

MBH Group

1Q 2024 results

Investor Presentation

30th May 2024

MBH BANK



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

For definition and calculation methodology of alternative performance measurement indicators please refer to 1Q 2024 Report chapter 4.1. – Financial indicators.

This presentation is to support the understanding of the underlying financial performance of MBH Group and it is a close and inseparable part of the 1Q 2024 Report.

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

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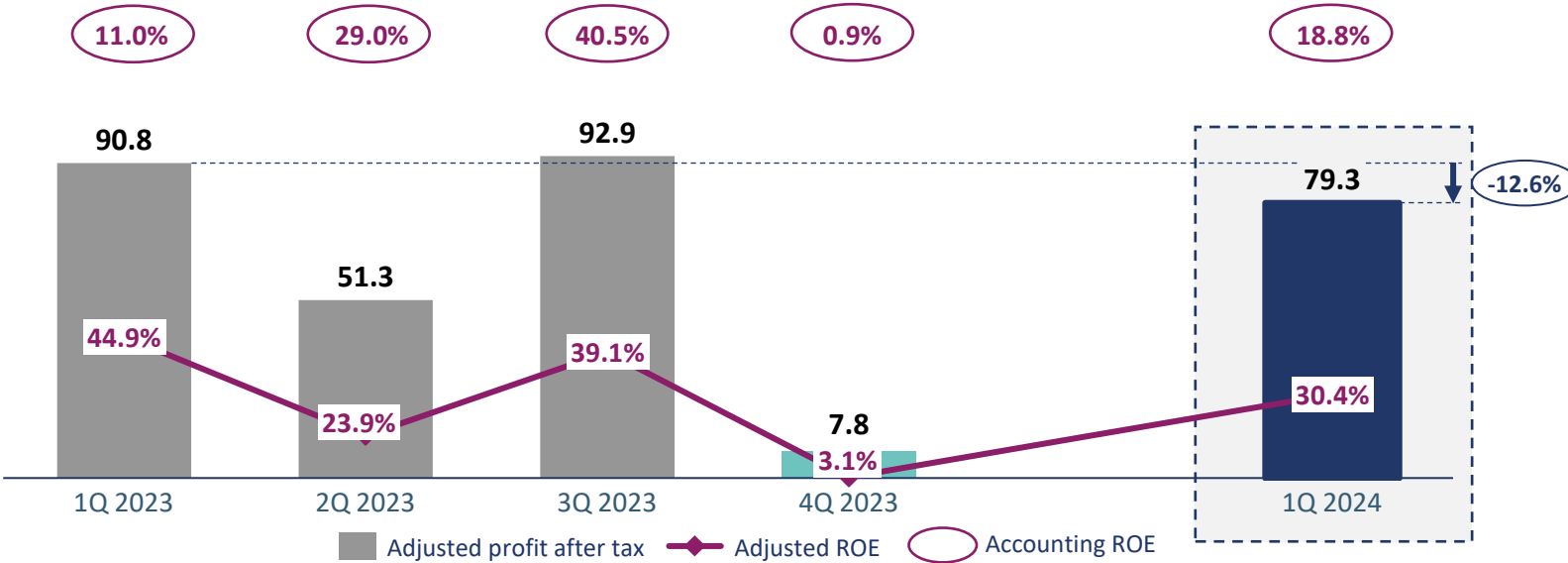


Executive summary

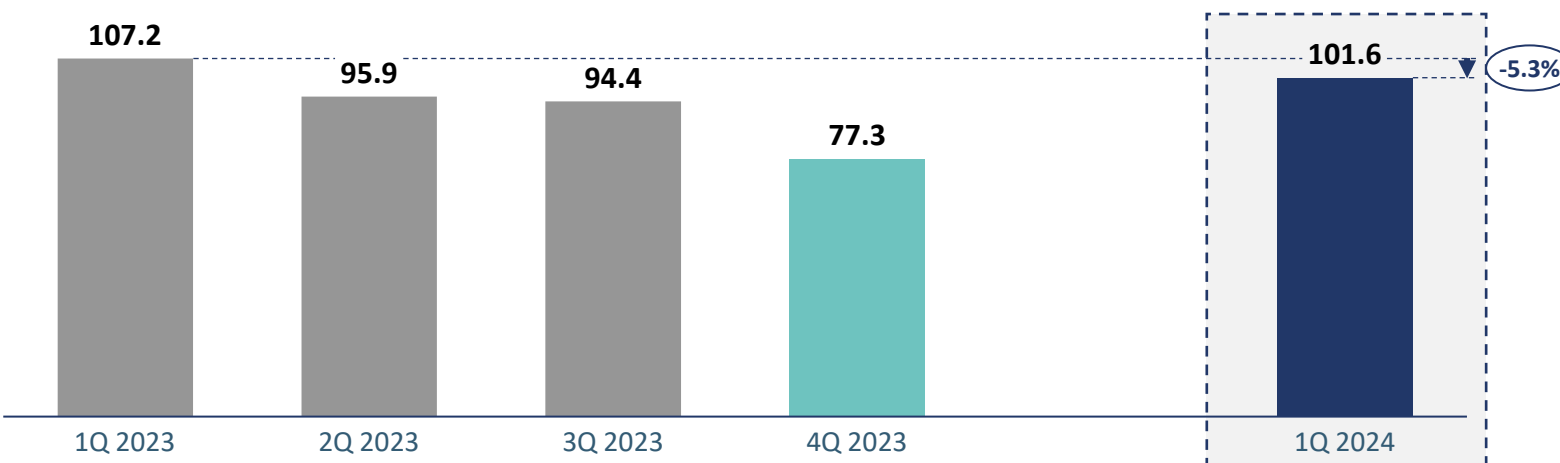
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Close to HUF 80 bn adjusted profit in 1Q 2024, with stable net operating income levels

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



Adjusted Net Operating Income (HUF bn)



- Continued strong profitability in 1Q 2024, with adjusted return on equity reaching 30.4% for the period (accounting ROE also very strong at 18.8%).
- HUF 79.3 bn adjusted profit after tax (-12.6% y/y) in 1Q 2024. The Q/Q increase in 1Q was mainly driven by the drop in risk costs and operating expenses following seasonally higher 4Q levels.
- Total adjusted net operating income for 1Q 2024 amounted to HUF 101.6 bn (-5.3% y/y).



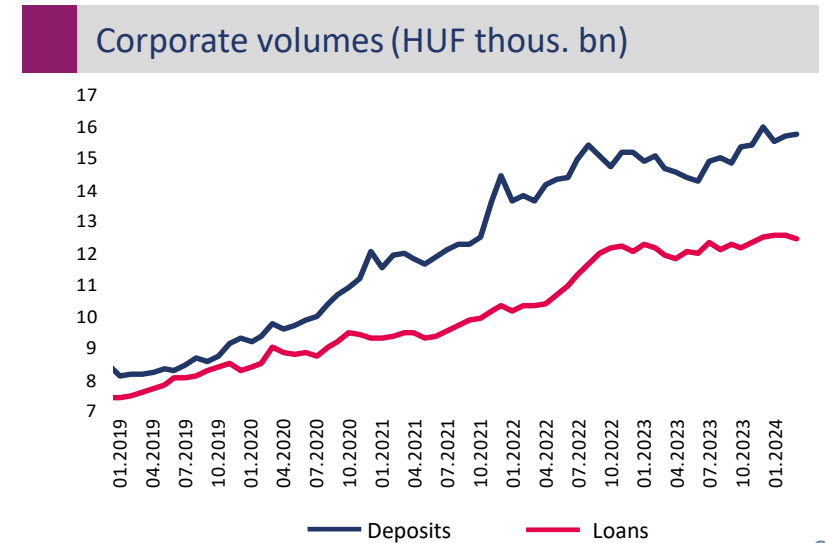
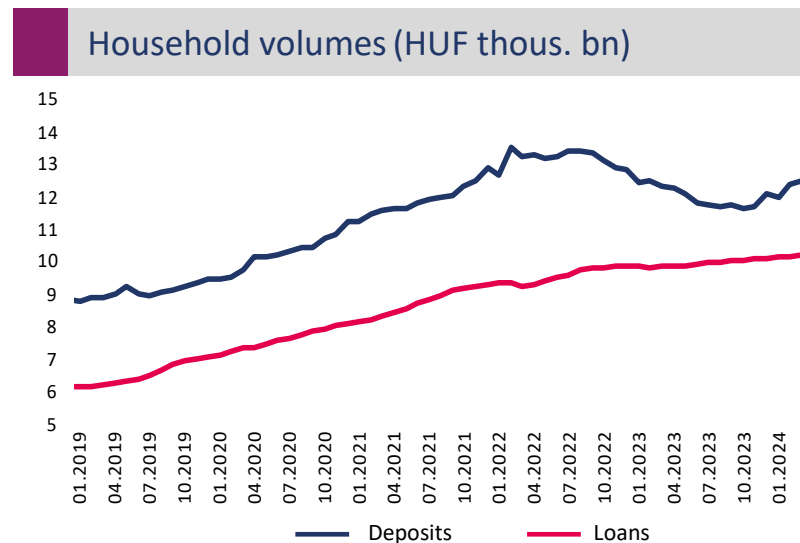
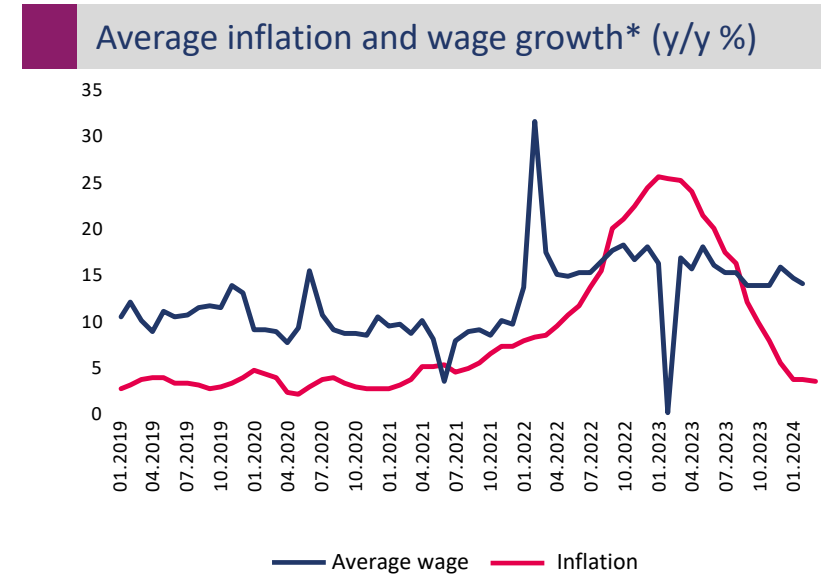
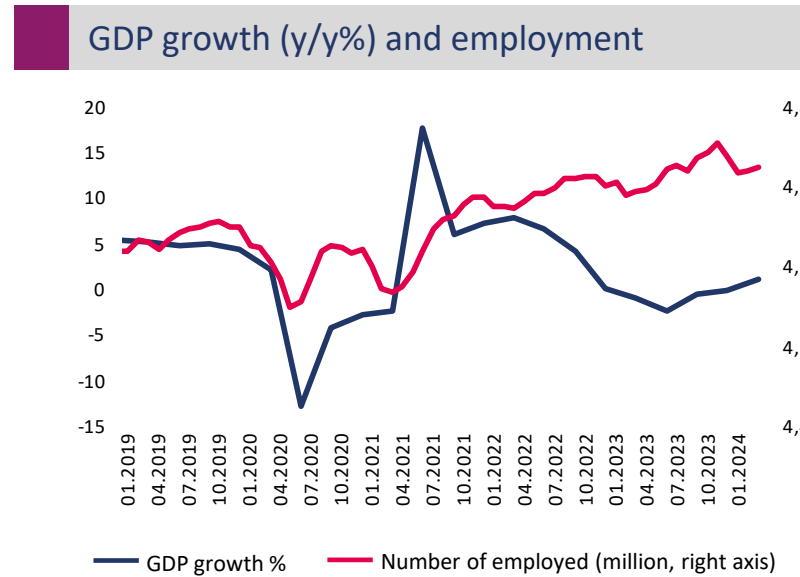
Business environment

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Inflation bottoming out, GDP gradually gathering steam

- Economic output grew by 0.8% in the first quarter of this year compared with the previous quarter. The Hungarian economy grew by 1.1% year-on-year, according to the unadjusted data, while seasonally and working day adjusted growth was 1.7%. We expect 2.7% average annual GDP growth this year, followed by 3.7% next year.
- The 12-month rate of inflation moderated to 3.6% in March from 5.5% in December. By the end of this year the annual rate of inflation is expected to rise to around 5%, with annual average inflation expected at 4.1%. In 2025 we expect inflation to return to the central bank's target range, with the average annual inflation rate amounting to 3.4%.
- The employment rate, in the 15-64 age group, increased to 74.7% between January and March. The unemployment rate, calculated according to international methodology, stood at 4.6% between January and March, compared with 4.1% a year earlier.
- Despite a sharp pick-up in household lending in early 2024, the stock of loans continues to increase at a moderate pace, whereas deposits were boosted by extra pension payments and heavy interest income on retail government bonds. NFC loans, meanwhile, stagnated at best in the first quarter, while the stock of NFC deposits remained elevated. By the end of this year the stock of both household and NFC loans are expected to be approximately 4% higher than at end-2023, whereas the stock of deposits is expected to rise to a somewhat lesser extent. Growth rates may be two times higher in the case of NFCs in 2025, but only around 1.5 times higher for households.

