



<sup>1</sup>GOI does not include OCI; <sup>2</sup>Other income include other income and results of financial transactions

# 2.4% p/p increase in the loan book (+18.4% y/y), quarterly growth driven by the increase in both corporate and retail loans

Customer gross loan portfolio (HUF bn)



MBH's gross loans increased during the third quarter by 2.4% p/p (HUF +142.1 bn), due to the growth of both corporate and retail portfolio.

**Corporate Loans:**

- Corporate business increased by 2.1% during 3Q on loan portfolio, reaching HUF 2,952.5 bn at the end of September 2024 (+10.0% y/y). The Bank's market share increased to 19.8%.

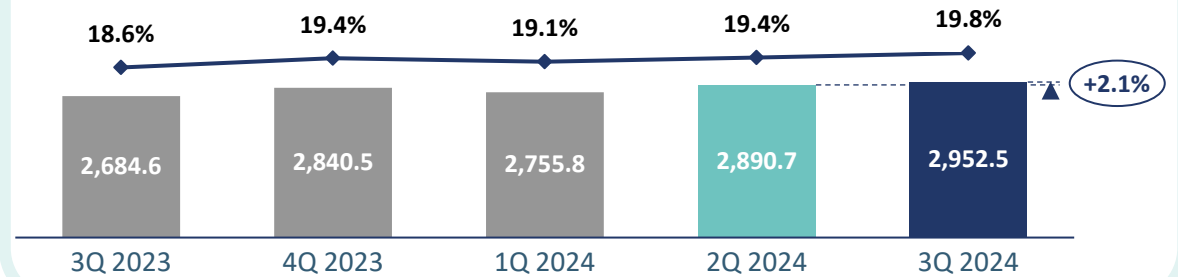
**Retail Loans:**

- Total retail loans portfolio was at HUF 2,311.2 bn at the end of the quarter (+2.6% p/p), while y/y up was 34.5%, thanks to partly the impact of acquisition of Fundamenta portfolio and organic growth. Market share was stable at 21.0% in 3Q 2024.

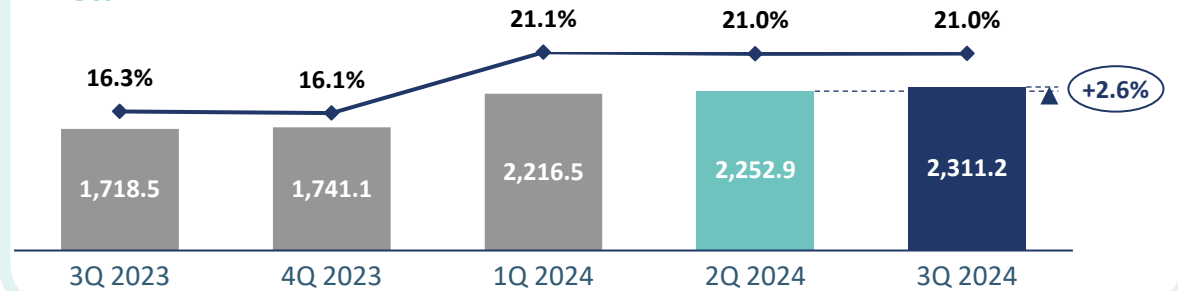
**Leasing:**

- MBH Group leasing portfolio amounted to HUF 580.8 bn as of 30 September 2024, HUF 20.4 bn (+3.6% y/y) higher compared to 3Q 2023 (+0.4% p/p).

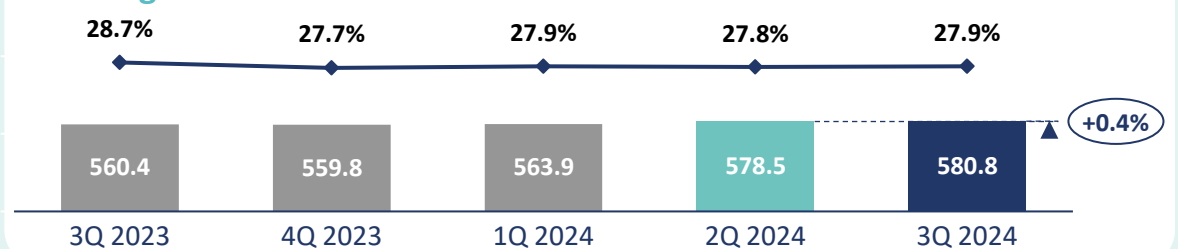
Corporate<sup>1</sup>



Retail<sup>1</sup>



Leasing<sup>2</sup>

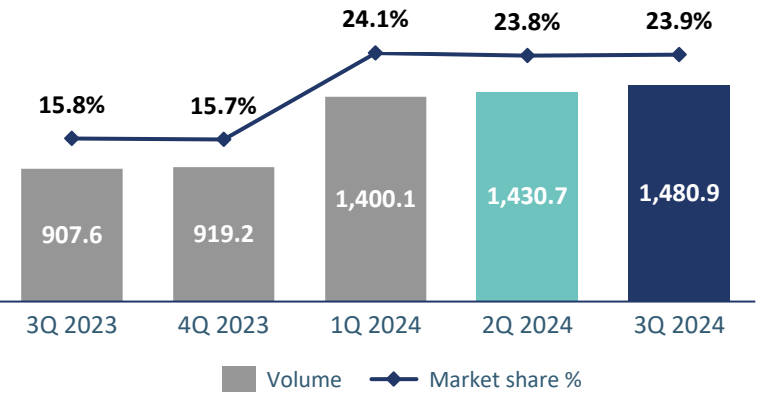


<sup>1</sup> Retail and corporate portfolio is presented according to MBH Bank's internal segmentation methodology, Market share: HNB segmentation, household and non-financial corporate

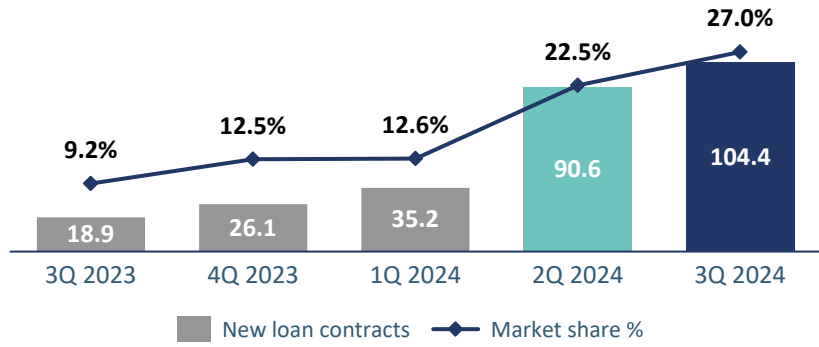
<sup>2</sup> Leasing market share: partially based on Leasing Association data and internal estimates; \* 2Q 2024 figures for consolidated financial statement changed due to auditor review.

# MBH BANK Significant growth in new lending volumes and market shares of mortgage loans in 3Q 2024

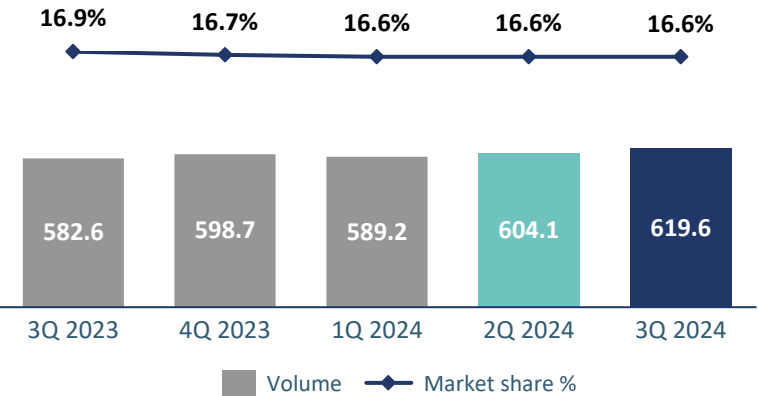
**Retail mortgage loans – Gross volume (HUF bn) and market share (%)**



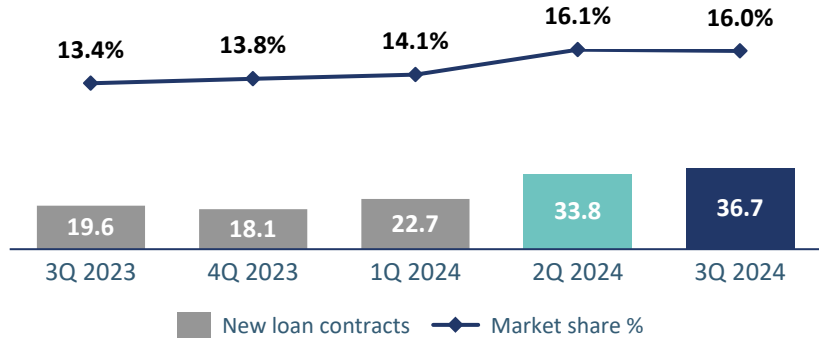
**Retail mortgage loans – New loan contracts (HUF bn) and market share (%)**



**Retail unsecured loans – Gross volume (HUF bn) and market share (%)**



**Retail personal loans – New loan contracts (HUF bn) and market share (%)**



**Retail mortgage loans:**

- **Retail mortgage loan** balances were at HUF 1,480.9 bn (+63.2%, HUF +573.3 bn y/y) driven by acquisition of Fundamenta and the impact of change in market environment. Market share of retail mortgage loans stood at 23.9% at the end of 3Q 2024.
- **New loan contracts of retail mortgage loans** increased by HUF 13.8 bn in 3Q 2024 compared to 2Q 2024 supported by CSOK Plusz program and the general improvement in the market environment. Market share increased to 27.0%.

