MBH Bank Nyrt.

Flash Report on
3Q 2023 results

Budapest, 30 November 2023

Table of Contents

Company name: MBH Bank Nyrt.
Address: 1056 Budapest, Váci u. 38.
Sector: Other monetary activity
Reporting period: 01.07.2023-30.09.2023
Phone: +36 (1) 268-7173
E-mail address: investorrelations@mbhbank.hu
Investors' contact person: Dóra Bertalan

1 MBH Group 3Q 2023 Results – Overview

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

Main components of P&L (in HUF million)	Period					YTD		
	3Q 2022	2Q 2023	3Q 2023	P/P	Y/Y	9M 2022	9M 2023	Y/Y
TOCI accounting (Total Comprensive Income)	**36,529**	**86,251**	**100,077**	**16.0%**	**174.0%**	**21,854**	**210,468**	**863.1%**
Other comprehensive income	-6,291	23,884	3,856	-83.9%	-161.3%	-11,030	29,540	-367.8%
Consolidated Profit after tax (accounting)	**42,820**	**62,366**	**96,221**	**54.3%**	**124.7%**	**32,884**	**180,928**	**450.2%**
Profit after tax accounting (including BB 1Q 2022 results)*	42,820	62,366	96,221	54.3%	124.7%	49,129	180,928	268.3%
Adjustments total on PAT	130	-11,037	-3,337	-69.8%	-	88,421	54,089	-38.8%
Adjusted TOCI	**36,660**	**75,214**	**96,740**	**28.6%**	**163.9%**	**120,108**	**264,556**	**120.3%**
Adjusted Other comprehensive income (OCI)	-6,291	23,884	3,856	-83.9%	-161.3%	-17,443	29,539	-269.4%
Adjusted Consolidated Profit after tax	**42,951**	**51,330**	**92,884**	**81.0%**	**116.3%**	**137,550**	**235,017**	**70.9%**
Profit before tax (adjusted)	**46,888**	**57,604**	**106,811**	**85.4%**	**127.8%**	**149,871**	**272,274**	**81.7%**
Gross Operating Income (adjusted)	**124,907**	**160,274**	**162,408**	**1.3%**	**30.0%**	**342,095**	**490,322**	**43.3%**
Net Interest Income (adjusted)	113,780	138,093	140,510	1.7%	23.5%	286,142	428,647	49.8%
Net Fee Income (adjusted)	18,269	22,025	24,315	10.4%	33.1%	60,474	67,349	11.4%
Net Other Income (adjusted)	-7,142	156	-2,416	-	-66.2%	-4,521	-5,674	25.5%
General Administrative Expenses (adjusted)	-54,421	-64,410	-68,007	5.6%	25.0%	-163,607	-192,834	17.9%
Provision for losses on loans (adjusted)	-23,598	-38,260	12,410	-132.4%	-152.6%	-28,617	-25,214	-11.9%
Main components of Balance sheet (in HUF million)	**Volumes at the end of period**					**YTD average**		
	3Q 2022	**2Q 2023**	**3Q 2023**	**P/P**	**Y/Y**	**9M 2022**	**9M 2023**	**Y/Y**
Total Assets	**10,886,101**	**10,487,212**	**10,736,577**	**2.4%**	**-1.4%**	**10,455,082**	**10,556,865**	1.0%
Customer Loans (net)	4,839,777	4,708,313	4,788,413	1.7%	-1.1%	4,589,167	4,724,766	3.0%
Customer Loans (gross)	5,036,916	4,956,845	5,018,947	1.3%	-0.4%	4,764,385	4,967,745	4.3%
Provision for Customer loans	-197,139	-248,532	-230,534	-7.2%	16.9%	-175,217	-242,979	38.7%
Deposits & C/A	6,466,374	6,270,902	6,524,301	4.0%	0.9%	6,307,450	6,405,655	1.6%
Subordinated debt	90,905	107,882	108,882	0.9%	19.8%	90,850	109,823	20.9%
Shareholders' Equity	755,272	892,980	992,982	11.2%	31.5%	731,584	905,890	23.8%
KPIs based on adjusted and unadjusted PAT (%)	**Period**					**YTD**		
	3Q 2022	**2Q 2023**	**3Q 2023**	**P-P**	**Y-Y**	**9M 2022**	**9M 2023**	**Y-Y**
ROAE (Return on Average Equity - accounting)	23.1%	28.9%	20.1%	-8.8%-pt	-3.0%-pt	14.1%	27.6%	13.4%-pt
ROAE (Return on Average Equity - adjusted)	23.2%	23.8%	39.4%	15.6%-pt	16.2%-pt	25.4%	35.8%	10.4%-pt
ROMC (Return on Minimum Capital - adjusted)	34.2%	39.5%	68.1%	28.6%-pt	33.8%-pt	35.7%	59.7%	24.0%-pt
ROAA (Return on Average Assets - adjusted)	1.6%	2.0%	3.5%	1.5%-pt	1.9%-pt	1.8%	3.0%	1.2%-pt
TRM (Total Revenue Margin - adjusted)	4.7%	6.1%	6.1%	0.0%-pt	1.4%-pt	4.4%	6.2%	1.8%-pt
CIM (Core income margin - adjusted)	5.0%	6.1%	6.2%	0.1%-pt	1.2%-pt	4.5%	6.3%	1.8%-pt
NIM (Net Interest Margin - adjusted)	4.3%	5.3%	5.3%	0.0%-pt	1.0%-pt	3.7%	5.4%	1.7%-pt
NFM (Net Fee Margin - adjusted)	0.7%	0.8%	0.9%	0.1%-pt	0.2%-pt	0.8%	0.9%	0.1%-pt
C/TA (Cost to Total Assets - adjusted)	2.1%	2.5%	2.6%	0.1%-pt	0.5%-pt	2.1%	2.4%	0.3%-pt
CIR (Cost Income Ratio - adjusted)	43.6%	40.2%	41.9%	1.7%-pt	-1.7%-pt	47.8%	39.3%	-8.5%-pt
Risk% (Risk cost rate - adjusted)	2.0%	1.6%	-1.0%	-2.6%-pt	-3.0%-pt	0.7%	0.2%	-0.5%-pt
GOI/RWA (RWA efficiency - adjusted)	12.3%	15.4%	15.3%	-0.1%-pt	3.0%-pt	11.8%	15.7%	3.9%-pt
EPS (Earning Per Share - adjusted)	0.3	0.3	0.3	0.0	0.0	0.3	0.3	0.0
Volume KPIs (%)	**Period**					**YTD**		
	3Q 2022	**2Q 2023**		**P-P**	**Y-Y**	**9M 2022**	**9M 2023**	**Y-Y**
Provision/Total Assets	1.8%	2.4%	2.1%	-0.2%-pt	0.3%-pt	1.8%	2.1%	0.3%-pt
CAR (Capital Adequacy Ratio)	16.3%	19.7%	19.2%	-0.4%-pt	2.9%-pt	16.3%	19.2%	2.9%-pt
RWA/Total Assets	37.7%	40.0%	39.7%	-0.3%-pt	2.0%-pt	37.7%	39.7%	2.0%-pt
LTD (Loan to Deposit)	77.9%	79.0%	76.9%	-2.1%-pt	-1.0%-pt	77.9%	76.9%	-1.0%-pt
DPD90+ rate**	1.7%	2.4%	2.1%	-0.2%-pt	0.4%-pt	1.7%	2.1%	0.4%-pt

** Legal merger of Magyar Bankholding Zrt's two member banks, i.e. Budapest Bank Zrt. and MBH Bank Nyrt. took place on 31st March 2022. Since MBH Bank's 1Q 2022 accounting profit does not include the 1Q profits/losses of Budapest Bank, the profit and loss data are presented in 2022 on the basis of modelled data, adjusted with the profits and losses of Budapest Bank, for comparability.*
*** There was a methodological change from 3Q 2022.*

The report is based on "Adjusted" figures presenting the indicators of the underlying business performance, the list of correction factors is included in Chapter 3.1. In order to comprehensive present the financial performance of the MBH Group, all data in the report and in the investor presentation are - unless otherwise indicated - alternative performance measurement indicators (Alternative Financial Indicator - APM).
For definition and calculation methodology of alternative performance measurement indicators used to depict the underlying business performance please refer to the Report for 3Q 2023 chapter 4.1 – Financial indicators.

Company name: MBH Bank Nyrt.
Address: 1056 Budapest, Váci u. 38.
Sector: Other monetary activity
Reporting period: 01.07.2023-30.09.2023
Phone: +36 (1) 268-7173
E-mail address: investorrelations@mbhbank.hu
Investors' contact person: Dóra Bertalan

The MBH Bank Group achieved an excellent 9M result, with robust profitability, strong cost efficiency despite a high inflation environment, stable capital adequacy and liquidity positions, coupled with sound portfolio quality.

In 3Q 2023 the following main factors were instrumental:

- **Moody's rating:** Moody's affirmed the Baa3/P-3 long- and short-term deposit ratings of MBH Bank Plc. on 7 August 2023.
- During the quarter, the **acquisition of the direct majority stake in Duna Takarék Bank Zrt.** was completed, and the Győr-based financial institution is now part of MBH Bank Nyrt. 98.46% direct ownership of MBH Bank. As of 1 December 2023, Duna Takarék Bank Zrt. will continue to operate under the name MBH Duna Bank Zrt.
- Inflation peaked at 25.7% at the beginning of the year and gradually moderated to 12.2% by the end of September, putting pressure on costs.
- **Benchmark one-day deposit tender interest rate** was cut from 16% to 13% in the 3Q.
- **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.
- The **Green Capital Equity Reduction Programme** for housing has been extended, and the range of credit purposes affected by the rebate has been expanded.
- **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.
- **Szocho:** During the state of emergency, investors have to pay social contribution tax (szocho) on interest income from July 1, 2023 (does not apply to government securities and real estate fund investment certificates).

The main performance indicators of 9M 2023:

- **HUF 10,737 bn total assets** (-1.4% y/y; +2.4% p/p) partially supported by the boosting deposit portfolio (+4.0% p/p), gross loan (+1.3% p/p) and securities portfolio (+2.0% p/p).
- **HUF 235.0 bn adjusted profit after taxes (+70.9% y/y)** in 9M 2023 and exceptionally high **35.8% adjusted ROE mainly driven** by increasing net interest income in 9M 2023.
- **17.9% y/y cost increase, C/I of 39.3% in** 9M **2023**.
- **HUF 25.2 bn risk cost** (provisions and other impairments) was charged in 9M, HUF 12.4 bn release in 3Q, primarily due to the reclassification of customers recovering from moratorium to performing loans.
- **Sound capital position: 19.2% capital adequacy and 17.2% CET1 ratio** at the end of 3Q, significantly above the regulatory requirement.

Main business events/developments in 3Q 2023:

- **Retail segment:**

  Gross loan portfolio increased by 8.4% y/y and 1.4% p/p.

  MBH Bank's first digital customer service point in Budapest debuted at a grand opening ceremony. The smart capsule, installed at the University of Veterinary Medicine, allows students to open an account safely and conveniently without the need for a local administrator.

  From this quarter Google Pay, Google's mobile payment solution, is available for MBH clients holding Mastercard or Visa debit or credit cards.

  In 3Q 2023, government-backed loans aimed at stimulating the economy continued to be the most popular among Micro and Small Business customers, and the Széchenyi Card MAX+ scheme was the most requested.

