

MBH Group

3Q 2023 results

Investor Presentation

30th November 2023

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 2023 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 2023 Report.

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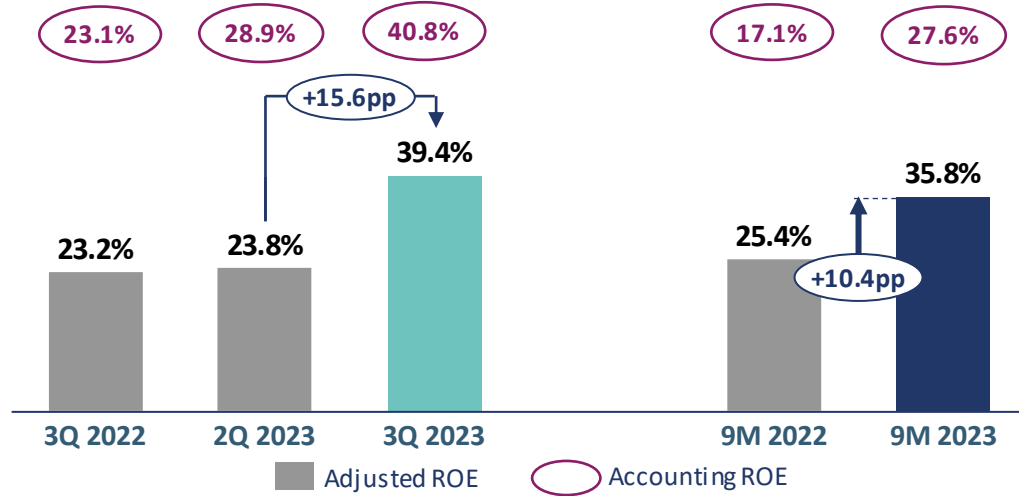


Executive summary

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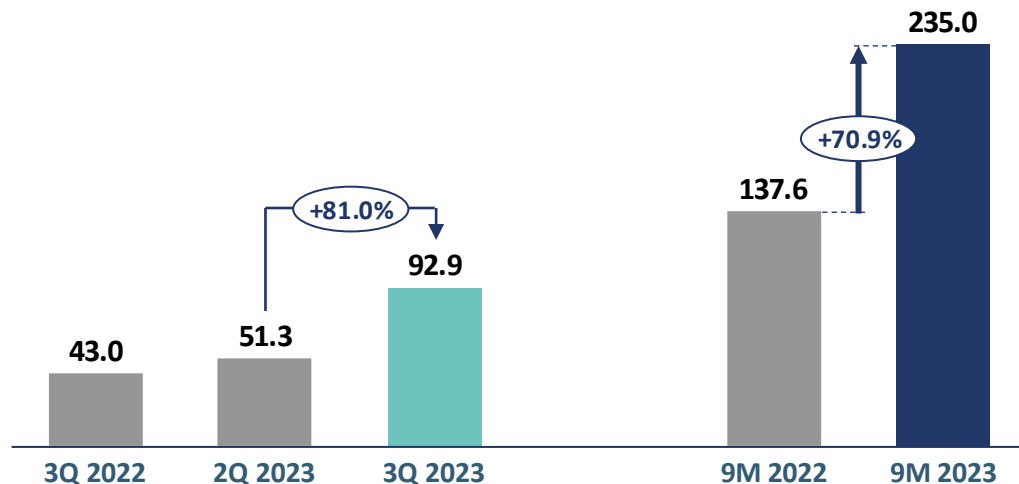
Robust profit growth with 9M adjusted profits increasing more than 70% y/y

Adjusted ROE, accounting ROE (%)

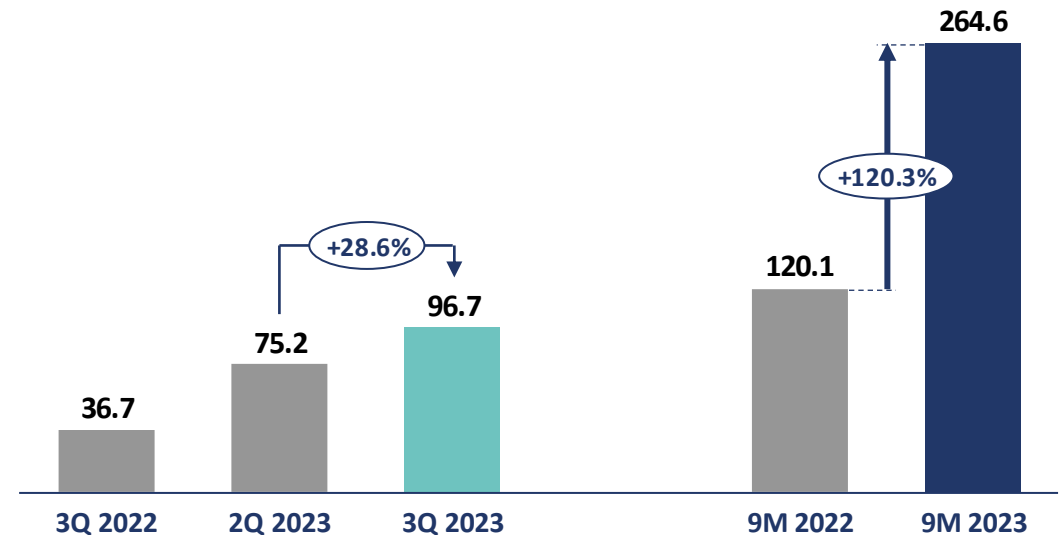


- Continued **outstanding profitability in 3Q 2023**, with **adjusted return on equity** reaching **35.8%** in 9M 2023 (accounting ROE also very strong at 27.6%), driven by strong revenue margins and cost efficient operations during the period.
- HUF 235.0 bn adjusted profit after tax** (+70.9% y/y) in 9M, reflecting the increased profitability levels of the Group. The increase in 3Q was driven by the strong net interest income and the risk costs release, due to the reclassification of customers recovering from moratorium to performing loans.
- Total comprehensive income for 9M** more than doubled over the year to **HUF 264.6 bn** (+120.3% y/y).

Adjusted PAT (HUF bn)



Adjusted TOCI (HUF bn)





Business environment

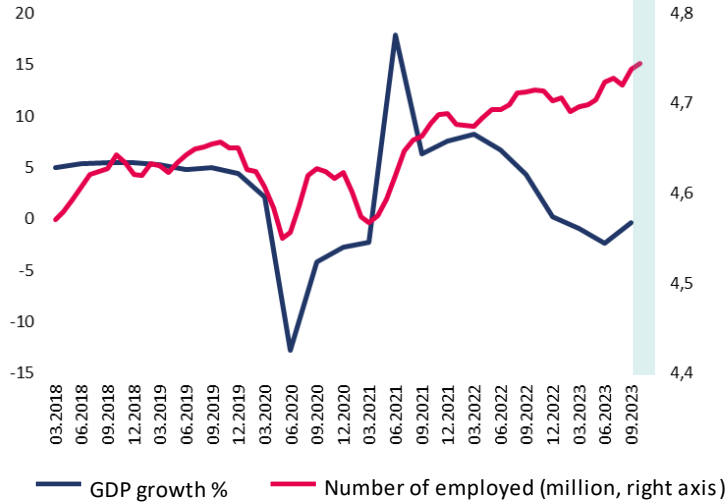
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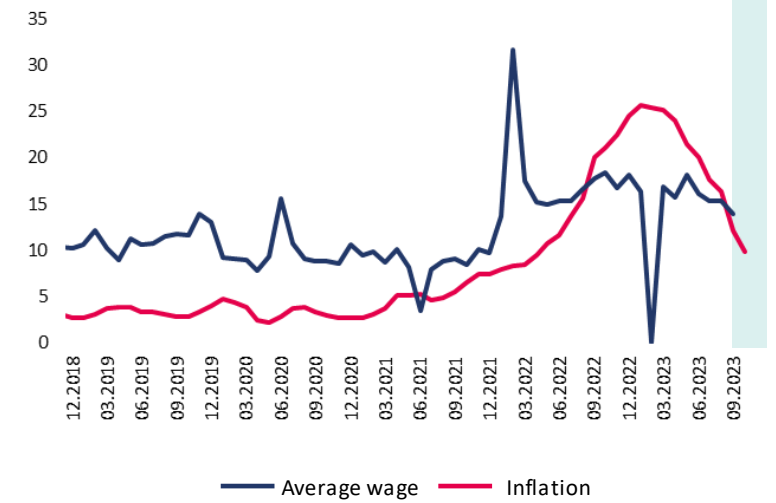
Inflation is expected to fall further, GDP gradually gathering steam

- Hungary's GDP decreased by 0.4% (y/y) in the 3rd quarter of 2023. Economic performance grew 0.9% on a quarterly basis, ending technical recession in 3Q. We expect growth to gather steam in 4Q of 2023 and 2024.
- Inflation decreased more than expected to 12.2% in September from 16.4% in August. The marked improvement was helped by base effects (annual 14.6% drop in household energy prices). After more visible decrease in 4Q, we expect an annual average inflation at 17.8% in 2023.
- Employment rose to new historical high in mid-2023, while due to increasing number of people returning to the labour market, the activity also reached record level (reaching almost 5 million people).
- The Hungarian forint showed some volatility during the third quarter, but the improvement in Hungary's external balance conditions remains strong. Our forecast is 378 for EUR/HUF rate for the end of 2023.
- Retail deposits stagnated in 3Q, but corporate deposits increased marginally. The stock of loans, however, mildly increased in the former, and roughly stagnated in the latter segment.

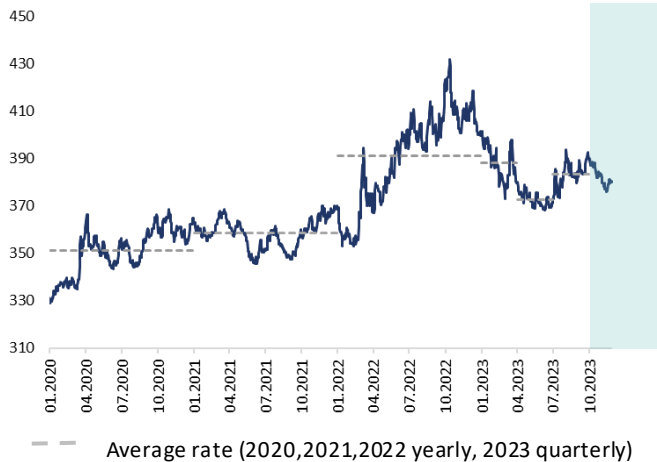
GDP growth (y/y%) and employment



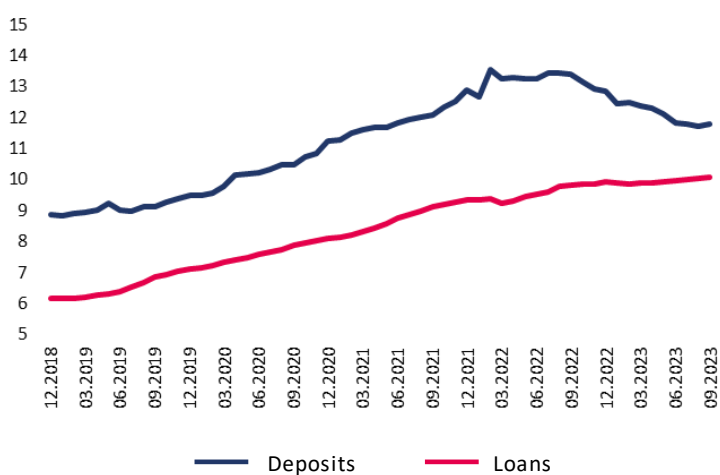
Average inflation and wage growth* (y/y %)



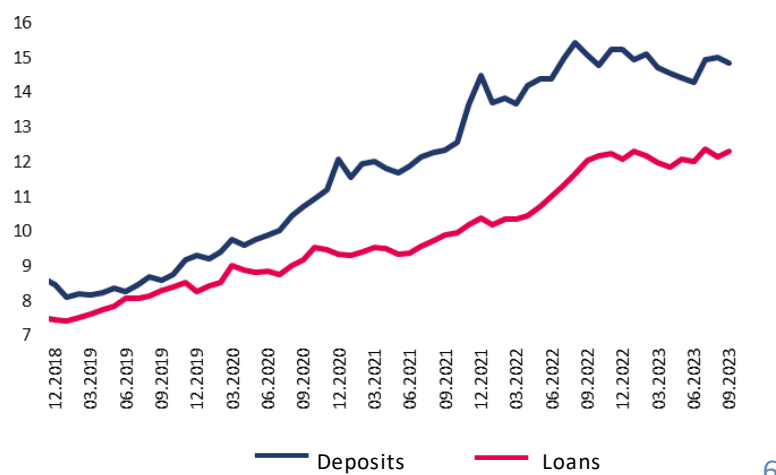
EUR/HUF rate



Household volumes (HUF thous. bn)



Corporate volumes (HUF thous. bn)

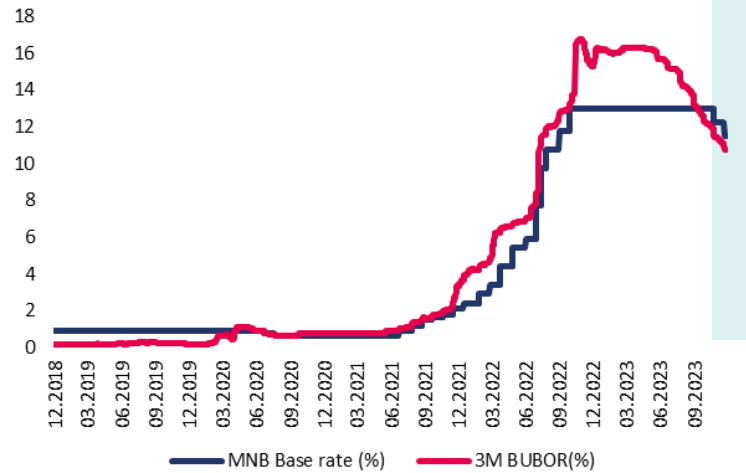


* Febr. wage growth data was affected by the payment of the 'service premium' (the so-called 'firearms money') for the army and the law enforcement personnel corresponding to six-month salary in February 2022