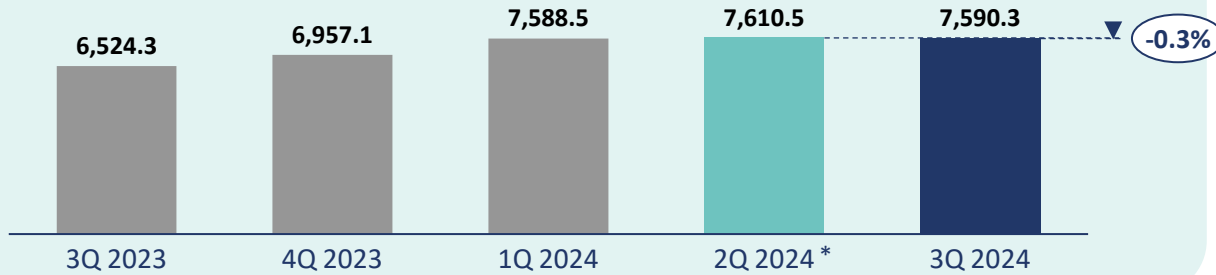
**Retail unsecured loans:**

- **Unsecured loan volumes increased** in 3Q 2024 (+2.6% p/p). Market share of retail unsecured loans was stable at 16.6%.
- **New loan contracts of retail personal loans** amounted to HUF 36.7 bn in 3Q 2024 (+8.8% p/p, +87.2% y/y) supported by personal loan campaign. Market share was stood at 16.0% in the period.

Please note: Retail segmentation presented on charts in this section is based on internal business segmentation of MBH Bank. Market share is presented based on HNB's secured market.

# Customer deposit portfolio stagnated in 3Q, decline was mainly driven by corporate volumes. Retail other savings volumes also continued to grow in the quarter

Customer deposit portfolio (HUF bn)



Customer deposits decreased by 0.3% p/p in 3Q, impact of decline mainly in corporate volumes, reaching HUF 7,590.3 bn by the end of September (+16.3% y/y).

**Corporate Deposits:**

- Corporate business deposits increased by 16.4% y/y (HUF +599.4 bn y/y), while the quarterly decrease was 1.9% (HUF -84.1 bn p/p). Market share of corporate deposits decreased to 19.5%.

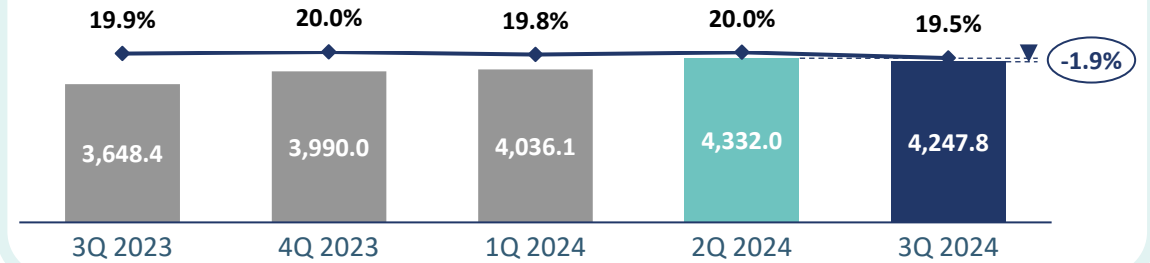
**Retail Deposits:**

- Retail deposits increased by 27.4% y/y, while a decrease of 0.7% (HUF -21.4 billion p/p) was realized in 3Q 2024. Market share of retail deposits decreased to 19.2%.

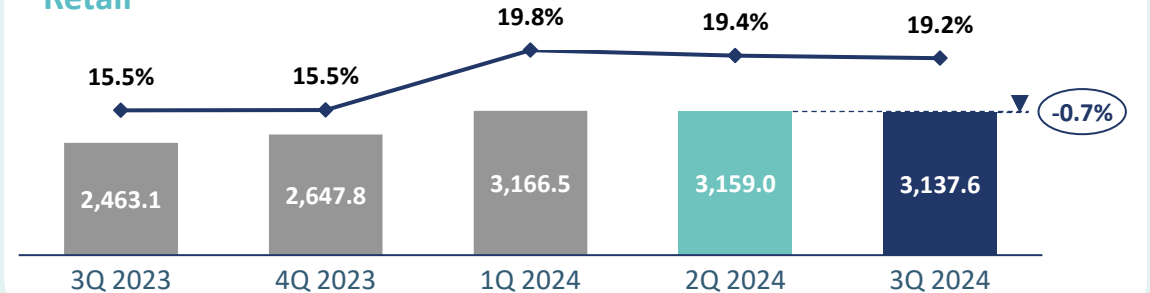
**Retail other savings:**

- Retail savings in other instruments increased by close to HUF 500 bn compared to 3Q 2023, and HUF 121.3 bn compared to 2Q 2024, mainly driven by investment funds.

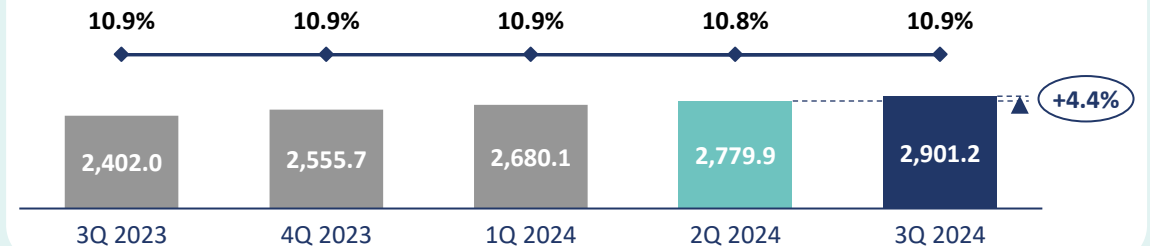
Corporate<sup>1</sup>



Retail<sup>1</sup>



Retail other savings<sup>2</sup>



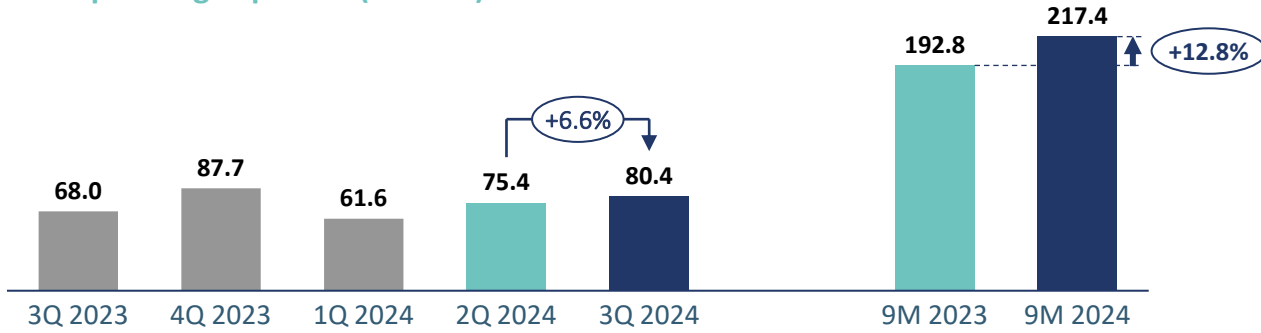
\* 2Q 2024 figures for consolidated financial statement changed due to auditor review.