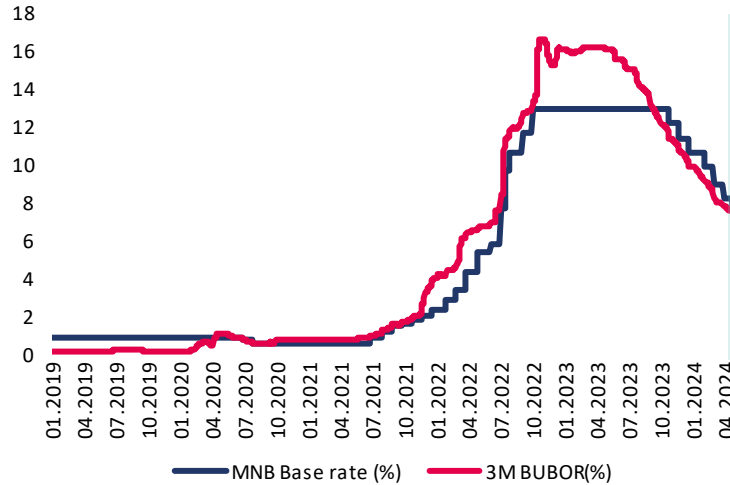


* Febr. wage growth data was affected by the payment of the 'service premium' (the so-called 'firearms money') for the army and the law enforcement personnel corresponding to six-month salary in February 2022

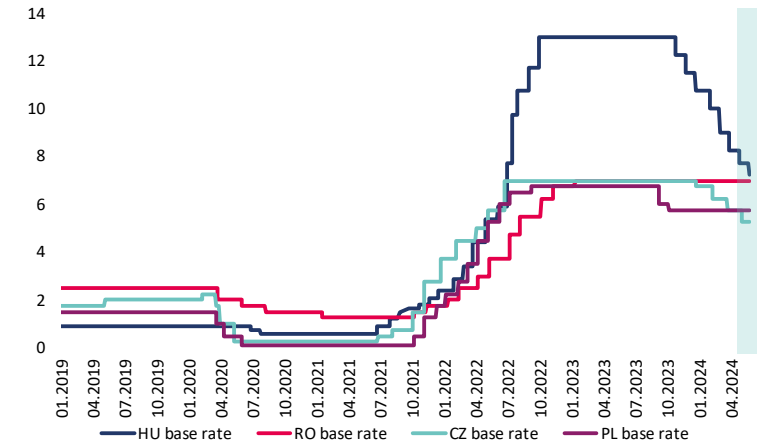
Hungarian base rate could fall to between 6.75-7% by early-summer

- The Hungarian National Bank has continued to cut interest rates this year, with the base rate falling from 10.75% at the end of 2023 to 8.25% in March (7.25% by the end of May). For June, we believe the 6.75-7% range previously communicated by the MNB is achievable, but only minimal further rate cuts are expected in 2H 2024. Thus, we expect a base rate of 6.25% by the end of the year and 5.00% by the end of 2025.
- The HUF showed some volatility during Q1, but the external balance remained strong. The HUF/EUR rate moved between 377 and 398. We expect the forint to strengthen to 382.5 by the end of the year and to 380 by December 2025.
- Yields continued to edge down on the government bond market in 1Q, but the movement was much less spectacular than in earlier quarters. We expect the 10-year benchmark rate to fall to around 6% by 4Q, and to 5.3% by end-2025.
- Demand in the government bond market remained stable in the first quarter both on the wholesale and the retail government bond markets.

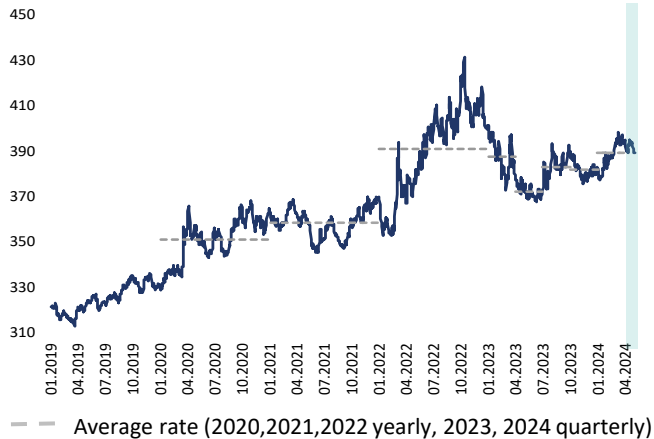
MNB base rate and 3M BUBOR (%)



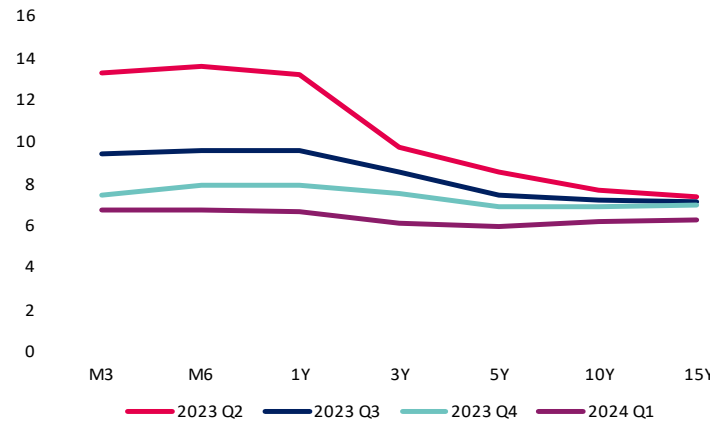
Regional base rates (%)



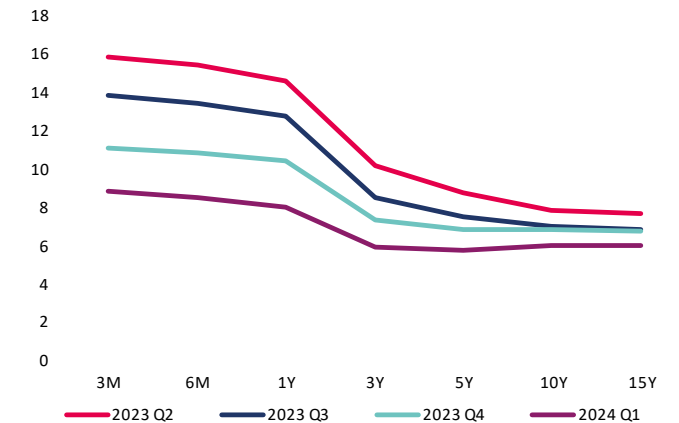
EUR/HUF rate



GDMA benchmark yields (%)



SWAP yield curves (%)



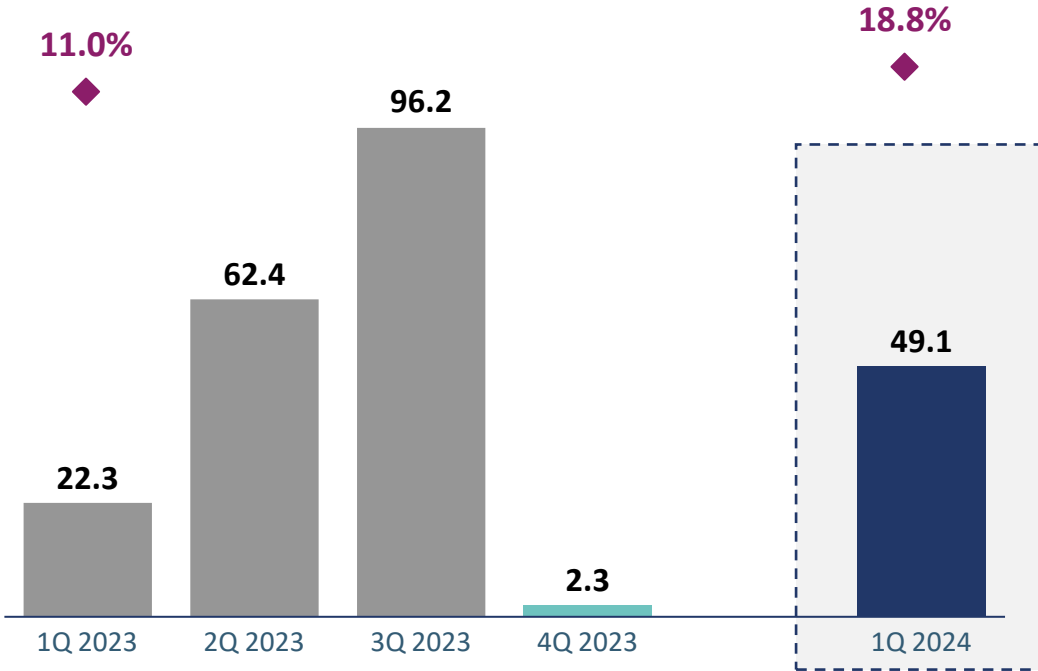


Financial performance

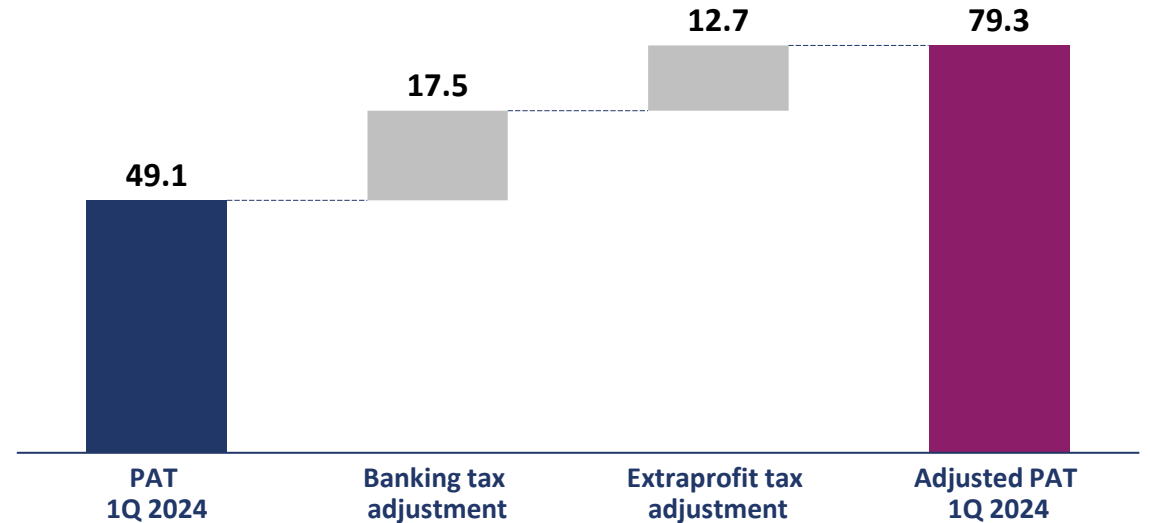
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Accounting profits increased to HUF 49.1 bn; extra profit tax and banking tax are the adjustments on PAT in 1Q 2024

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



1Q 2024 adjusted Profit after tax breakdown (HUF bn)



- Accounting profit after tax in 1Q 2024 was HUF 49.1 bn. The Q/Q increase in 1Q was primarily driven by the drop in risk costs and operating expenses following seasonally higher 4Q levels.
- The accounting profit after tax was **120.0% higher than 1Q 2023** mostly due to lower extra profit tax.