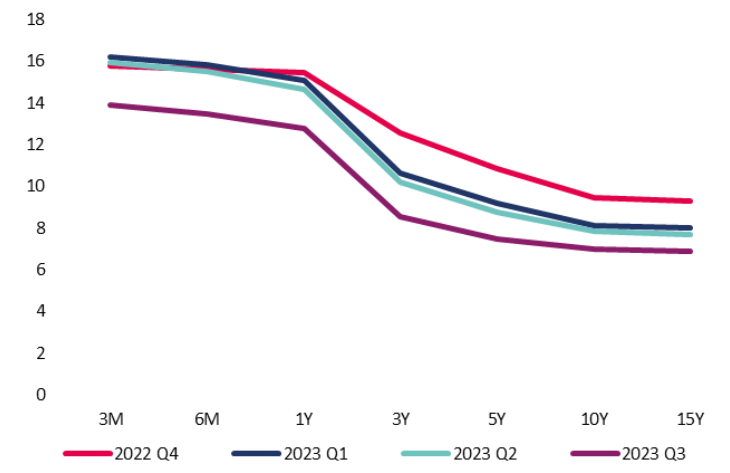
Monetary policy entered a new phase in September

- The key internal factors monitored by the central bank showed further improvement, while global risk assessment deteriorated slightly in September. The one-day deposit rate was aligned with the base rate at 13%, therefore the normalisation of the extraordinary interest rate environment introduced in October 2022 has been concluded. We forecast 11% base rate at the end of 2023.
- Improving risk, interest rate environment and declining inflation has led to changes in SWAP yield curve: the entire curve shifted lower in 3Q compared to the previous quarter.
- GDMA benchmark yields showed a mixed picture: the short end of the curve showed a further substantial decline from 2Q, while the long end of the curve showed only moderated decline and remained slightly above 7% level.

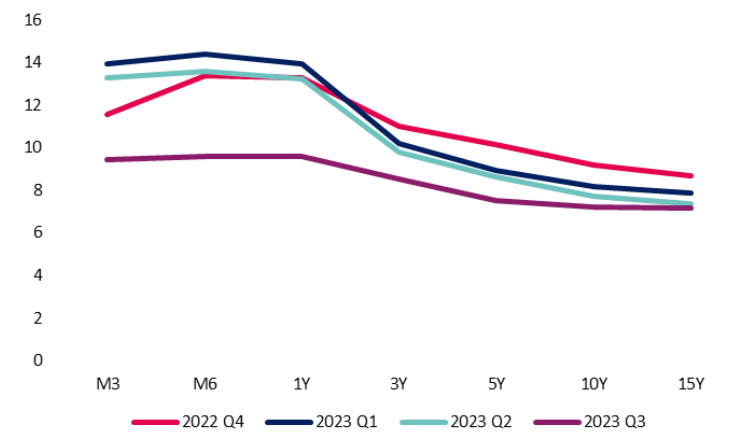
MNB base rate and 3M BUBOR (%)



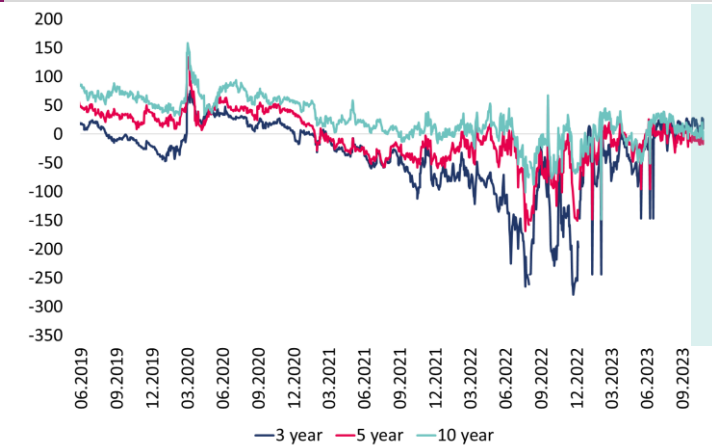
SWAP yield curves (%)



GDMA benchmark yields (%)



GDMA-SWAP spread (%-pts)



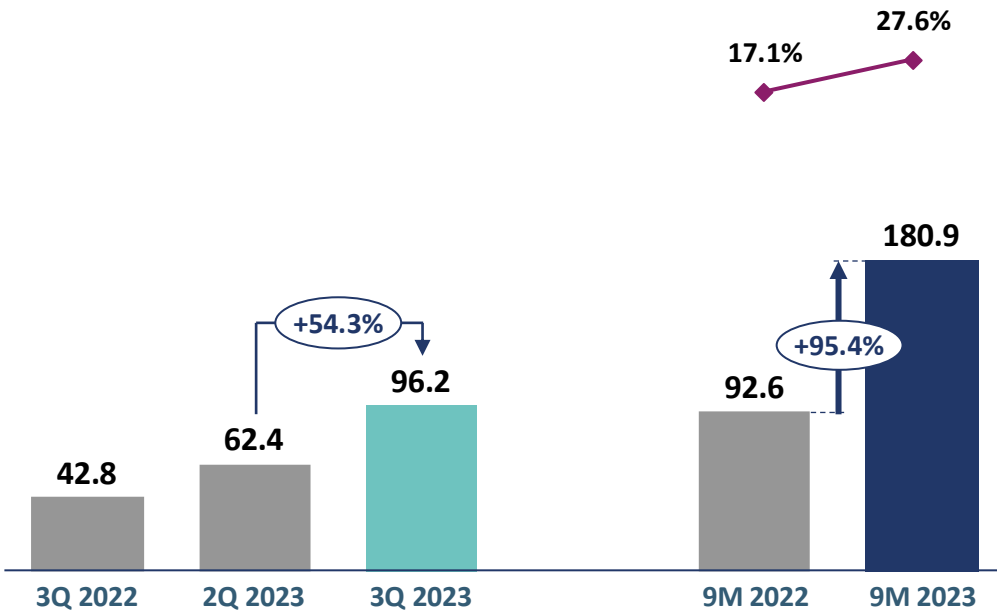


Financial performance

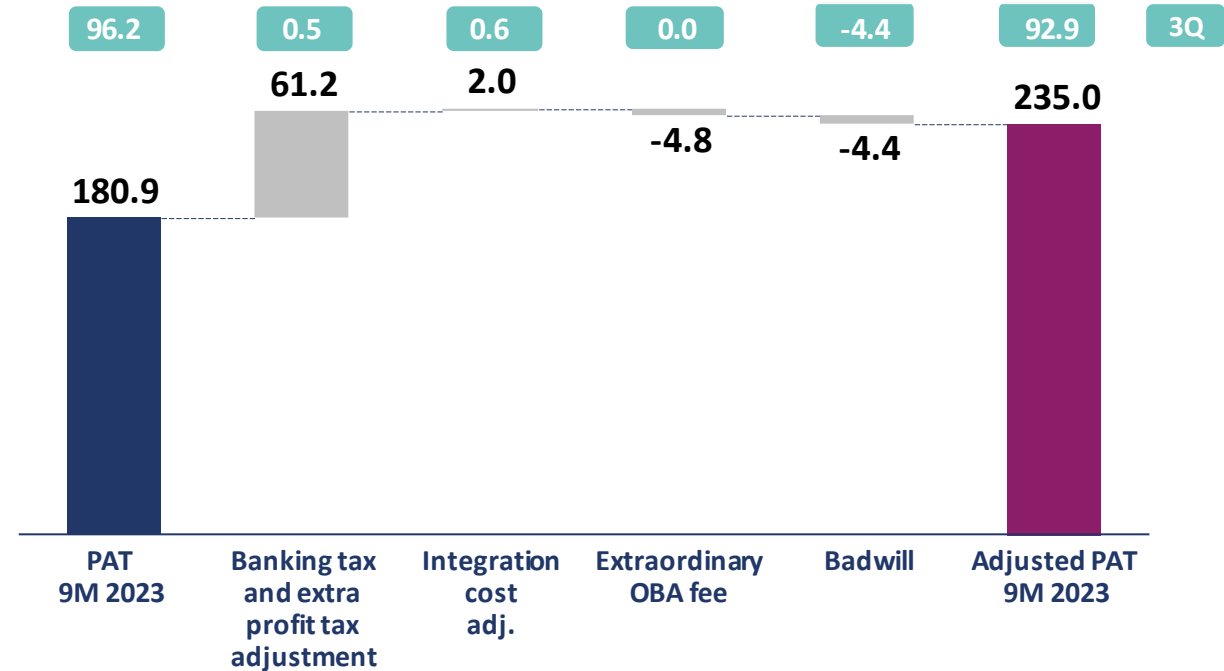
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Accounting profits increased to HUF 180.9 bn; extra profit tax and banking tax are the main adjustments on PAT in 9M 2023

Accounting profit after tax*(HUF bn), ROE (%) p/p and y/y changes



9M 2023 adjusted Profit after tax breakdown (HUF bn)



- Accounting profit after tax in 3Q 2023 was HUF 96.2 bn. The increase in the third quarter was primarily driven by the strong net interest income and risk costs release due to the reclassification of customers returning from moratorium to performing loans.
- 9M accounting profit after tax amounted to HUF 180.9 bn, which is over 95% higher than 9M 2022.

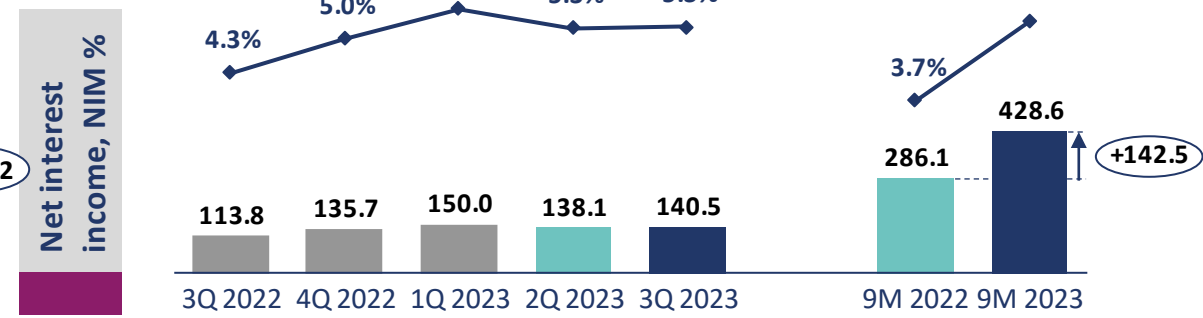
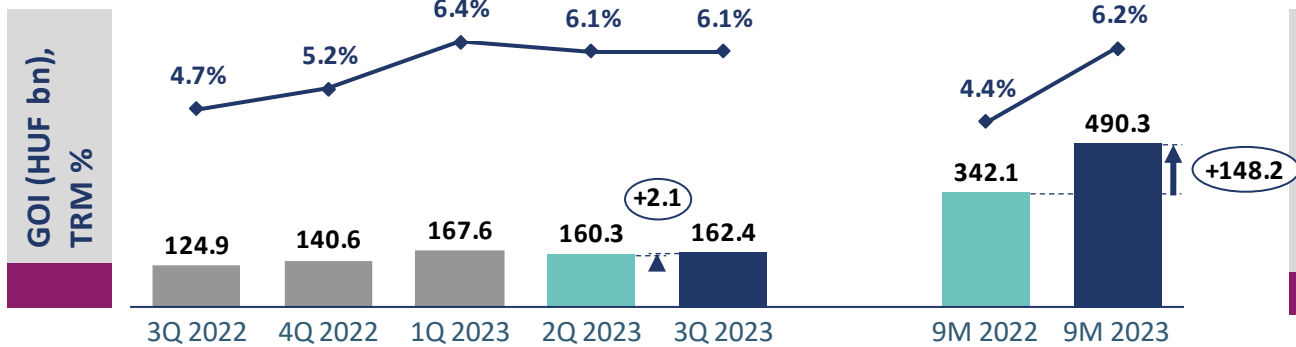
In order to provide better understanding and comparable views of the underlying financial performance, MBH Group uses adjustments in this report.