- **Corporate segment**:

  2.1% y/y increase in loan portfolio, 12.4% y/y increase in deposit volumes.

  MBH Bank Group remained an active participant in the continually renewed Széchenyi Programme. The Bank has achieved a 37% market share in terms of contracted amount in Széchenyi MAX products by the end of September 2023. In the MAX+ programme which has been launched this year, MBH Bank has a 27% market share of the number of loan applications in the Corporate business line, including micro and small companies.

  In 3Q 2023, there was strong demand for subsidised loan products compared to market-rate loans thanks to surging demand. The subsidised loan volume of Corporate clients at the end of the third quarter was 7% higher than a year earlier.

- **Leasing segment:**

  Leasing volume of MBH Group amounted to HUF 560.4 bn at the end of 3Q 2023 which means an increase of 5.3% compared to 2Q 2023.

MBH Group's **unadjusted** total comprehensive income was HUF 210.5 bn (HUF +145.2 bn y/y) in 9M, as a result of y/y increasing other comprehensive income (9M: HUF 29.5 bn, HUF +40.6 bn y/y and profit after tax (9M: HUF 180.9 bn, HUF +104.6 bn y/y). The unadjusted total comprehensive income (TOCI) in 3Q grew by HUF 63.5 bn y/y, as a result of a HUF 53.4 bn increase y/y in the accounting profit after taxes and a HUF 10.1 bn y/y growth in the other comprehensive income (OCI).

In 9M 2023 the **adjusted** total comprehensive income (TOCI) was HUF 264.6 bn (HUF +144.4 bn y/y), including HUF +54.1 bn profit adjustment. The adjusted profit after tax was HUF 235.0 bn (HUF +97.5 bn y/y), adjusted other comprehensive income amounted to HUF 29.5 bn (HUF +47.0 bn y/y) in 9M 2023.

Total assets amounted to HUF 10,736.6 bn (+2.4% p/p; -1.4% y/y) by the end of 3Q 2023. The Group's customer **deposits portfolio** was HUF 6,524.3 bn by the end of 3Q (HUF +253.4 bn p/p; HUF +57.9 bn y/y). **Gross customer loans** portfolio increased to HUF 5,018.9 bn (+1.3% p/p), the annual drop is HUF -18.0 bn. Securities portfolio together with trading portfolio increased by 8.0% y/y (+2.0% p/p). In 9M 2023 the loans to deposits ratio slightly decreased to 76.9% (-2.1%-pt p/p) by the end of the period. The **shareholders' equity** increased from HUF 893.0 bn at the end of 2Q 2023 to HUF **993.0** bn. Capital adequacy ratio was steadily high, at 19.2% (+2.9%pt y/y), while MBH Group's adjusted return on shareholders' equity (ROE) was 35.8% (the unadjusted ROE was 27.6%) in 9M 2023.

There were no changes in the management of the Bank in 3Q.

Post-closing events:

Post-closing events cover the period until 15 November 2023.

- **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%.
- 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.
- **Successful international MREL bond issuance:** MBH Bank's **first international MREL-eligible bond** was the subject of extraordinary interest on 11 October 2023. The transaction, which was originally planned for a total issue size of EUR 300 million under the newly established EUR 1.5 bn bond programme, received strong interest, with offers of approximately EUR 600 million in nominal value, of which the Bank **finally accepted offers of EUR 350 million in nominal value**, more than half of which from international capital market participants. 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.
- **Establishment of MBH Investment Bank:** on 6 November 2023, MBH Bank established an independent investment bank to provide investment services. MBH Investment Bank's mission is to provide its clients with services at the forefront of the international investment market in the most direct and flexible way possible, without compromise, and is therefore pioneering innovative digital banking solutions.
- The Bank has signed a share purchase agreement with Bausparkasse Schwäbisch Hall AG (Germany) and with Bausparkasse Wüstenrot AG (Austria) as well as with Wüstenrot & Württembergische AG (Germany) in order to purchase a total of 76.35% stake of **Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt**. The closing of the transaction is expected in the first half of 2024, subject to obtaining the necessary regulatory approvals. The acquisition represents a significant growth, adding 480,000 customers, HUF 530 bn in loans and HUF 570 bn in deposits, and significantly increasing the Bank's share of the retail savings and housing lending markets. In addition, Fundamenta's strong distribution network will make MBH Bank's products available through new channels and to an even wider extent.
- 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.

- **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.

Financial and capital market developments, global and local macroeconomic environment during 3Q:

The US **Federal Reserve** continued its interest rate hike cycle in July with a 25 basis points increase. Following eleven rate hikes, the benchmark interest rate in the United States remained at 5.25-5.50% in September 2023 (which is bit more higher than in 2007, before the 2008 financial crisis). In the third quarter, inflation began to rise again, reaching 3.2% in July and 3.7% in August year-on-year in the U.S. consumer price index, while it remained at this level in September. The outlook is improved by the fact that core inflation - which excludes food and energy prices - continued to decline since April, falling to 4.1% (y/y) by the end of the third quarter.

Due to the slow disinflation and the tightness in the labor market, the Federal Reserve left the door open for further interest rate hikes. Based on statements from Fed officials, the central bank is not expected to begin cutting interest rates before the summer of 2024. The increased rates will have a delayed impact on the real economy, which is why it is necessary to keep them high to curb inflation. In addition to interest rate hikes, the Fed continues to reduce its balance sheet to fight against inflation, although at a slower pace than expected.

The **European Central Bank**'s interest rate hike cycle, which began in July 2022, is expected to come to an end in 3Q 2023. In September, the ECB implemented a 25 basis points interest rate increase and the market expects that this September hike was the last one. They did not rule out the possibility of further interest rate hikes but improving – decreasing - inflation data are currently not in favor of additional hikes. By September, the main refinancing operations rate have risen to 4.50%, and the deposit rate to 4.00%.

In the Eurozone, inflation indicators have been steadily improving, but they are still far from the 2% central bank target. In July, inflation was 5.3% compared to the same period the previous year, while it dropped to 4.3% by September. The core inflation (that has key significance for the decision-makers) also eased, decreasing from 5.5% in July to 4.5% by September year-on-year. The labor market remains relative tight, with the unemployment rate at a record low level in the summer (6.4%). In this environment wage growth may only moderate slowly, which could dampen disinflation trends.

Magyar Nemzeti Bank (MNB) continued its interest rate cutting cycle in 3Q 2023, which began this May. During the interest rate reduction cycle, MNB has been cautious and has made gradual steps. In September, the one-day deposit rate merged with the base rate at 13%, the improvement in risk indicators gave room for further interest rate cuts. Therefore, the normalisation of the extraordinary interest rate environment introduced in October 2022 has been concluded and thus monetary policy enters a new phase. To anchor inflation expectations, it is necessary to keep the real interest rates in a permanently positive range, which was achieved in September and is expected to remain in this territory during the last quarter. We expect the central bank base rate to decrease further in line with inflation and reach 11% by the end of this year and drop to 6% by the end of 2024.

Inflation decreased to 12.2% in September compared to the same month of the previous year, which is a significant drop compared to the figure of 17.6% in July. Food price increases moderated as expected, household energy prices further decreased due to lower energy consumption, and the prices of durable consumer goods fell due to the strengthening of the forint and the decline in industrial goods prices. Reflecting the easing inflationary pressure, core inflation also decreased to 13.1% from

17.5% in July. However, oil-producing countries reduced their production in H2 this year, pushing up global oil prices, which increases consumer prices risking to disinflation trends. We expect the year-on-year inflation rate to fall below 7% in December 2023. Average inflation is anticipated to remain below 4% in 2024.

The **Hungarian forint** showed some volatility during 3Q 2023, with the exchange rate against the euro ranging from a local minimum of 370 to a maximum of 393. The significant rate-cut cycle this year did not lead to a sustained depreciation of the forint, especially after the one-day deposit rate and the base rate were aligned at 13% by the end of September. Former depreciation was influenced by investor pessimism during the summer regarding the arrival of EU funds, the negative news at that time increased selling pressure. In the long term, the forint is supported by the fact that the reduced energy prices have led to a sustained improvement in the trade and current account balance, and the decrease in the euro value of imports has a positive effect on the forint.

Public finances: A deficit of HUF 3,264.9 billion was created in the central budget during the first nine months, so 96% of this year's appropriation was fulfilled. The deficit for the first nine months of this year was HUF 573.2 billion higher compared to the same period in 2022, primarily due to increased spending on utility cost reduction program. Until September of last year, 7.5 billion forints were paid to district heating providers, as well as electricity and natural gas service support, while 1,105 billion forints have been disbursed for these purposes until this September. The balance of the budget is worsened by the fact that EU payments reached HUF 1,992 billion in the first nine month, while revenues from the EU were only HUF 1,159.9 billion. Without that the deficit would have been HUF 832.1 billion lower. As a result of the decreasing need for financing, former pre-financing, and substantially improving nominal growth, the government debt ratio started to fall again from last year, so the debt fell to 76.8% of GDP in 2021, and to 73.3% in 2022. It may decrease to around 70.3% by the end of 2023.

Labour market: In August, wage dynamics showed an increase of 15.2%. In this month the gross average wage was HUF 559,900 for full-time employees, while the net average wage stood at HUF 383,500. The increased corporate input costs may result in companies raising prices at a moderate pace, which leads to higher wage demands from employees to preserve real values. However, the impact of the moderate slowdown in consumption may appear in the dynamics towards the end of the year. Nevertheless, the growth-inducing tendencies seem to be stronger. Even considering the forecasted strong inflation this year, only a 2.2% annual average net real wage decrease is expected. Inflation has already started to decline in the second half of the year and the trend may continue, and from September, the real wage growth may show a substantial positive figure.

The domestic employment level remains close to its peak, while due to the increase in the number of people returning to the labor market, the activity also reached a record figure, approaching 5 million people. Based on current trends, we expect unemployment to fall slightly below 4% again in the autumn months, and this year's average annual rate may be 3.8%, which means practically full employment among those active on the labor market. Thus, even in a moderate recession and high interest rate environment the domestic labor market is close to full employment.

Market participants are trying to retain the skilled workforce and can temporarily accept underemployment within their firms. This also indicates market participants are expecting only a short-term, temporary economic downturn. Employment rose to a new peak, 13,000 new jobs were created in the domestic primary labor market compared to the same period of the previous year, so the total number of employed persons was 4,737,000 in July-September.

GDP: In the third quarter, GDP decreased by 0.4% (y/y), while the seasonally and calendar adjusted drop was 0.3%. Compared to the previous quarter, the output of the economy increased by 0.9%, so the technical recession of the domestic economy has come to an end, as it was expected. Industry and market services, including trade and scientific-technical activities contributed the most to the decline in economic performance. However, the decline was mitigated by the favorable performance of agriculture compared to last year's very low base. The decrease in the added value of services was partially offset by the growth in healthcare and social care services. In the third quarter, the drop in real wages continued to impact consumer spending, but cautious behavior of households (caused by significantly increased prices) also contributed to the decline. Among the sub-sectors of the industry, last year's explosion in energy prices negatively affected the energy-intensive sectors, some players were forced to temporarily shut down or restraint production. Amid the recovery, the current weaker domestic and global economic conditions have emerged. The weaker growth this year is influenced by the decrease in state and EU-funded investments, declining investments and demand due to the cooling effect of significantly increased interest rates – particularly affecting the construction industry – and the year-long weakness of the European and German economy.

