M B H B a n k Plc.

Annual report
for the year ending 31 December 2024

(free translation)

Budapest, 28 March 2025

31 December 2024

M B H B a n k Plc.

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1.

Consolidated financial statements and consolidated management report (including consolidated sustainability statement)

31 December 2024

MBH Bank Plc.

10 011 922 641 911 401
statistic code

Consolidated Financial Statements

Prepared in accordance with
International Financial Reporting Standards
(IFRS) as adopted by the EU

Budapest, 28 March 2025

31 December 2024

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Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	31.12.2024	31.12.2023
Assets			
Cash and cash-equivalents	4.10	**1 076 984**	**1 347 889**
Financial assets measured at fair value through profit or loss		**800 790**	**756 308**
Loans and advances to customers mandatorily at fair value through profit or loss	4.11.1	565 731	510 988
Securities held for trading	4.11.2	17 236	2 621
Securities mandatorily at fair value through profit or loss	4.11.3	52 316	47 516
Derivative financial assets	4.11.4	165 507	195 183
Hedging derivative assets	4.12	**81 633**	**73 652**
Financial assets measured at fair value through other comprehensive income		**1 204 054**	**912 538**
Debt and equity securities	4.13.1	1 204 054	912 538
Financial assets measured at amortised cost		**8 943 686**	**7 689 462**
Loans and advances to banks	4.14.1	136 600	106 544
Loans and advances to customers	4.14.2	5 245 074	4 390 428
Reverse sale and repurchase agreements	4.14.3	4 824	17 918
Debt securities	4.14.4, 3.4	3 424 844	3 010 864
Other financial assets	4.14.5	132 344	163 708
Fair value change of hedged items in portfolio hedge of interest rate risk	4.12	**(5 316)**	**3 159**
Associates and other investments	4.15	**82 891**	**55 169**
Property and equipment	4.16	**151 059**	**120 501**
Intangible assets	4.16	**94 970**	**71 094**
from which: goodwill	2.7.1	3 340	-
Income tax assets		**9 141**	**13 540**
Current income tax assets		653	276
Deferred income tax assets	4.18	8 488	13 264
Other assets	4.19	**64 529**	**62 367**
Assets held for sale	4.31	**270**	**1 369**
Total assets		**12 504 691**	**11 107 048**

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

	Note	31.12.2024	31.12.2023
Liabilities			
Financial liabilities measured at fair value through profit or loss		**121 084**	**152 581**
Derivative financial liabilities	4.11.4	91 898	129 944
Financial liabilities from short positions	4.20	29 186	22 637
Hedging derivative liabilities	4.12	**17 280**	**17 018**
Financial liabilities measured at amortised cost		**11 109 168**	**9 789 825**
Amounts due to banks	4.21.1	1 930 329	2 027 667
Amounts due to customers	4.21.2	8 052 470	6 957 100
Sale and repurchase agreements	4.21.1	335 297	11 767
Issued debt securities	4.21.3	534 628	520 901
Subordinated debts	4.21.4	94 662	108 341
Other financial liabilities	4.21.6	161 782	164 049
Provisions for liabilities and charges	4.22	**31 306**	**31 240**
Income tax liabilities		**9 362**	**16 985**
Current income tax liabilities		8 152	15 354
Deferred income tax liabilities	4.18	1 210	1 631
Other liabilities	4.24	**77 035**	**76 028**
Total liabilities		**11 365 235**	**10 083 677**
Equity			
Share capital	4.25	322 530	322 530
Treasury shares	4.25	(55 440)	-
Share premium	4.25	348 894	348 894
Retained earnings	4.25	169 232	44 754
Other reserves	4.25	75 689	51 066
Profit for the year	4.25	197 390	176 679
Accumulated other comprehensive income	4.25	11 602	36 465
Equity attributable to the owners of the parent company		**1 069 897**	**980 388**
Non-controlling interest	4.28	**69 559**	**42 983**
Total equity		**1 139 456**	**1 023 371**
Total liabilities and equity		**12 504 691**	**11 107 048**

Approved for issue on behalf of the Board of Directors in Budapest on 28 March 2025.