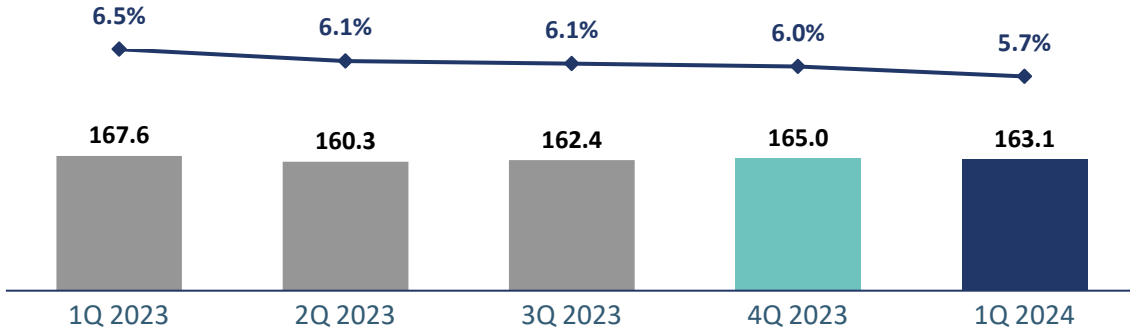
In order to provide better understanding and comparable views of the underlying financial performance, MBH Group uses adjustments in this report.

Adjustments for 1Q 2024 (after tax) are the following:

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

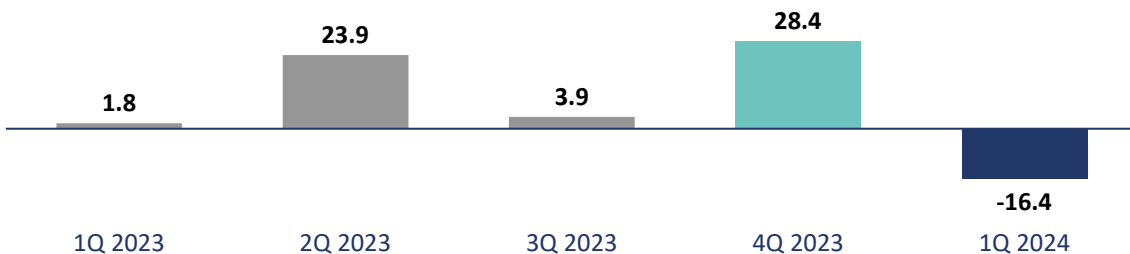
MBH Group's gross income remaining stable in 1Q, with some decrease in the margins driven by the change in the yield environment

Gross Operating Income (GOI, HUF bn)¹, TRM %

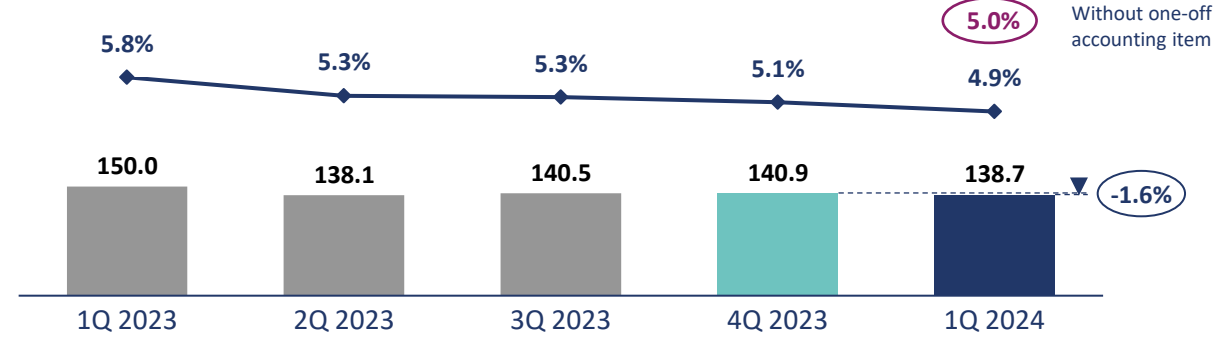


- **Gross Operating Income** reached HUF 163.1 bn (HUF -1.9 bn p/p, HUF -4.5 bn y/y) in 1Q 2024, which is **down by 2.7%** compared to the same quarter last year, mainly driven by the decline in NII due to change in yield environment.
- **Net interest income** reached HUF 138.7 bn in 1Q 2024 (HUF -2.2 bn, -1.6% p/p). The net interest margin decreased to the level of 4.9%.
- **Net fee & Commission income** was HUF 23.1 bn in 1Q 2024 (+9.8% y/y; -12.8% p/p), quarterly decline driven mainly by the seasonal decrease of turnover at the beginning of the year.
- **Other income** totalled HUF 1.4 bn in 1Q 2024 with the p/p changes being impacted by volatile money market conditions.

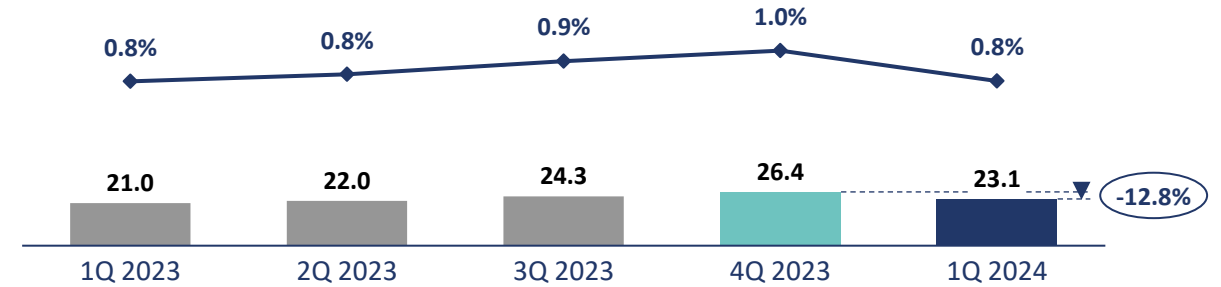
Other comprehensive income (OCI, HUF bn)



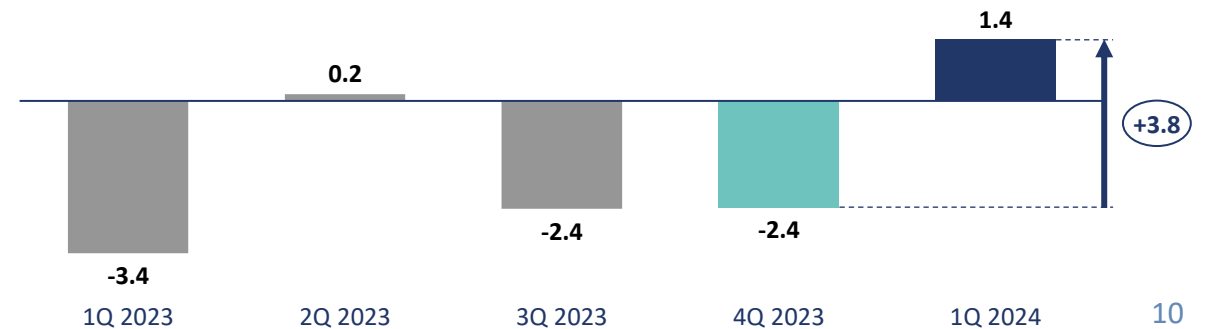
Net interest income (HUF bn), NIM %



Net fee income, NFM %



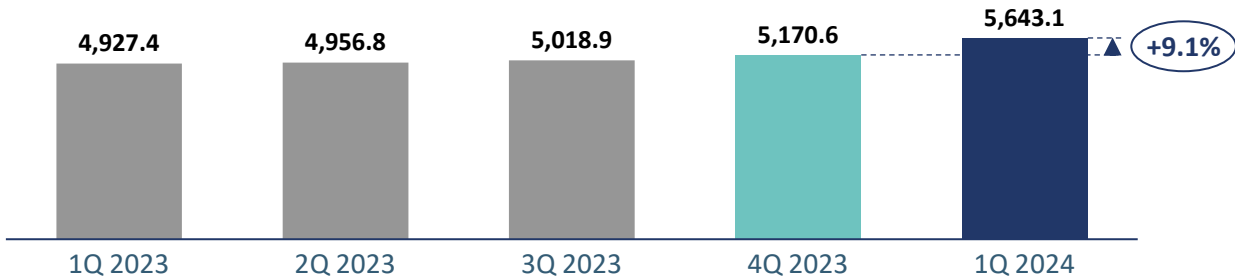
Other income²



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

Close to 15% y/y increase in the loan book, with the 1Q 2024 figures supported by the acquisition of Fundamenta building society

Customer gross loan portfolio (HUF bn)



MBH's gross loans increased during the first quarter by 9.1% p/p (HUF +472.5 bn), partially due to the acquisition of the Fundamenta portfolio. Growth was primarily in retail segments.

Corporate Loans:

- Corporate business decreased by 3.0% during 1Q on loan portfolio, reaching HUF 2,755.8 bn at the end of March 2024 (+3.4% y/y). The Bank's market share stood at 19.1%.

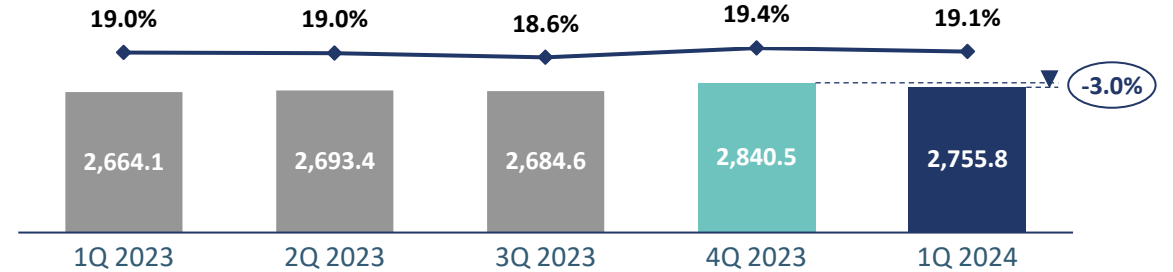
Retail Loans:

- Total retail loans portfolio was at HUF 2,216.5 bn at the end of the quarter (+30.4% y/y), while p/p up was 27.3%, thanks to the impact of acquisition of Fundamenta portfolio. Market share significantly increased to 21.1% in 1Q 2024.

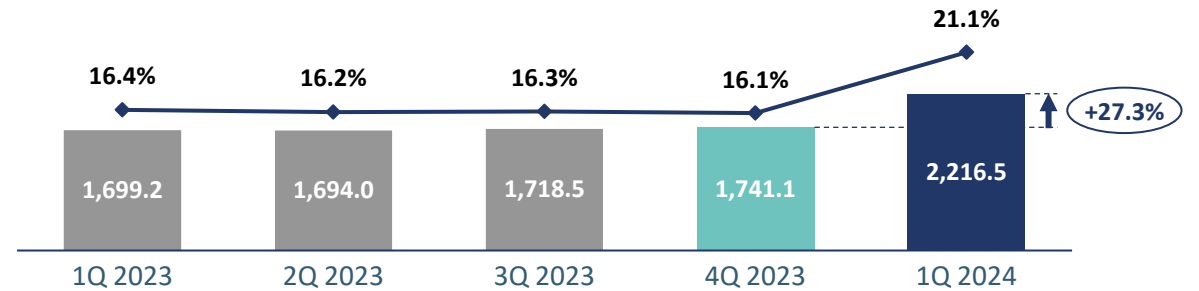
Leasing:

- MBH Group leasing portfolio amounted to HUF 563.9 bn as of 31 March 2024, HUF 48.7 bn (+9.5% y/y) higher compared to 1Q 2023 (+0.7% p/p).