2 MANAGEMENT REPORT ON THE 3Q 2023 RESULTS OF MBH GROUP

2.1 P&L development

MBH Group								
Consolidated, IFRS P&L (in HUF million)	Period					YTD		
	3Q 2022	2Q 2023	3Q 2023	P/P	Y/Y	9M 2022	9M 2023	Y/Y
TOCI accounting (Total Comprensive Income)	**36,529**	**86,251**	**100,077**	**16.0%**	**174.0%**	**21,854**	**210,468**	**863.1%**
Other comprehensive income	*-6,291*	*23,884*	*3,856*	***-83.9%***	***-161.3%***	*-11,030*	*29,540*	*-367.8%*
Profit after tax (accounting)	**42,820**	**62,366**	**96,221**	**54.3%**	**124.7%**	**32,884**	**180,928**	**450.2%**
Profit after tax (BB 1Q 2022 results)*	**0**	**0**	**0**	**-**	**-**	**16,245**	**0**	**-100.0%**
Profit after tax accounting (including BB 1Q 2022 results)*	**42,820**	**62,366**	**96,221**	**54.3%**	**124.7%**	**49,129**	**180,928**	**268.3%**
Adjustments total on PAT	**130**	**-11,037**	**-3,337**	**-69.8%**	**-**	**88,421**	**54,089**	**-38.8%**
Banking tax and extra profit tax	*0*	*-12,232*	*469*	*-103.8%*	*-*	*43,456*	*61,215*	*40.9%*
Extra OBA fee expenses	*0*	*0*	*0*	*-*	*-*	*0*	*-4,756*	*-*
Integration costs	*130*	*1,195*	*581*	*-51.4%*	*-*	*1,509*	*2,017*	*33.7%*
Badwill	*0*	*0*	*-4,387*	*-*	*-*	*0*	*-4,387*	*-*
Adjusted TOCI	**36,660**	**75,214**	**96,740**	**28.6%**	**163.9%**	**120,108**	**264,556**	**120.3%**
Adjusted Other comprehensive income (OCI)	*-6,291*	*23,884*	*3,856*	-83.9%	-161.3%	*-17,443*	*29,539*	-269.4%
Adjusted Profit after tax	**42,951**	**51,330**	**92,884**	**81.0%**	**116.3%**	**137,550**	**235,017**	**70.9%**
Adjusted Profit before tax	**46,888**	**57,604**	**106,811**	**85.4%**	**127.8%**	**149,871**	**272,274**	**81.7%**
Gross Operating Income (adjusted)	**124,907**	**160,274**	**162,408**	**1.3%**	**30.0%**	**342,095**	**490,322**	**43.3%**
Net Interest Income (adjusted)	**113,780**	**138,093**	**140,510**	**1.7%**	**23.5%**	**286,142**	**428,647**	**49.8%**
Interest Income (adjusted)	*204,299*	*292,995*	*310,215*	*5.9%*	*51.8%*	*466,546*	*909,627*	*95.0%*
Interest Expense (adjusted)	*-90,520*	*-154,901*	*-169,705*	*9.6%*	*87.5%*	*-180,403*	*-480,980*	*166.6%*
Net Fee Income (adjusted)	**18,269**	**22,025**	**24,315**	**10.4%**	**33.1%**	**60,474**	**67,349**	**11.4%**
Net Other Income (adjusted)	**-7,142**	**156**	**-2,416**	**-**	**-66.2%**	**-4,521**	**-5,674**	**25.5%**
FX and FV result	*7,802*	*442*	*-186*	*-142.1%*	*-102.4%*	*18,290*	*-5,983*	*-132.7%*
Other Income (adjusted)	*-14,944*	*-286*	*-2,230*	*-*	*-85.1%*	*-22,811*	*309*	*-101.4%*
General Administrative Expenses (adjusted)	**-54,421**	**-64,410**	**-68,007**	**5.6%**	**25.0%**	**-163,607**	**-192,834**	**17.9%**
Personnel Expenses (adjusted)	*-28,236*	*-31,729*	*-35,183*	*10.9%*	*24.6%*	*-83,200*	*-97,334*	*17.0%*
Operating Expenses (adjusted)	*-17,968*	*-25,782*	*-26,259*	*1.8%*	*46.1%*	*-59,950*	*-75,151*	*25.4%*
Amortisation and depreciation (adjusted)	*-8,216*	*-6,898*	*-6,565*	*-4.8%*	*-20.1%*	*-20,456*	*-20,350*	*-0.5%*
Provisions (adjusted)	**-23,598**	**-38,260**	**12,410**	**-132.4%**	**-152.6%**	**-28,617**	**-25,214**	**-11.9%**
Banking tax	***0***	***0***	***0***	**-**	**-**	***0***	***0***	**-**
Corporate income tax (adjusted)	**-3,938**	**-6,274**	**-13,927**	**122.0%**	**253.7%**	**-12,321**	**-37,257**	**202.4%**
KPIs based on adjusted PAT (%)	Period					YTD		
	3Q 2022	2Q 2023	3Q 2023	P-P	Y-Y	9M 2022	9M 2023	Y-Y
ROAE (Return on Average Equity - adjusted)	23.2%	23.8%	39.4%	15.6%-pt	16.2%-pt	25.4%	35.8%	10.4%-pt
ROAA (Return on Average Assets - adjusted)	1.6%	2.0%	3.5%	1.5%-pt	1.9%-pt	1.8%	3.0%	1.2%-pt
TRM (Total Revenue Margin - adjusted)	4.7%	6.1%	6.1%	0.0%-pt	1.4%-pt	4.4%	6.2%	1.8%-pt
CIM (Core income margin - adjusted)	5.0%	6.1%	6.2%	0.1%-pt	1.2%-pt	4.5%	6.3%	1.8%-pt
NIM (Net Interest Margin - adjusted)	4.3%	5.3%	5.3%	0.0%-pt	1.0%-pt	3.7%	5.4%	1.7%-pt
NFM (Net Fee Margin - adjusted)	0.7%	0.8%	0.9%	0.1%-pt	0.2%-pt	0.8%	0.9%	0.1%-pt
C/TA (Cost to Total Assets - adjusted)	2.1%	2.5%	2.6%	0.1%-pt	0.5%-pt	2.1%	2.4%	0.3%-pt
CIR (Cost Income Ratio - adjusted)	43.6%	40.2%	41.9%	1.7%-pt	-1.7%-pt	47.8%	39.3%	-8.5%-pt
Risk% (Risk cost rate - adjusted)	1.98%	1.57%	-1.01%	-2.6%-pt	-3.0%-pt	0.7%	0.18%	-0.5%-pt

** Legal merger of Budapest Bank Zrt. and MKB Bank Nyrt. took place on 31st March 2022. Since MBH Bank's 1Q 2022 accounting profit does not include the 1Q profits/losses of Budapest Bank, the profit and loss data are presented in 2022 on the basis of modelled data, adjusted with the profits and losses of Budapest Bank, for comparability.*

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

In 9M 2023 an in 3Q the adjusted profit after tax of MBH Group amounted to HUF 235.0 bn and HUF 92.9 bn, mostly driven by further increasing net interest income. Thanks to the other comprehensive income in 3Q (HUF 3.9 bn) the 9M adjusted total comprehensive profit amounted to HUF +264.6 bn (HUF +144.4 bn y/y).

The (adjusted) **ROAE** was 35.8% (+10.4%-pt y/y) as a result of outstanding PAT.

The increase in the core income was also driven by rising **net interest income** (HUF +142.5 bn, +49.8% y/y). The composition of MBH group's assets allowed for exploiting the market potential using its excess liquidity. The adjusted **total revenue margin** (TRM) increased significantly by 1.8%-pt y/y to 6.2%.

HUF 25.2 bn **provisions and impairments** were charged in 9M 2023, while in 3Q 2023 HUF 12.4 bn were released, thanks to the exit of the customer portfolio from the moratorium. The adjusted risk cost rate was 0.18%.

Operating expenses increased by 17.9% year-on-year, however the **cost-to-income** ratio for 9M fell to 39.3% (-8.5%-pts y/y) driven by rising revenues.

2.1.1 Adjusted profit after taxation

Because of the HUF 92.9 bn **adjusted consolidated profit after tax** in 3Q, MBH Group's profit amounted to HUF 235.0 bn (HUF +97.5 bn y/y) in 9M 2023. The impressive profit marks robust money market impact.

Adjustments amounted to HUF +54.1 bn in 9M 2023, relating primarily to the special tax on the extra profit, the banking tax, and the reimbursement of the extraordinary OBA fee due to Sberbank bankruptcy, badwill arising from the consolidation of Duna Bank and one-off integration costs.

2.1.2 Total comprehensive income

MBH Group's **accounting** (unadjusted) **total comprehensive income** (TOCI) in 9M 2023 amounted to HUF 210.5 bn.

The unadjusted TOCI was HUF 135.3 bn higher than in 9M 2022 (including the 1Q 2022 results of merged Budapest Bank).

The HUF 96.7 bn 3Q **adjusted total comprehensive income** (HUF +21.5 bn p/p) was a result of the HUF 92.9 bn profit after tax and the HUF 3.9 bn other comprehensive income (OCI). The 3Q adjusted total comprehensive income increased by HUF 60.1 bn y/y. The adjusted total comprehensive income in 9M amounted to HUF 264.6 bn (HUF 144.4 bn y/y), boosting TOCI mostly driven by further increasing net interest income.

2.1.3 Net interest income

MBH Group's cumulated **net interest income** was HUF 428.6 bn in 9M 2023 (HUF +142.5 bn y/y), the 49.8% y/y upturn is due to the growth ALM portfolio, the favourable yield environment and the portfolio quality. 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.

The interest income for 9M amounted to HUF 909.6 bn (HUF +443.1 bn, +95.0% y/y). The interest income in 3Q increased by HUF 17.2 bn (5.9% p/p) compared to 2Q (+51.8% y/y). Growing securities portfolio (+8.0% y/y) and favourable yield environment both supported incomes but the main driver of the interest income increase was that MBH group successfully exploited the market potential using its excess liquidity to generate interest income amid rapid interest rate hike.

The **interest expense** amounted to HUF 481.0 bn in 9M 2023, the HUF 300.6 bn (+166.6%) y/y increase was driven by market yields and high customer- and interbank deposit portfolio.

The net interest margin (NIM) was stable on 5.3% in 3Q (+1.0%-pt y/y) because increase in total assets. The 9M accumulated ratio was 5.4%, up significantly by 171 bps year-on-year.

2.1.4 Net fee and commission revenues

The **net fee and commission income** was HUF 67.3 bn in 9M 2023 (+11.4% y/y). The commission income for 3Q increased by HUF 2.3 bn (+10.4% p/p), relative to the preceding quarter mainly due to higher transaction fees and fees collected on the further increased volume of customer.

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

In 9M 2023 the **profit on financial transactions** amounted to HUF -6.0 bn, 132.7% (HUF -24.3 bn) less year-on-year.

As a result of falling yields, the exchange and revaluation result was HUF -0.2 bn (HUF -0.6 bn p/p) in 3Q, while the OCI effect due to revaluation of the fixed rate government securities portfolio was HUF 3.9 bn (HUF -20.0 bn p/p; HUF +10.1 bn y/y). The quarterly **net revaluation result and exchange rate gain** – as a result of the two impacts – was HUF 3.7 bn.