<sup>1</sup> Retail and corporate portfolio is presented according to MBH Bank's internal segmentation methodology,

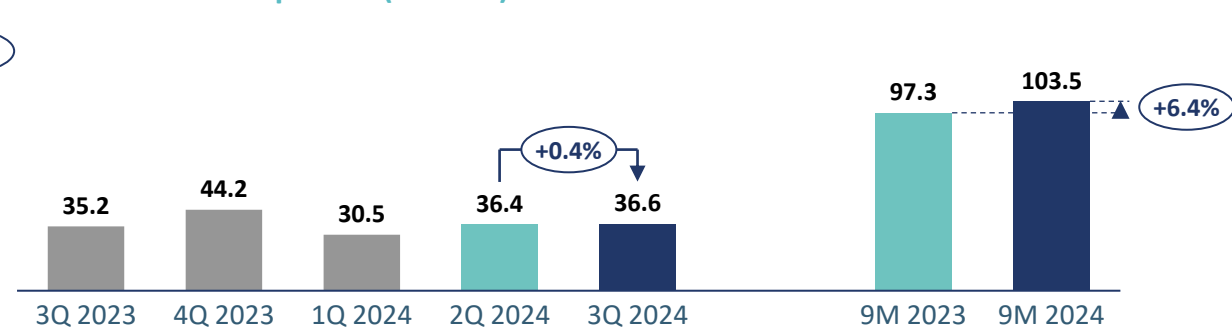
Market share: HNB segmentation; <sup>2</sup> Private individuals and Private Banking savings; other savings include securities accounts and shares, other securities

# Increase in costs p/p, C/I ratio at 47.8% for the first 9 months

Operating expenses (HUF bn)

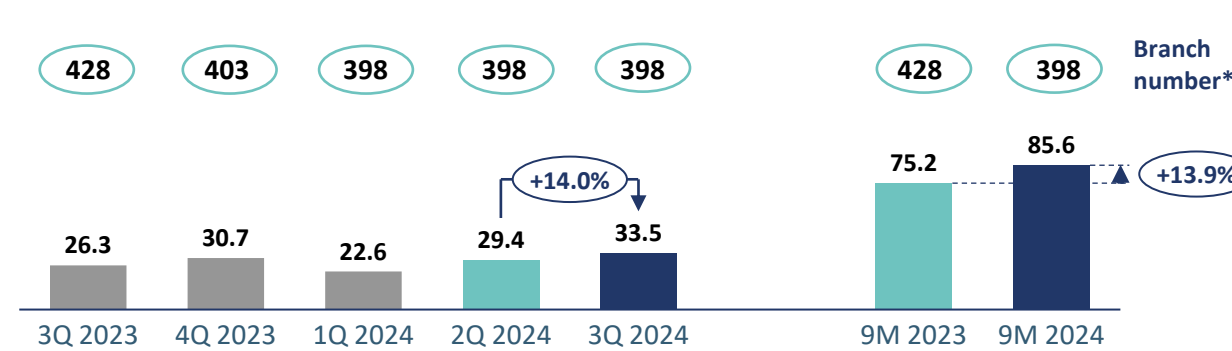


Personnel expenses (HUF bn)

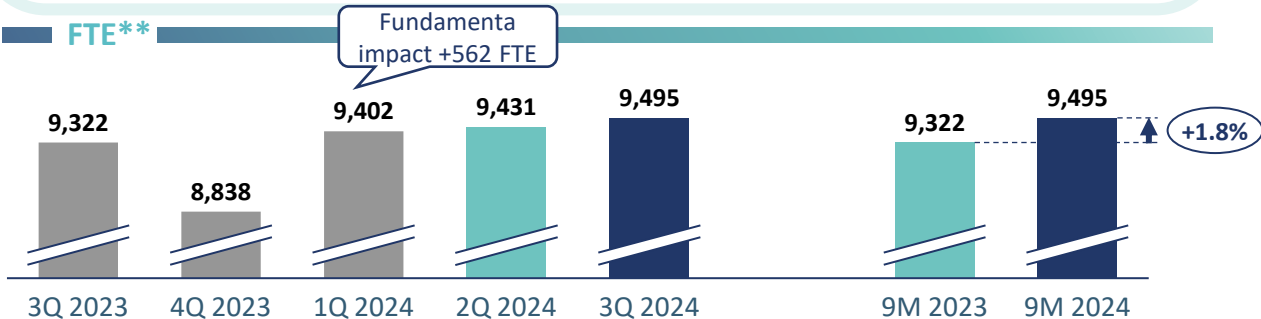


- Operating expenses amounted to HUF 217.4 bn in 9M and HUF 80.4 bn in 3Q 2024, rising by 6.6% p/p. The yearly increase is largely due to the expansion of the group – with Fundamenta's costs included in group costs from April 2024 – and inflationary pressures.
- Personnel expenses remained mostly stable in 3Q 2024 (+0.4%) p/p, with the y/y increase in 9M 2024 well below the wage inflation for the period.
- 9M 2024 OPEX increased by HUF 10.5 bn (+13.9% y/y), while amortization costs were also up by HUF 7.9 bn y/y, driven by IT and non-IT investments in the past period.
- C/I was 47.8% in 9M 2024, 8.5%-pts y/y growth was driven by increasing costs and reducing revenues. C/A rate was 2.5% in 9M 2024 (+9 bps p/p).

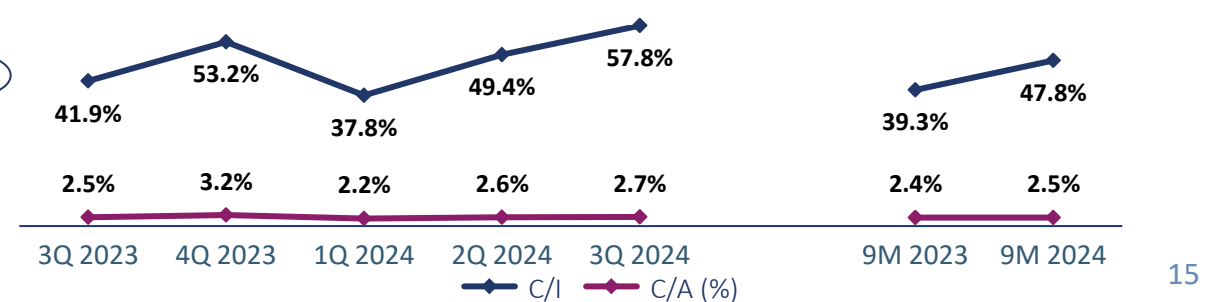
Other operating expenses (HUF bn)



FTE\*\*



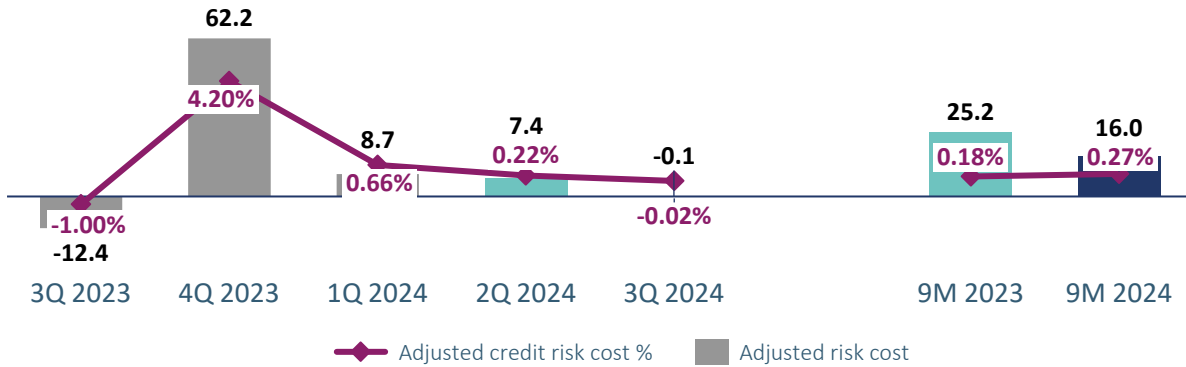
Cost efficiency (%)



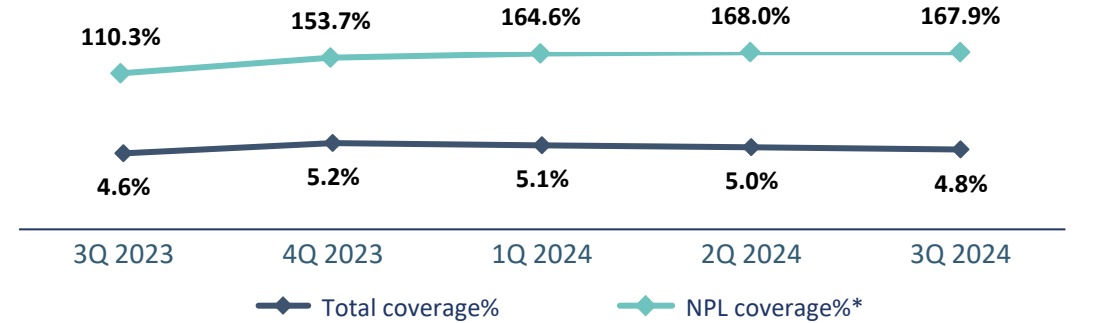
\* Without MFB Point branches; \*\* From 1Q 2024 with employees of Fundamenta