Adjustments for 9M 2023 (after tax) are the following:

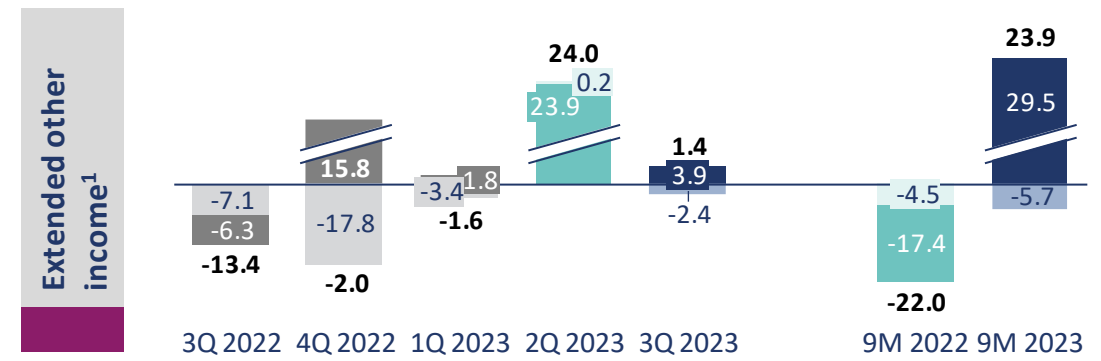
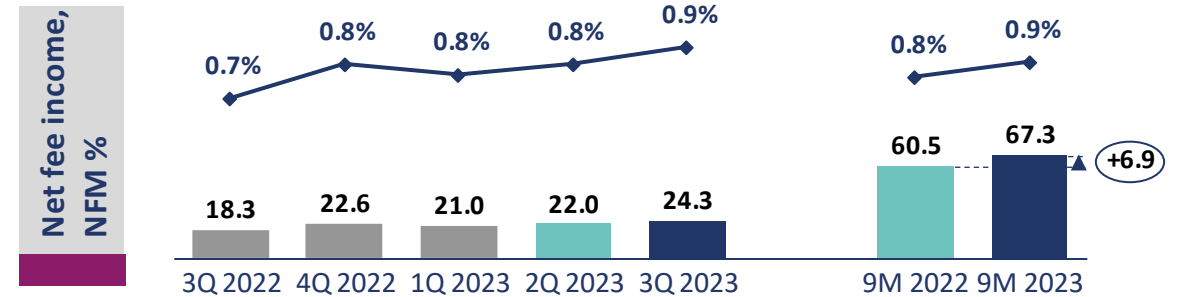
- Banking tax and extra profit tax adjustment totalling HUF 61.2 bn
- Integration cost adjustment comprises of MBH Bank and Takarékbank merger related expenses
- Adjustment on extraordinary OBA fee: HUF 4,8 bn Sberbank bankruptcy related extra fee was returned in 1Q 2023
- Badwill impact related to the acquisition of Duna Takarékbank Zrt.

*Merged Bank's financials for periods prior to 2Q2022 are calculated on a pro-forma basis, including BB 1Q2022 results

MBH Group's gross income grew by HUF 148.2 bn y/y, driven by the growth in net interest income



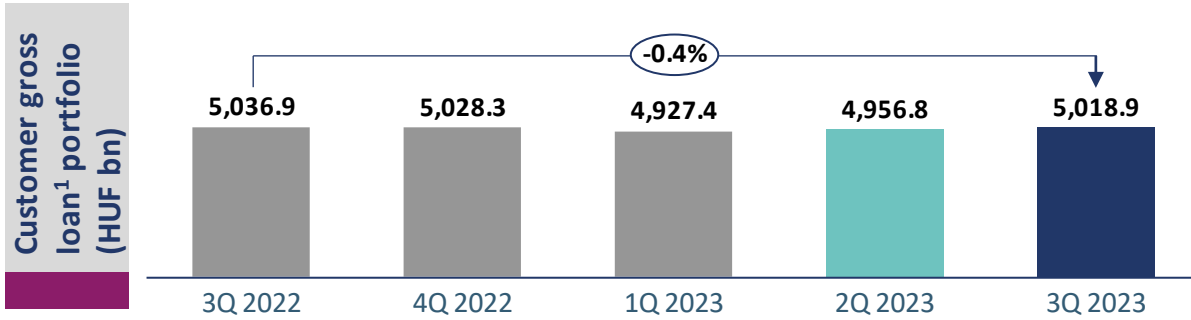
- **Gross Operating Income reached HUF 162.4 bn (HUF +2.1 bn p/p, HUF +37.5 bn y/y) in 3Q 2023, which is up by 30.0% compared to the same quarter last year, mainly driven by the growth in NII.**
- **Net interest income reached HUF 140.5 bn in 3Q 2023 (+23.5% y/y).** The quarterly growth in interest income (+1.7% p/p) is explained by the increase in the liquid portfolio, which offset a quarterly decline in short interest rates.
- **Net fee & Commission income was HUF 67.3 bn in 9M 2023 (+11.4% y/y) and HUF 24.3 bn in 3Q 2023 (+10.4% p/p),** quarterly growth driven mainly by the increasing turnover and higher transaction fees.
- **Extended other income totalled HUF 1.4 bn in 3Q 2023** with the p/p changes being driven by volatile money market conditions through other comprehensive income (OCI) and results of financial transactions.



Other income OCI

¹ Other income + FX + FV + OCI
 Note: Merged Bank's financials for periods prior to 2Q2022 are calculated on a pro-forma basis
 Results of client FX conversion have been reclassified to net fee & commissions from other income retrospective.

Increasing loan portfolio in 3Q 2023



MBH's gross loans increased during the third quarter by 1.3% p/p (HUF +62.1 bn). The growth also reflects the impact of aquisition of Duna Takaréék Bank.

Retail Loans:

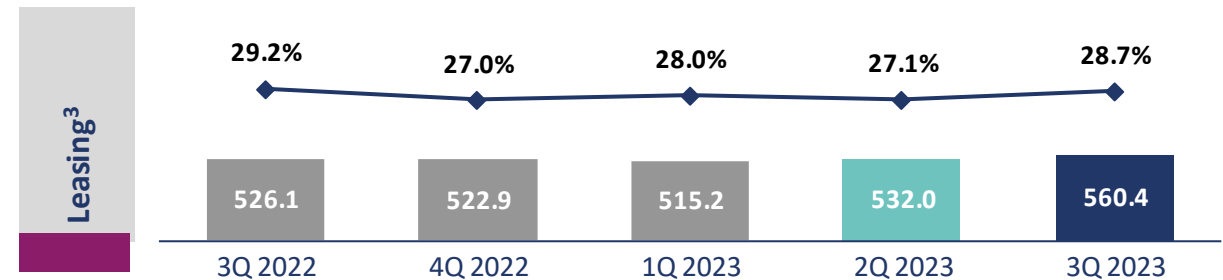
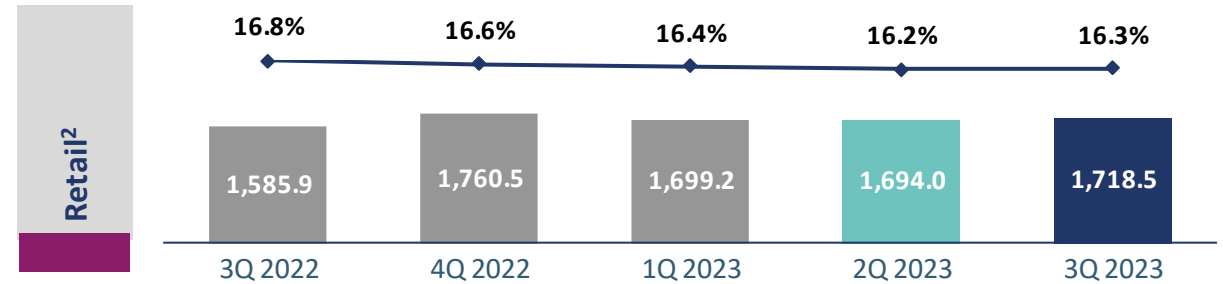
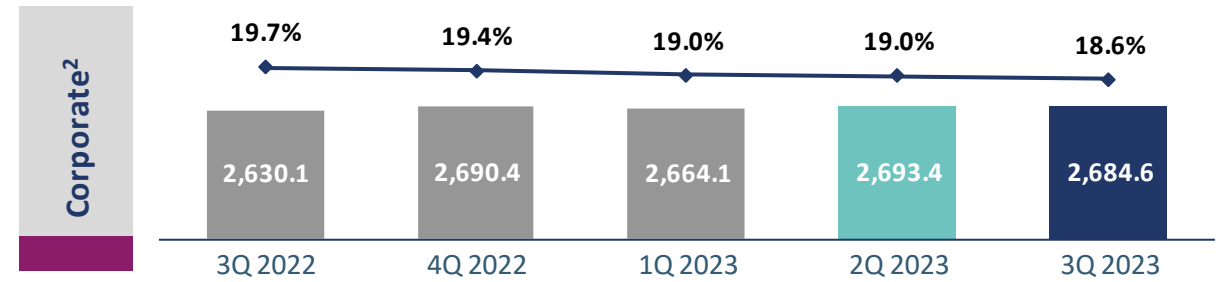
- **Total retail loans portfolio** increased in 3Q 2023, p/p up was 1.4%. Market shares minimally increased in 3Q 2023.

Corporate Loans:

- **Corporate business** decreased by 0.3% during 3Q on loan portfolio, reaching HUF 2,684.6 bn at the end of September 2023.

Leasing:

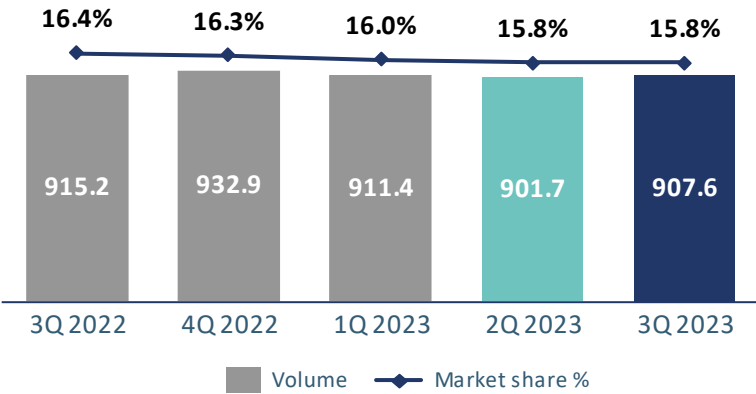
- MBH Group **leasing portfolio** amounted to HUF 560.4 bn as of 30 September 2023, HUF 28.4 bn (+5.3% p/p) higher compared to 2Q 2023.



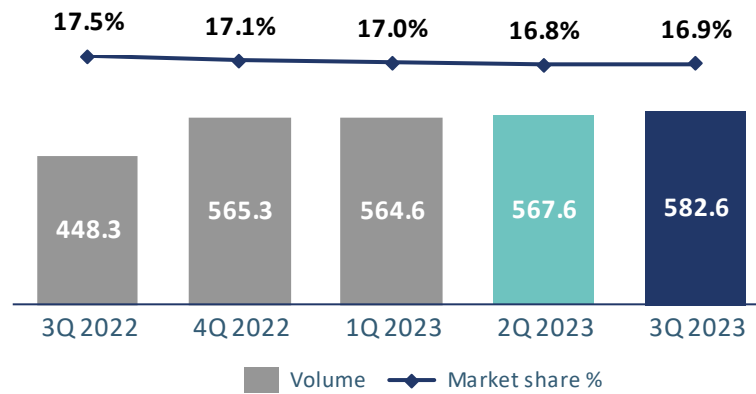
¹IFRS figures;
² Portfolio: Business volumes, Market share: HNB segmentation, household and non-financial corporate
³ Leasing market share: partially based on internal estimates
 Note: In 2023 3Q, a customer re-segmentation has been applied retrospectively from 1 January 2023.

Increasing corporate overdrafts and retail unsecured loans portfolio

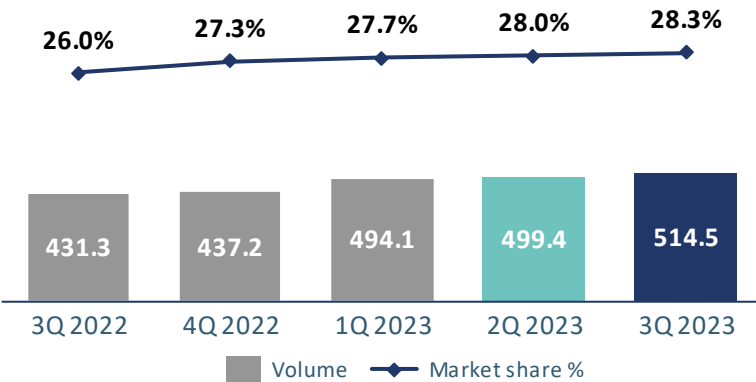
Retail mortgage loans – Gross volume (HUF bn) and market share (%)



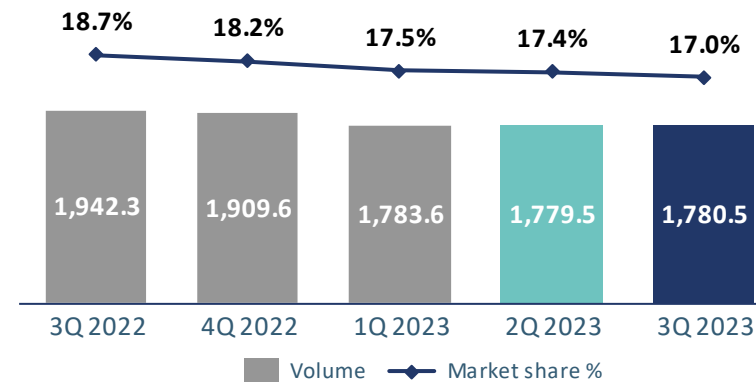
Retail unsecured loans – Gross volume (HUF bn) and market share (%)



Non-financial corporate overdraft – Gross volume (HUF bn) and market share (%)



Non-financial corporate other loans – Gross volume (HUF bn) and market share (%)



Retail:

The acquisition of Duna Takarékos Bank had a positive impact on the development of **Retail loans**.