2.1.6 Other results

The tax and/or regulatory fees and commission expenses of MBH Group are recognized under other profit/loss: levy, OBA and IPF fees and other revenues/expenses of ordinary business operation. Other results was HUF 0.3 bn in 9M (HUF +23.1 bn y/y), and HUF -2.2 bn (HUF -1.9 bn p/p, HUF +12.7 bn y/y) in 3Q.

2.1.7 Operating expenses

MBH Group's **operating expenses** were HUF 192.8 bn in 9M 2023 (3Q: HUF 68.0 bn, +5.6% p/p, +25.0% y/y). Although y/y growth in operating expenses slightly exceeded inflation (+17.9% y/y; HUF +29.2 bn), the **cost-to-income** ratio for 9M fell to 39.3% (-8.5%-pts y/y) driven by rising revenues. 3Q cost-to-asset ratio (C/A) increased to 2.6%.

The **personnel expenses** amounted to HUF 35.2 bn in 3Q 2023, increased by 10.9% compared to previous quarter mostly as a result of the group-level salary increase implemented in July. 17.0% y/y increase in 9M PEREX (HUF 97.3 bn) is the impact of wage inflation and the impact of standardising cafeteria payments at group level.

The number of employees of MBH Group at the end of September 2023 was 9,151.5 FTE (-536.7 FTE; -5.5% y/y).

Other operating expenses in 3Q 2023 were HUF 26.3 bn (9M: HUF+75.2 bn; +25.4% y/y). The y/y increase was mostly driven by high inflation.

Depreciation in 3Q 2023 amounted to HUF 6.6 bn (9M: HUF 20.3 bn). 9M cost compared to the same period of the previous year changed minimally (-0.5%) due to the one-off provisioning for 2022 and the developments during the year.

2.1.8 Risk costs

The adjusted credit risk cost was HUF 12.4 bn (release) in 3Q 2023, primarily due to the reclassification of customers recovering from moratorium to performing loans.

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

The **NPL closing portfolio** was HUF 209.1 bn at the end of 3Q 2023, decreased by HUF 19.6 bn during the quarter (-8.6%-pt p/p). **IFRS-based NPL ratio** decreased to 4.2%. The **direct NPL coverage** was 49.7%.

2.1.9 Corporate income tax

In 9M 2023 HUF 31.9 bn unadjusted **corporate income tax expense** was recorded, as a result of HUF 9.1 bn current corporate income tax expense, HUF 7.9 bn deferred tax expense, HUF 13.1 bn local business tax and HUF 1.8 bn innovation contribution.

The adjustments in the flash report had a tax effect of HUF 5.3 bn therefore the **adjusted corporate income tax** was HUF 37.2 bn expense.

2.2 Balance sheet

MBH Group					
Adjusted balance sheet (in HUF million)	**3Q 2022**	**2Q 2023**	**3Q 2023**	**P/P**	**YTD**
Financial assets	**1,571,279**	**1,234,057**	**1,238,103**	0.3%	-21.2%
Trading portfolios - Assets	**514,071**	**327,222**	**328,158**	**0.3%**	**-36.2%**
Securities	**3,539,896**	**3,746,909**	**3,822,720**	**2.0%**	**8.0%**
Loans and advances to customers/Customer Loans (net)	**4,839,777**	**4,708,313**	**4,788,413**	**1.7%**	**-1.1%**
Loans and advances to customers/Customer Loans (gross)	5,036,916	4,956,845	5,018,947	1.3%	-0.4%
Retail business segment	*1,585,855*	*1,694,000*	*1,718,478*	*1.4%*	*8.4%*
Corporate business segment	*2,630,089*	*2,693,437*	*2,684,568*	*-0.3%*	*2.1%*
Leasing	*526,068*	*531,997*	*560,351*	*5.3%*	*6.5%*
Other	*294,904*	*37,410*	*55,550*	*48.5%*	*-81.2%*
Provision for Customer loans	-197,139	-248,532	-230,534	-7.2%	16.9%
Total other assets	**421,077**	**470,710**	**559,182**	**18.8%**	**32.8%**
Investments in jointly controlled entities and associates	*78,337*	*77,698*	*112,211*	*44.4%*	*43.2%*
Intangibles, property and equipment	*166,929*	*168,701*	*171,811*	*1.8%*	*2.9%*
Other assets	*175,811*	*224,312*	*275,159*	*22.7%*	*56.5%*
Total Assets	**10,886,101**	**10,487,212**	**10,736,577**	**2.4%**	**-1.4%**
Interbank liabilities	**2,829,114**	**2,493,127**	**2,411,825**	**-3.3%**	**-14.7%**
Deposits & C/A	***6,466,374***	***6,270,902***	***6,524,301***	***4.0%***	***0.9%***
Retail business segment	*2,828,596*	*2,448,445*	*2,463,069*	*0.6%*	*-12.9%*
Corporate business segment	*3,246,375*	*3,418,027*	*3,648,439*	*6.7%*	*12.4%*
Other	*391,404*	*404,430*	*412,793*	*2.1%*	*5.5%*
Issued debt securities	**380,040**	**465,020**	**474,981**	**2.1%**	**25.0%**
Other liabilities	**455,300**	**365,183**	**332,488**	**-9.0%**	**-27.0%**
Shareholders' Equity	**755,272**	**892,980**	**992,982**	**11.2%**	**31.5%**
Total Liabilities & Equity	**10,886,101**	**10,487,212**	**10,736,577**	**2.4%**	**-1.4%**
Loan commitments given	1,205,033	1,170,068	1,178,188	0.7%	-2.2%
Financial guarantees given	118,148	105,565	124,214	17.7%	5.1%
Other Commitments given	263,462	264,462	283,072	7.0%	7.4%
Customer off Balance items	**1,586,643**	**1,540,095**	**1,585,474**	**2.9%**	**-0.1%**

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

MBH Group’s **total assets** amounted to HUF 10,736.6 bn by the end of 3Q 2023 (HUF +249.4 bn; +2.4% p/p), with a yearly decrease of HUF 149.5 bn (-1.4% y/y). The 3Q growth on the asset side was mainly driven by **expanding customer loan portfolio and securities**, while on liabilities side due to the **increasing capital** and **customer deposit portfolio**.

Loan portfolio increased by HUF 62.1 bn in 3Q (+1.3% p/p), within this, the performance of the retail business was dominant. The acquisition of Duna Takarék Bank Zrt. was a key factor in the development of the portfolio in 3Q 2023.

The change in the **deposit portfolio** was significantly influenced by market developments, with the stock rising to HUF 6 524.3 bn at the end of 3Q 2023. The 3Q increase was mainly driven by a growth in the corporate segment.

Loan-to-deposit ratio reached 76.9%, 1.2%-pts lower than in the same period of the previous year (-2.7%-pts p/p). **LCR** (148.3%) and **NSFR** (128.2%) ratios are well above the regulatory minimum.

Shareholders' equity increased to HUF 993.0 bn (+2.4% p/p; -1.4% y/y). The **19.2% capital adequacy ratio** at the end of the period, significantly exceeded the regulatory minimum requirements. **17.2% CET1 ratio.**

2.2.1 Loans

Gross loans increased by 1.3% (HUF +62.1 bn) compared to the previous quarter, while year-on-year loans stagnated (-0.4%; net: -1.1% y/y). The acquisition of Duna Takarék Bank was a key factor in the development of the loan portfolio in 3Q 2023.

The **retail business** positively supported the development of the loan portfolio on both an annual and quarterly basis. Gross customer loans increased by 1.4% (p/p), mainly driven by the retail segment, to HUF 1,718.5 bn at the end of September. The 8.4% (y/y) change in the portfolio reflects the impact of the re-segmentation in addition to the organic growth of the business line.

Corporate gross loan portfolio stagnated (-0.3% p/p) during the quarter, reaching HUF 2,684.6 bn at the end of 3Q 2023.

The leasing portfolio increased by 6.5% y/y (+5.3/p/p).

Provisions for customer loans was 7.2% lower than at the end of the previous quarter, and increased by 16.9% y/y.

2.2.2 Securities

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

Securities portfolio together with trading portfolio increased by HUF 282.8 bn (+8.0%) y/y, and as a result, the **portfolio of securities** amounted to HUF 3,822.7 bn at the end of 3Q 2023 (+2.0% p/p).

2.2.3 Financial assets

The **portfolio of financial assets** stagnated during the quarter (HUF +4.0 bn), while the year-on-year decrease was HUF 333.2 bn (-21.2% y/y) due to lower deposits with the MNB. Thus, the stock stood at HUF 1 238.1 bn at the end of the period.

2.2.4 Deposits and C/A

In 3Q 2023, the acquisition of Duna Takarék Bank played a determining role in the development of deposits.

Customer deposit portfolio amounted to HUF 6,524.3 bn (+4.0% p/p) at the end of the quarter. The quarterly increase was mainly driven by the rise in deposits in the **corporate segment** (+6.7% p/p), reflecting the acquisition of Duna Takarék Bank's portfolio and the impact of the re-segmentation. Despite the unfavourable macroeconomic environment on the retail savings capacity, **retail deposit portfolio** increased by HUF 14.6 bn (+0.6% p/p), reaching HUF 2,463.1 bn at the end of the quarter.

Compared to the third quarter of previous year, customer deposit portfolio grew by 0.9%, with a positive contribution from the corporate segment (12.4% y/y). However, the retail segment's stock declined year-on-year.

2.2.5 Interbank liabilities

The portfolio of **interbank liabilities** amounted to HUF 2,411.8 bn (HUF -81.3 bn p/p; HUF -417.3 bn y/y) at the end of 3Q 2023. The decrease was primarily due largely due to a decline in loans from other credit institutions and the liquidity effect.

2.2.6 Issued debt securities

The stock of issued debt securities increased by 2.1% (HUF +10.0 bn p/p) over the quarter to HUF 475.0 bn at the end of 3Q 2023 (HUF +94.9 bn y/y), largely driven by an increase in the stock of other issued debt securities.

During 3Q 2023, the Bank announced two offering auctions for senior bonds, mainly sold to retail customers. Bonds with a total nominal value of HUF 7,809,570,000 and EUR 7,274,900 were placed during the subscription periods. The issue took place within the framework of the HUF 300 billion issuance programme of the Bank approved by the NBH on 29 November 2022 by Resolution H-KE-III-742/2022. In view of the need to comply with MREL requirements and the increasing need to restructure the customer funding structure from deposits to bonds, MBH Bank plans to renew its current issuance programme with a total amount of HUF 400 bn. The renewal of the bond programme will be subject to the approval of the new Base Prospectus by the NBH, which is expected in Q4 2023.

2.2.7 Capital

MBH Group's **capital amounted to HUF 993.0 bn** at the end of 3Q 2023.

Capital accumulation continued both in p/p and y/y terms: +11.2% and +31.5% respectively, significantly increasing the shock absorbing capabilities of the Bank.

2.2.8 Off-balance sheet exposures to customers

MBH Group's **off-balance sheet exposure** was HUF 1,585.5 bn at the end of 3Q 2023, corresponding to a 2.9% (HUF +45.4 bn p/p) increase on a quarterly basis (-0.1%; HUF -1.2 bn y/y). The year-on-year reduction was mainly attributable to a decrease in the volume of loan commitments given (-2.2% y/y).

2.3 Capital adequacy

The capital adequacy of MBH Bank Group remains strong, with a **capital adequacy ratio (CAR)** of **19.2%** at the end of 3Q 2023 (+293 bps y/y), and **CET1** ratio of **17.2%**. The capital adequacy ratio significantly exceeds the regulatory minimum requirements, thus providing a convenient capital buffer for the Group's operations.

