



MBH Bank Nyrt.
(MKB Bank Nyrt. Before the name change on 1 May 2023)

10011922-6419-114-01
statistic code

Interim Financial Statements

Prepared under
International Financial Reporting Standards
as adopted by the EU

30 April 2023

Budapest, 06 July 2023

MBH Bank Nyrt. (MKB Bank Nyrt. Before the name change on 1 May 2023)
Statement of Financial Position as at 30 April 2023

(Data in HUF million)

	30 April 2023	31 December 2022
Cash and cash equivalents	775 177	1 081 158
Financial assets measured at fair value through profit or loss	444 268	476 909
<i>Loans and advances to customers mandatorily at fair value through profit or loss</i>	192 329	182 875
<i>Securities held for trading</i>	2 689	8 434
<i>Securities mandatorily at fair value through profit or loss</i>	19 982	18 017
<i>Derivative financial assets</i>	229 268	267 583
Hedging derivative assets	110 700	142 874
Financial assets measured at fair value through other comprehensive income	552 272	428 520
<i>Securities</i>	552 272	428 520
Financial assets measured at amortised cost	4 767 354	4 823 478
<i>Loans and advances to banks</i>	249 829	448 627
<i>Loans and advances to customers</i>	2 589 088	2 565 343
<i>Repurchase assets</i>	1 752	9 080
<i>Securities</i>	1 886 339	1 772 915
<i>Other financial assets</i>	40 346	27 513
Fair value change of hedged items in portfolio hedge of interest rate risk	(29 031)	(51 678)
Investments in subsidiaries and associates	443 237	424 367
Property, plant and equipment	31 508	37 725
Intangible assets	44 677	44 206
Income tax assets	16 082	17 668
<i>Current income tax assets</i>	49	49
<i>Deferred income tax assets</i>	16 033	17 619
Other assets	108 924	43 551
Total assets	7 265 168	7 468 778
Liabilities		
Financial liabilities measured at fair value through profit or loss	172 298	196 728
<i>Derivative financial liabilities</i>	170 601	188 493
<i>Financial liabilities from short positions</i>	1 697	8 235
Financial liabilities measured at amortised cost	6 192 568	6 417 607
<i>Amounts due to banks</i>	1 663 332	1 965 931
<i>Amounts due to customers</i>	4 251 186	4 207 025
<i>Repurchase liabilities</i>	84 854	73 429
<i>Issued debt securities</i>	14 337	12 906
<i>Subordinated debt</i>	111 814	88 887
<i>Other financial liabilities</i>	67 045	69 429
Hedging derivative liabilities	3 812	158
Provisions	14 055	13 977
Income tax liabilities	4 295	5 496
<i>Current income tax liabilities</i>	4 295	5 496
Other liabilities	83 395	41 800
Total liabilities	6 470 423	6 675 766
Equity		
Share capital	321 699	321 699
Share premium	313 947	313 947
Retained earnings	123 699	84 155
Other reserve	32 552	32 552
Profit for the year	24 086	64 637
Accumulated other comprehensive income	(21 238)	(23 978)
Total equity	794 745	793 012
Total liabilities and equity	7 265 168	7 468 778

MBH Bank Nyrt. (MKB Bank Nyrt. Before the name change on 1 May 2023)
Statement of Changes in Equity for the period ended 30 April 2023

(Data in HUF million)

	Share capital	Share premium	Retained earnings	Other reserve	Accumulated other comprehensive income	Total equity
At 1 January 2022	100 000	21 729	123 681	17 040	(23 569)	238 881
Profit for the year	-	-	64 637	-	-	64 637
Other comprehensive income for the year	-	-	-	-	3 693	3 693
Total comprehensive income	-	-	64 637	-	3 693	68 330
Issue of share capital and share premium	85 982	122 239	-	-	-	208 221
Dividend	-	-	(4 300)	-	-	(4 300)
General reserve for the year	-	-	(6 463)	6 463	-	-
Increase / decrease due to the merger	135 717	169 979	(28 763)	9 049	(4 102)	281 880
At 31 December 2022	321 699	313 947	148 792	32 552	(23 978)	793 012
Profit for the year	-	-	24 086	-	-	24 086
Other comprehensive income for the year	-	-	-	-	2 740	2 740
Total comprehensive income	-	-	24 086	-	2 740	26 826
Dividend	-	-	(25 093)	-	-	(25 093)
30 April 2023	321 699	313 947	147 785	32 552	(21 238)	794 745

MBH Bank Nyrt. (MKB Bank Nyrt. Before the name change on 1 May 2023)
Statement of changes in equity based on Hungarian Accounting Law 30 April 2023