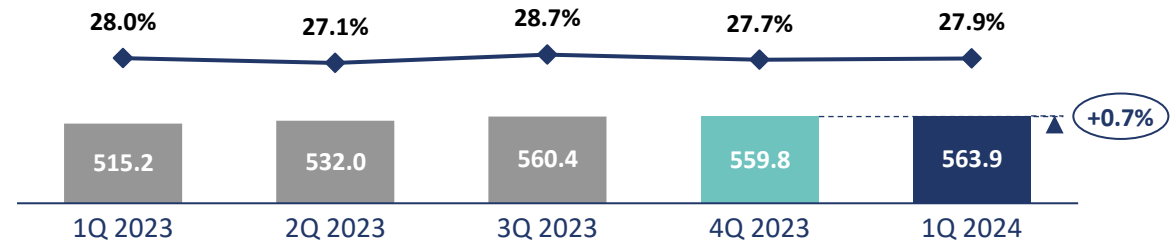
Corporate¹



Retail¹



Leasing²

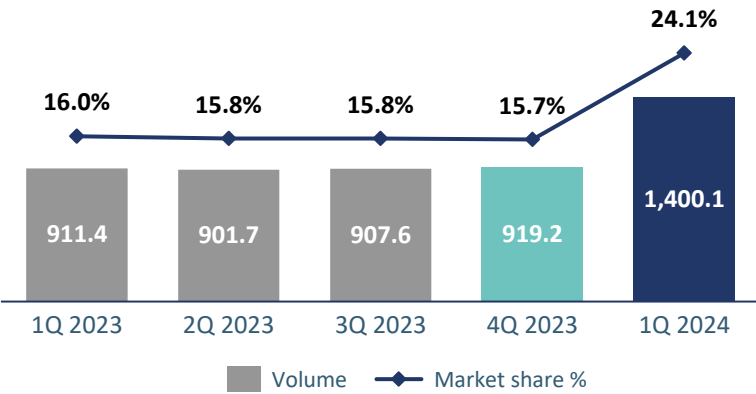


¹ Retail and corporate portfolio is presented according to MBH Bank's internal segmentation methodology, Market share: HNB segmentation, household and non-financial corporate

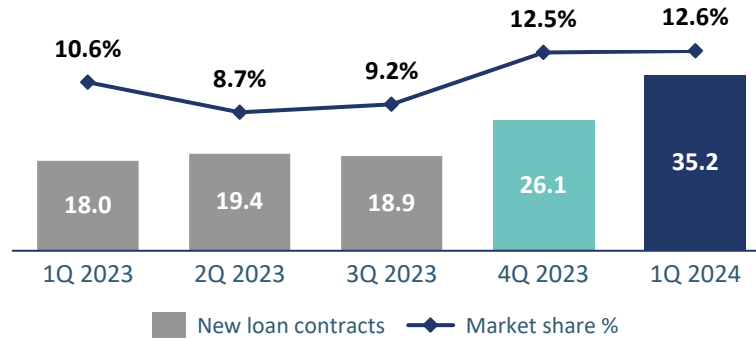
² Leasing market share: partially based on Leasing Association data and internal estimates

Growth in new lending volumes in both mortgages and personal loans in 1Q 2024

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



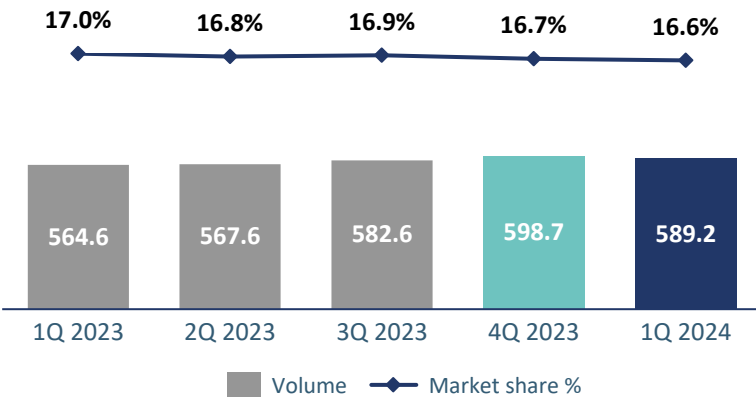
Retail mortgage loans –
New loan contracts (HUF bn) and market share (%)



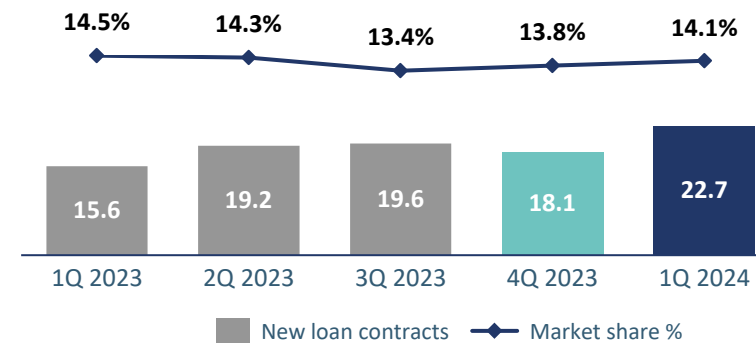
Retail mortgage loans:

- **Retail mortgage loan** balances were at HUF 1,400.1 bn (+53.6%, HUF +488.6 bn y/y) driven by acquisition of Fundamenta. Market share of retail mortgage loans increased to 24.1% at the end of 1Q 2024.
- **New loan contracts of retail mortgage loans** increased by 34.7% in 1Q 2024 compared to 4Q 2023 supported by CSOK Plusz program and the general improvement in the market environment.

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



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

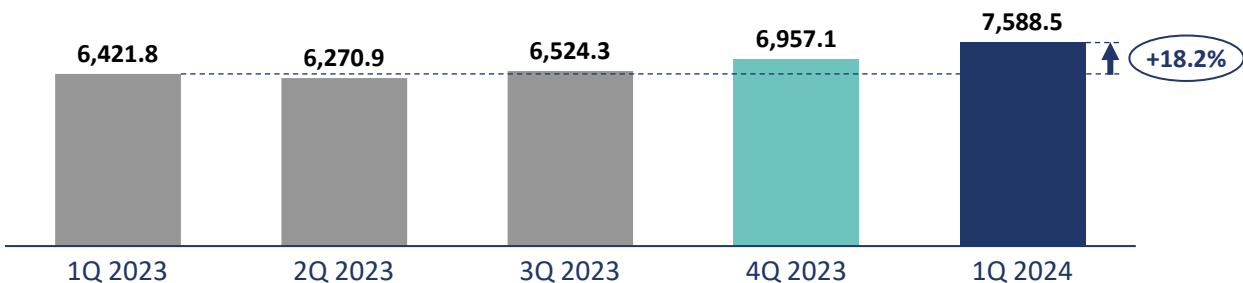


Retail unsecured loans:

- **Unsecured loan volumes decreased** minimally in 1Q 2024 (-1.6% p/p). Market share of retail unsecured loans was 16.6%.
- **New loan contracts of retail personal loans** amounted to HUF 22.7 bn in 1Q 2024 (+25.7% p/p) supported by personal loan campaign. Market share was 14.1% in the period.

MBH BANK Deposit portfolios increased in 1Q, retail volumes supported by the aquisition of Fundamenta

Customer deposit portfolio (HUF bn)



Customer deposits continued to grow in 1Q (+18.2% y/y), increased by 9.1% p/p impact of aquisition of Fundamenta, reaching HUF 7,588.5 bn by the end of March.

Corporate Deposits:

- Corporate business deposits increased by 16.8% y/y (+HUF 579.4 bn y/y), while the quarterly increase was 1.2% (HUF +46.1 bn p/p). Market share of corporate deposits increased to 19.8%.

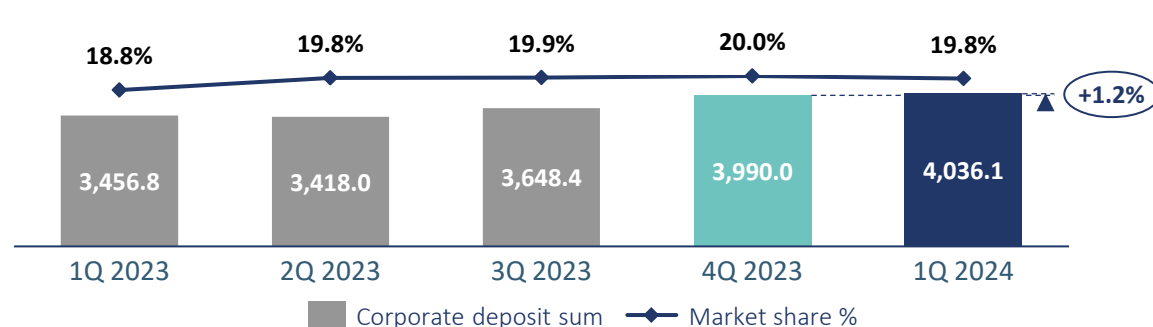
Retail Deposits:

- Retail deposits increased by 23.7% y/y. while, an increase of 19.6% (HUF +518.7 billion p/p) was realized in 1Q 2024, supported by the aquisition of Fundamenta. Market share of retail deposits increased to 19.8%.

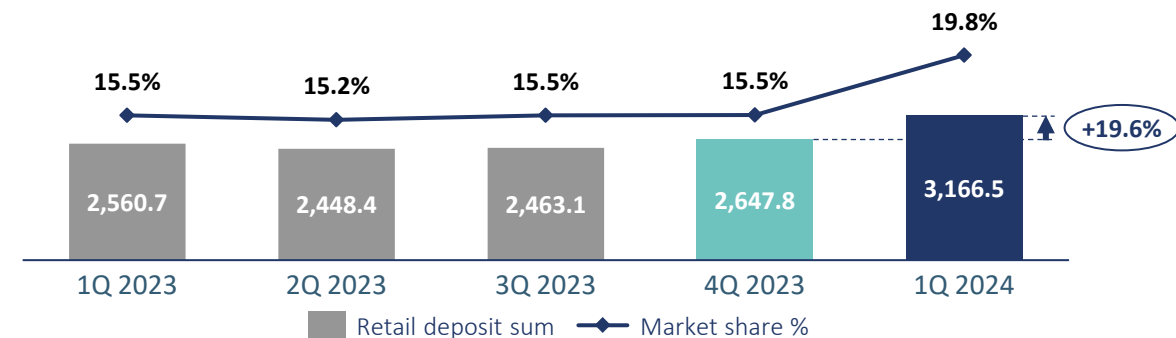
Retail other savings:

- Retail savings in other instruments increased by over HUF 527.6 bn compared to 1Q 2023, and HUF 108.4 bn compared to 4Q 2023, mainly driven by investment funds.