T1 Capital decreased by 10.6%-pts p/p. 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 those, there was a drop in CAR (-0.45%-pts) p/p. Please note, that the intra-year unaudited after-tax profit is not taken into account in the regulatory capital under the IFRS rules.

The growth in RWA (HUF +68.6 bn) in 3Q was parallel with the gross loan increase, resulting in HUF 4,267.1 bn volume.

Company name: MBH Bank Nyrt.
Address: 1056 Budapest, Váci u. 38.
Sector: Other monetary activity
Reporting period: 01.07.2023-30.09.2023
Phone: +36 (1) 268-7173
E-mail address: investorrelations@mbhbank.hu
Investors' contact person: Dóra Bertalan

2.4 Presentation of business segment results

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

2.4.1 Corporate and institutional customers

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

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

In the third quarter of 2023, after the closing of the merger, alongside the introduction of a unified brand, the most significant challenge was preparing for the migration of former Budapest Bank corporate clients, which was completed by the end of the quarter.

In line with its strategy, MBH Bank continued to play a key role in the introduction of economic incentive programs and their delivery to customers. The significantly rising interest rate environment generated more demand in Széchenyi Card Programmes and Baross Gábor Reindustrialisation Loan Programme than ever before, there was particularly high demand for working capital and current account loans.

MBH Bank Group remained an active participant in the continually renewed Széchenyi Programme. The Bank has achieved a 37% market share in terms of contracted amount in Széchenyi MAX products by the end of September 2023. In the MAX+ programme which has been launched this year, MBH Bank has a 27% market share of the number of loan applications in the Corporate business line, including micro and small companies.

MBH Bank has traditionally maintained close ties with Eximbank to enable customers to benefit from EXIM financing sources. In the Baross Gábor Reindustrialisation Loan Programme, a total of HUF 1,000 bn loan has become available in euros as well as in forints at a fixed low interest rate. The majority of the facility was allocated to working capital loans. The Bank's customers also requested a significant amount of these products.

In 3Q 2023, there was strong demand for subsidised loan products compared to market-rate loans thanks to surging demand. The subsidised loan volume of Corporate clients at the end of the third quarter was 7% higher than a year earlier.

Among the corporate loans, the portfolio of non-financial enterprises (based on the segmentation as per the HNB's statistics requirements) amounts to HUF 2,294.9 bn, 0.7% higher than in the previous quarter, while on an annual basis the change was -3.3% (HUF -78.7 bn).

The gross loan portfolio of large non-financial corporations decreased by HUF 18.7 bn to HUF 625.1 bn (-2.9% p/p). The loan portfolio of medium-sized enterprises increased to HUF 1,114.6 bn (+6.4% p/p).

The non-financial corporate deposit portfolio (based on the segmentation as per the HNB's statistics requirements) increased by 7.5% y/y to HUF 2,951.8 bn (HUF +115.9 bn p/p).

2.4.2 Retail customers

In retail account products, the focus remained on supporting the delivery of business plans in the third quarter. The account sales channel has been further expanded through the MBH digital kiosks and, thanks to a successful tender, through a contract between the Bank and Diákhitel Központ Zrt.

From this quarter Google Pay, Google's mobile payment solution, is available for MBH clients holding Mastercard or Visa debit or credit cards.

In August 2023, the Bank will be the first in the Hungarian financial market to launch Mastercard's Touch Card, an accessible debit card for blind and partially sighted people. The Touch Card debit and credit cards have notches on the side to help distinguish between the cards and how to insert them into the card reader.

In retail savings and investment products, the trend – which persists since several quarters now – continued, with clients shifting their attention from account balances at call and deposits to various forms of investment, such as mutual funds in the first place and retail government bonds in the second. The wide range of products of MKB Alapkezelő, created in 2022 by the merger of Budapest Alapkezelő and MKB-Pannónia Alapkezelő, ensures flexible solutions for the diverse customer needs from simple, low risk short bond funds to mixed and equity funds for portfolio construction. Among investment funds, short bond funds combining high return potential with flexible investment horizons were still particularly popular, for which portfolio growth continued to be dynamic in the third quarter of 2023. Within retail sovereign debts, longer-dated inflation-linked instruments were extremely popular. In addition, the subscription of MBH bank bonds, also available to retail customers, was successfully launched.

The closing volume of retail deposits (based on segmentation according to the HNB's statistics criteria) was HUF 1,733.0 bn, which means an increase of 1.2% p/p.

In case of home loan products, several measures concerning pricing, risk-taking conditions and processes were underway to meet the disbursement and market share plan. From 12 July 2023, MBH Bank introduced a new interest rate discount band (above HUF 1 million) in the high income customer segment (14% of the acceptance) for market mortgage loans, where the discount rate was increased by 20 bp. From 1 August 2023, in parallel with falling money market yields, both MBH bank and its competitors have been making cautious interest rate cuts. From 1 October, the Bank continued the credit promotion offer related to Baby Loan.

In case of personal loans, new lending increased dynamically since the creation of MBH Bank. Strong increase is visible on the whole market; the monthly volume of new personal loan outstanding overreached 50 bn HUF. The Bank's market share slightly decreased, mainly due to the increasing activity of the market players and to the booming market disbursement. The pricing strategy supports the maximization of the profitability of the new portfolio. The Bank is actively present on the offline and online marketing channels.

In the third quarter of 2023, we exceeded our target for overall credit card sales and for several credit cards sold by our partners. Outstanding sales results were reached in the "back to school" period starting in mid-summer. Thanks to the introduction of Google Pay in the beginning of August, several thousand clients tokenized their credit cards and paid by mobile phone instead of plastic card.

In the third quarter of 2023, the merged bank operated with a single operation, with a single product range, using the same systems and processes. The professional support of colleagues was a priority, and after the focus on merger preparations in the second quarter, the focus shifted to delivering business results in the third quarter. In addition to general brand-building communications, strong product support campaigns were launched, which greatly assisted our progress on the growth path. In 3Q, the third party sales department devoted all its resources to nurturing relationships with intermediaries and rebuilding trust. The Bank is constantly working on improvements that will simplify and thus facilitate partner collaboration in day-to-day work.

The activity of intermediary partners is growing, with 56% of secured retail loan disbursements reaching the intermediary channel.

MBH Bank currently works with a total of 75 credit intermediaries 93 retail partners.

The volume of MBH Group's retail loans (based on segmentation according to the HNB's statistics criteria) at the end of 3Q 2023 amounted to HUF 1,556.4 bn, which represents an increase of HUF 22.2 bn compared to the previous quarter. On a year-on-year basis, there was a decrease of HUF 7.3 bn caused by a fall in home mortgage-backed loans.

The closing portfolio of secured loans amounted to HUF 902.7 bn at the end of the quarter (HUF -29.9 bn y/y, HUF +6.0 bn p/p). The portfolio of consumer and other unsecured loans increased by 3.6% compared to 3Q 2022, thus amounting to HUF 653.7 bn at the end of the period (+22.6 bn y/y).

Linked to the Student loan account implemented in July 2023, the Bank offers different insurance promotions for the Group Health-, Life-, Extra- and home insurance products.

Group insurances reached 80% growth in third quarter of 2023 compared to the same period of the previous year, from which PPI was the main driver with a result of 201% compared to last year.

In individual life insurances, the annual portfolio premium increased to 125% of the previous year's first quarter result in case of regular premium insurance, while in case of one-time fee insurances the increase was 134% for the whole Banking group.

In terms of home insurances, the negative effect of the change in the housing market is still visible, thus the portfolio premium volume reached 80% of the previous year’s same period.

The number of premium clients continued to increase in the third quarter, the Bank closed the quarter with 32 500 premium clients, the amount of managed assess increased to 717 bn HUF (4% increase compared to the previous quarter). Investment penetration rate of the portfolio is 81% with a steadily growing trend. The diversification of investment portfolios continued on product level, moving in opposite direction with market trends, the share of investment funds reached 44,4% in a portfolio with strong focus on government bonds.

After the legal merger of MKB Bank and Takarékbank, the harmonization of the private banking product and service offerings of the predecessor banks continued, thanks to which by now the business unit already provides uniform value proposition to its customers.

The business continued to focus on the sale of investment funds and with special attention to the introduction of the social contribution tax (called „szocho” in hungarian) which charges individual investment returns, successfully increased the penetration of Long-term Investment Accounts and Pension Savings Accounts. By the end of the third quarter the total stock of portfolios managed by the business unit reached HUF 1,200 bn.

At the Private Banking 2023 Awards, MBH Private Banking (shared with Friedrich Wilhelm Raiffeisen due to equality of votes) won first place in the „Private Banking Service Provider of the Year” category for the first time in its history. (The prize is awarded by Blochamps Capital based on the votes of the market competitors.)

MBH Private Banking also won the title of „Business Developer of the Year”, and achieved second place in the category of „Size of assets managed” and besides one of our colleague Brigitta Barna received recognition for "Senior Private Banker of the Year".

Micro and small business segment:

In 3Q 2023, government-backed loans aimed at stimulating the economy continued to be the most popular among Micro and Small Business customers, and the Széchenyi Card MAX+ scheme was the most requested. The vast majority of loan disbursement performed via these state-subsidized programs.

The current intensity of loans is expected to continue for the rest of the year. There are no significant shifts in the sectoral distribution and company size in Standard MKV lending. There is no significant change in the size of the sector based on the size of the companies with annual net sales between HUF 0 and 1 bn, and no significant movement is expected in this breakdown.

In 3Q 2023, total loan disbursements in the branches dedicated as MFB Points amounted to close to HUF 50 bn. Quarterly disbursements represent more than 37.1% of annual disbursements. The loan portfolio related to MFB Points exceeds HUF 420 bn.

Within non-financial corporations, the loan portfolio of microenterprises stood at HUF 518.8 bn (-6.5% p/p; +0.0% y/y) at the end of the period.

Branch network

In 3Q 2023, MBH Bank Nyrt. continued the rebranding of its branch network in line with the new corporate identity, which also means the rebranding of the mobile banking branches, which is unique in the sector. In addition to the design change, the renovation and modernisation of the branch network also supported the branch operation and customer service.

One of the main objectives of the improvements implemented over the past 2 years is to ensure a homogeneous, high quality customer experience. The harmonisation of IT systems has continued, and the relevant clients has been kept informed on this. With the migration of the business customers at the end of September, the Bank has reached an important stage of harmonisation for this customers.

In addition to the system improvements, the Bank has made the standardisation of processes and the training of staff in the branch network a priority.

Increasing and sustaining the sales performance of the branch network is a key element in achieving the Bank's strategic objectives and strengthening the Retail market position. To achieve these objectives, a comprehensive improvement programme has been launched in the organisation.

MBH Bank's first digital customer service point in Budapest debuted at a grand opening ceremony. The smart capsule, installed at the University of Veterinary Medicine, allows students to open an account safely and conveniently without the need for a local administrator. In a first round, the bank will install ten digital banking kiosks, developed by Hungarian FaceKom, at universities in Hungary. It is planned to add more banking products and services to the range of digital kiosks at universities in the future.

2.4.3 Leasing

The consolidated MBH Group includes the dominant operators of the domestic leasing market, Euroleasing Zrt., Budapest Leasing Zrt. and Euroleasing Ingatlan Zrt. (former name: Takarék Leasing Zrt.) The leasing portfolio of the Group was HUF 560.4 bn on Sept 30, 2023, which is 5.3% higher (HUF +28.4 bn) as the previous quarter's level.