(Data in HUF million)

	Share capital	Capital reserve	Retained earnings	Tied-up reserve	Revaluation reserve	Total
At 1 January 2022	100 000	21 729	123 681	17 040	(23 569)	238 881
Profit before tax	-	-	64 637	-	-	64 637
Accumulated other comprehensive income	-	-	-	-	3 693	3 693
Issue of share capital and share premium	85 982	122 239	-	-	-	208 221
Dividend	-	-	(4 300)	-	-	(4 300)
General reserve for the year	-	-	(6 463)	6 463	-	-
Increase / decrease due to the merger	135 717	169 979	(28 763)	9 049	(4 102)	281 880
At 31 December 2022	321 699	313 947	148 792	32 552	(23 978)	793 012
Profit before tax	-	-	24 086	-	-	24 086
Accumulated other comprehensive income	-	-	-	-	2 740	2 740
Dividend	-	-	(25 093)	-	-	(25 093)
30 April 2023	321 699	313 947	147 785	32 552	(21 238)	794 745

Reconciliation of share capital registered at registry court and share capital under IFRS as adopted by the EU	30 April 2023	31 December 2022
Share capital registered at the registry court	321 699	321 699
Share capital under IFRS as adopted by the EU	321 699	321 699

Schedule of the profit reserves available for dividend (million HUF)	30 April 2023	31 December 2022
Total equity	794 745	793 012
Share capital (-)	321 699	321 699
Share premium (-)	313 947	313 947
Tied-up reserve (-)	32 552	32 552
Accumulated other comprehensive income (-)	(21 238)	(23 978)
Profit reserve available for dividend	147 785	148 792

Budapest, 06 July 2023

dr Zsolt Barna
Chairman of the Board of Director

Péter Krizsanovich
Deputy CFO

**Annex I: Az MBH Bank Nyrt. (MKB Bank Nyrt. Before the name change on 1 May 2023)
Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 April 2023**

(Data in HUF million)

	30 April 2023	31 December 2022
Interest and similar to interest income	307 499	497 677
<i>Interest income using effective interest rate method</i>	197 107	336 591
<i>Other interest income</i>	110 392	161 086
Interest and similar to interest expense	(199 311)	(282 000)
<i>Interest expense using effective interest rate method</i>	(122 345)	(153 317)
<i>Other interest expenses</i>	(76 966)	(128 683)
Net interest income	108 188	215 677
Income from fees and commissions	28 908	77 431
Expense from fees and commissions	(7 104)	(18 955)
Net income from commissions and fees	21 804	58 476
Results from financial instruments	(7 132)	33 752
<i>Results from financial instruments measured at fair value through profit or loss, net</i>	(48 353)	97 845
<i>Results from financial instruments measured at fair value through other comprehensive income, net</i>	379	(36 106)
<i>Results from financial instruments measured at amortized cost, net</i>	330	1 412
<i>Results from hedge accounting, net</i>	173	9 479
<i>Exchange differences result, net</i>	40 339	(38 878)
(Impairment) / Reversal on financial and non-financial instruments	(1 218)	(56 974)
<i>Expected credit (loss) on financial instruments held for credit risk management</i>	(1 263)	(34 707)
<i>Provision (loss) / gain</i>	(57)	(1 891)
<i>Modification (loss) / gain on financial instruments</i>	(49)	(10 607)
<i>(Impairment) / Reversal on investments in subsidiaries and associates</i>	(10)	(9 527)
<i>(Impairment) / Reversal on other financial and non financial instruments</i>	161	(242)
Dividend income	-	4 023
Operating expense	(97 077)	(190 307)
Other income	11 555	6 311
Other expense	(7 185)	(6 828)
Profit before taxation	28 935	64 130
Income tax income / (expense)	(4 849)	507
PROFIT FOR THE YEAR	24 086	64 637
Other comprehensive income		
<i>Items that may be reclassified to profit or loss</i>		
<i>Revaluation on financial assets measured at fair value through other comprehensive income</i>	2 493	4 025
<i>Income tax relating to items that will be reclassified</i>	247	(332)
Other comprehensive income for the year net of tax	2 740	3 693
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	26 826	68 330

Budapest, 06 July 2023

dr Zsolt Barna
Chairman of the Board of Director

Péter Krizsanovich
Deputy CFO

INDEPENDENT AUDITOR'S REPORT

To the shareholders of MBH Bank Nyrt. (formerly: MKB Bank Nyrt.)

Opinion

We have carried out the audit of the enclosed interim balance sheet as at 30 April 2023 of MBH Bank Nyrt. (the "Company") in which the matching grand total of the total assets and the total capital and liabilities is HUF 7,265,168 million and the comprehensive income during the entire period is a profit of HUF 26,826 million.