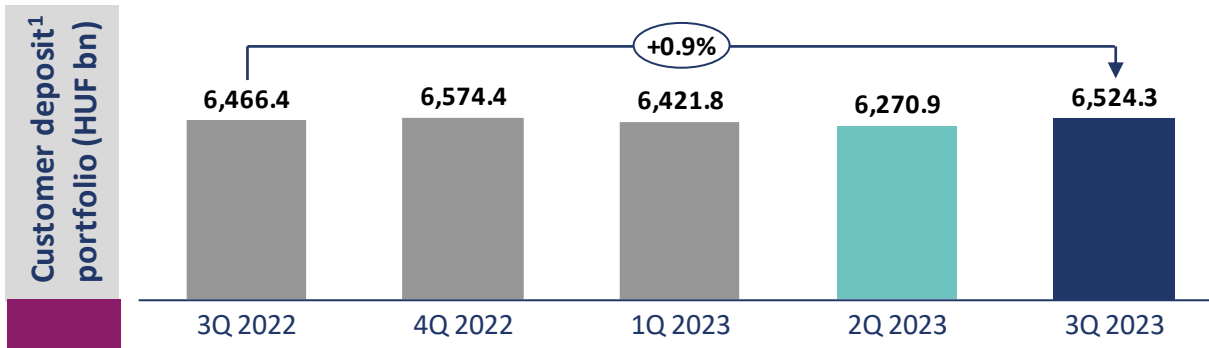
- Increasing of **Retail mortgage loan** volume was 0.7% (HUF +5.9 bn p/p). Market share of retail mortgage loans reached 15.8%.
- **Unsecured loan volumes increased** in 3Q 2023 (+2.7%) due to growth of baby loans.

Non-financial Corporate:

- **Overdrafts** amounted to HUF 514.5 bn (HUF +83.2 bn y/y) in 3Q. Market share of corporate overdrafts continued to grow (+0.3% p/p).
- **Other loans decreased by 8.3% y/y** (HUF +1.0 bn p/p) in 3Q. Market share was 17.0% in the period.

Please note: Retail segmentation presented on charts in this section is based on internal business segmentation of MBH Bank. Non-financial corporate segmentation is based on HNB's segmentation. Market share is presented based on HNB's secured market.
 Note: In 2023 3Q, a customer re-segmentation has been applied retrospectively from 1 January 2023.

Customer deposit portfolio increased in 3Q



Change in deposit volumes were significantly influenced by increase in corporate deposits and acquisition of Duna Takaréék Bank portfolio.

Corporate Deposits:

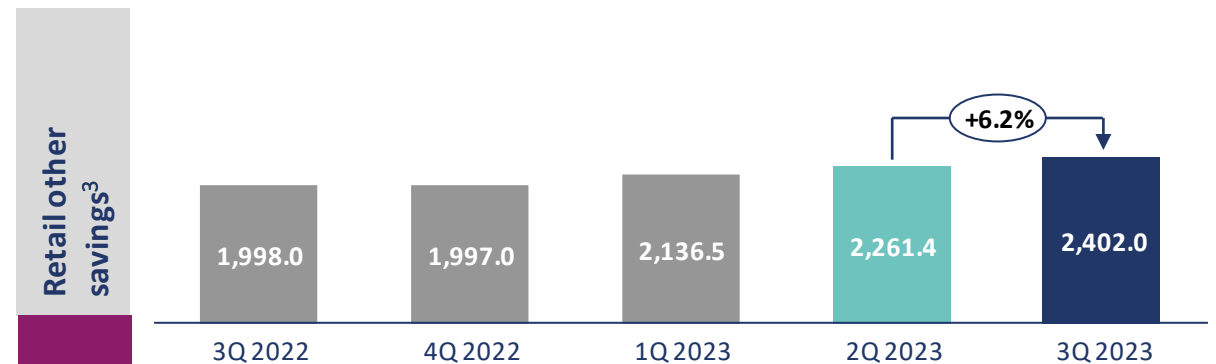
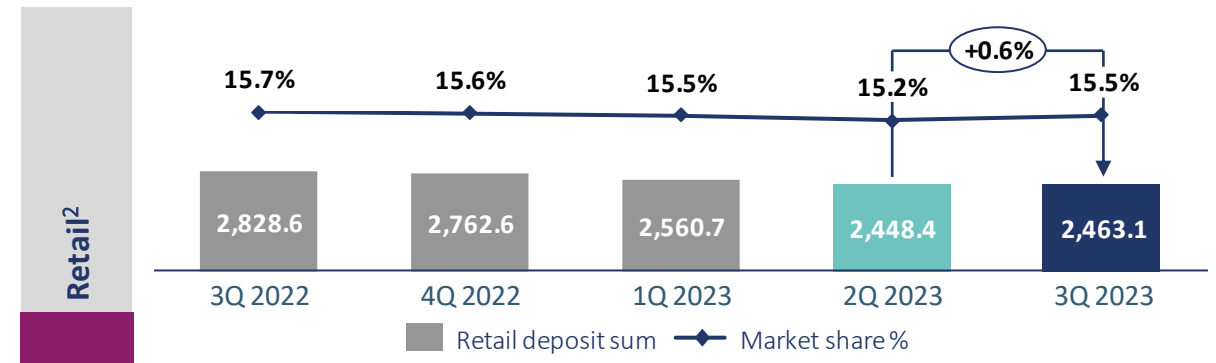
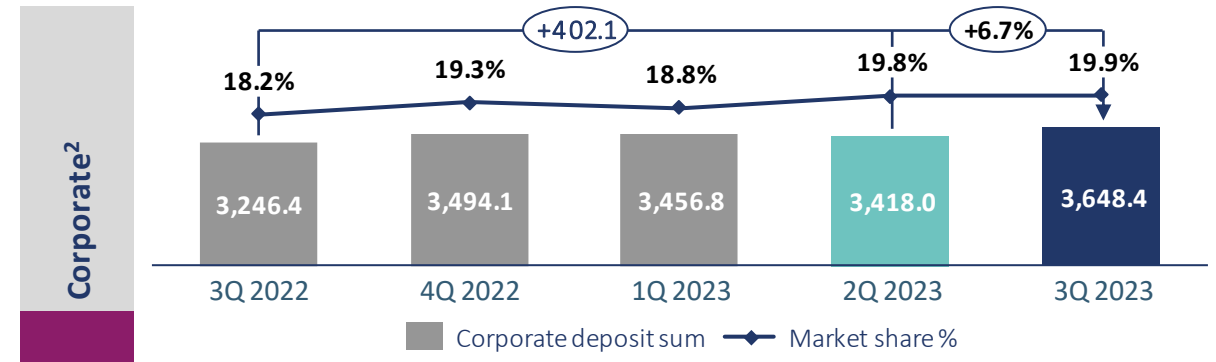
- Corporate business deposits increased by 12.4% y/y (+HUF 402.1 bn y/y), supported by the government programs, and partially by the moratorium induced lack of repayment. 3Q increase of 6.7% (HUF +230.4 bn p/p) is partially driven by impact of Duna Takaréék Bank acquisition. Market share of corporate deposits was 19.9%.

Retail Deposits:

- Retail deposits decreased by HUF 365.5 bn y/y (mainly sight deposits). Despite macroeconomic effects hinders the saving capabilities of retail customers, an increase of 0.6% (HUF +14.6 billion p/p) was realized in 3Q 2023.

Retail other savings:

- Retail savings in other instruments increased by over HUF 404.0 bn compared to 3Q 2022, and HUF 140.6 bn compared to 2Q 2023, mainly driven by investment funds.

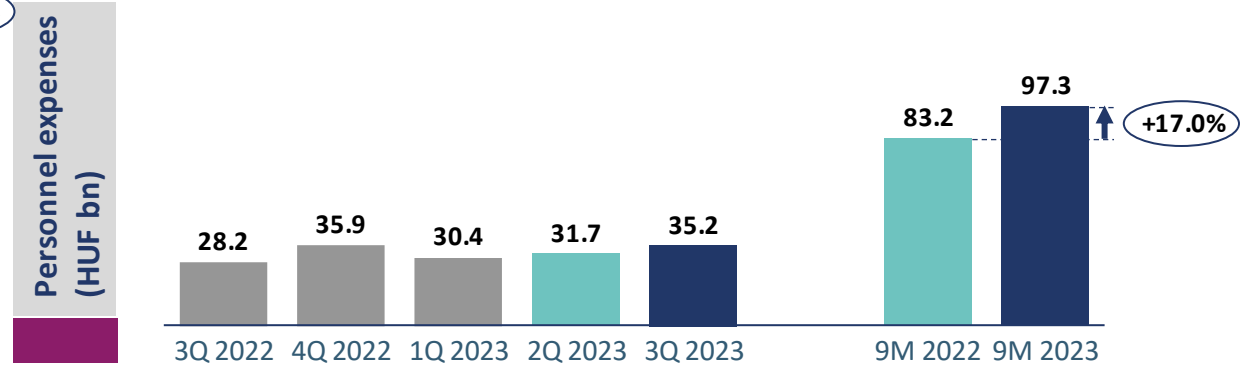
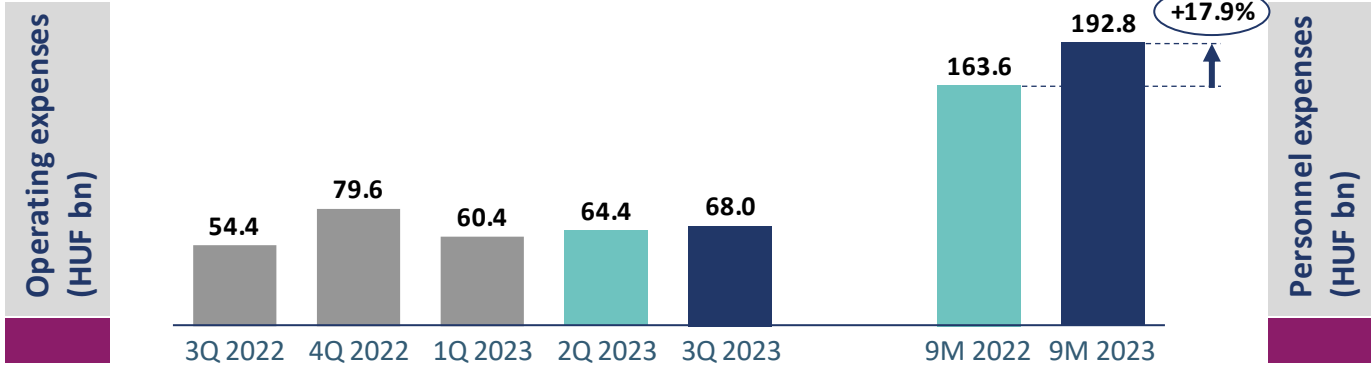


¹IFRS figures; ² Portfolio: Business volumes, Market share: HNB segmentation

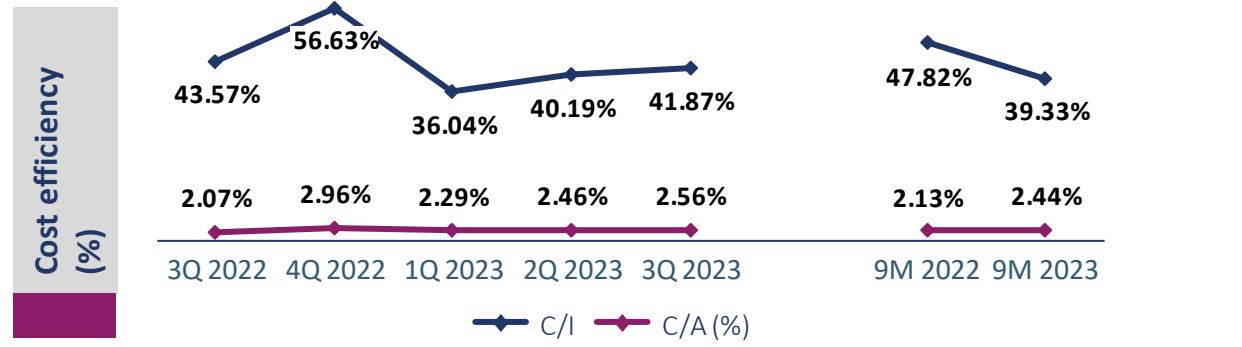
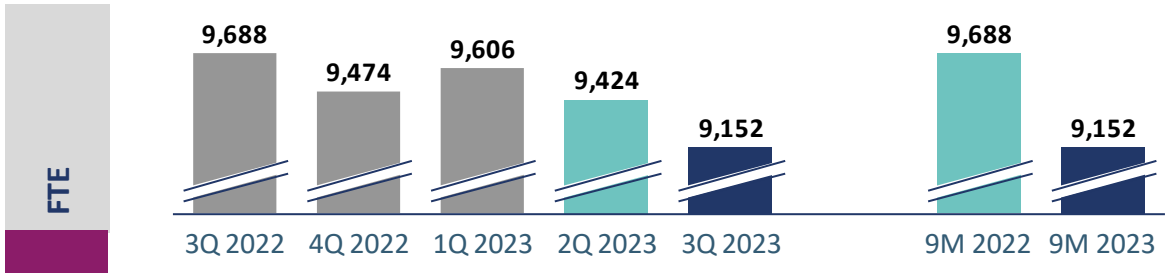
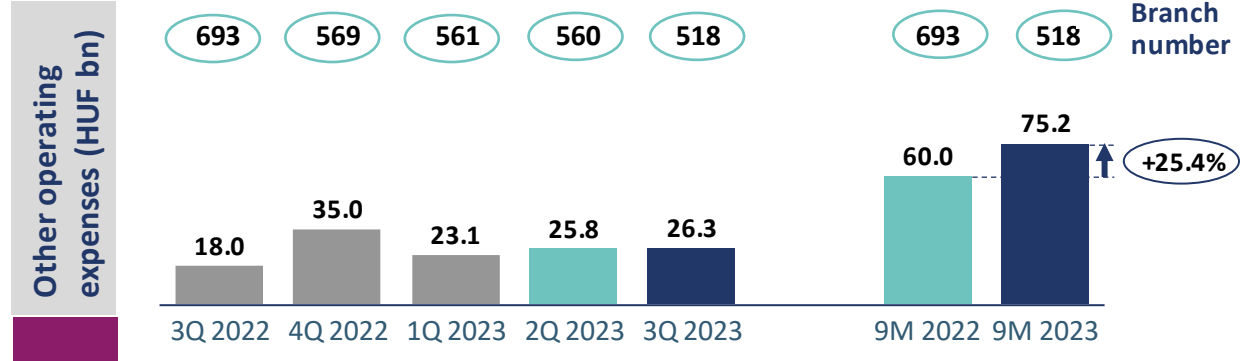
³Private individuals and Private Banking savings; other savings include securities accounts and shares, other securities

Note: In 2023 3Q, a customer re-segmentation has been applied retrospectively from 1 January 2023. Fund management's deposits have been retroactively reclassified from the Corporate segment to the Other segment.