Car financing activity

The leasing group has become a key operator in the vehicle financing segment of the leasing market. From the third quarter of 2021, the international trends - primarily the shortage of chips holding back production and the slowdown of supply chains - became noticeable in the Hungarian car sales market, and through it also in the vehicle financing market, which had a strong negative impact on the sales and financing markets as well. However, starting from the fourth quarter of 2021, the introduction of the subsidized Széchenyi Leasing GO! and then Széchenyi Leasing MAX products had a stimulating effect on the financing market, which in 2022 drove a significant number of buyers towards the financing market in the affected segments. In addition to previous unfavorable factors, the Russo Ukrainian war also had a negative impact on the production and sale of new vehicles, and at the same time on the financing market. The general trend of rising interest rates reduced the demand for financing, while rising prices had a negative effect on the sales market. We do not expect any changes in these factors in the short term.

Euroleasing Zrt. and RCI Services Kft. have signed a cooperation agreement on 27.03.2023 under which the leasing company became the official domestic financier of the Renault, Dacia and Alpine brands from 1 March 2023.

Asset financing activity

The leasing group has a dominant market position in the asset financing leasing market and is market leader in several segments. State support programs (EXIM, KAVOSZ) had a significant impact on the asset financing market segment, while the leasing group played a prominent role in bringing these subsidized products to market. The deterioration of the economic environment has had an effect on the asset financing market in the past period through the narrowing of investment desire and demand, as well as investment opportunities, which will hopefully be mitigated adequately in the future by state economic stimulus programs.

2.4.4 Investment services and Treasury activities

Treasury Trading and Sales activities

In the Treasury Trading division, the third quarter was a successful one for foreign exchange trading, despite reduced volatility in the forint market. Continued high funding costs made bond trading very difficult in the third quarter, but Money Market activity performed well. The Bank was active both in the FX and bond markets. As the Treasury Trading activity is also directly affected by the transformation of MBH Group, the division placed a strong focus during the quarter under review on developing an operational structure adapted to the changing environment, implementing various forward-looking IT developments and supporting the merger process.

Treasury Sales

In terms of turnover and profit, the third quarter outperformed the first and second quarters of this year. The positive result continues to reflect the maintenance of high turnover in the most important and revenue-generating product areas, and among these, customer interest in individual deposit pricing has not waned despite the declining nominal forint interest rates.

In addition to the strong business activity, the most important task in the period from July to end-September was to prepare for the migration of former Budapest Bank's corporate clients, which had many aspects affecting the treasury balance. As a result of thorough preparation and testing, the migration process in the treasury sales systems was successfully completed and Budapest Bank's former corporate clients now have access to a much wider range of products and online channels.

Investment services

In the 3Q 2023, secondary market sales of retail government bonds remained very active, with the MNB's easing interest rate policy making PMÁK even more sought after due to their high yields. Other HUF bonds, typically DKJ, have seen a slight decline in turnover, with yields on 3-6 month DKJs falling to around 8%. At the same time, MBH bonds continue to be subscribed, and secondary market resales have been successfully launched at the overall network level. Sales of MBH foreign currency bonds returned in September with particularly high volumes after the summer season. The turnover of MBH's own investment funds is growing steadily, with higher than market average returns being achieved on these funds.

The equity market remains stagnant at low levels, both on the BÉT and on the foreign turnover side. These trends are typical of the market as a whole, with the bond market tending to prosper in such a high yield environment.

Foreign exchange continues to perform well. Carrytrade turnover has already exceeded HUF 35 bn this year, supported by tight monetary policy from the ECB, the FED and the BOE, and loose monetary policy from the Bank of Japan. The low volatility in the foreign exchange markets at the end of the summer has passed, with speculative trading results rising substantially in the month of September. The number of options trades increased nearly five-fold from 2Q and approached the record 1Q.

In 3Q 2023 the MBH Befektetési Alapkezelő Zrt. went on with the optimalization of the existing product range in order to offer a clean and compact scale of investment funds. The authorisation procedures at the Hungarian National Bank had already been started in the previous quarter. In consequence changes of names, change of settlement practice, launch of investment series and a merger was placed in 3Q.

As at 30 September 2023, the Asset Manager managed a total of HUF 1,956 bn in net asset value investments, representing a market share[1] of 10.66%. The MKB Asset Management Co. is ranked second among pension fund managers (in terms of assets under management).

2.5 ESG strategy of MBH Group

MBH Bank has won "Hungary Best ESG Bank" award! This year, the professional jury of theCFI.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.

In its evaluation, the jury emphasized that MBH Bank:

- It carries out sustainability activities that go beyond legal requirements.
- Management decisions take ESG risk factors into account to reduce carbon emissions and contribute to climate policy goals.
- It prioritises the personal and professional development of its employees.
- He created the MBH Forest, thereby reducing its own carbon dioxide emissions and drawing attention to the protection of our environment.

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

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

As a responsible corporate citizen and top-rated employer, MBH Bank integrates transparent and ethical governance processes across internal and external operations. The bank prioritises the personal and professional development of its workforce, from employees' physical and mental health to their ESG awareness and knowledge.

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

[2] Source: BAMOSZ

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

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

Pillar 3:

The Pillar 3 Table 1 - **Indicators of potential risk of climate change adaptation: Credit quality of exposures by sector, by emission volume and by remaining maturity** has been published (the other tables will be published in 2024 for the reference date of 31/12/2023 in accordance with Implementing Regulation 2022/2453).

The purpose of the Table is to show the exposures that are more exposed to the risks that may affect the institution as a result of the transition to a low-carbon and climate resilient economy.

The table shows the size, credit quality and residual maturity of exposures by sector. The sectoral classification is based on the NACE codes of the nomenclature of economic activities, according to the main activity of the counterparties. In particular, the table provides details for Sections A-H and L, which include the oil, gas, mining and transport sectors as significant contributors to climate change.

https://www.mbhbank.hu/sw/static/file/MBHBankPrudencialisCsoportCRRszerintinyilvanossagrahozatal20230630.xlsx

2.6 Awards and recognitions

Capital Finance International: Best ESG Bank Hungary 2023

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

Declaration

MBH Bank Nyrt. (hereinafter Bank) issues the following declaration in relation to its report on the 3Q 2023 results (Flash Report):

The Bank declares that the Flash Report has been prepared in compliance with the applicable accounting regulations. The Flash Report, prepared according to the best knowledge and information of the experts and decision-making managers of the Bank concerned reflects a true and fair view of the assets and liabilities, financial position and profit and loss of the Bank as securities issuer and the consolidated companies, furthermore the 3Q 2023 financial statements give a fair view of the position, development and performance of the Bank, disclosing the risks and the factors of uncertainty.

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

Budapest, 30 November 2023

MBH Bank Nyrt.

Mr Zsolt Barna, dr.	Mr Péter Krizsanovich
Chairman Chief Executive	Deputy Chief Executive Officer for Finances

3 FINANCIAL FIGURES

3.1 Correction factors 9M 2023

in HUF million	2023 3Q Accounting Report	Structure corrections	Business corrections					Adjusted PAT
			Banking tax	Extra profit tax	Extra OBA fee	Badwill	Integration costs	
Interest income	897,575	12,052	0	0	0	0	0	909,627
Interest expense	-473,774	-7,206	0	0	0	0	0	-480,980
Net interest income	**423,801**	**4,846**	**0**	**0**	**0**	**0**	**0**	**428,647**
Net income from commissions and fees	100,378	-33,029	0	0	0	0	0	67,349
Results from financial instruments	-236	-5,747	0	0	0	0	0	-5,983
Other operating income / (expense), net	8,462	1,364	7,212	0	-16,729	0	0	309
Impairments and provisions for losses	-12,055	-8,338	0	0	0	-4,821	0	-25,214
Dividend income	0	0	0	0	0	0	0	0
Share of jointly controlled and associated comp	1,433	-1,433	0	0	0	0	0	0
Operating expenses	-308,948	42,337	9,580	50,478	11,503	0	2,216	-192,834
Profit / (Loss) before taxation	**212,835**	**0**	**16,792**	**50,478**	**-5,226**	**-4,821**	**2,216**	**272,274**
Income tax expense / (income)	-31,907	0	-1,511	-4,543	470	434	-199	-37,257
PROFIT/ (LOSS) FOR THE YEAR	**180,928**	**0**	**15,280**	**45,935**	**-4,756**	**-4,387**	**2,017**	**235,017**
Other comprehensive income	*29,540*	*0*	*0*	*0*	*0*	*0*	*0*	*29,539*
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**210,468**	**0**	**15,280**	**45,935**	**-4,756**	**-4,387**	**2,017**	**264,556**

in HUF million	3Q 2023 Report	Structure corrections			Adjusted BS structure
		Liabilities	Assets		
		Custormer deposits and other liabilities reclassification	Custormer loans and other assets reclassification	Cash reserves and interbank loans reclassification	
Total Assets	10,736,577	0	0	0	10,736,577
Cash reserves	91,119			0	91,120
Loans and advances to banks	1,146,984			0	1,146,984
Trading portfolio	336,726				336,726
Securities	3,814,152				3,814,152
Loans and advances to customers	4,788,413		0		4,788,413
Other assets	275,231		-71		275,160
Investments in jointly controlled entities and associates	112,211				112,211
Intangibles, property and equipment	171,740		71		171,811
Total liabilities and equity	10,736,577	0	0	0	10,736,577
Total liabilities	**9,743,594**	**0**	**0**	**0**	**9,743,594**
Amounts due to other banks	2,411,825				2,411,825
Deposits and current accounts	6,524,301				6,524,301
Derivate financial liabilities	150,999				150,999
Other liabilities and provisions	181,488				181,488
Issued debt securities	474,981				474,981
Shareholders' Equity	**992,982**	**0**	**0**	**0**	**992,982**
Share capital	322,530				322,530
Reserves	670,452				670,452

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

3.2.1 Income statement

in HUF million	9M 2022	9M 2023
Interest and similar to interest income	409,474	897,575
Interest and similar to interest expense	(175,805)	(473,774)
Net interest income	**233,669**	**423,801**
Net income from commissions and fees	68,736	100,378
Results from financial instruments	40,044	(236)
Other operating income / (expense), net	(1,469)	13,088
(Impairment) / Reversal on financial and non-financial instruments	(46,660)	(16,876)
Dividend income	716	1,628
Operating expense	(201,082)	(308,948)
Profit before taxation	**93,954**	**212,835**
Income tax income / (expense)	(17,613)	(31,907)
PROFIT FOR THE YEAR	**76,341**	**180,928**
Other comprehensive income	(11,031)	29,540
TOTAL COMPREHENSIVE INCOME	**65,310**	**210,468**