In our view the interim balance sheet has, in all relevant aspects been prepared in accordance with the provisions laid down in Section 21 and Section 114/A of Act C of 2000 on Accounting (hereinafter: "Accounting Act") in force in Hungary.

The basis of the opinion

Our audit was carried out in accordance with the Hungarian National Audit Standards and the laws and other legal regulations on auditing in force in Hungary. Our responsibility under these standards is described in more detail under the heading "The auditor's responsibility for the audit of the interim balance sheet".

We are independent of the Company, in accordance with the applicable legal regulations in force in Hungary according to the Chamber of Hungarian Auditors' regulation "Code of conduct (ethics) of the auditor profession and its regulation on disciplinary proceedings" as well as, regarding matters not regulated in these, the "International Code of Ethics for Professional Accountants (including International Independence Standards)" (the IESBA Code) and we also comply with other rules of ethics specified in the same standards.

We are convinced that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters – The basis of the preparation of the opinion

The interim balance sheet was prepared exclusively in relation to the Company's transformation.

The interim balance sheet does not contain all of the financial statements contained in the International Financial Reporting Standards ("IFRS") adopted by the European Union and those prescribed in the supplementary requirements pertaining to annual reports prepared in accordance with the IFRS adopted by the EU, and no notes have been prepared regarding it. Consequently, the review of the interim balance sheet does not substitute the reading of the Company's audited financial statements as at 31 December 2022 or the knowledge of the accounting policy applied in the preparation of the interim balance sheet, described in its notes. The interim balance sheet does not, in itself, provide a reliable and true picture of the asset and financial position of MBH Bank Nyrt. as at 30 April 2023. Only financial statements containing all of the prescribed statements, with notes on the material accounting policies and explanations, may provide a reliable and true picture on the Company's asset and income position and cash-flow in accordance with the IFRS adopted by the European Union ("EU") and only such statements can be prepared in all relevant aspects in accordance with the supplementary requirements of the Accounting Act pertaining to annual reports prepared in accordance with the IFRS adopted by the European Union.

Other matters – Limitation of use

This report has been prepared exclusively for the shareholders of MBH Bank Nyrt. for the purpose specified in the "Other matters – The basis of the preparation of the opinion" section and shall not be used for any other purpose or by any other person.

Responsibilities of management and persons in charge of governance for the interim balance sheet

The management is responsible for the preparation of the interim balance sheet in accordance with Sections 21 and 114/A of the Accounting Act and for an internal control function which it considers necessary for the preparation of an interim balance sheet that is free from material misstatements whether due to fraud or error.

In preparing the interim balance sheet, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and for using the going concern basis of accounting in preparing the accounting information, and the management is responsible for applying accounting practices based on the principle of going concern, unless the management intends to terminate the Company or its business activity or when there is no other realistic possibility.

Those in charge of governance are responsible for supervising the Company's financial reporting process.

The auditor's responsibility for the audit of the interim balance sheet

Our objectives during the audit are to obtain reasonable assurance about whether the interim balance sheet as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high degree of assurance but it does not guarantee that an audit conducted in accordance with the Hungarian National Audit Standards always uncovers any specific existing material misstatement. Misstatements can arise from fraud or error, and they are considered material if, individually or in the aggregate, they could reasonably be expected to influence users' economic decisions made on the basis of the given interim balance sheet.

Due professional judgement and scepticism are exercised during the whole of the audit carried out in accordance with the Hungarian National Audit Standards. Moreover:

- We identify and assess the risks of material misstatements of the interim balance sheet, whether resulting from fraud or error, prepare and execute auditing procedures that are suitable for the management of such risks and we gather adequate and sufficient audit evidence for use as a basis of our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusions, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We examine the internal control mechanism(s) of relevance to the audit in order to be able to design auditing procedures that are adequate in the given circumstances but not in order to express our opinion on the efficiency and effectiveness of the Company's internal control function.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Draw conclusions on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may give rise to significant doubt regarding the Company's ability to continue as a going concern. In case we conclude that a material uncertainty exists, we are required to draw attention to it in the auditor's report or qualify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Subsequent events or circumstances may, however, render the Company to be unable to continue its business operations.

- We evaluate the overall presentation, structure and content of the interim balance sheet and whether it presents the underlying transactions and events in accordance with the requirements of the Accounting Act.

To the persons in charge of governance we communicate, inter alia, the planned scope and schedule of the audit and its key findings and conclusions, including any material shortcoming, if any, we have identified in the organisation's internal control function applied by the Company.

Budapest, 6 July 2023

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