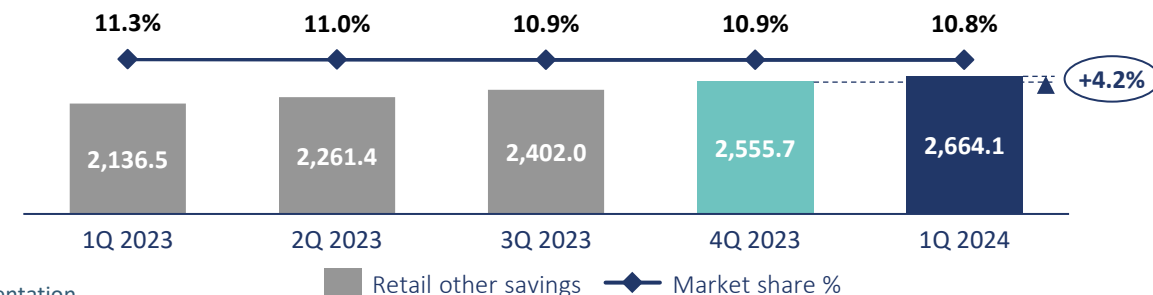
Corporate¹



Retail¹



Retail other savings²

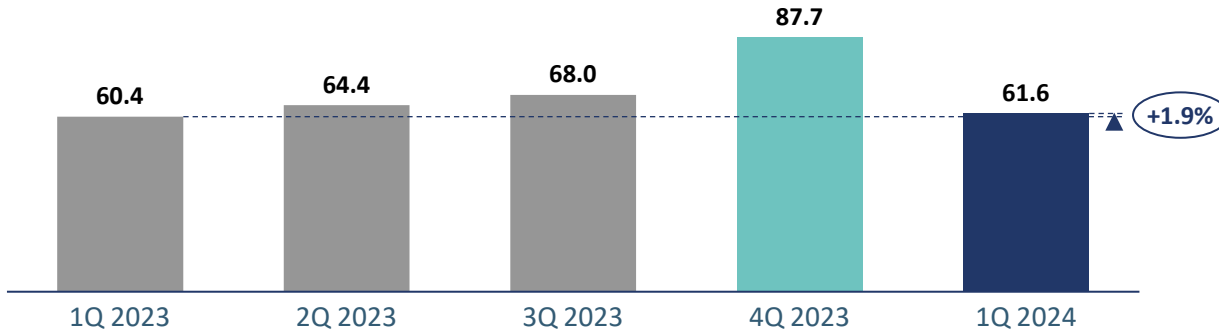


¹ Retail and corporate portfolio is presented according to MBH Bank's internal segmentation methodology, Market share: HNB segmentation

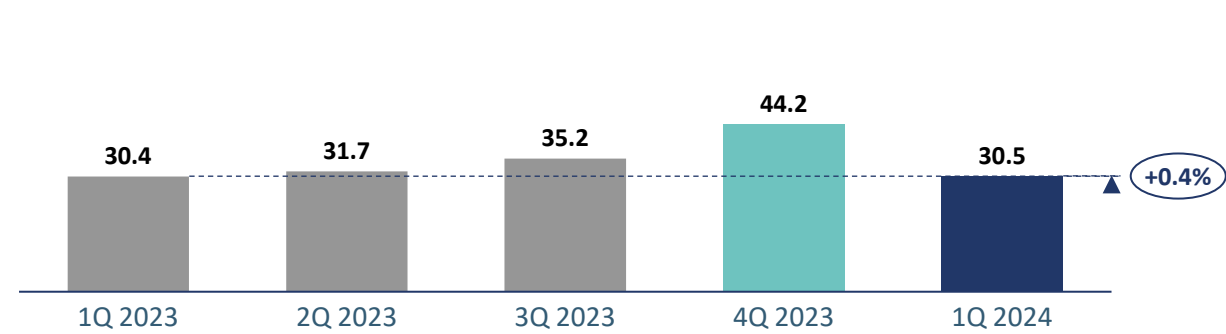
² Private individuals and Private Banking savings; other savings include securities accounts and shares, other securities

Strict cost control, decrease in costs p/p, C/I ratio improving close to 37%

Operating expenses (HUF bn)

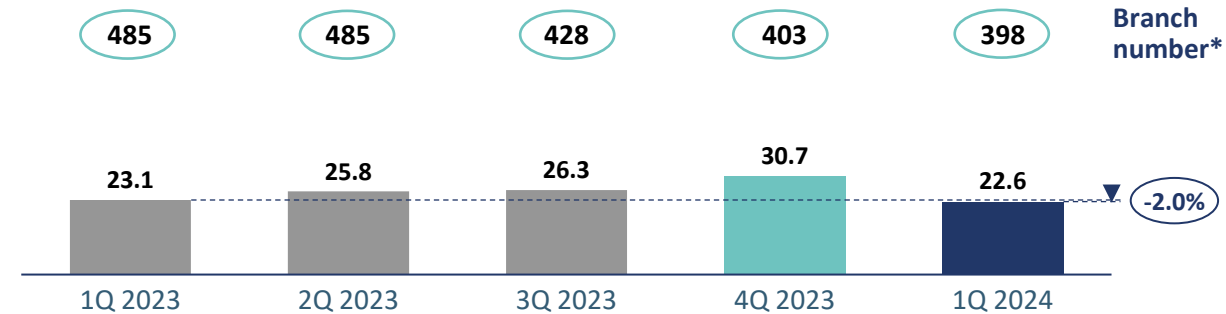


Personnel expenses (HUF bn)

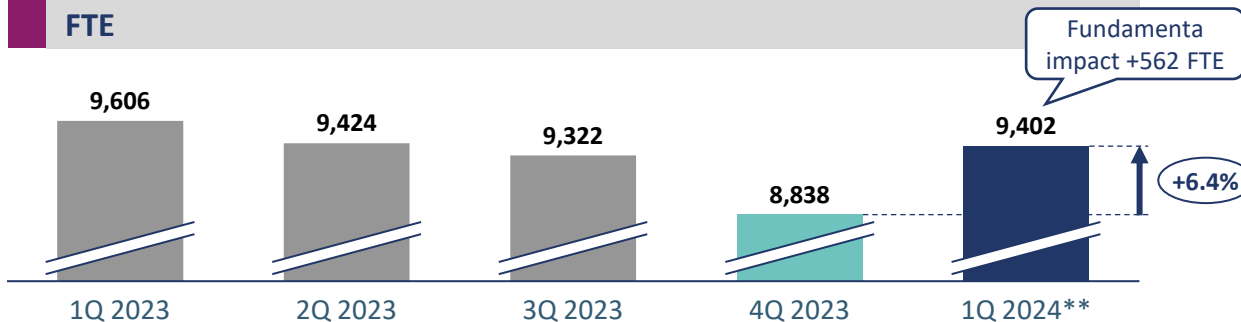


- Operating expenses amounted to HUF 61.6 bn in 1Q 2024, rising by 1.9% year-on-year, below inflation.
- Personnel expenses in 1Q 2024 increased by HUF 0.1 bn (+0.4%) y/y – below wage inflation.
- 1Q 2024 OPEX decreased by HUF 0.5 bn (-2.0% y/y) due to strict cost control.
- Adjusted C/I was 37.8% in 1Q 2024, 1.7%-pts y/y growth was driven by reducing revenues. C/A rate was 2.2% (-14 bps y/y) in 1Q 2024.

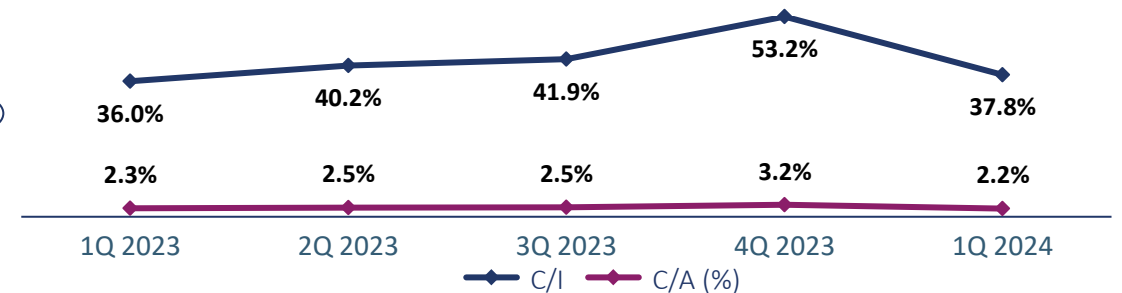
Other operating expenses (HUF bn)



FTE



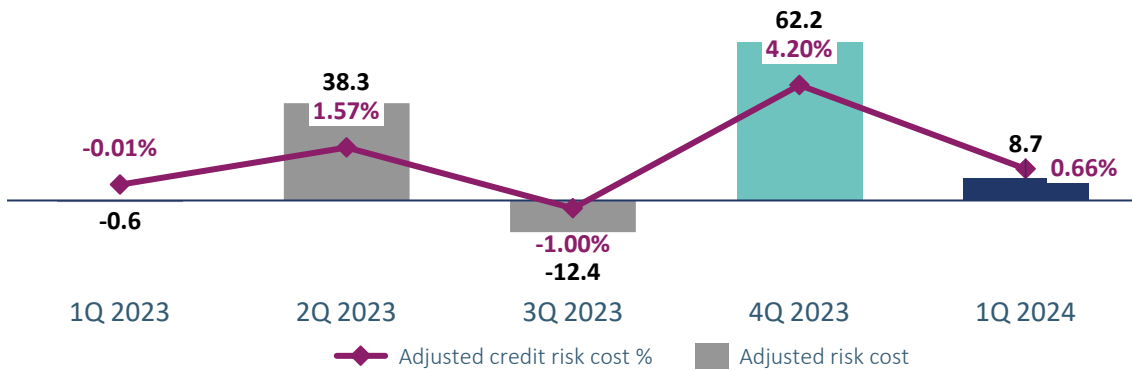
Cost efficiency (%)



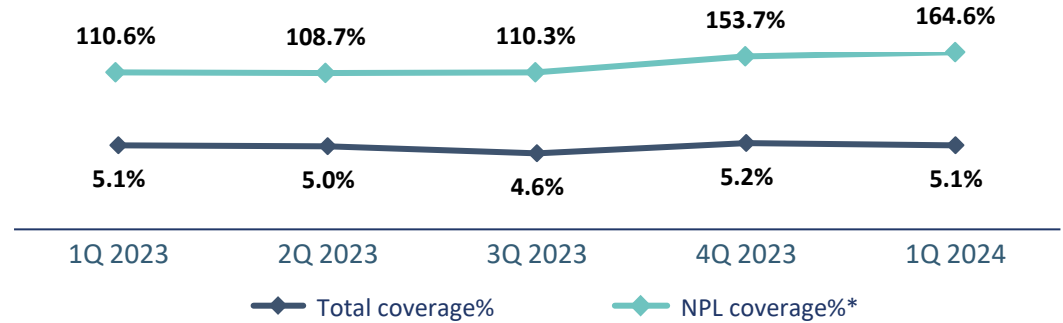
* Without MFB Point branches; ** With employees of Fundamenta

Stable portfolio quality and increasing NPL coverage rates in 1Q

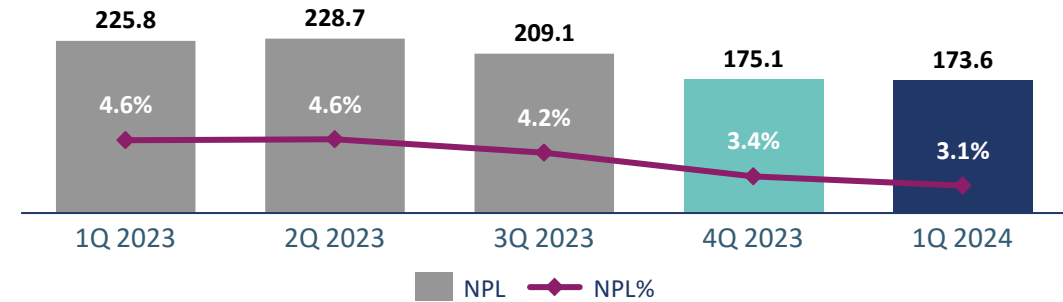
Total risk cost (HUF bn)



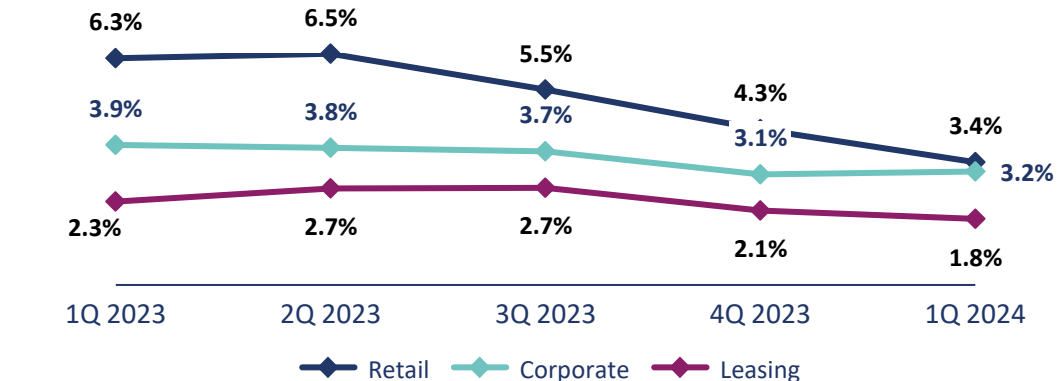
Coverage (%)