3.2.2 Balance sheet

in HUF million	2022FY	3Q 2023
Assets		
Cash and cash equivalents	**1,361,315**	**1,196,926**
Financial assets measured at fair value through profit or loss	**819,718**	**778,970**
Loans and advances to customers mandatorily at fair value through profit or loss	418,517	485,060
Securities held for trading	49,923	8,549
Securities mandatorily at fair value through profit or loss	24,869	48,941
Derivative financial assets	326,409	236,420
Hedging derivative assets	**164,338**	**107,343**
Financial assets measured at fair value through other comprehensive income (Securities)	**630,845**	**846,728**
Financial assets measured at amortised cost	**7,377,255**	**7,543,164**
Loans and advances to banks	179,088	117,292
Loans and advances to customers	4,342,801	4,303,353
Repurchase assets	1,070	5,359
Securities	2,781,620	2,979,999
Other financial assets	72,676	137,161
Investments in subsidiaries and associates	**49,599**	**50,730**
Intangible assets, Property, plant and equipment	**168,856**	**171,740**
Other assets	**42,496**	**40,976**
Total assets	**10,614,422**	**10,736,577**
Liabilities		
Financial liabilities measured at fair value through profit or loss	**278,203**	**170,938**
Financial liabilities measured at amortised cost	**9,416,275**	**9,433,368**
Amounts due to banks	2,378,471	2,215,405
Amounts due to customers	6,574,357	6,524,301
Repurchase liabilities	0	145,523
Issued debt securities	290,838	366,099
Subordinated debt	88,887	108,882
Other financial liabilities	83,722	73,158
Hedging derivative liabilities	**1,365**	**3,747**
Provisions	**22,623**	**24,140**
Other liabilities	**87,220**	**111,402**
Total liabilities	**9,805,686**	**9,743,595**
Equity		
Share capital	321,699	322,530
Reserves	487,037	670,452
Total equity	**808,736**	**992,982**
Total liabilities and equity	**10,614,422**	**10,736,577**

3.2.3 Shareholders' assets

in HUF million	Share capital	Share premium	Retained earnings	Other reserves	Accumulated other comprehensive income	Non-controlling interests	Total equity
On 1 January 2022	100,000	21,729	134,553	17,040	(23,569)	-	249,753
Profit/ (loss) for the year	-	-	75,279	-	-	1,062	**76,341**
Other comprehensive income for the year	-	-	-	-	(10,758)	(272)	**(11,030)**
Total comprehensive income	**-**	-	75,279	-	(10,758)	790	**65,311**
Share issue and share premium	75,603	109,397	-	-	-	-	**185,000**
Dividend	-	-	(4,300)	-	-	-	**(4,300)**
General reserve for the year	-	-	-	-	-	-	**-**
Changes from business combination - Budapest Bank, Magyar Takarék Bankholding merger	135,717	169,979	(88,101)	9,049	(2,342)	37,125	**261,427**
Other increases and decreases from business combinations	-	-	4,314	-	-	(6,233)	**(1,919)**
Transactions with owners	**211,320**	**279,376**	**(88,087)**	**9,049**	**(2,342)**	**30,892**	**440,208**
At 30 September 2022	311,320	301,105	121,745	26,089	(36,669)	31,682	755,272
At 1 January 2023	321,699	313,947	121,534	32,552	(21,357)	40,361	808,736
Profit/ (loss) for the year	-	-	176,786	-	-	4,142	**180,928**
Other comprehensive income for the year	-	-	-	-	29,467	72	**29,539**
Total comprehensive income	-	-	176,786	-	29,467	4,214	**210,467**
Share issue and share premium	-	-	-	-	-	-	**-**
Dividend	-	-	(25,092)	-	-	-	**(25,092)**
General reserve for the year	-	-	-	-	-	-	**-**
Changes from business combination - Takarékbank Zrt. merger	831	35,866	(39,578)	5,763	-	(3,108)	**(226)**
Other increases and decreases from business combinations	-	-	30	-	268	(1,201)	**(903)**
Transactions with owners	**831**	**35,866**	**(64,640)**	**5,763**	**268**	**(4,309)**	**(26,221)**
At 30 September 2023	322,530	349,813	233,680	38,315	8,378	40,266	992,982

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

3.3.1 Income statement

in HUF million	9M 2022	9M 2023
Interest and similar to interest income	497,677	803,272
Interest and similar to interest expense	(282,000)	(493,276)
Net interest income	**215,677**	**309,996**
Net income from commissions and fees	58,476	72,224
Results from financial instruments	33,752	(7,772)
Other operating income / (expense), net	(517)	7,200
(Impairment) / Reversal on financial and non-financial instruments	(56,974)	(12,620)
Dividend income	4,023	6,086
Operating expense	(190,307)	(229,849)
Profit before taxation	**64,130**	**145,265**
Income tax income / (expense)	507	(21,407)
PROFIT FOR THE YEAR	**64,637**	**123,858**
Other comprehensive income	3,693	23,186
TOTAL COMPREHENSIVE INCOME	**68,330**	**147,044**

Company name: MBH Bank Nyrt.
Address: 1056 Budapest, Váci u. 38.
Sector: Other monetary activity
Reporting period: 01.07.2023-30.09.2023
Phone: +36 (1) 268-7173
E-mail address: investorrelations@mbhbank.hu
Investors' contact person: Dóra Bertalan

3.3.2 Balance sheet

in HUF million	2022Y	3Q 2023
Assets		
Cash and cash equivalents	1,081,158	1,177,748
Financial assets measured at fair value through profit or loss	476,909	738,863
Loans and advances to customers mandatorily at fair value through profit or loss	182,875	464,295
Securities held for trading	8,434	2,369
Securities mandatorily at fair value through profit or loss	18,017	44,501
Derivative financial assets	267,583	227,698
Hedging derivative assets	142,874	106,643
Financial assets measured at fair value through other comprehensive income (Securities)	428,520	847,819
Financial assets measured at amortised cost	4,823,478	7,424,083
Loans and advances to banks	448,627	465,878
Loans and advances to customers	2,565,343	4,178,197
Repurchase assets	9,080	22,947
Securities	1,772,915	2,633,662
Other financial assets	27,513	123,399
Investments in subsidiaries and associates	424,367	245,921
Intangible assets, Property, plant and equipment	81,931	89,683
Other assets	9,541	25,768
Total assets	**7,468,778**	**10,656,528**
Liabilities		
Financial liabilities measured at fair value through profit or loss	196,728	159,369
Financial liabilities measured at amortised cost	6,417,607	9,423,985
Amounts due to banks	1,965,931	2,521,778
Amounts due to customers	4,207,025	6,437,177
Repurchase liabilities	73,429	206,367
Issued debt securities	12,906	93,733
Subordinated debt	88,887	112,876
Other financial liabilities	69,429	52,054
Hedging derivative liabilities	158	3,747
Provisions	13,977	23,596
Other liabilities	47,296	87,866
Total liabilities	**6,675,766**	**9,698,563**
Equity		
Share capital	321,699	322,530
Reserves	471,313	635,435
Total equity	**793,012**	**957,965**
Total liabilities and equity	**7,468,778**	**10,656,528**

3.3.3 Shareholders' assets

in HUF million	Share capital	Share premium	Retained earnings	Other reserve	Accumulated other comprehensive income	Total equity
On 1 January 2022	**100,000**	**21,729**	**123,681**	**17,040**	**(23,569)**	**238,881**
Profit/ (loss) for the year	-	-	71,536	-	-	**71,536**
Other comprehensive income for the year	-	-	-	-	(7,583)	**(7,583)**
Total comprehensive income for the year	**-**	**-**	**71,536**	**-**	**(7,583)**	**63,953**
Issue of share capital and share premium	75,603	109,397	-	-	-	**185,000**
Dividend	-	-	(4,300)	-	-	**(4,300)**
General reserve for the year	-	-	-	-	-	**-**
Increase / decrease due to the merger	135,717	169,979	(45,799)	26,089	(4,102)	**281,884**
At 30 September 2022	**311,320**	**301,105**	**145,118**	**43,129**	**(35,254)**	**765,418**
At 1 January 2023	**321,699**	**313,947**	**148,792**	**32,552**	**(23,978)**	**793,012**
Profit/ (loss) for the year	-	-	123,858	-	-	**123,858**
Other comprehensive income for the year	-	-	-	-	23,186	**23,186**
Total comprehensive income	**-**	**-**	**123,858**	**-**	**23,186**	**147,044**
Dividend	-	-	(25,093)	-	-	**(25,093)**
Increase / decrease due to the merger	831	34,947	6,952	6,682	(6,410)	**43,002**
On 30 September 2023	**322,530**	**348,894**	**254,509**	**39,234**	**(7,202)**	**957,965**

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

3.4 Other information

Consolidated companies

Name of Company from 01.05.2023	Company (earlier name)	Country of incorporation	Brief description of activities	MKB's share of ownership, total, according to Credit Institutions Act (%)	MKB's share of voting right, total (%)
MBH DOMO Kft.	MBH DOMO Kft.	Hungary	Renting and operating of own or leased real estate	100.00	100.00
MBH Befektetési Alapkezelő Zrt.	MBH Befektetési Alapkezelő Zrt.	Hungary, Czech Republic	Fund management	75.54	75.54
Budapest Lízing Zrt.	Budapest Lízing Zrt.	Hungary	Financial leasing	100.00	100.00
Euroleasing Ingatlan Zrt.	TAKARÉK Lízing Zrt.	Hungary	Other credit granting	100.00	100.00
Budapest Eszközfinanszírozó Zrt.	Budapest Eszközfinanszírozó Zrt.	Hungary	Renting and leasing of other machinery, equipment and tangible goods	100.00	100.00
MBH Ingatlanfejlesztő Kft.	MKB Üzemeltetési Kft.	Hungary	Renting and operating of own or leased real estate	100.00	100.00
Euroleasing Zrt.	Euroleasing Zrt.	Hungary	Financial leasing	100.00	100.00
Retail Prod Zrt.	Retail Prod Zrt.	Hungary	Other credit granting	100.00	100.00
MBH Bank MRP Szervezet	MKB Bank MRP Szervezet	Hungary	Entity operating based on the ESOP Act	100.00	100.00
MBH Befektetési Bank Zrt.	MTB Magyar Takarékszövetkezeti Bank Zrt.	Hungary	Credit institution, investment and Treasury services	80.56	100.00
MBH Jelzálogbank Nyrt.	Takarék Jelzálogbank Nyrt.	Hungary	Issuance of mortgage bonds, refinancing of mortgage loans	48.46	48.53
Takarék Faktorház Zrt.	Takarék Faktorház Zrt.	Hungary	Other credit granting	100.00	100.00
Takinfo Kft.	Takinfo Kft.	Hungary	Formerly: computer facilities management activities, now only operation and utilisation of real	52.38	52.38
TAKARÉK Ingatlan Zrt.	TAKARÉK Ingatlan Zrt.	Hungary	Management of real estate on a fee or contract basis	100.00	100.00
MBH Blue Sky Kft.	Takarék Invest Kft.	Hungary	Asset manafement (holding)	100.00	100.00
MITRA Informatikai Zrt.	MITRA Informatikai Zrt.	Hungary	Data processing, hosting and related activities	96.47	96.47
MBH Szolgáltatások Zrt.	TIHASZ Takarék Ingatlanhasznosító Zrt.	Hungary	Renting and operating of own or leased real estate	100.00	100.00
Magyar Strat-Alfa Befektetési Zrt.	Magyar Strat-Alfa Befektetési Zrt.	Hungary	Buying and selling of own real estate Renting and operating of own or leased real estate	50.00	50.00

List and presentation of owners with more than 5% participation (30.09.2023)