Expanding income offset the effects of increasing cost due to inflation rate hike, resulting in improved C/I ratio in 9M

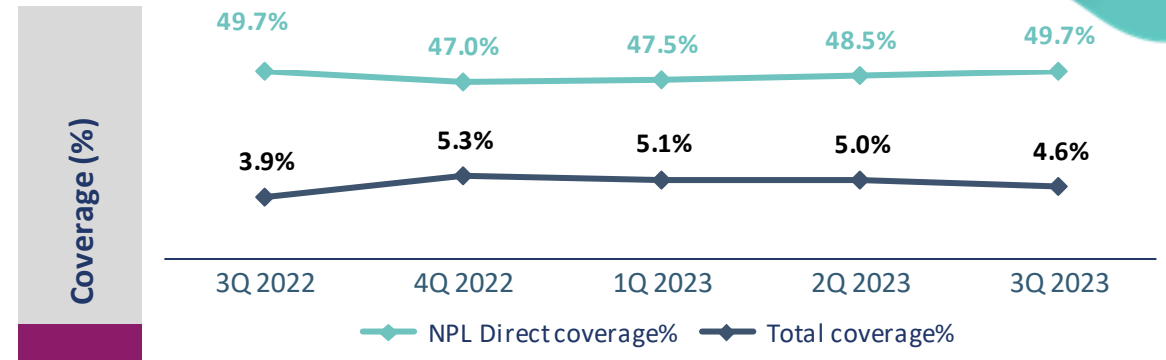
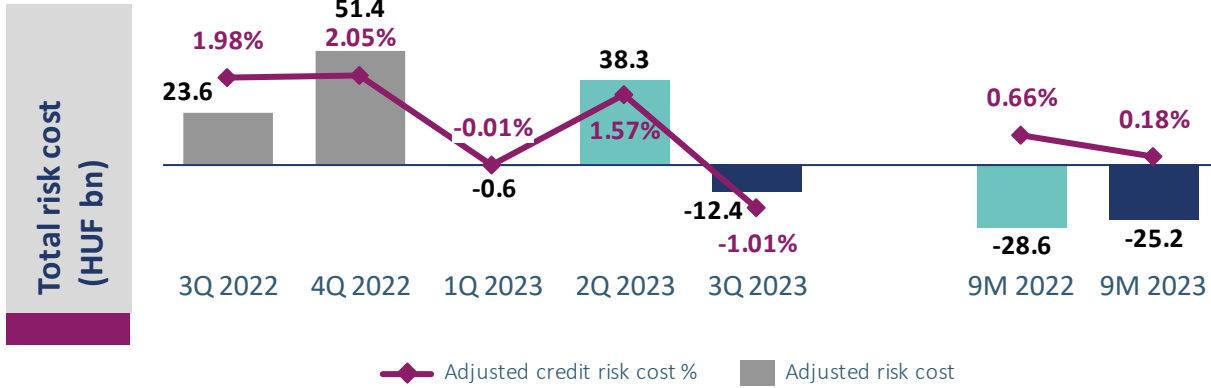


- Adjusted C/I was 39.3% in 9M which is a significant, 8.5%-pts y/y decrease. Increasing cost levels were mitigated by rapid income growth.
- Personnel expenses in 3Q increased by HUF 3.5 bn (+10.9%) p/p. Y/Y growth of total PEREX (+17.0%) was driven by wage inflation.
- 9M 2023 OPEX increased by HUF 15.2 bn (+25.4% y/y). The y/y increase was mostly driven by high inflation.
- C/A rate was 2.4% (+32 bps y/y) in 9M 2023, due to costs increasing faster over the period than average total assets.

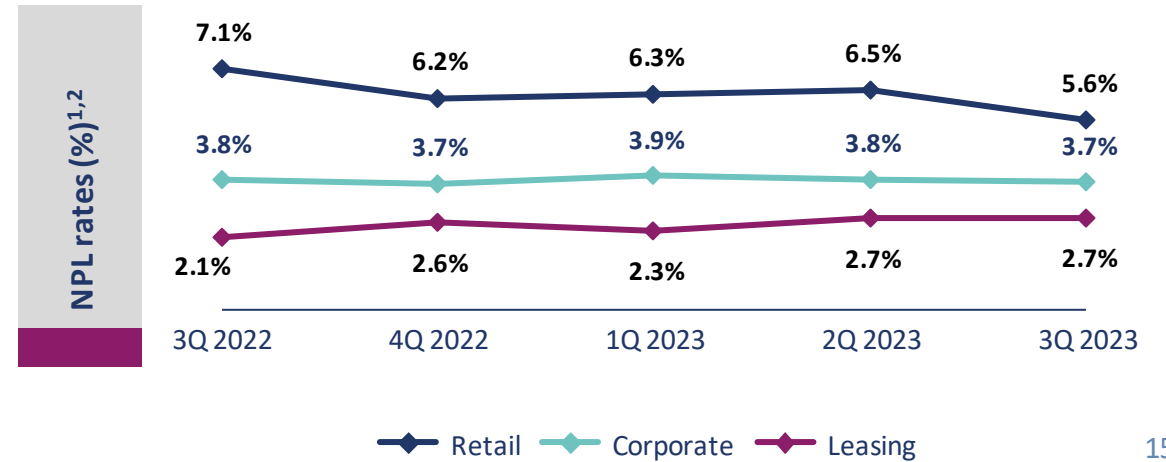
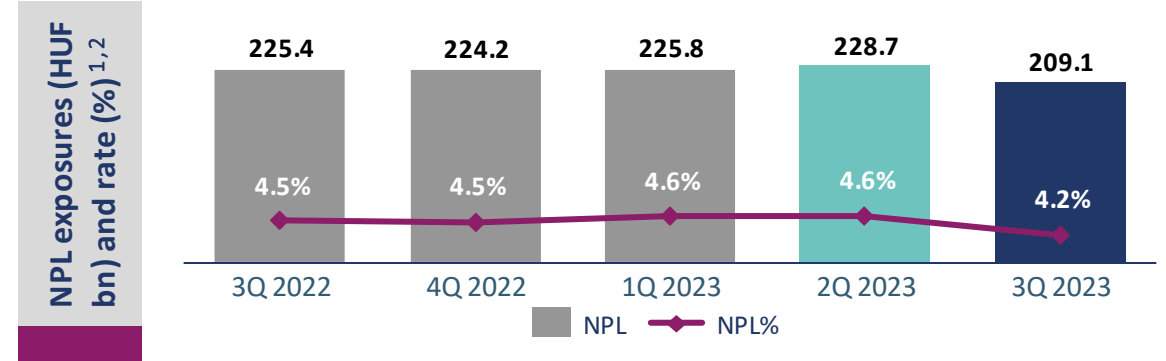


Note: Merged Bank's financials for periods prior to 2Q 2022 are calculated on a pro-forma basis

Stable portfolio and coverage rates, decreasing NPL exposures



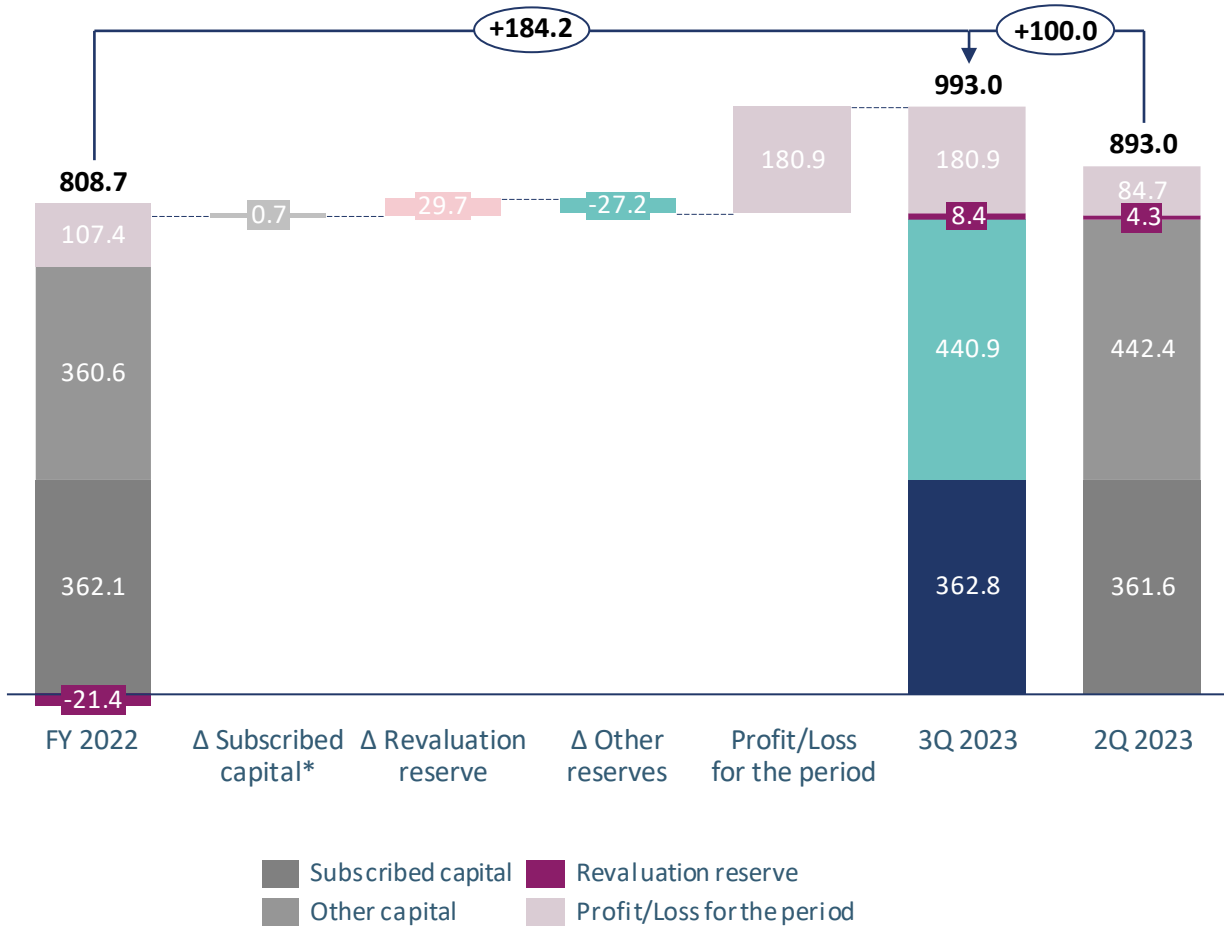
- The amount of NPL loans was HUF 209.1 bn at the end of 3Q 2023, decreased by HUF 19.6 bn (-8.6% p/p) over the period, due to the reclassification of customers recovering from moratorium to performing loans.
- The **total amount of risk cost** in 3Q 2023 was HUF 12.4 bn release due to improvement of portfolio.
- **NPL% ratio is 4.2% in 3Q**, dropped over the period.
- Retail NPL loan volume was HUF 93.7 bn at the end of 3Q 2023, which showed a significantly decrease of HUF 15.7 bn (-14.4% p/p) compared to previous quarter due to the reclassification of retail customers recovering from moratorium to performing loans. NPL% ratio dropped to 5.6% in 3Q 2023.
- Corporate NPL volumes decreased in 3Q, NPL% ratio reached at 3.7%.



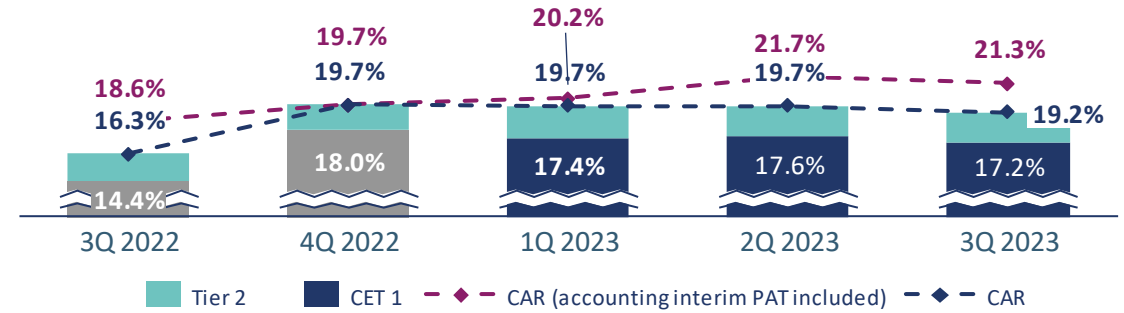
¹ According to IFRS, held for sale and FVTPL portfolio is not included. ² Please note, from 3Q 2022 figures have been calculated by new methodology.