# Portfolio quality stabilizing at below 3% NPL rate in 3Q

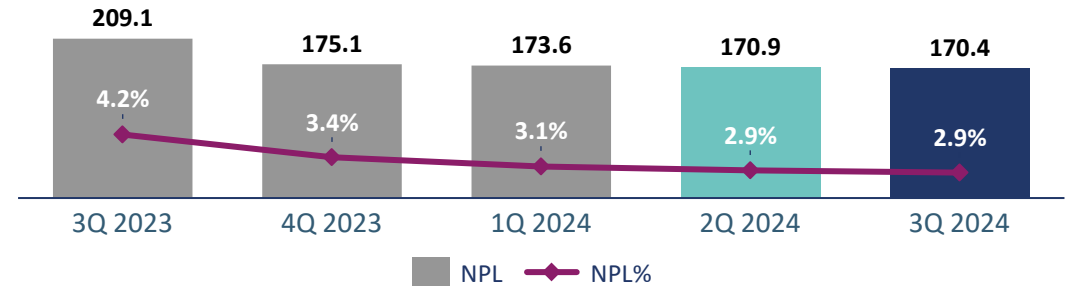
## Total risk cost (HUF bn)



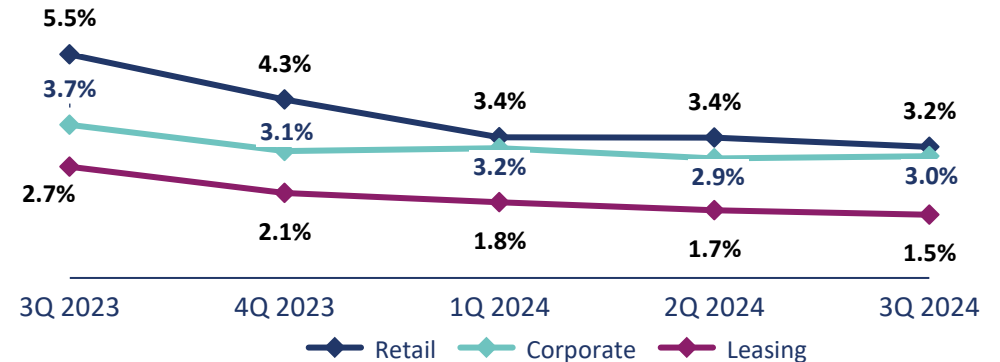
## Coverage (%)



## NPL exposures (HUF bn) and rate (%)<sup>1</sup>



## NPL rates (%)<sup>1</sup>



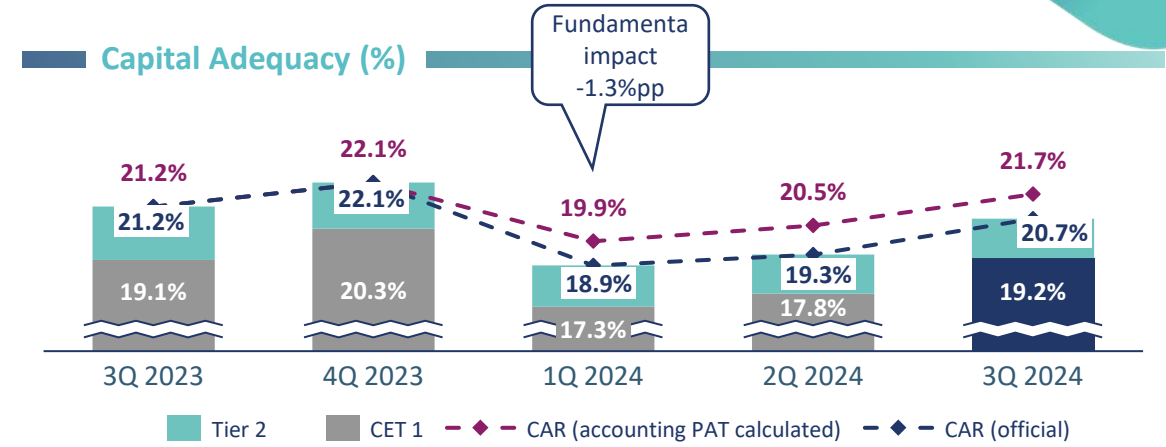
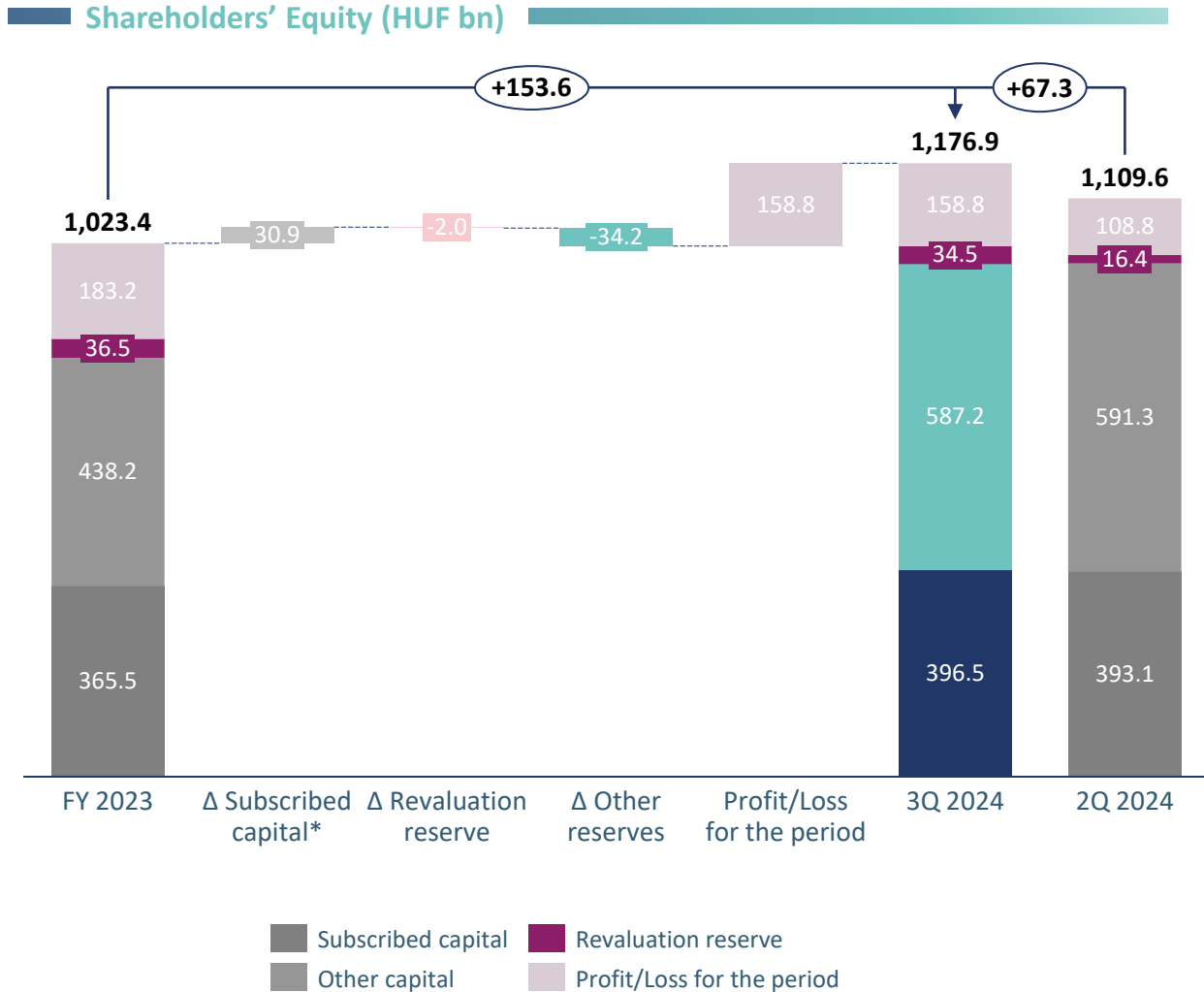
- The **total amount of risk cost** was HUF 16.0 bn charge in 9M 2024. In 3Q there was negligible risk cost charge (HUF 0.1 bn).
- The **total portfolio coverage** stood at **4.8%** in the period. The **NPL coverage** was 167.9% in 3Q 2024.
- The **amount of NPL loans** was HUF 170.4 bn at the end of 3Q 2024, decreased by HUF 0.5 bn (-0.3% p/p) over the period.
- **NPL% ratio is 2.9% in 3Q**, was stable over the period.
- Retail NPL loan volume was HUF 73.8 bn at the end of 3Q 2024, which showed a decrease of HUF 3.2 bn (-4.2% p/p) compared to previous quarter. NPL% ratio decreased to 3.2% in 3Q 2024. Corporate NPL volumes increased in 3Q (+4.0% p/p), NPL% ratio reached at 3.0%.

<sup>1</sup> According to IFRS, held for sale and FVTPL portfolio is not included.