NPL exposures (HUF bn) and rate (%)¹



NPL rates (%)¹

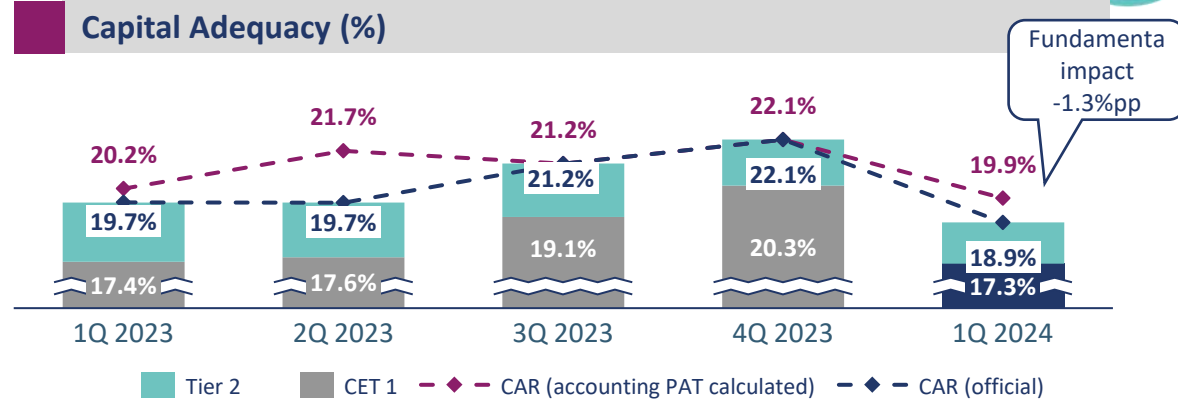
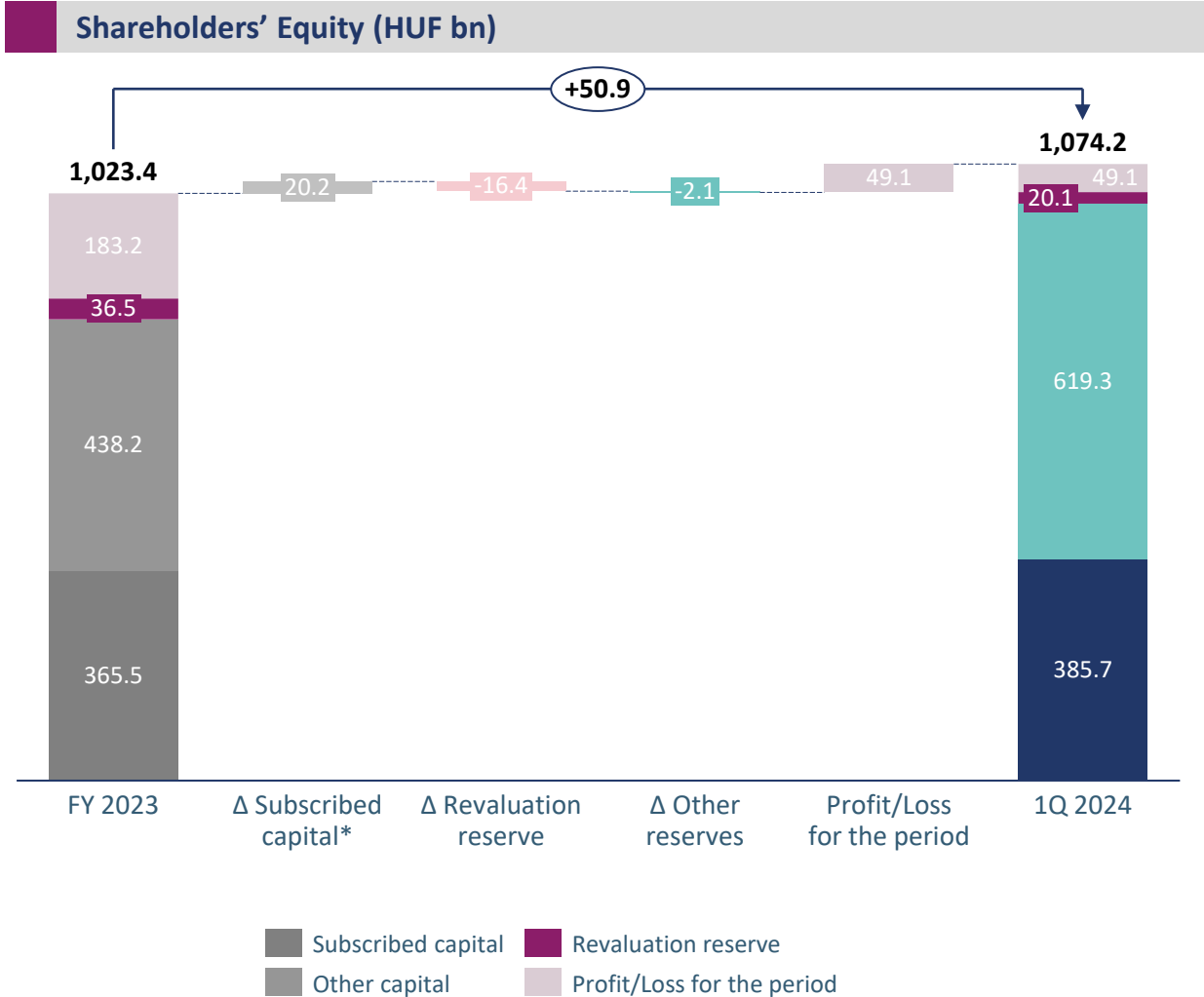


- The **total amount of risk cost** decreased by 86.0% p/p to HUF 8.7 bn in 1Q 2024.
- The **total portfolio coverage stood at 5.1%** in the period. The **NPL coverage** was 164.6% in 1Q 2024.
- The **amount of NPL loans** was HUF 173.6 bn at the end of 1Q 2024, decreased by HUF 1.5 bn (-0.9% p/p) over the period.
- **NPL% ratio is 3.1% in 1Q**, dropped over the period.
- Retail NPL loan volume was HUF 76.0 bn at the end of 1Q 2024, which showed a minimally increase of HUF 0.2 bn (+0.3% p/p) compared to previous quarter. NPL% ratio dropped to 3.4% in 1Q 2024 due to aquisition of Fundamenta portfolio. Corporate NPL volumes decreased in 1Q (-0.6% p/p), NPL% ratio reached at 3.2%.

¹ According to IFRS, held for sale and FVTPL portfolio is not included. 4Q 2023 NPL exposure has been revised to audited data.

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

Stable capital position – 17.3% CET1 in 1Q 2024



Regulatory Capital and Total RWA (HUF bn)

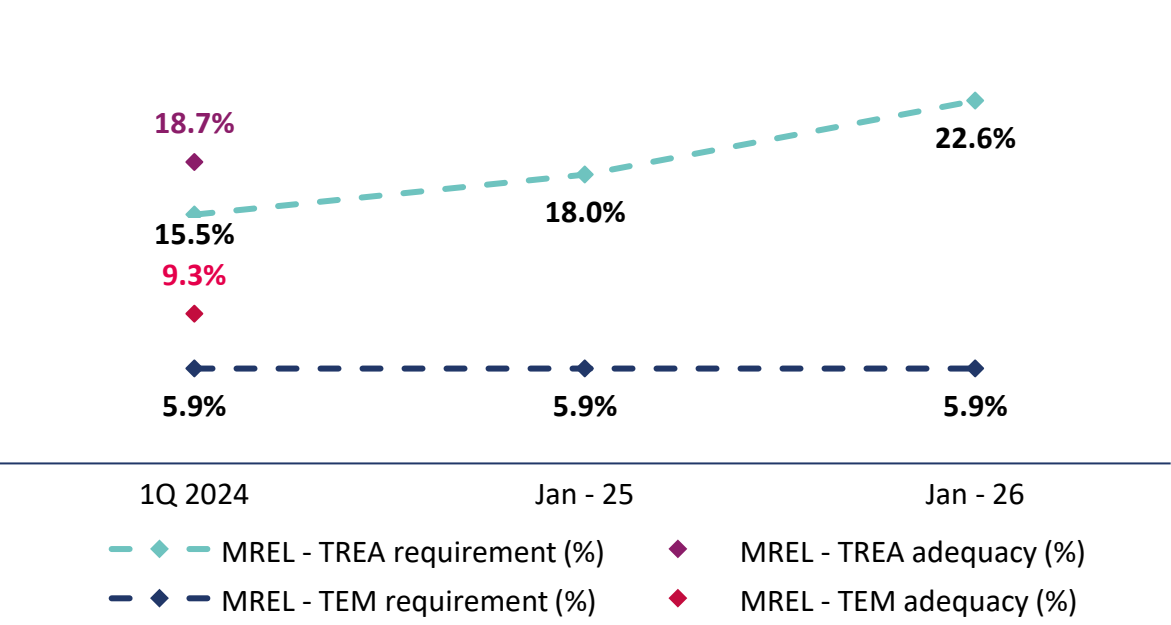
	in HUF bn	1Q 2023	2Q 2023	3Q 2023	4Q 2023	1Q 2024
Regulatory Capital		808.3	826.3	897.4	1,047.1	978.0
Tier 1		713.4	736.9	808.9	962.4	894.8
Tier 2		94.9	89.4	88.5	84.7	83.2
RWA		4,105.5	4,198.5	4,231.5	4,729.4	5,173.1

- Positive 1Q 2024 (accounting) profit – despite of extra profit tax paid – continued capital accumulation (+HUF 50.9 bn) increasing the shock absorbing capabilities of the Bank.
- Stable capital position **18.9% capital adequacy ratio and 17.3% CET1 ratio**.
- T1 Capital decreased by 7.0% p/p due to higher intangible assets (impact of Fundamenta transaction) and lower IFRS9 discount. CAR decreased to 18.9% in 1Q. The impact of Fundamenta reduced the bank's capital adequacy by 1.3%pp.

Note: Subscribed capital includes Non-controlling interest

MREL requirements and adequacy

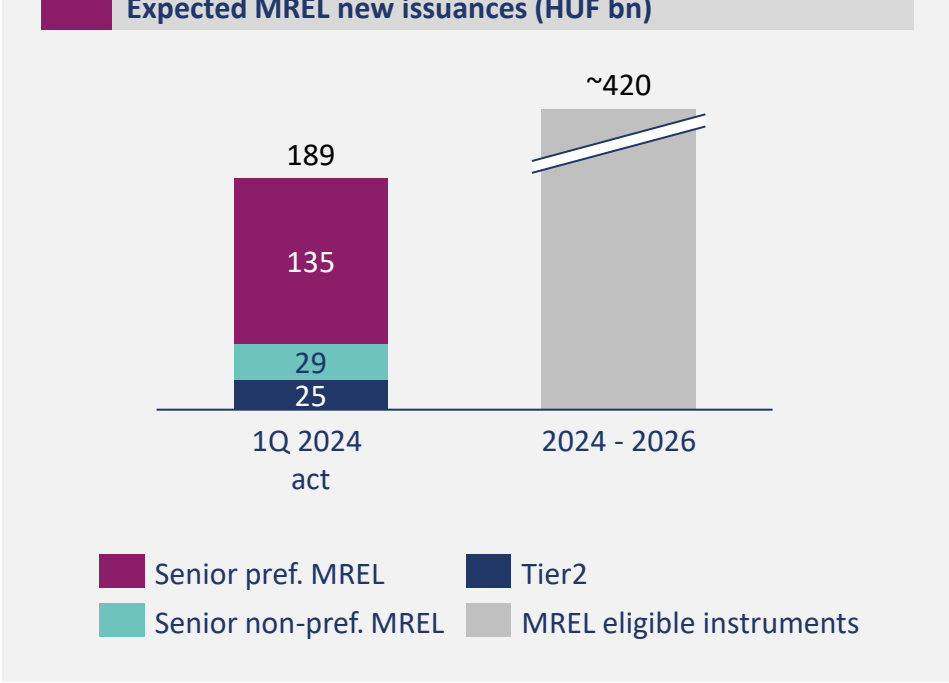
Regulatory MREL requirements: TREA (%) and TEM (%) 1Q 2024 – Jan 2026