Stable capital position – 17.2% CET1 in 3Q 2023

Shareholders' Equity (HUF bn)



Capital Adequacy (%)



Regulatory Capital and Total RWA (HUF bn)

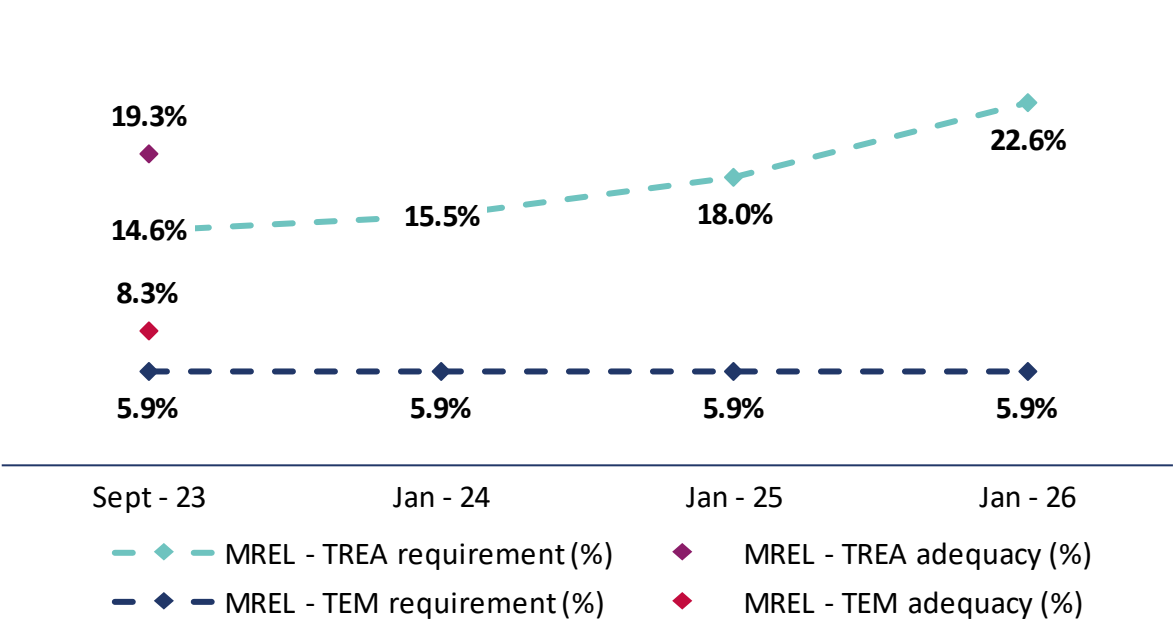
in HUF bn	2022 3Q	2022 4Q	2023 1Q	2023 2Q	2023 3Q
Regulatory Capital	669.4	816.0	808.3	826.3	820.7
Tier 1	593.3	743.0	713.4	736.9	732.2
Tier 2	76.2	73.0	94.9	89.4	88.5
RWA	4,107.1	4,132.7	4,105.5	4 198.5	4 267.1

- Positive 9M 2023 (accounting) profit – despite of extra profit tax paid – continued capital accumulation (+HUF 184.2 bn) increasing the shock absorbing capabilities of the Bank.
- Stable capital position **19.2% capital adequacy ratio and 17.2% CET1 ratio**.
- T1 Capital decreased by 0.6% p/p minimally. The decrease in T2 capital was caused by a gradual increase in depreciation, partly offset by the effect of the EUR/HUF exchange rate change. As a result of these, CAR decreased minimally in 3Q.

* Subscribed capital includes Non-controlling interest

MREL requirements and adequacy

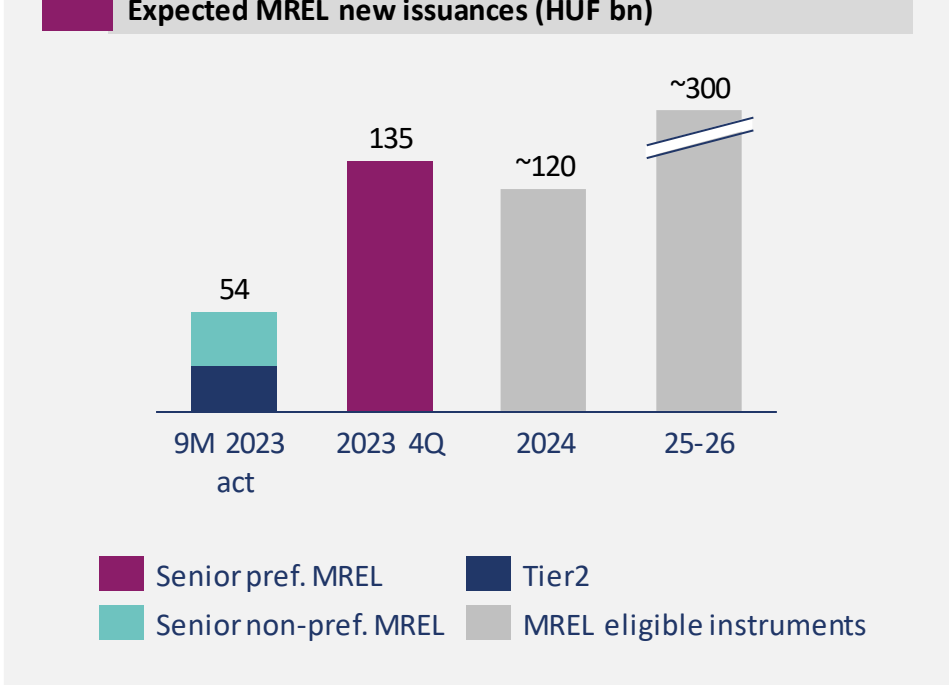
Regulatory MREL requirements: TREA (%) and TEM (%) 2023 Jan – 2026 Jan



Subordinated MREL requirements from 16.12.2024

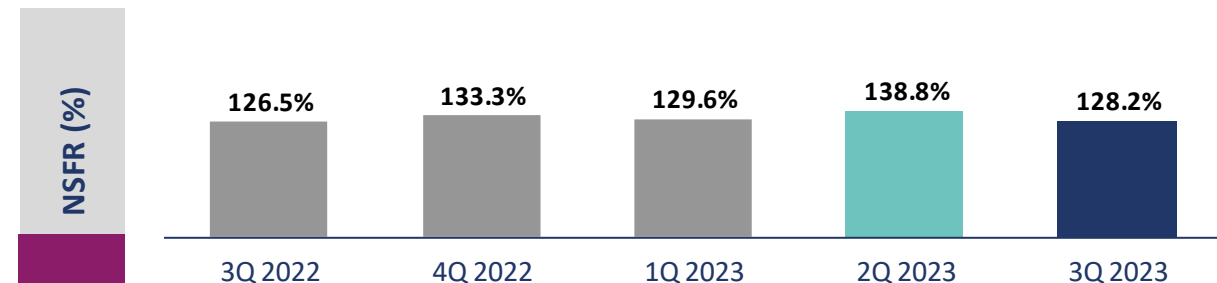
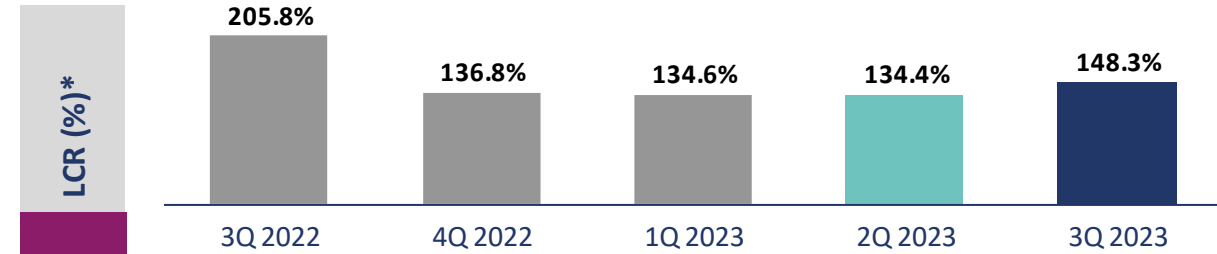
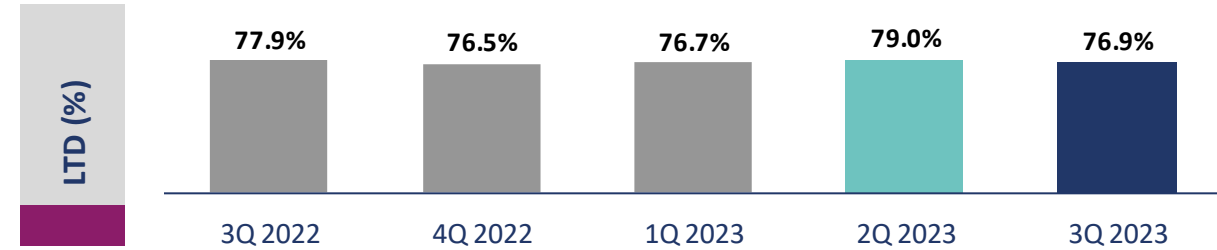
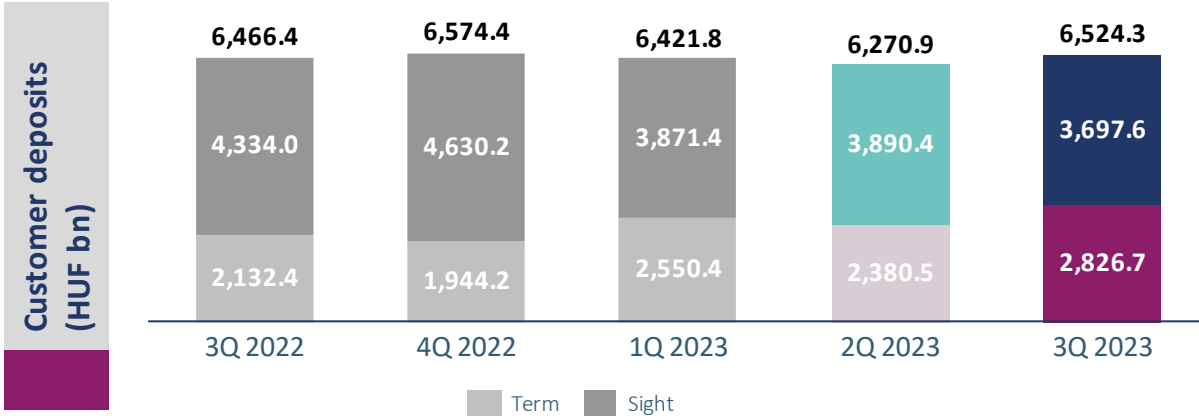
Subordinated MREL requirements	%
TREA	13.5%
TEM	5.0%
TLOF	8.0%

Expected MREL new issuances (HUF bn)



- Currently, we forecast that ~30% 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.

Strong liquidity ratios



- **Customer term deposits increased by 18.7%** (HUF +446.2 bn) p/p. Share of term deposits reached almost 45% in 3Q 2023. Sight deposits showed a decrease of 5.0% (HUF -192.8bn p/p).
- Decrease in **LTD** (down to 76.9%) is the result of an increase in deposits and slightly higher loan portfolio.
- **NSFR 128.2%, LCR 148.3%** in 3Q 2023, significantly above the regulatory minimum.

* LCR in 1Q 2023 was recalculated.

Note: In 2023 Q3, a customer re-segmentation has been applied retrospectively from 1 January 2023.



Additional information

Successful international MREL bond issuance

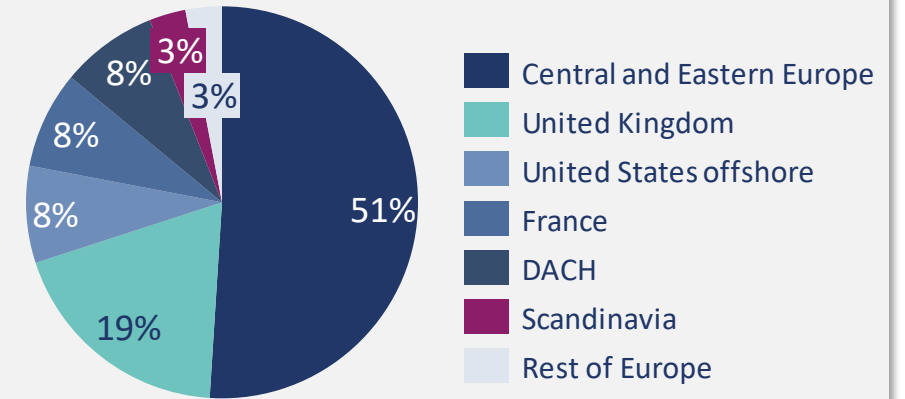
EUR 350mn 4NC3 Senior Preferred Bond

- **MBH Bank successfully closed its debut international bond issue** in mid-October.
- The transaction, initially planned for EUR 300 million, was carried out under the Bank's newly established **EUR 1.5 billion EMTN Programme**.
- Through an extensive roadshow with dozens of meetings, **the Bank was able to attract large interest for this inaugural issue**.
- Investors submitted bids for a total of around EUR 600 million, of which the Bank **accepted EUR 350 million**.
- The **yield of the issue ended up at 8.625%**, 37.5 basis points below the 9% IPT level.
- The transaction, which marks **the first step of MBH Bank** in the **international capital markets**, with around 50% of the bonds held outside of the Central and Eastern European region, is planned to be followed by further issuances.

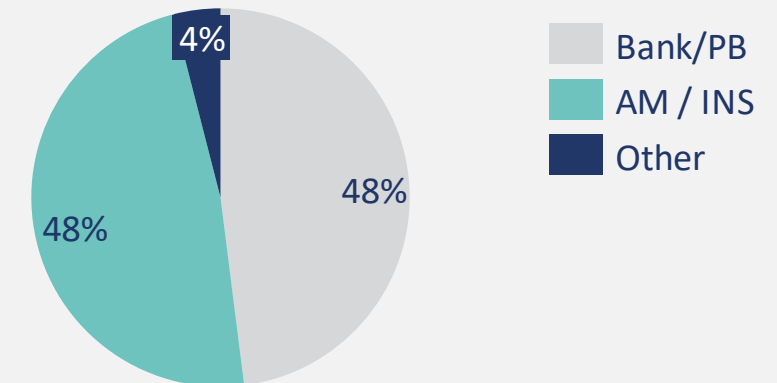
KEY TERMS

Issuer	MBH Bank Nyrt.
Issue rating	Ba2 (Moody's)
Format	Unsubordinated and unsecured, Senior Preferred
Settlement Date	19 October 2023
Maturity Date	19 October 2027
Optional Redemp. Date	19 October 2026
Issue Size	EUR 350mn
Coupon / Yield	8.625% (MS+513.5 bps.)
ISIN	XS2701655677
Listing	Luxembourg Stock Exchange
Distribution	RegS only
Bookrunners	Citi, ING, UniCredit, Erste Group, MBH Bank

DISTRIBUTION BY GEOGRAPHY



DISTRIBUTION BY INVESTOR TYPE





MBH Bank acquires a majority share in Fundamenta building society

MBH Bank Plc. entered into an agreement to acquire 76.35% share in the building society, Fundamenta-Lakáskassza Ltd.