\* NPL coverage: Total provision for customer loans / NPL portfolio



# Stable capital position – 19.2% CET1 in 3Q 2024



**Regulatory Capital and Total RWA (HUF bn)**

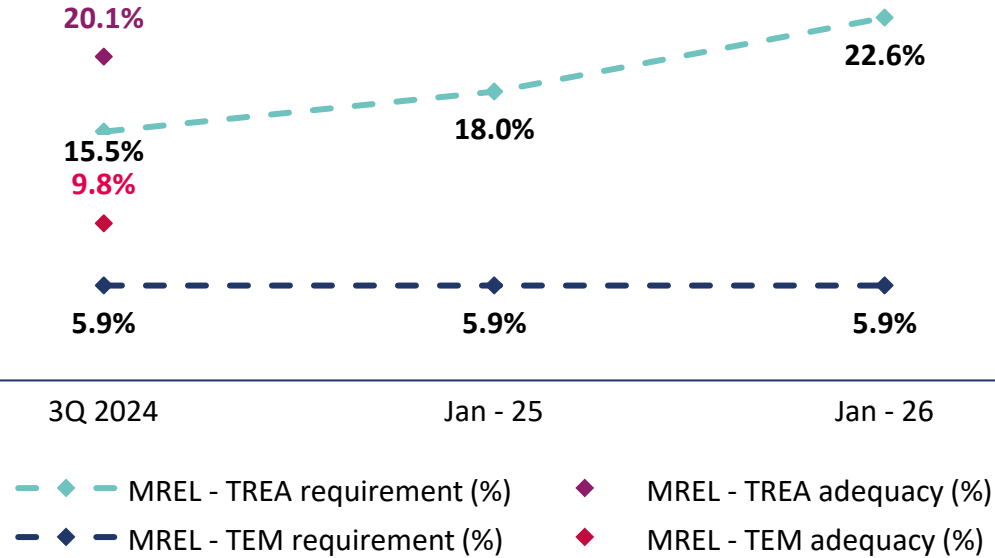
	3Q 2023	4Q 2023	1Q 2024	2Q 2024	3Q 2024
<b>Regulatory Capital</b>	<b>897.4</b>	<b>1,047.1</b>	<b>978.0</b>	<b>1,025.0</b>	<b>1,083.5</b>
Tier 1	808.9	962.4	894.8	943.8	1,003.4
Tier 2	88.5	84.7	83.2	81.1	80.0
<b>RWA</b>	<b>4,231.5</b>	<b>4,729.4</b>	<b>5,173.1</b>	<b>5,301.2</b>	<b>5,226.8</b>

- Positive 9M 2024 (accounting) profit, continued capital accumulation (+HUF 153.6 bn) increasing the shock absorbing capabilities of the Bank.
- Stable capital position **20.7% capital adequacy ratio and 19.2% CET1 ratio**.
- T1 Capital increased by 6.3% p/p due to favourable profit. CAR increased to 20.7% in 3Q.

Note: Subscribed capital includes Non-controlling interest

# MREL requirements and adequacy

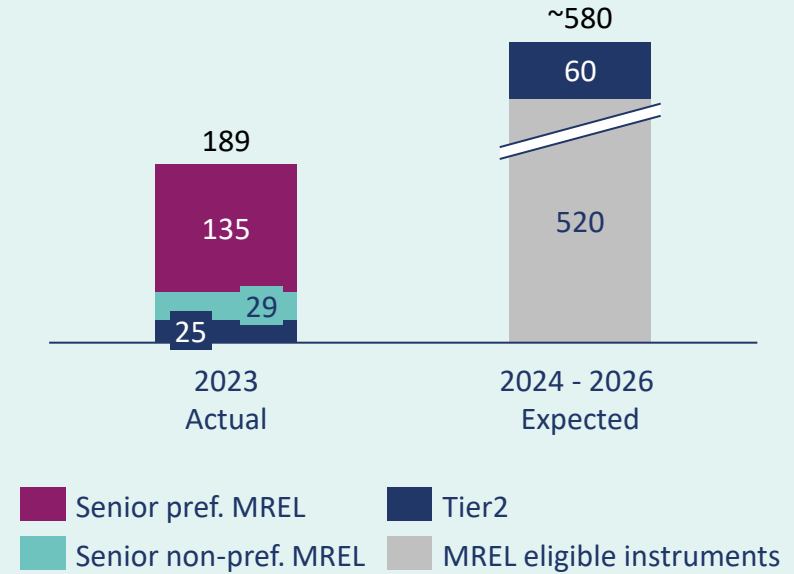
Regulatory MREL requirements and compliance: TREA (%) and TEM (%), 3Q 2024 – Jan 2026



Subordinated MREL requirements from 16.12.2024

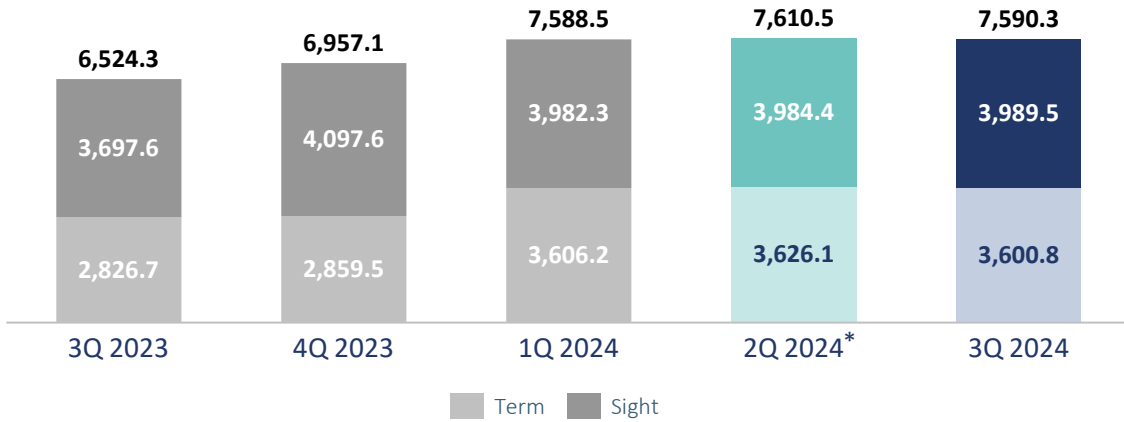
Subordinated MREL requirements	%
TREA	13.5%
TEM	5.0%
TLOF	8.0%

MREL new issuances (HUF bn)



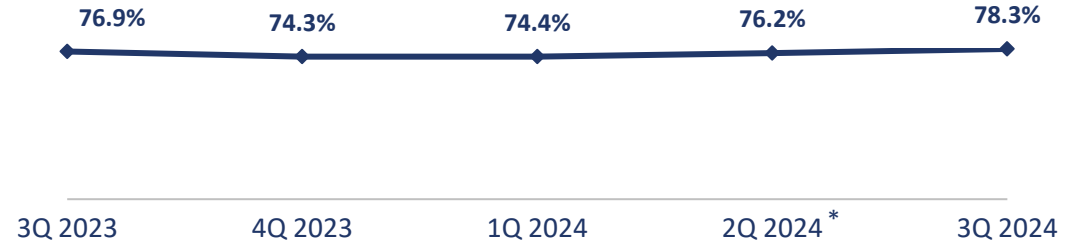
- Currently, we forecast that ~10% of the issuance planned for 2024-2026 will be through instruments that helps to fulfil the subordination requirement.
- We plan to meet the requirements by ensuring a minimum buffer of at least 50 basis points for all target measures.

## Customer deposits (HUF bn)

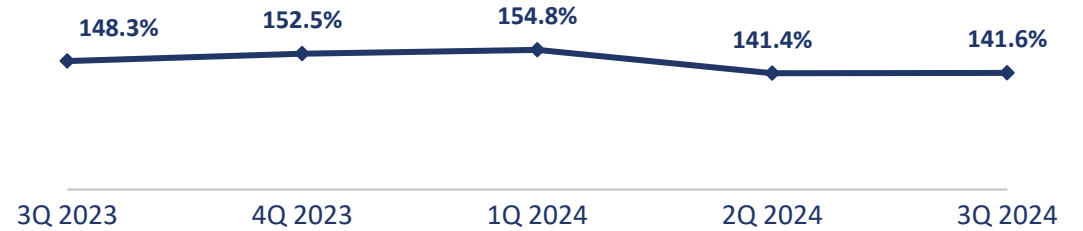


- Customer term deposits decreased by 0.7% (HUF -25.3 bn) p/p. Sight deposits increased by 0.1% (HUF +5.1 bn) p/p.
- Y/y increase in LTD (up to 78.3%) is the result of a higher growth in loan portfolio than in deposits.
- NSFR 133.2%, LCR 141.6% in 3Q 2024, significantly above the regulatory minimum.