Subordinated MREL requirements from 16.12.2024

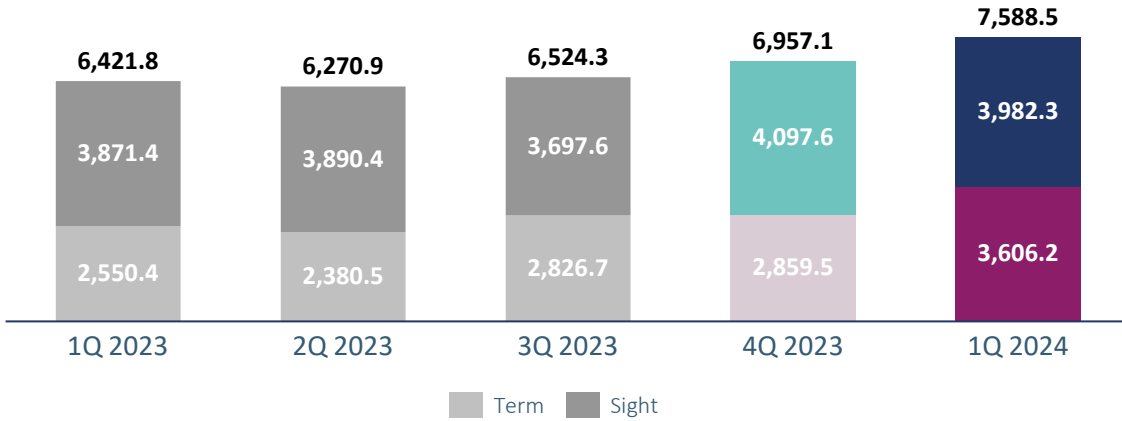
Subordinated MREL requirements	%
TREA	13.5%
TEM	5.0%
TLOF	8.0%

Expected MREL new issuances (HUF bn)



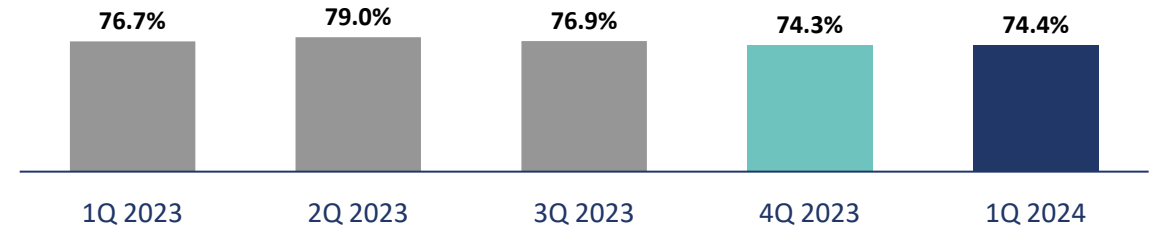
- Currently, we forecast that ~30% of the issuance planned for 2024-2026 will be through instruments that helps to fulfil the subordination requirement.
- We plan to meet the requirements by ensuring a minimum buffer of at least 50 basis points for all target measures.

Customer deposits (HUF bn)

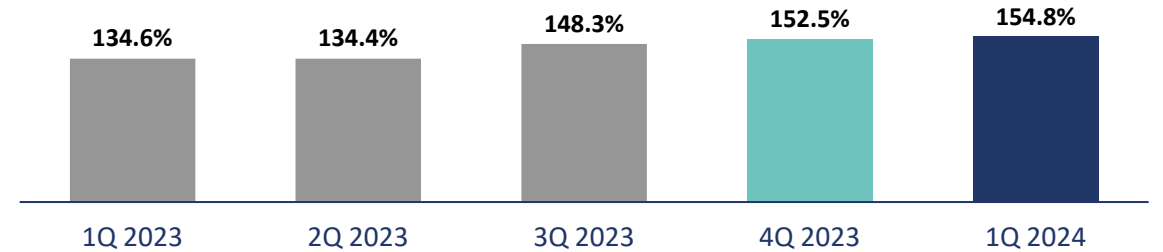


- **Customer term deposits increased by 26.1%** (HUF +746.8 bn) p/p driven by the acquisition of Fundamenta. Sight deposits showed a decrease of 2.8% (HUF -115.3 bn) p/p.
- Y/y decrease in **LTD** (down to 74.4%) is the result of an increase in deposits and in loan portfolio.
- **NSFR 135.6%, LCR 154.8%** in 1Q 2024, significantly above the regulatory minimum.

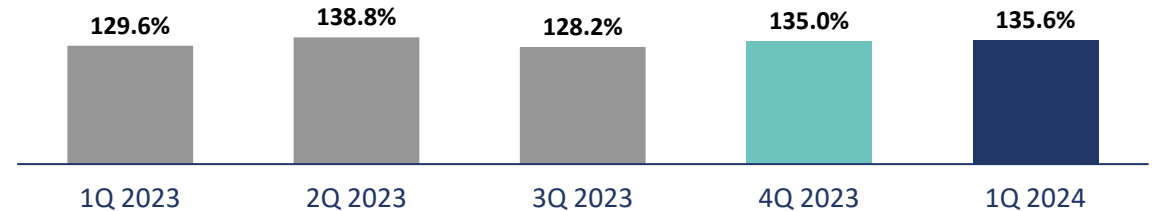
LTD (%)



LCR (%)



NSFR (%)





Additional information

Investment grade rating



In 2023, MBH Bank received an investment grade Baa3 rating from Moody's, with a stable outlook

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

- The ratings assigned by Moody's Investors Service (Moody's) to MBH Bank reflects
 - The Bank's strong competitiveness in Hungary
 - Adequate capital level
 - Solid profitability



ESG rating

Outstanding recognition for our ESG performance:

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



Cooperation with Ipoly Forest Plc.

MBH Bank has entered into cooperation with Ipoly Forest Ltd. with the aim of supporting the company in the rehabilitation of certain forest stands.

The partnership will involve the clearing and reforestation of nearly 13 hectares of damaged land.

MBH Forest

On 21 March, World Forests Day, 140 MBH Bank staff travelled to the Tolna County village of Hőgyész to continue the work started last year to further enrich the MBH Forest.

This year, the MBH Forest has grown to 23,000 trees with the planting of around 10,000 saplings native to our country.



Awards and Recognitions (1)



APEX HRPOWER

HR Toplist – 1st place



Best of BSE (Budapest Stock Exchange) 2023

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



Euromoney Global Private Banking Awards 2024

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



CSR Excellence Awards

Best Financial ESG & Corporate Responsibility Initiative - Hungary winning tender



Mastercard - Bank of the Year 2023

CSR Initiative of the Year
3rd place



Mastercard - Bank of the Year 2023

Cyber Security Education Campaign of the Year
3rd place



Mastercard - Bank of the Year 2023

Business Program of the Year
1st place



Joint Venture Association

Companies for the Future Award 2024
Special Award for Best Ecosystem Builder

Awards and Recognitions (2)



EXIM Awards 2024

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



Top Employers Institute

Top Employer 2024



Hungarian Money Week 2024

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



Privátbankár.hu – Fund Manager Klasszis 2024

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

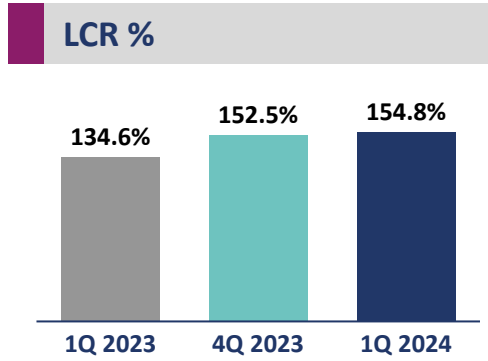
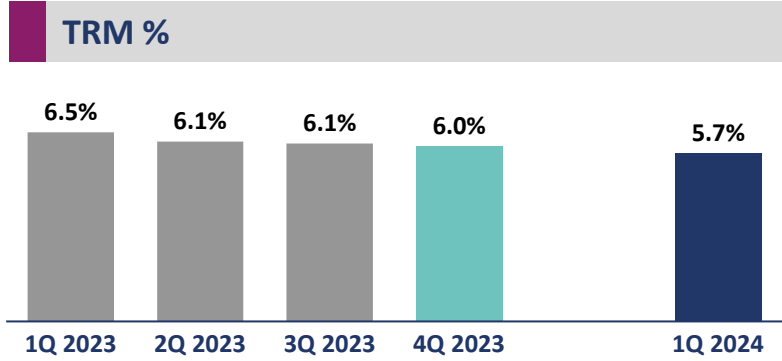
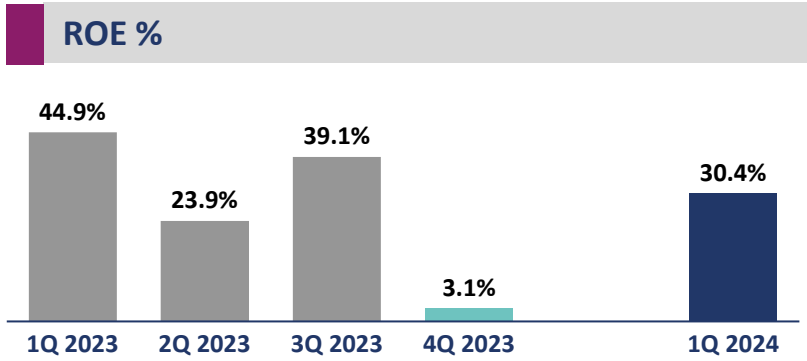


Annexes

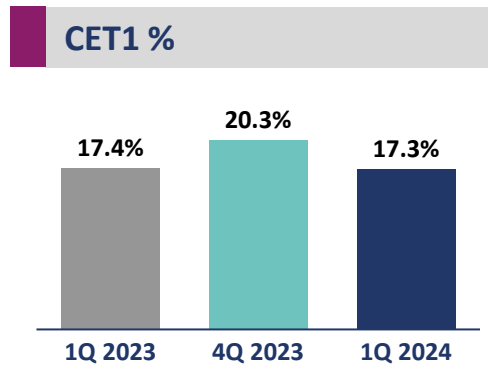
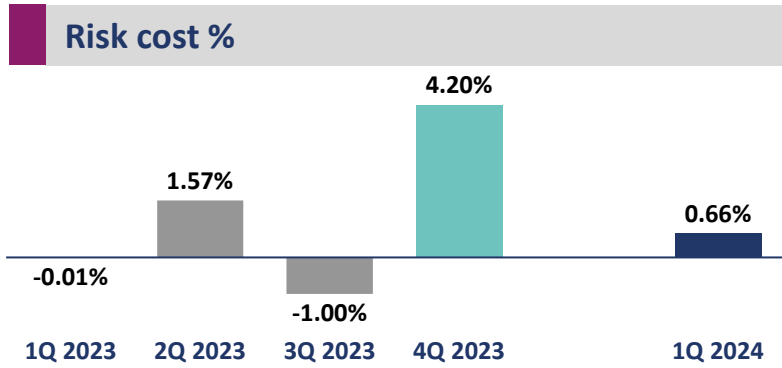
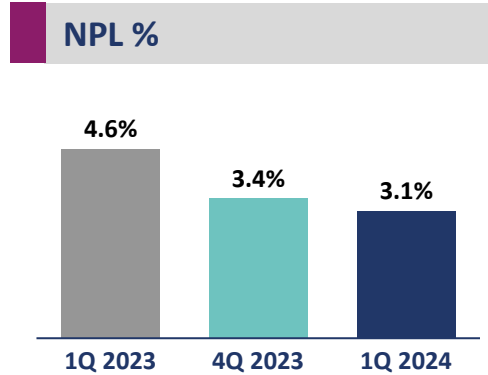
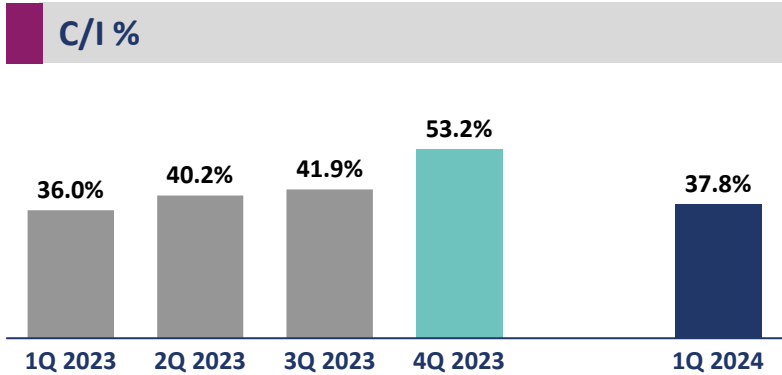
MBH BANK