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

Full-time employees

FTE, end of period	30.09.2022	31.12.2022	31.03.2023	30.06.2023	30.09.2023
MBH Bank Nyrt.	4,743.75	4,737.63	5,170.95	8,371.01	8,141.71
MBH	12.65	1.25	0.00	0.00	0.00
MITRA Informatikai Zrt.	403.80	402.00	149.00	149.55	144.65
MBH Ingatlanfejlesztő Kft.	32.61	31.72	30.97	28.72	26.72
MBH DOMO Kft.	0.00	0.00	0.00	0.00	2.00
Eurolízing	204.37	347.55	346.00	347.75	350.63
Alapkezelő	45.00	42.75	40.75	44.00	43.00
Budapest Eszközfinanszírozó Zrt.	4.25	3.25	4.25	4.25	5.25
Budapest Lízing Zrt.	23.75	0.00	0.00	0.00	0.00
MBH Bank MRP Szervezet	2.00	2.00	2.00	2.00	2.00
MBH Befektetési Bank Zrt.	419.09	414.24	407.69	386.38	356.55
Takarékbank Zrt.	3,686.60	3,398.60	3,342.57	0.00	0.00
MBH Jelzálogbank Nyrt.	14.88	14.23	14.23	16.20	16.50
Takarék Központi Követelésbehajtó Zrt.	0.00	0.00	0.00	0.00	0.00
Takarék Faktorház Zrt.	8.28	7.88	7.88	3.50	0.15
Takarék Ingatlan Zrt.	18.63	17.63	17.63	1.00	0.00
Euroleasing Ingatlan Zrt.	15.54	0.50	1.50	0.50	0.50
TIFOR Takarék Ingatlanforgalmazó Zrt.	3.55	0.00	0.00	0.00	0.00
MBH Szolgáltatások Zrt.	49.45	52.95	70.53	69.53	61.88
Takarék Központi Követelés Kezelő Zrt.	0.00	0.00	0.00	0.00	0.00
MBH Group	**9,688.20**	**9,474.18**	**9,605.95**	**9,424.38**	**9,151.53**

Managers and strategic employees

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

[1] Employee in strategic position (SP), Board of Directors member (IT), Supervisory Board member (FB)

4 ANNEXES

4.1 Financial indicators

4.1.1 Adjusted KPIs on profit&loss

KPI	Short description	Formulation	Current cumulated figures
ROAE	Adjusted rate on average equities	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average equities (HUF bln)}}$	$\frac{235{,}017}{875{,}182} * \frac{4}{3} =$ **35.80%**
ROMC	Adjusted rate on minimum capital	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average minimum capital (HUF bln)}}$	$\frac{235{,}017}{522{,}976} * \frac{4}{3} =$ **59.92%**
ROAA	Adjusted rate on average total assets	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{235{,}017}{10{,}536{,}506} * \frac{4}{3} =$ **2.97%**
TRM	Adjusted total revenue margin	$\frac{\text{Annualised adjusted Gross Operating Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{490{,}322}{10{,}536{,}506} * \frac{4}{3} =$ **6.20%**
CIM	Adjusted core income margin	$\frac{\text{Annualised adjusted net interest + net fee (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{(428{,}647 + 67{,}349)}{10{,}536{,}506} * \frac{4}{3} =$ **6.28%**
NIM	Adjusted net interest income margin	$\frac{\text{Annualised adjusted Net Interest Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{428{,}647}{10{,}536{,}506} * \frac{4}{3} =$ **5.42%**
NFM	Adjusted net fee margin	$\frac{\text{Annualised adjusted Net Fee Income (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{67{,}349}{10{,}536{,}506} * \frac{4}{3} =$ **0.85%**
C/TA	Adjusted cost to total assets	$\frac{\text{Annualised adjusted General Admin. Expenses (HUF bln)}}{\text{Average Total assets (HUF bln)}}$	$\frac{192{,}834}{10{,}536{,}506} * \frac{4}{3} =$ **2.44%**
CIR	Adjusted cost-income ratio	$\frac{\text{Adjusted General Admin. Expenses (HUF bln)}}{\text{Adjusted Gross Operating Income (HUF bln)}}$	$\frac{192{,}834}{490{,}322} =$ **39.33%**
Risk%	Adjusted risk cost rate	$\frac{\text{Annualised adjusted provision for losses on loans (HUF bln)}}{\text{Average gross loans (HUF bln)}}$	$\frac{6{,}637}{4{,}969{,}296} * \frac{4}{3} =$ **0.18%**
GOI/RWA	Adjusted RWA efficiency	$\frac{\text{Annualised adjusted Gross Operating Income (HUF bln)}}{\text{Average Total RWA (HUF bln)}}$	$\frac{490{,}322}{4{,}161{,}978} * \frac{4}{3} =$ **15.71%**
EPS	Adjusted earnings per share	$\frac{\text{Annualised adjusted PAT (HUF bln)}}{\text{Average number of shares (bln pcs)}}$	$\frac{235{,}017}{319} * \frac{4}{3} =$ **982.66**

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

KPI	Short description	Formulation	Current cumulated figures
ROAE	Rate on average equities	Annualised PAT (HUF bln) / Average equities (HUF bln)	180,928 / 875,182 * 4/3 = **27.56%**
ROMC	Rate on minimum capital	Annualised PAT (HUF bln) / Average minimum capital (HUF bln)	180,928 / 514,283 * 4/3 = **46.91%**
ROAA	Rate on average total assets	Annualised PAT (HUF bln) / Average Total assets (HUF bln)	180,928 / 10,536,506 * 4/3 = **2.29%**
TRM	Total revenue margin	Annualised Gross Operating Income (HUF bln) / Average Total assets (HUF bln)	495,548 / 10,536,506 * 4/3 = **6.27%**
CIM	Core income margin	Annualised net interest + net fee (HUF bln) / Average Total assets (HUF bln)	(428,647 + 67,349) / 10,536,506 * 4/3 = **6.28%**
NIM	Net interest income margin	Annualised Net Interest Income (HUF bln) / Average Total assets (HUF bln)	428,647 / 10,536,506 * 4/3 = **5.42%**
NFM	Net fee margin	Annualised Net Fee Income (HUF bln) / Average Total assets (HUF bln)	67,349 / 10,536,506 * 4/3 = **0.85%**
C/TA	Cost to total assets	Annualised General Admin. Expenses (HUF bln) / Average Total assets (HUF bln)	195,050 / 10,536,506 * 4/3 = **2.47%**
CIR	Cost-income ratio	General Admin. Expenses (HUF bln) / Gross Operating Income (HUF bln)	195,050 / 495,548 = **39.36%**
Risk%	Risk cost rate	Annualised provision for losses on loans (HUF bln) / Average gross loans (HUF bln)	-6,637 / 4,969,296 * 4/3 = **0.18%**
GOI/RWA	RWA efficiency	Annualised Gross Operating Income (HUF bln) / Average Total RWA (HUF bln)	495,548 / 4,135,550 * 4/3 = **15.98%**
EPS	Earnings per share, IFRS	PAT (HUF bln) / Average number of shares (bln pcs)	180,928 / 319 * 4/3 = **756.5**

4.1.3 Volume KPIs

KPI	Short description	Formulation	Current cumulated figures	
Provision/ Total Assets	Provision to Total Assets	Provision for customer loans (HUF bln) / Total Assest (HUF bln)	230,534 / 10,736,577 =	**2.15%**
Securities rate	Securities to Total assets	Securities (HUF bln) / Total Assest (HUF bln)	3,822,720 / 10,736,577 =	**35.60%**
CAR	Capital adequacy ratio	Regulatory capital (HUF bln) / Total RWA (HUF bln)	820,654 / 4,267,067 =	**19.23%**
RWA/ Total Assets	Risk weighted assets to Total assets ratio	Total RWA (HUF bln) / Total Assest (HUF bln)	4,267,067 / 10,736,577 =	**39.74%**
DPD coverage	Rate of loans past due for more than 90 days covered by provision	Provision for customer loans (HUF bln) / Loans past due for more than 90 days (HUF bln)	230,534 / 106,169 =	**217.14%**
NPL rate	Rate of non-performing loans	Non-performing customer loans (HUF bln) / Gross customer loans (HUF bln)	209,097 / 5,018,947 =	**4.17%**
Direct NPL coverage	Rate of non-performing loans covered directly by provision	Provision for non-performing customer loans (HUF bln) / Non-performing customer loans (HUF bln)	103,987 / 209,097 =	**49.73%**
Indirect NPL coverage	Rate of non-performing loans covered by provision	Provision for customer loans (HUF bln) / Non-performing customer loans (HUF bln)	230,534 / 209,097 =	**110.25%**

4.2 Summary of the methodology underlying the 3Q 2023 report

Concerning comparisons to base year figures, this 3Q report and the related investment presentation are – unless otherwise indicated – based on the pro forma statement prepared by the Bank Group for year 2022.

MBH Bank prepared and published the pro forma consolidated balance sheet and profit and loss statement for 2021, as presented in the Exemption Document. The pro forma information in the balance sheet and profit and loss statements show the consolidated financial position as well as profit and loss of MBH Bank and its consolidated subsidiaries as of the reporting date of 31st December 2021, assuming the Merger had been executed on 1st January 2021.

The pro forma data and related statements are given only for information purposes; by their very nature they apply to a presumed situation and illustrate the impacts of the Merger if it had taken place at an earlier date.

Principles underlying the preparation of pro forma statements:

- It was compiled in accordance with the single consolidated accounting policy applied in business years 2021 and 2022. Consequently, it does not contain any adjustments that might stem from potential differences between accounting policies.
- The unadjusted initial information used in the preparation of the accounting statements was taken from the consolidated audited IFRS annual report of the business year ending on 31st December 2021.
- Since on 15th December 2020 Magyar Bankholding Zrt. acquired majority influence in MKB Bank, Budapest Bank and the Takarék Group, the consolidated annual report prepared by Magyar Bankholding Zrt. for the business year 2021 includes the data of these companies as well as their subsidiaries consolidated for accounting purposes.
- Main steps of the preparation of pro forma statements

  The following steps were taken into consideration during the preparation of the pro forma statements:

  1. Step One: subtraction of Magyar Bankholding Zrt's individual data from its consolidated data;
  2. Step Two: elimination of consolidation steps from Magyar Bankholding Zrt's consolidated statements to generate the aggregated individual data of the new Issuer group created by the Merger.
  3. Step Three: various steps of the consolidation of the new Issuer group resulting from the Merger, i.e.
     - Capital consolidation; and
     - Intra-group debt and yield consolidation;
  4. Step Four: separate presentation of the impacts of Magyar Bankholding Zrt's additional asset contribution made simultaneously with the Merger.
- MBH Bank's 1Q 2022 accounting profit does not include the 1Q profits/losses of the merging companies. Therefore, the profit and loss data are presented on the basis of modelled pro forma data, adjusted with the profits and losses of the merging entities, for comparability.

- For year 2021 and 1Q 2022 the items and principles used in the generation of the adjusted (normalised) profit and loss were modelled retroactively for the pro forma accounting statements in accordance with the 2Q, 3Q and 4Q 2022 principles, to ensure comparability of the adjusted profit and loss data.
- From 2Q 2022 the Consolidated Financial Data are presented including the merged banks.
- MBH Nyrt's information on its 3Q 2023 performance is based on data contained in the consolidated balance sheet and profit and loss statement prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU. The analysis of the Bank's activity was based on unaudited data as at 31st December 2021, audited data as at 31st December 2022 and unaudited data as at 30th September 2023.
- MBH Public Limited Company, according to the Act LIX of 2006, fully accounted the amount defined as a special tax on financial institutions for the year 2023 – as required by IFRS – in the first half of the year, as the amount determined by this law is not disputed and must be paid by the Bank till the end of 2023.
- The summary rows of the tables in the report do not necessarily sum to the subdivision rows, due to the application of the rounding formula.

4.3 Abbreviations

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