- The acquisition of Fundamenta will enable MBH Group to build a **comprehensive savings and real estate lending ecosystem** that will further strengthen its market positions.
- The real **winners of the transaction will be the customers** of the two credit institutions, who in the long run will **have access to a wider range of products and services through more channels**.
- After the transaction concludes, **Fundamenta** will continue to operate as a **consolidated subsidiary of MBH Bank**, as a **separate entity with its own brand name and management**.
- The transaction is **expected to close in H1 2024**, subject to obtaining all necessary regulatory approvals.

The acquisition represents significant growth for MBH Bank:



+ 480k customers,



+ HUF 530 billion in loans and



+ HUF 570 billion in deposits.



MBH Investment Bank launched

- A new bank specialising in investment services enters the Hungarian market
- Faster innovation, responsiveness, higher quality of service to customers - higher commission earning capacity
- Already at the launch, the foundations are set:

200.000
transactions

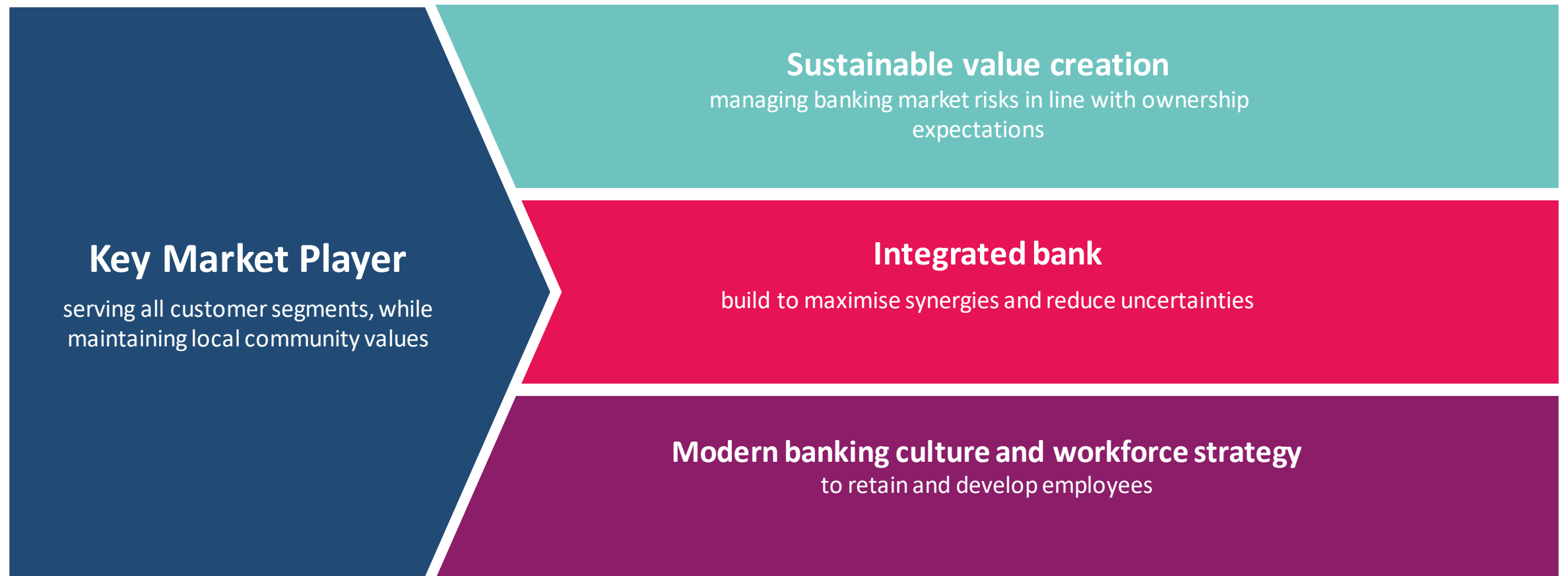
240.000
customer

HUF 1,900 billion
stock under
management

1
knowledge centre



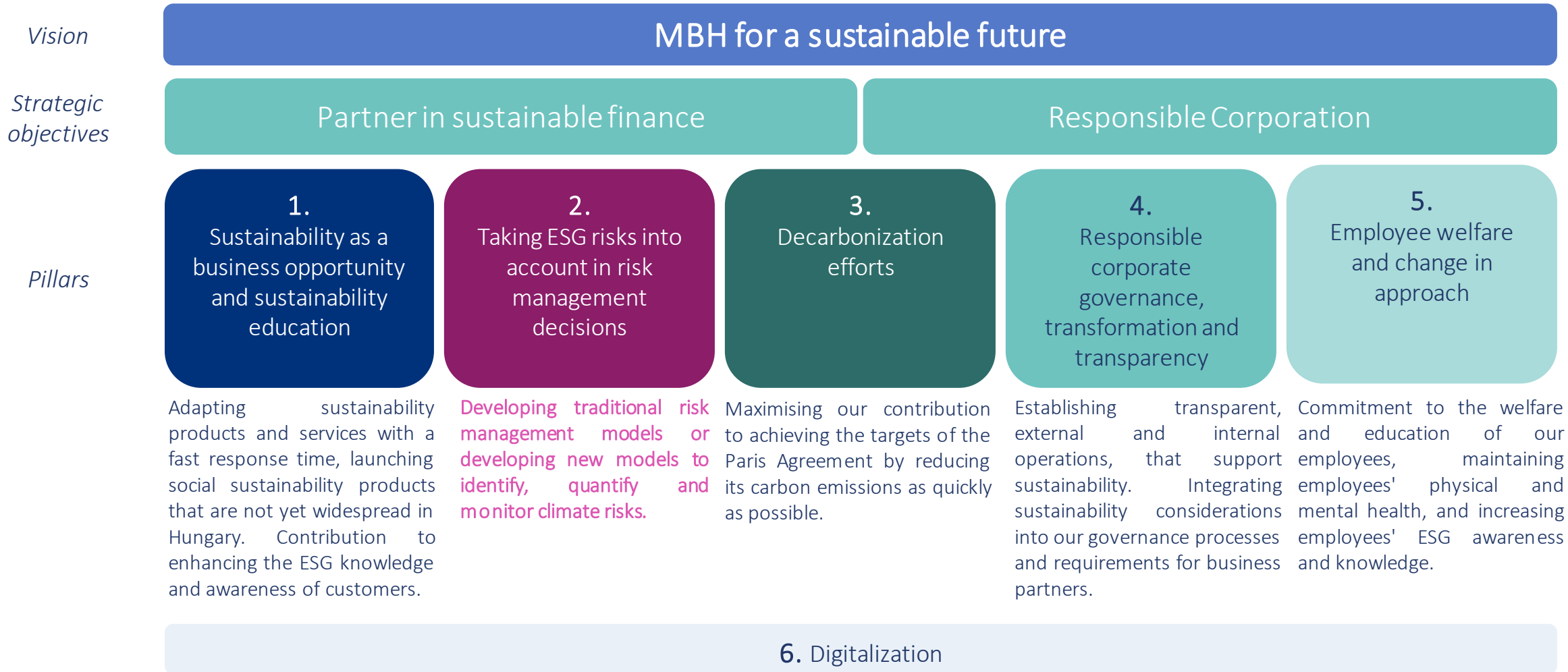
MBH Bank builds its strategy on a 3 pillar vision



Sustainable vision, strategic objectives and pillars



MBH’s vision is to become the leaders in establishing sustainable banking in Hungary. Two missions were identified to achieve this vision, which are supported by six pillars, with identified goals, KPIs and tools



Investment grade rating



In 2023, MBH Bank received an investment grade Baa3 rating from Moody's, 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

- The ratings assigned by Moody's Investors Service (Moody's) to MBH Bank reflects
 - The Bank's strong competitiveness in Hungary
 - Adequate capital level
 - Solid profitability;
- Moody's also believes that the bank's strengths include:
 - Large liquidity buffers
 - Strong profit generation potential





Capital Finance International

Best ESG Bank Hungary 2023

MBH Bank



Blochamps Capital – Private Banking Hungary 2023

- 2023 Best Private Bank In Hungary Award – 1st place
- 2023 Best In Private Banking Service Development Award
- 2023 Asset Under Management Size Per Client Award - 2nd place
- 2023 Private Banking Professional Achievement in Hungary Award – Ildikó Murvai
- 2023 Senior Private Banker Of The Year Award – Brigitta Barna

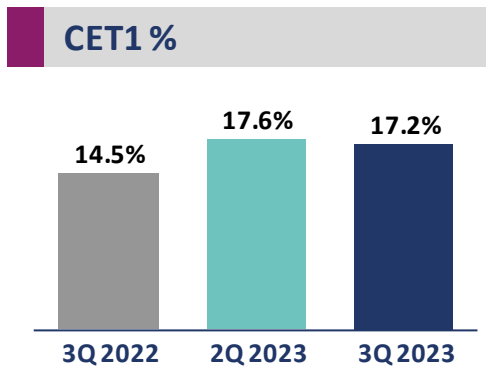
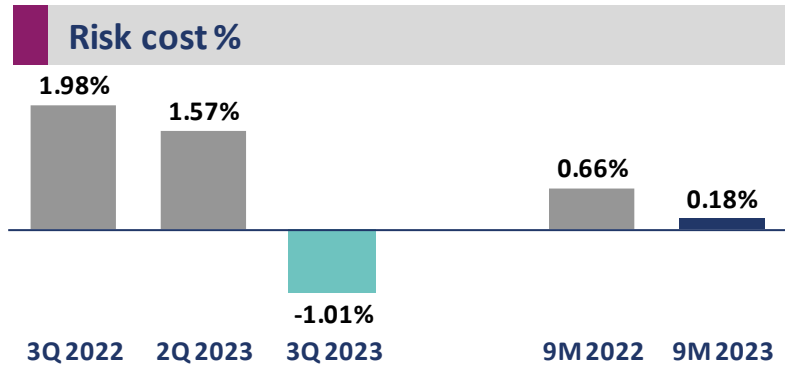
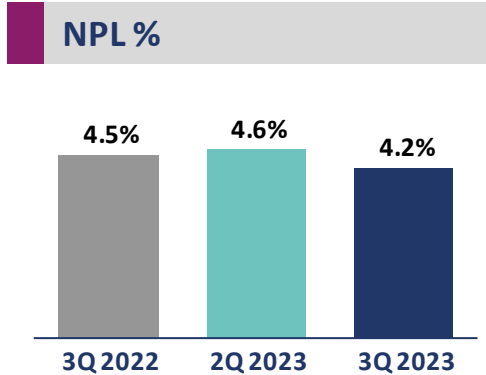
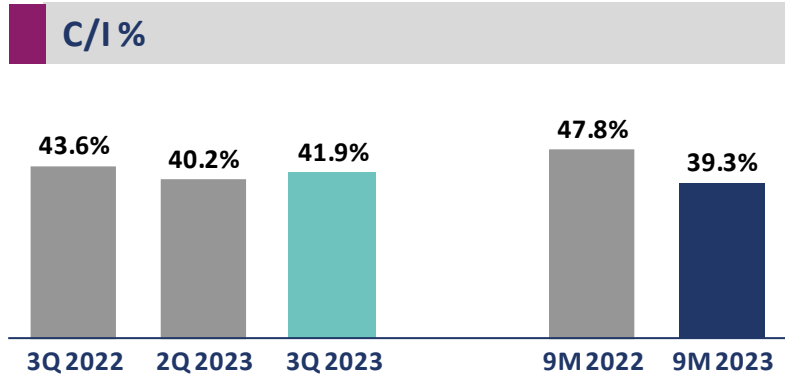
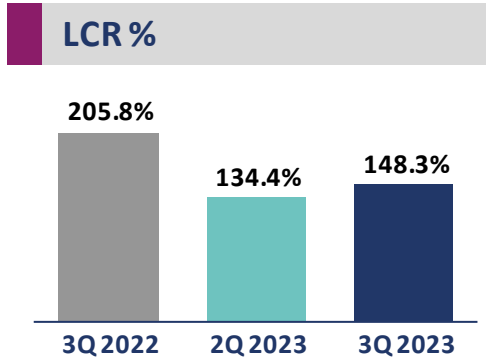
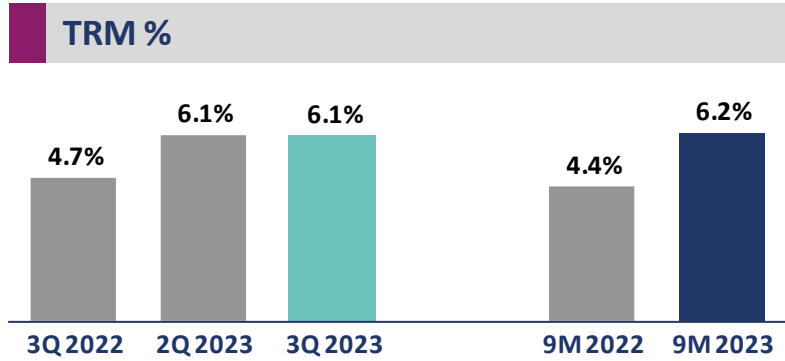
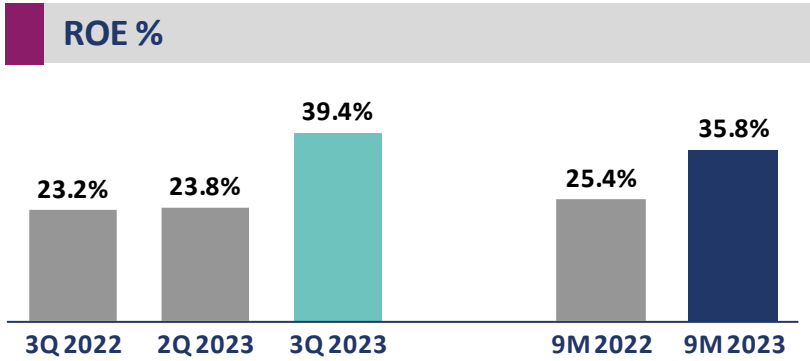