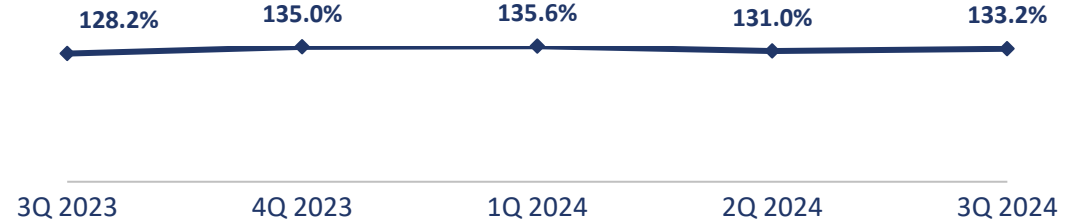
## LTD (%)



## LCR (%)



## NFSR (%)



\* 2Q 2024 figures for consolidated financial statement changed due to auditor review.



# Additional information

# Ratings



In 2024, Moody's affirmed MBH Bank's investment-grade CRR rating of Baa2 with a stable outlook.

Rating category	Rating achieved
Long- and short-term deposit ratings	Baa3/P-3
Long- and short-term Counterparty Risk Ratings (CRRs)	Baa2/P-2
Adjusted / Baseline Credit Assessment (BCA)	ba3
Senior Unsecured Program and Bond rating	(P)Ba2

- The ratings assigned by Moody's Investors Service (Moody's) to MBH Bank reflect
  - The Bank's strong competitiveness in Hungary
  - Adequate capital level and large liquidity buffers
  - Strong profitability



## ESG ratings

Outstanding recognition for our ESG performance:

- **B+ ESG rating from LSEG** (formerly Refinitiv) in November 2023.
- The Bank achieved a '**C**' rating in the **CDP** 2023 assessment





**MBH Bank has published its Sustainability Report for the year 2023.**

**The report is based on the GRI (Global Reporting Initiative) international standard indicators.**

## **MBH Bank in 2024 wins the Best ESG Bank award again**

- In 2024 again, the professional jury of the CFI.co – Capital Finance International organization awarded MBH for its outstanding performance in the ESG field.
- The London-based business journal's CFI.co Awards are awarded annually to professionals and organisations who make a significant contribution to economic development and add value to all stakeholders.





### Hungarian Order of Merit Commander's Cross civilian section

Dr. Zsolt Barna, President and CEO of MBH Bank, received the award for his outstanding role in the operation and regulation of the Hungarian financial sector from Dr. Balázs Hankó, Minister responsible for culture and innovation.

TOP 50 PR-vezetők (Első tíz helyezett)

Név	Cég / Médium
Beke Zsuzsa	Richter Gedeon
Pantl Péter	Mol Csoport
Horváth Magyary Voljé Nóra	K&H Csoport
Gáspár Bence	OTP Bank
Balaton Anita	FleishmanHillard Café
Balaton Zsófia	Unimedia
Szinal Ádám	CIB Bank
Kutas István	MBH Bank
Sztaniszláv András	MPRSZ / ICCO
Holló Márta	Magyar Telekom

Forrás: Marketing&Média

### Marketing & Media TOP50 PR manager

István Kutas, managing director of communications at MBH Bank - 8th place



### Capital Finance International

„Hungary's Best ESG Bank”

MBH Bank



### Blochamps Capital

- „Private Banking Service Provider of the Year” – MBH Bank Private Banking shared second place
- „Managed Asset Size” – MBH Bank Private Banking second place
- „Activity for the Hungarian Private Banking Profession” – Gyula Márk Pleschinger
- „Junior Private Banker of the Year” – Máté Kovacsevics



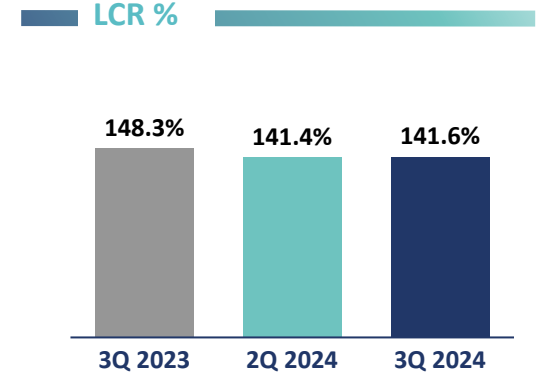
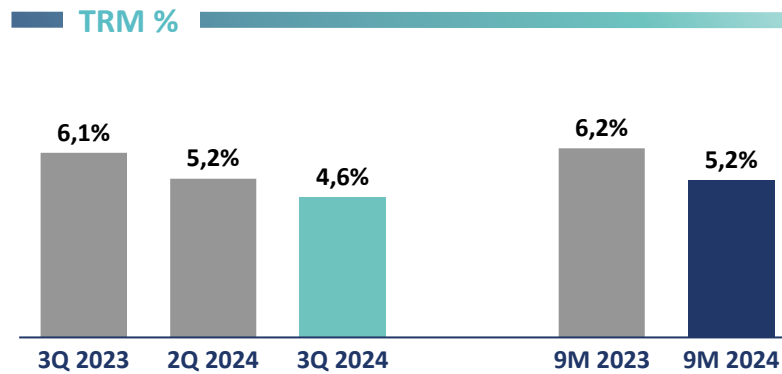
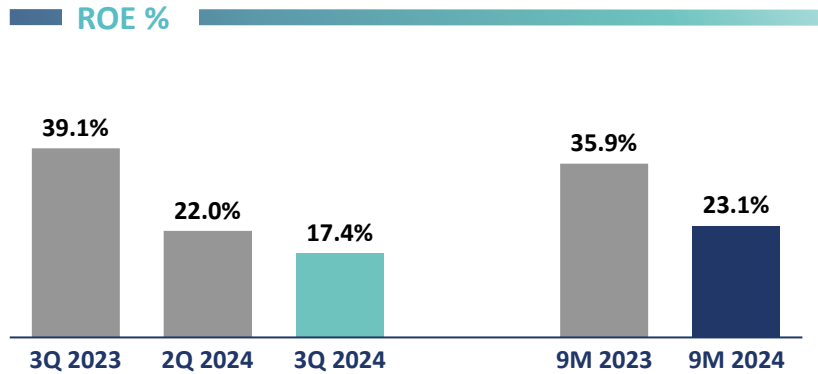
# Annexes

**MBH** BANK

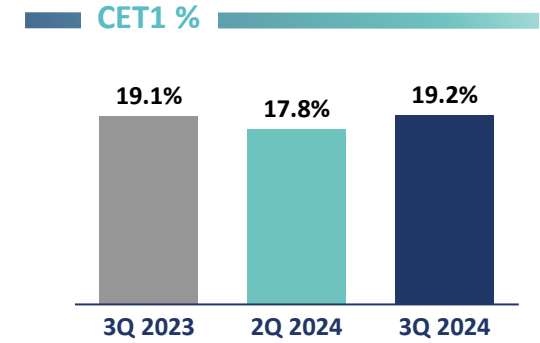
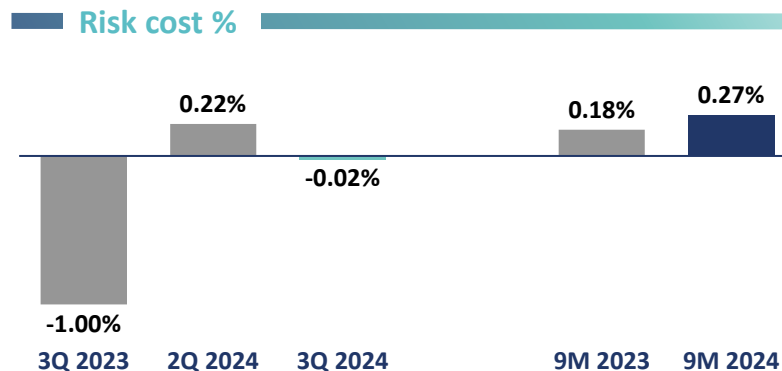
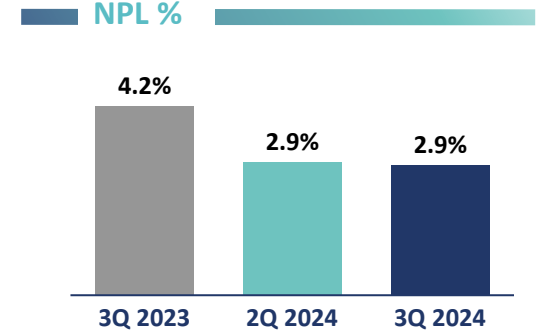
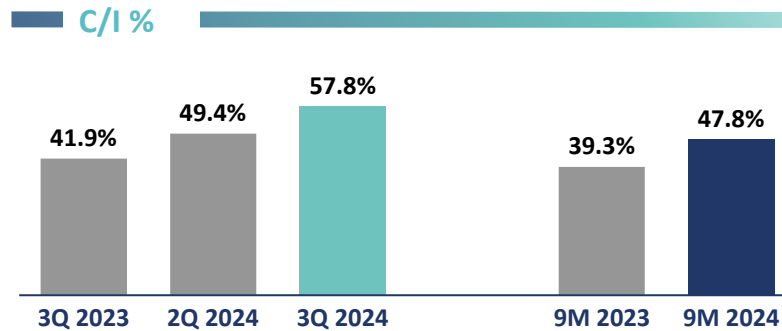