Key ratios overview (adjusted)



- **Distinguished ROE** reaching **30.4%** in 1Q 2024, driven by strong revenue
- **Drop of 0.7%-pts y/y** adjusted **total revenue margin (TRM)** to 5.7%, mostly driven by decreasing net interest income impact of change in yield environment
- Cost control, with growth 1.9% y/y increase, and achieving a **C/I ratio of 37.8%** for 1Q 2024
- **Risk cost margin** amounted to **0.66%** in 1Q 2024, it coupled with stable portfolio quality, **NPL rate decreasing** compared to 4Q 2023
- Liquidity remaining at comfortable levels, with **LCR above 150%** and loan-to-deposits below 80%
- **Stable CET1 of 17.3%** and CAR of 18.9%



ADJUSTED P&L (HUF bn)	2022		2023		2024	Y/Y	Q/Q
	FY	1Q	4Q	FY	1Q		
Net operating income	239.4	107.2	77.3	374.7	101.6	-5.3%	31.4%
Gross operating income	482.7	167.6	165.0	655.3	163.1	-2.7%	-1.1%
Net interest income	421.8	150.0	140.9	569.6	138.7	-7.6%	-1.6%
Net fee and commission income	83.1	21.0	26.4	93.8	23.1	9.8%	-12.8%
Other operating income	-22.3	-3.4	-2.4	-8.0	1.4	-	-
Operating expenses	-243.2	-60.4	-87.7	-280.6	-61.6	1.9%	-29.8%
Provisions and impairments	-80.0	0.6	-62.2	-87.4	-8.7	-	-86.0%
Banking tax	0.0	0.0	0.0	0.0	0.0	n/a	n/a
Adjusted PBT	159.4	107.9	15.1	287.4	92.8	-13.9%	515.0%
Corporate income tax	-1.6	-17.1	-7.3	-44.6	-13.5	-21.0%	84.1%
Adjusted PAT	157.8	90.8	7.8	242.8	79.3	-12.6%	921.2%
Adjustments total on PAT	50.4	68.5	5.5	59.6	30.2	-55.9%	448.5%
Profit after tax (PAT, unadjusted)	107.4	22.3	2.3	183.2	49.1	120.0%	2070.4%
Revaluation on AFS financial assets (OCI)	-1.6	1.8	28.4	57.9	-16.4	-	-
Total Comprehensive Income (unadjusted)	105.8	24.1	30.6	241.1	32.8	35.8%	7.0%
Adjustments total on TOCI	50.4	68.5	5.5	59.6	30.2	-55.9%	448.5%
Total Comprehensive Income	156.2	92.6	36.1	300.7	63.0	-32.0%	74.3%

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

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

STATEMENT OF BALANCE SHEET (HUF bn)	2022	2023		2024	Y/Y	Q/Q
	4Q	1Q	4Q	1Q		
Financial assets	1,511.0	1,315.8	1,516.9	1,612.0	22.5%	6.3%
Trading portfolio	489.0	409.3	274.6	272.1	-33.5%	-0.9%
Securities	3,403.4	3,564.6	3,907.2	3,955.9	11.0%	1.2%
Loans and advances to customers (net)	4,761.3	4,677.6	4,901.4	5,357.3	14.5%	9.3%
Loan and advances to customers (gross)	5,028.3	4,927.4	5,170.6	5,643.1	14.5%	9.1%
Allowance for loan and lease losses	-266.9	-249.9	-269.2	-285.8	14.4%	6.2%
Other assets	449.7	479.4	506.9	587.5	22.5%	15.9%
TOTAL ASSETS	10,614.4	10,446.8	11,107.0	11,784.7	12.8%	6.1%
Interbank liabilities	2,447.4	2,361.3	2,153.8	2,135.1	-9.6%	-0.9%
Customer deposits	6,574.4	6,421.8	6,957.1	7,588.5	18.2%	9.1%
Debt securities issued	379.7	383.5	629.2	618.0	61.1%	-1.8%
Other liabilities	404.2	448.5	343.5	368.9	-17.8%	7.4%
Shareholders' equity	808.7	831.7	1,023.4	1,074.2	29.2%	5.0%
TOTAL LIABILITIES AND EQUITY	10,614.4	10,446.8	11,107.0	11,784.7	12.8%	6.1%
Off-Balance sheet customer items (gross)	1,516.9	1,594.1	1,601.8	1,757.3	10.2%	9.7%

KPIs based on adjusted PAT and Balance Sheet (HUF bn)	2022	2023		2024		Δ%-p	Δ%-p
	FY	1Q	4Q	FY	1Q	Y-Y	Q-Q
Profitability							
TRM - Total Revenue Margin	4.65%	6.46%	5.99%	6.16%	5.73%	-0.72%	-0.26%
NIM - Net Interest Margin	4.06%	5.78%	5.12%	5.36%	4.87%	-0.90%	-0.25%
NFM - Net Fee Margin	0.80%	0.81%	0.96%	0.88%	0.81%	0.00%	-0.15%
Efficiency							
C/I - Cost-to-Income Ratio	50.39%	36.04%	53.18%	42.82%	37.75%	1.71%	-15.43%
ROAE - Return on Average Equity	21.44%	44.90%	3.06%	26.73%	30.42%	-14.47%	27.37%
Equity share information							
EPS - Earning Per Share (HUF, annualized)	511.6	1,154.8	96.7	761.4	1,000.7	-154.2	904.0
Volume KPIs							
LTD - Loan-to-Deposit ratio	76.5%	76.7%	74.3%	74.3%	74.4%	-2.4%-p	0.0%-p
Securities ratio	32.5%	34.3%	35.2%	35.2%	33.6%	-0.7%-p	-1.6%-p
Allowance for losses/ Total assets	-2.5%	-2.4%	-2.4%	-2.4%	-2.4%	0.0%-p	0.0%-p
RWA/TA - RWA/Total assets	38.9%	39.3%	42.6%	42.6%	43.9%	4.6%-p	1.3%-p
CAR - Capital adequacy ratio	19.7%	19.7%	22.1%	22.1%	18.9%	-0.8%-p	-3.2%-p
CET1	18.0%	17.4%	20.3%	20.3%	17.3%	-0.1%-p	-3.1%-p
LCR	136.8%	134.6%	152.5%	152.5%	154.8%	20.2%-p	2.3%-p
NSFR	133.3%	129.6%	135.0%	135.0%	135.6%	6.0%-p	0.6%-p
Portfolio quality							
Stage 1 gross loans	3,712	3,683	4,208	4,208	4,601	918	393
Stage 2 gross loans	1,110	1,034	790	790	872	-162	82
Stage 3 gross loans	207	211	172	172	170	-41	-2

Unadjusted KPIs

KPIs based on unadjusted PAT (HUF bn)	2022		2023		2024	Δ%-p Y-Y	Δ%-p Q-Q
	FY	1Q	4Q	FY	1Q		
Profitability							
TRM - Total Revenue Margin	4.58%	6.62%	5.99%	6.21%	5.73%	-0.89%	-0.26%
NIM - Net Interest Margin	4.06%	5.78%	5.12%	5.36%	4.87%	-0.90%	-0.25%
NFM - Net Fee Margin	0.80%	0.81%	0.96%	0.88%	0.81%	0.00%	-0.15%
Efficiency							
C/I - Cost-to-Income Ratio	51.69%	35.28%	53.73%	42.95%	37.75%	2.47%	-15.98%
C/A - Cost-to-Total Assets	2.37%	2.34%	3.22%	2.67%	2.16%	-0.17%	-1.06%
ROAE - Return on Average Equity	14.59%	11.05%	0.89%	20.17%	18.85%	7.80%	17.96%
Equity share information							
EPS - Earning Per Share (HUF, annualized)	348.2	284.1	28.2	574.5	619.9	335.8	591.7

P&L 1Q 2024 (HUF bn)	Unadjusted P&L	Adjusted P&L
Net operating income	101.6	101.6
Gross operating income	163.1	163.1
Net interest income	138.7	138.7
Net fee and commission income	23.1	23.1
Other operating income	1.4	1.4
FX and FV results	3.1	3.1
Other income	-1.7	-1.7
Operating expenses	-61.6	-61.6
Provisions and impairments	-8.7	-8.7
Banking tax	-33.2	0.0
PBT	59.6	92.8
Corporate income tax	-10.5	-13.5
PAT	49.1	79.3
OCI	-16.4	-16.4
TOCI	32.8	63.0

Changes in the regulatory environment and post-closing events

#	Changes in 1Q
1	<p>Home Renovation Program: The government encourages the energy modernization of homes with preferential loan schemes and non-refundable subsidies. The total amount of the program is HUF 108 billion. The program will be effective on June 3, 2024.</p> <p>The consortium of MBH Bank, Gránit Bank and OTP Bank won the tender for the development of the MFB Pont Plusz residential network. Home renovation program will be available here, in addition to the programs that will also be launched later with EU funds.</p>
2	<p>Interest margin reduction: Commercial banks voluntarily undertake, with regards to new corporate HUF loan agreements (including current account, working capital and investment loans for which the disbursement will start this year) for the first 6 months of the loan term, a reduction of the interest margin above BUBOR to 0%. The promotional period lasted from February 1 to May 1, 2024.</p>
3	<p>The government has changed the crediting mechanism of one of the banks' special taxes. As year 2024 is dropped from calculation, banks will receive back the epidemic special tax in 20% instalments in 2025 and 2026, in addition to 2021, 2022, and 2023.</p>
Post-closing events	
4	<p>The upper limit of the obligations that can be undertaken to provide subsidies within the framework of the Széchenyi Card Program has increased by HUF 300 billion to HUF 1,700 billion. The government also decided to expand the Agrár Széchenyi Card: it will provide an additional HUF 45 billion until 2026, which will allow it to support the sector with an additional HUF 420 billion in loans</p>
5	<p>The international credit rating agency Standard & Poor's affirmed its investment-grade rating of 'BBB-/A-3' on Hungarian government debt obligations in foreign and local currency in the short and long term. The outlook was kept at stable.</p>
6	<p>Base rate cut: MNB has cut the base rate by 50 basis points to 7.75% in April 2024 and by 50 basis points to 7.25%, effective from 22 May 2024.</p>
7	<p>From 1 April 2024, the deposit interest cap, which applied to corporate, financial institution and retail bank deposits above HUF 20 million, was abolished, and the interest rate freeze on SME loans was also lifted on 1 April, leaving only retail mortgage loans with mandatory interest rate restrictions (currently until 30 June).</p>
8	<p>MBH Bank Plc. held its Annual General Meeting on 29 April 2024. The AGM of the Bank decided to pay dividend of HUF 24,5 bn to the shareholders of the Company for the year 2023.</p>
9	<p>The General Meeting elected Ms Andrea Mager as a member of the Board of Directors for a fixed term of office from 01 September 2024 to 31 August 2026 and Zsigmond Járai as a member of the Audit Committee for a definite term from 29 April 2024 to 31 December 2025.</p>
10	<p>As of 1 May 2024, László Morafcsik will be the new CEO of Fundamenta.</p>

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

y/y	Year on year
q/q, p/p	Quarter on quarter, period on period
bp	Basis point
CAGR	Compounded Annual Growth Rate
FY	Annual data
(Y), YTD	Year to date data

PAT	Profit after tax
PBT	Profit before tax
GOI	Gross Operating Income
GAE	General Administrative Expenses
OCI	Other comprehensive income
TOCI	Total other comprehensive income
FX	FX result
FV	Revaluation result
IRS	Interest rate swap
TA	Total assets
RWA	Risk weighted assets

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

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

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



Disclaimer

MBH BANK



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