Annexes

MBH BANK



Key ratios overview (adjusted)



- **Distinguished ROE** reaching **35.8%** in 9M 2023, driven by strong revenue margins and cost efficient operations during the period
- **Growth of 1.8%-pts y/y** adjusted **total revenue margin (TRM)** to 6.2%, mostly driven by further increasing net interest income
- Cost control, with growth 17.9% y/y increase, and achieving a **C/I ratio of 39.3% for 9M 2023**
- **Risk cost margin** decreased to **0.18%**, it coupled with stable portfolio quality, **NPL rate decreasing** compared to 2Q 2023
- Liquidity remaining at comfortable levels, with **LCR above 140%** and loan-to-deposits below 80%
- **Stable CET1 of 17.2%** and CAR of 19.2%

ADJUSTED P&L (HUF bn)	2021		2022					Δ% Y/Y (Y)	Y/Y	Q/Q
	FY	3Q	9M	FY	2Q	3Q	9M			
Net operating income	138,5	70,5	178,5	239,4	95,9	94,4	297,5	66,7%	33,9%	-1,5%
Gross operating income	341,9	124,9	342,1	482,7	160,3	162,4	490,3	43,3%	30,0%	1,3%
Net interest income	200,7	113,8	286,1	421,8	138,1	140,5	428,6	49,8%	23,5%	1,7%
Net fee and commission income	72,0	18,3	60,5	83,1	22,0	24,3	67,3	11,4%	33,1%	10,4%
Other operating income	69,2	-7,1	-4,5	-22,3	0,2	-2,4	-5,7	25,5%	-66,2%	-
Operating expenses	-203,4	-54,4	-163,6	-243,2	-64,4	-68,0	-192,8	17,9%	25,0%	5,6%
Provisions and impairments	-48,7	-23,6	-28,6	-80,0	-38,3	12,4	-25,2	-11,9%	-	-
Banking tax	0,0	0,0	0,0	0,0	0,0	0,0	0,0	n/a	n/a	n/a
Adjusted PBT	89,8	46,9	149,9	159,4	57,6	106,8	272,3	81,7%	127,8%	85,4%
Corporate income tax	-6,4	-3,9	-12,3	-1,6	-6,3	-13,9	-37,3	202,4%	253,7%	122,0%
Adjusted PAT	83,4	43,0	137,6	157,8	51,3	92,9	235,0	70,9%	116,3%	81,0%
Adjustments total on PAT	11,4	0,1	45,0	50,4	-11,0	-3,3	54,1	20,3%	-	-69,8%
Profit after tax (PAT, unadjusted)	72,0	42,8	92,6	107,4	62,4	96,2	180,9	95,4%	124,7%	54,3%
Revaluation on AFS financial assets (OCI)	-28,9	-6,3	-17,4	-1,6	23,9	3,9	29,5	-	-	-83,9%
Total Comprehensive Income (unadjusted)	43,1	36,5	75,1	105,8	86,3	100,1	210,5	180,1%	174,0%	16,0%
Adjustments total on TOCI	11,4	0,1	45,0	50,4	-11,0	-3,3	54,1	20,3%	-	-69,8%
Total Comprehensive Income	54,5	36,7	120,1	156,2	75,2	96,7	264,6	120,3%	163,9%	28,6%

¹ Includes provision for losses on loan, as well as other provisions and impairments

²The 3.1. chapter of the Report contains the list of adjustments

STATEMENT OF BALANCE SHEET (HUF bn)	2021		2022			Y/Y	Q/Q
	4Q	3Q	4Q	2Q	3Q		
Financial assets	2,342.5	1,571.3	1,511.0	1,234.1	1,238.1	-21.2%	0.3%
Trading portfolio	193.9	569.3	489.0	341.1	336.7	-40.8%	-1.3%
Securities	2,689.1	3,484.7	3,403.4	3,733.0	3,814.2	9.5%	2.2%
Loans and advances to customers (net)	4,260.7	4,839.8	4,761.3	4,708.3	4,788.4	-1.1%	1.7%
Loan and advances to customers (gross)	4,428.7	5,036.9	5,028.3	4,956.8	5,018.9	-0.4%	1.3%
Allowance for loan and lease losses	-168.0	-197.1	-266.9	-248.5	-230.5	16.9%	-7.2%
Other assets	260.0	421.1	449.7	470.7	559.2	32.8%	18.8%
TOTAL ASSETS	9,746.2	10,886.1	10,614.4	10,487.2	10,736.6	-1.4%	2.4%
Interbank liabilities	2,149.3	2,829.1	2,447.4	2,493.1	2,411.8	-14.7%	-3.3%
Customer deposits	6,218.8	6,466.4	6,574.4	6,270.9	6,524.3	0.9%	4.0%
Debt securities issued	337.3	380.0	379.7	465.0	475.0	25.0%	2.1%
Other liabilities	348.8	455.3	404.2	365.2	332.5	-27.0%	-9.0%
Shareholders' equity	692.0	755.3	808.7	893.0	993.0	31.5%	11.2%
TOTAL LIABILITIES AND EQUITY	9,746.2	10,886.1	10,614.4	10,487.2	10,736.6	-1.4%	2.4%
Off-Balance sheet customer items (gross)	1,422.9	1,586.6	1,516.9	1,540.1	1,585.5	-0.1%	2.9%

KPIs based on adjusted PAT and Balance Sheet (HUF bn)	2021		2022		2023		9M	Δ%-p Y-Y (Y)	Δ%-p Y-Y	Δ%-p Q-Q
	FY	3Q	9M	FY	2Q	3Q				
Profitability										
TRM - Total Revenue Margin	3,75%	4,74%	4,44%	4,65%	6,12%	6,12%	6,20%	1,76%	1,38%	0,00%
NIM - Net Interest Margin	2,20%	4,32%	3,72%	4,06%	5,28%	5,30%	5,42%	1,71%	0,98%	0,02%
NFM - Net Fee Margin	0,79%	0,69%	0,79%	0,80%	0,84%	0,92%	0,85%	0,07%	0,22%	0,07%
Efficiency										
C/I - Cost-to-Income Ratio	59,49%	43,57%	47,82%	50,39%	40,19%	41,87%	39,33%	-8,50%	-1,69%	1,69%
ROAE - Return on Average Equity	12,28%	23,17%	25,44%	21,44%	23,81%	39,40%	35,80%	10,37%	16,23%	15,59%
Equity share information										
EPS - Earning Per Share (HUF, annualized)	267,8	551,9	589,1	511,6	643,9	1 165,1	982,7	393,6	613,3	521,2
Volume KPIs										
LTD - Loan-to-Deposit ratio	71,2%	77,9%	77,9%	76,5%	79,0%	76,9%	76,9%	-1,0%-p	-1,0%-p	-2,1%-p
Securities ratio	28,0%	32,5%	32,5%	32,5%	35,7%	35,6%	35,6%	3,1%-p	3,1%-p	-0,1%-p
Allowance for losses/ Total assets	-1,7%	-1,8%	-1,8%	-2,5%	-2,4%	-2,1%	-2,1%	-0,3%-p	-0,3%-p	0,2%-p
RWA/TA - RWA/Total assets	37,9%	37,7%	37,7%	38,9%	40,0%	39,7%	39,7%	2,0%-p	2,0%-p	-0,3%-p
CAR - Capital adequacy ratio	18,4%	16,3%	16,3%	19,7%	19,7%	19,2%	19,2%	2,9%-p	2,9%-p	-0,4%-p
CET1	17,2%	14,5%	14,5%	18,0%	17,6%	17,2%	17,2%	2,7%-p	2,7%-p	-0,4%-p
LCR	315,7%	205,8%	205,8%	136,8%	134,4%	148,3%	148,3%	-57,5%-p	-57,5%-p	13,9%-p
NSFR	136,6%	126,5%	126,5%	133,3%	138,8%	128,2%	128,2%	1,7%-p	1,7%-p	-10,6%-p
Portfolio quality										
Stage 1 gross loans	3 488	3 657	3 657	3 712	3 817	3 926	3 926	269	269	109
Stage 2 gross loans	786	1 167	1 167	1 110	934	893	893	-274	-274	-41
Stage 3 gross loans	154	213	213	207	206	200	200	-13	-13	-5

Unadjusted KPIs

KPIs based on unadjusted PAT (HUF bn)	2021		2022		2023		9M	Δ%-p Y-Y (Y)	Δ%-p Y-Y	Δ%-p Q-Q
	FY	3Q	9M	FY	2Q	3Q				
Profitability										
TRM - Total Revenue Margin	3,71%	4,73%	4,41%	4,58%	6,16%	6,12%	6,27%	1,86%	1,39%	-0,04%
NIM - Net Interest Margin	2,20%	4,32%	3,72%	4,06%	5,28%	5,30%	5,42%	1,71%	0,98%	0,02%
NFM - Net Fee Margin	0,79%	0,69%	0,79%	0,80%	0,84%	0,92%	0,85%	0,07%	0,22%	0,07%
Efficiency										
C/I - Cost-to-Income Ratio	60,90%	43,76%	48,68%	51,69%	40,79%	42,27%	39,36%	-9,32%	-1,49%	1,48%
C/A - Cost-to-Total Assets	2,26%	2,07%	2,15%	2,37%	2,51%	2,59%	2,47%	0,32%	0,52%	0,08%
ROAE - Return on Average Equity	10,60%	23,10%	17,12%	14,59%	28,93%	40,82%	27,56%	10,44%	17,72%	11,89%
Equity share information										
EPS - Earning Per Share (HUF, annualized)	233,3	555,2	396,5	348,2	782,3	1 207,0	756,5	360,0	651,8	424,7

Unadjusted and adjusted P&L

P&L 3Q 2023 (HUF bn)	Unadjusted P&L	Adjusted P&L
Net operating income	93.8	94.4
Gross operating income	162.4	162.4
Net interest income	140.5	140.5
Net fee and commission income	24.3	24.3
Other operating income	-2.4	-2.4
FX and FV results	-0.2	-0.2
Other income	-2.2	-2.2
Operating expenses	-68.6	-68.0
Provisions and impairments	17.2	12.4
Banking tax	-0.5	0.0
PBT	110.5	106.8
Corporate income tax	-14.3	-13.9
PAT	96.2	92.9
OCI	3.9	3.9
TOCI	100.1	96.7

Changes in the regulatory environment and post-closing events

#	Changes in 3Q
1	CSOK: The rules for home building subsidies have changed fundamentally. One of the most important changes is that home building subsidies will only be available in small towns and villages from January 1, 2024.
2	Minimum reserve ratio: MNB, instead of using only turn dates' balance sheets to calculate reserve requirements, will undertake a transition to a monthly average calculation basis from daily balance sheet items subject to reserve requirements by every obliged credit institution.
3	Moody's rating: Moody's affirmed the Baa3/P-3 long- and short-term deposit ratings of MBH Bank Plc. on 7 August 2023.
4	The Green Capital Equity Reduction Programme for housing has been extended, and the range of credit purposes affected by the rebate has been expanded.
5	Szocho: During the state of emergency, investors have to pay social contribution tax (szochó) on interest income from July 1, 2023 (does not apply to government securities and real estate fund investment certificates).
Post-closing events	
6	CSOK Plusz: From January 1, 2024, a subsidized loan with an interest rate of 3% can be used in cities with over 5,000 inhabitants. In the case of the birth of the second child and every subsequent child, HUF 10 million will be released from the capital. The amount of down payment required to buy a first apartment is reduced to 10%.
7	Due to the reduction of the central bank base interest rate, a voluntary interest rate cap was established for newly disbursed loans from October 9, 2023, to stimulate lending. From November 2, for newly contracted business working capital loans, the rate would be reduced from the originally determined level of 12% to 11.5%, while residential housing loans are available at a maximum APR of 8.5%. According to the government's promise, if the central bank's base interest rate dropped to single digits, it would be possible to remove the interest rate cap on small business loans and revise the interest rate cap on home equity loans.
8	Extraordinary interest was shown in MBH Bank's first international, MREL-eligible bond on October 11, 2023. The credit institution decided to issue bonds with a total nominal value of EUR 350 million based on the accepted offers. Moody's assigned (P)Ba2 local and foreign currency long-term senior unsecured Euro Medium Term Note (EMTN) programme ratings to MBH Bank Nyrt on 05 Oct 2023.
9	Establishment of MBH Investment Bank: on 6 November 2023, MBH Bank established an independent investment bank to provide investment services
10	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.
11	In order to prevent the re-emergence of risks related to commercial real estate financing project loans, the Financial Stability Board decided to apply the systemic risk capital buffer , which must be created for the first time from July 1, 2024.
12	Base rate cut: MNB has cut the base rate by 75 basis points to 12.25% effective from 25 October 2023 and by 75 basis points to 11.50% effective from 22 November 2023.

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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