# Key ratios overview (adjusted)



- **Distinguished ROE** reaching **23.1%** in 9M 2024, driven by high profitability of the Bank
- **Drop of 1.0%-pts y/y** adjusted **total revenue margin (TRM)** to 5.2%, mostly driven by decreasing net interest income impact of change in yield environment
- Cost control, with growth 12.8% y/y increase, and achieving a **C/I ratio of 47.8% for 9M 2024**
- **Risk cost margin** amounted to **0.27%** in 9M 2024, it coupled with stable portfolio quality, **NPL rate remained stable** compared to 2Q 2024
- Liquidity remaining at comfortable levels, with **LCR above 140%** and loan-to-deposits below 80%
- **Stable CET1 of 19.2%** and CAR of 20.7%



ADJUSTED P&L (HUF bn)	2022		2023			2024		Y-Y (Y)	Y/Y	Q/Q
	FY	3Q	9M	FY	2Q	3Q	9M			
<b>Net operating income</b>	<b>239.4</b>	<b>94.4</b>	<b>297.5</b>	<b>374.7</b>	<b>77.1</b>	<b>58.7</b>	<b>237.4</b>	<b>-20.2%</b>	<b>-37.9%</b>	<b>-24.0%</b>
<b>Gross operating income</b>	<b>482.7</b>	<b>162.4</b>	<b>490.3</b>	<b>655.3</b>	<b>152.6</b>	<b>139.1</b>	<b>454.8</b>	<b>-7.2%</b>	<b>-14.4%</b>	<b>-8.8%</b>
Net interest income	421.8	140.5	428.6	569.6	129.7	120.3	388.7	-9.3%	-14.4%	-7.2%
Net fee and commission income	83.1	24.3	67.3	93.8	26.3	23.5	72.9	8.2%	-3.2%	-10.4%
Other operating income	-22.3	-2.4	-5.7	-8.0	-3.4	-4.8	-6.8	19.4%	97.6%	41.4%
<b>Operating expenses</b>	<b>-243.2</b>	<b>-68.0</b>	<b>-192.8</b>	<b>-280.6</b>	<b>-75.4</b>	<b>-80.4</b>	<b>-217.4</b>	<b>12.8%</b>	<b>18.3%</b>	<b>6.6%</b>
<b>Provisions and impairments</b>	<b>-80.0</b>	<b>12.4</b>	<b>-25.2</b>	<b>-87.4</b>	<b>-7.4</b>	<b>0.1</b>	<b>-16.0</b>	<b>-36.5%</b>	<b>-99.3%</b>	<b>-</b>
<b>Banking tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Adjusted PBT</b>	<b>159.4</b>	<b>106.8</b>	<b>272.3</b>	<b>287.4</b>	<b>69.8</b>	<b>58.7</b>	<b>221.3</b>	<b>-18.7%</b>	<b>-45.0%</b>	<b>-15.8%</b>
Corporate income tax	-1.6	-13.9	-37.3	-44.6	-10.1	-8.7	-32.3	-13.3%	-37.5%	-14.0%
<b>Adjusted PAT</b>	<b>157.8</b>	<b>92.9</b>	<b>235.0</b>	<b>242.8</b>	<b>59.7</b>	<b>50.0</b>	<b>189.0</b>	<b>-19.6%</b>	<b>-46.1%</b>	<b>-16.1%</b>
Adjustments total on PAT	50.4	-3.3	54.1	59.6	0.0	0.0	30.2	-44.1%	-	-17.8%
<b>Profit after tax (PAT, unadjusted)</b>	<b>107.4</b>	<b>96.2</b>	<b>180.9</b>	<b>183.2</b>	<b>59.6</b>	<b>50.0</b>	<b>158.8</b>	<b>-12.2%</b>	<b>-48.0%</b>	<b>-16.1%</b>
Revaluation on AFS financial assets (OCI)	-1.6	3.9	29.5	57.9	-3.8	18.2	-1.9	-	371.9%	-
<b>Total Comprehensive Income (unadjusted)</b>	<b>105.8</b>	<b>100.1</b>	<b>210.5</b>	<b>241.1</b>	<b>55.9</b>	<b>68.2</b>	<b>156.9</b>	<b>-25.5%</b>	<b>-31.8%</b>	<b>22.1%</b>
Adjustments total on TOCI	50.4	-3.3	54.1	59.6	0.0	0.0	30.2	-44.1%	-	-17.8%
<b>Total Comprehensive Income</b>	<b>156.2</b>	<b>96.7</b>	<b>264.6</b>	<b>300.7</b>	<b>55.9</b>	<b>68.2</b>	<b>187.1</b>	<b>-29.3%</b>	<b>-29.5%</b>	<b>22.1%</b>

<sup>1</sup> Includes provision for losses on loan, as well as other provisions and impairments

<sup>2</sup>The 3.1. chapter of the Report contains the list of adjustments

STATEMENT OF BALANCE SHEET (HUF bn)	2022	2023		2024		Y/Y	Q/Q
	4Q	3Q	4Q	2Q *	3Q		
Financial assets	1,511.0	1,238.1	1,516.9	1,372.5	1,173.3	-5.2%	-14.5%
Trading portfolio	489.0	336.7	274.6	237.0	222.2	-34.0%	-6.3%
Securities	3,403.4	3,814.2	3,907.2	4,051.6	4,625.6	21.3%	14.2%
Loans and advances to customers (net)	4,761.3	4,788.4	4,901.4	5,513.5	5,656.7	18.1%	2.6%
Loan and advances to customers (gross)	5,028.3	5,018.9	5,170.6	5,800.7	5,942.7	18.4%	2.4%
Allowance for loan and lease losses	-266.9	-230.5	-269.2	-287.2	-286.0	24.1%	-0.4%
Other assets	449.7	559.2	506.9	536.9	550.6	-1.5%	2.5%
<b>TOTAL ASSETS</b>	<b>10,614.4</b>	<b>10,736.6</b>	<b>11,107.0</b>	<b>11,711.5</b>	<b>12,228.3</b>	<b>13.9%</b>	<b>4.4%</b>
Interbank liabilities	2,447.4	2,411.8	2,153.8	2,051.0	2,490.0	3.2%	21.4%
Customer deposits	6,574.4	6,524.3	6,957.1	7,610.5	7,590.3	16.3%	-0.3%
Debt securities issued	379.7	475.0	629.2	593.9	635.0	33.7%	6.9%
Other liabilities	404.2	332.5	343.5	346.5	336.2	1.1%	-3.0%
Shareholders' equity	808.7	993.0	1,023.4	1,109.6	1,176.9	18.5%	6.1%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,614.4</b>	<b>10,736.6</b>	<b>11,107.0</b>	<b>11,711.5</b>	<b>12,228.3</b>	<b>13.9%</b>	<b>4.4%</b>
<b>Off-Balance sheet customer items (gross)</b>	<b>1,516.9</b>	<b>1,585.5</b>	<b>1,601.8</b>	<b>1,879.5</b>	<b>1,860.4</b>	<b>17.3%</b>	<b>-1.0%</b>

\* 2Q 2024 figures for consolidated financial statement changed due to auditor review.

KPIs based on adjusted PAT and Balance Sheet (HUF bn)	2022		2023			2024		Δ%-p	Δ%-p	Δ%-p
	FY	3Q	9M	FY	2Q *	3Q	9M	Y-Y (Y)	Y-Y	Q-Q
<b>Profitability</b>										
TRM - Total Revenue Margin	4.65%	6.07%	6.22%	6.16%	5.22%	4.62%	5.18%	-1.04%	-1.45%	n/a
NIM - Net Interest Margin	4.06%	5.25%	5.44%	5.36%	4.44%	4.00%	4.43%	-1.01%	-1.25%	n/a
NFM - Net Fee Margin	0.80%	0.91%	0.85%	0.88%	0.90%	0.78%	0.83%	-0.02%	-0.13%	n/a
CIM - Core Income Margin	4.86%	6.16%	6.29%	6.24%	5.34%	4.78%	5.26%	-1.03%	-1.38%	n/a
<b>Efficiency</b>										
C/I - Cost-to-Income Ratio	50.39%	41.87%	39.33%	42.82%	49.43%	57.83%	47.81%	8.48%	15.95%	n/a
C/TA - Cost-to-Total Assets	2.34%	2.54%	2.45%	2.64%	2.58%	2.67%	2.48%	0.03%	0.13%	n/a
ROAE - Return on Average Equity	21.44%	39.08%	35.90%	26.73%	21.98%	17.41%	23.07%	-12.83%	-21.67%	n/a
ROMC - Return on Minimum Capital Required	30.74%	67.83%	59.97%	45.01%	32.29%	25.68%	34.59%	-25.38%	-42.14%	n/a
Risk% - Risk Cost Ratio	1.03%	-1.00%	0.18%	1.21%	0.22%	-0.02%	0.27%	0.10%	0.98%	n/a
<b>Equity share information</b>										
EPS - Earning Per Share (HUF, annualized)	511.6	1,155.6	985.4	761.4	752.6	624.3	791.9	-193.5	-531.4	n/a
<b>Volume KPIs</b>										
LTD - Loan-to-Deposit ratio	76.5%	76.9%	76.9%	74.3%	76.2%	78.3%	78.3%	1.4%-p	1.4%-p	n/a
Securities ratio	32.5%	35.6%	35.6%	35.2%	34.6%	37.9%	37.9%	2.3%-p	2.3%-p	n/a
Allowance for losses/ Total assets	-2.5%	-2.1%	-2.1%	-2.4%	-2.5%	-2.3%	-2.3%	-0.2%-p	-0.2%-p	n/a
RWA/TA - RWA/Total assets	38.9%	39.4%	39.4%	42.6%	45.3%	42.7%	42.7%	3.3%-p	3.3%-p	n/a
CAR - Capital adequacy ratio	19.7%	21.2%	21.2%	22.1%	19.3%	20.7%	20.7%	-0.5%-p	-0.5%-p	n/a
CET1	18.0%	19.1%	19.1%	20.3%	17.8%	19.2%	19.2%	0.1%-p	0.1%-p	n/a
LCR	136.8%	148.3%	148.3%	152.5%	141.4%	141.6%	141.6%	-6.6%-p	-6.6%-p	n/a
NSFR	133.3%	128.2%	128.2%	135.0%	131.0%	133.2%	133.2%	5.0%-p	5.0%-p	n/a
<b>Portfolio quality</b>										
Stage 1 gross loans	3,712	3,926	3,926	4,208	4,468	4,627	4,627	701	701	n/a
Stage 2 gross loans	1,110	893	893	790	1,166	1,149	1,149	256	256	n/a
Stage 3 gross loans	207	200	200	172	167	167	167	-33	-33	n/a

\* 2Q 2024 figures for consolidated financial statement changed due to auditor review.

## Unadjusted KPIs

KPIs based on unadjusted PAT (HUF bn)	2022		2023			2024		Δ%-p Y-Y (Y)	Δ%-p Y-Y	Δ%-p Q-Q
	FY	3Q	9M	FY	2Q	3Q	9M			
<b>Profitability</b>										
TRM - Total Revenue Margin	4.58%	6.07%	6.29%	6.21%	5.22%	4.62%	5.18%	-1.11%	-1.45%	-0.60%
NIM - Net Interest Margin	4.06%	5.25%	5.44%	5.36%	4.44%	4.00%	4.43%	-1.01%	-1.25%	-0.44%
NFM - Net Fee Margin	0.80%	0.91%	0.85%	0.88%	0.90%	0.78%	0.83%	-0.02%	-0.13%	-0.12%
<b>Efficiency</b>										
C/I - Cost-to-Income Ratio	51.69%	42.27%	39.36%	42.95%	49.43%	57.83%	47.81%	8.45%	15.56%	8.40%
C/A - Cost-to-Total Assets	2.37%	2.57%	2.48%	2.67%	2.58%	2.67%	2.48%	0.00%	0.11%	0.09%
ROAE - Return on Average Equity	14.59%	40.48%	27.64%	20.17%	21.97%	17.40%	19.38%	-8.26%	-23.08%	-4.57%
<b>Equity share information</b>										
EPS - Earning Per Share (HUF, annualized)	348.2	1,197.1	758.6	574.5	752.3	624.0	665.2	-93.3	-573.1	-128.3

P&L 3Q 2024 (HUF bn)	Unadjusted P&L	Adjusted P&L
<b>Net operating income</b>	<b>58.7</b>	<b>58.7</b>
<b>Gross operating income</b>	<b>139.1</b>	<b>139.1</b>
Net interest income	120.3	120.3
Net fee and commission income	23.5	23.5
Other operating income	-4.8	-4.8
FX and FV results	-1.3	-1.3
Other income	-3.5	-3.5
<b>Operating expenses</b>	<b>-80.4</b>	<b>-80.4</b>
<b>Provisions and impairments</b>	<b>0.1</b>	<b>0.1</b>
<b>Banking tax</b>	<b>0.0</b>	<b>0.0</b>
<b>PBT</b>	<b>58.7</b>	<b>58.7</b>
Corporate income tax	-8.7	-8.7
<b>PAT</b>	<b>50.0</b>	<b>50.0</b>
OCI	18.2	18.2
<b>TOCI</b>	<b>68.2</b>	<b>68.2</b>

# Changes in the regulatory environment and post-closing events

#

## Changes in 3Q

1

The banking sector pays a **protective contribution** according to the government's decision. As part of the package i. the bank extra profit tax will remain in force in 2025, so that its nominal value will not decrease, ii. the transaction fee increases from August 1, iii. from October 1, the additional fee will also be introduced in the case of transactions involving conversion (in the case of the latter two, with a stop on fee increases in relation to payment obligations related to residential payment accounts until December 31, 2024).

## Post-closing events

2

The Government has developed a **21-point economic policy action plan** with the aim of achieving economic growth of 3-6% in 2025. The effect of these can be considerable primarily on consumption, real estate market and the construction industry. The publication of detailed rules for each points is continuous. As part of this, the Act on **Voluntary Mutual Insurance Funds** is amended with the aim of allowing voluntary pension fund savings to be used tax-free for housing purposes (deductible, repayment, renovation) for a temporary period of 1 year.

3

The resilience of the banking system is strengthened by the **continued development of the prudential framework** with the following steps: i. timely prescription of resolvable capital buffers (determination of a minimum CCyB rate of 1% from July 1, 2025), ii. risk-proportionate modification of financing requirements (the green requirement for new foreign currency mortgage bond-based resources will be postponed indefinitely in relation to the JMM-rate regulation, a de minimis threshold of HUF 100 billion based on the balance sheet total will be introduced for other macroprudential financing limits), iii. the incorporation of green aspects into the regulatory rules (green differentiation of the debt regulations, i.e. from January 2025 the HFM limit for loans that meet green conditions will increase to 90%, for products with at least 10 years of fixed interest rates, the JTM limit will rise to 60%; in addition, easing the conditions of the MFL product).

4

By amending the Act on **Housing Savings Banks**, on the one hand the scope of participants will be extended, and on the other hand housing loans will also be available with a minimum savings period of less than 4 years, and vacation property will also become acceptable.

5

At its meeting on 22 October 2024, the Monetary Council left the **base rate** unchanged at 6.50%. Accordingly, the O/N deposit rate and the O/N collateralised borrowing rate were also left unchanged, at 5.50 percent and 7.50 percent, respectively.

6

On October 25, **S&P** affirmed the country's BBB rating and maintained the stable outlook.

7

On 14 August 2024, Magyar Bankholding Zrt. (MBH Zrt.) decided to divide itself into new legal successor companies, as a result of which **Magyar Bankholding Zrt. will be dissolved and divided into new legal successor companies** and its assets will be transferred to the legal successor companies (the Division). The Effective Date of the Division is scheduled for 30 November 2024, with the proviso that if this date would be earlier than the effective date of the registration of the Division by the Companies Court, the date of the Division shall be the date of deletion of MBH Zrt. as the dividing predecessor company by the Companies Court. The first day of operation of the legal predecessor companies is 1 December 2024. The announcement on the Division was disclosed in the Company Gazette, issued on 29 August 2024 and 5 September 2024.

MBH, MBH Bank, MBH Bank Plc.  
 MBH Group  
 NBH National Bank of Hungary (the central bank of Hungary)  
 ECB European Central Bank  
 FED Federal Reserve System

y/y Year on year  
 q/q, p/p Quarter on quarter, period on period  
 bp Basis point  
 CAGR Compounded Annual Growth Rate  
 FY Annual data  
 (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 Total assets  
 RWA Risk weighted assets

Secured loans Home Loans + Free-to-Use Mortgages  
 Unsecured loans Personnel loans + Baby loans + Other consumer loans  
 FVTOCI Fair value through OCI  
 FVTPL Fair value through P&L  
 FTE Full time equivalent  
 NPL Non performing loans  
 DPD90+ Days past due over 90 days

ROE, ROAE Return on (average) equity  
 ROA, ROAA Return on (average) assets  
 ROMC Return on minimal capital required  
 C/I, CIR Cost-to-income ratio  
 TRM Total revenue margin  
 NIM Net interest margin  
 NFM Net fee margin  
 CAR Capital adequacy ratio  
 LTD Loans to deposits  
 EPS Earning per share  
 AVA Asset value adjustment – CRR specification  
 LCR Liquidity Coverage Ratio  
 NSFR Net Stable Funding Ratio  
 AUM Asset under management

ÁKK, GDMA Price of government bond reference yields determined daily by the Government Debt Management Agency  
 KSH Hungarian Central Statistical Office  
 ESG Environmental, Social and Governance





# Disclaimer

**MBH** BANK



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