Dr. Zsolt Barna
Chairman and CEO

Péter Krizsanovich
Deputy CEO
for Strategy and Finance

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest income		**1 034 564**	**1 204 710**
Interest income calculated using effective interest rate method	4.1	671 971	780 138
Other income similar to interest	4.1	362 593	424 572
Interest expense		**(526 358)**	**(639 153)**
Interest expense calculated using effective interest rate method	4.1	(294 715)	(388 040)
Other expense similar to interest	4.1	(231 643)	(251 113)
Net interest income		**508 206**	**565 557**
Fee and commission income	4.2	**218 447**	**188 872**
Fee and commission expenses	4.2	**(50 319)**	**(49 431)**
Net income from fees and commissions		**168 128**	**139 441**
Result from remeasurement and derecognition of financial instruments		**33 795**	**2 654**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	4.3	44 707	(72 105)
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	4.3	13 527	2 784
Results from derecognition of loans and debt securities measured at amortised cost	4.3	(7 109)	(2 414)
Results from hedge accounting	4.3	(7 336)	24 248
Foreign exchange gains less losses	4.3	(9 994)	50 141
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets		**(37 547)**	**(75 461)**
Expected credit loss on financial assets, financial guarantees and loan commitments	4.4	(35 868)	(58 618)
Provisions for litigation, restructuring and similar charges	4.4	3 403	(357)
(Loss) / gain on modification of financial instruments that did not lead to derecognition	4.4	(5 781)	(14 449)
(Impairment) / reversal of impairment on other investments	4.4	(591)	(1 680)
(Impairment) / reversal of impairment on other financial and non-financial assets	4.4	1 290	(357)
Dividend income	4.5	**1 083**	**1 628**
Administrative and other operating expenses	4.6	**(434 769)**	**(419 069)**
Other income	4.7	**15 337**	**25 776**
Other expense	4.7	**(15 088)**	**(21 215)**
Bargain purchase gain on a business combination	2.7.2	**-**	**4 821**
Share of profit or loss of associates	4.28	**4 798**	**(2 256)**
Profit before taxation		**243 943**	**221 876**
Income tax income / (expense)	4.8	**(38 021)**	**(38 686)**
Profit for the year		**205 922**	**183 190**

	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Items that may be reclassified to profit or loss		**(27 699)**	**53,202**
Hedging instruments		*(241)*	*(333)*
Debt instruments at fair value through other comprehensive income:		*(29 922)*	*58 303*
- *Fair value changes*		*(43 449)*	*61 087*
- *Reclassification of accumulated remeasurements to profit or loss upon derecognition*		*13 527*	*(2 784)*
Income tax relating to items that may be reclassified subsequently		*2 464*	*(4 768)*
Items that will not be reclassified to profit or loss		**2 631**	**4 711**
Fair value changes of equity instruments measured at fair value through other comprehensive income		*2 631*	*4 711*
Other comprehensive income for the year net of tax		**(25 068)**	**57 913**
Total comprehensive income		**180 854**	**241 103**
Profit is attributable to:			
Owners of the parent company		197 390	176 679
Non-controlling interest		8 532	6 511
Profit for the year		**205 922**	**183 190**
Total comprehensive income is attributable to:			
Owners of the parent company		172 527	234 233
Non-controlling interest		8 327	6 870
Total comprehensive income for the year		**180 854**	**241 103**
Net earnings attributable to ordinary shareholders		197 390	176 679
Average number of ordinary shares outstanding (thousands)		321 296	322 257
Earnings per share for profit attributable to the owners of the parent company (in HUF)			
Basic	4.30	614	548
Diluted	4.30	614	548

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Treasury shares	Share premium	Retained earnings	Other reserves	Profit for the year	Accumulated other comprehensive income	Equity of the owners of the parent company	Non-controlling interest	Total equity
31.12.2022		**321 699**	**-**	**313 947**	**32 592**	**32 552**	**88 942**	**(21 357)**	**768 375**	**40 361**	**808 736**
Profit for the year		-	-	-	-	-	176 679	-	**176 679**	6 511	**183 190**
Other comprehensive income		-	-	-	-	-	-	57 554	**57 554**	359	**57 913**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**176 679**	**57 554**	**234 233**	**6 870**	**241 103**
General reserve for the year		-	-	-	(11 832)	11 832	-	-	-	-	-
Transfer of previous year’s profit		-	-	-	88 942	-	(88 942)	-	-	-	-
Dividend paid		-	-	-	(25 093)	-	-	-	**(25 093)**	-	**(25 093)**
Changes from business combination under common control	2.7.3	831	-	34 947	(39 578)	6 682	-	-	**2 882**	(3 108)	**(226)**
Purchase of non-controlling interest and other changes in the ownership share in subsidiaries		-	-	-	(277)	-	-	268	**(9)**	(1 140)	**(1 149)**
Transactions with Owners		**831**	**-**	**34 947**	**12 162**	**18 514**	**(88 942)**	**268**	**(22 220)**	**(4 248)**	**(26 468)**
31.12.2023		**322 530**	**-**	**348 894**	**44 754**	**51 066**	**176 679**	**36 465**	**980 388**	**42 983**	**1 023 371**
Profit for the year		-	-	-	-	-	197 390	-	**197 390**	8 532	**205 922**
Other comprehensive income		-	-	-	-	-	-	(24 863)	**(24 863)**	(205)	**(25 068)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**197 390**	**(24 863)**	**172 527**	**8 327**	**180 854**
General reserve for the year		-	-	-	(15 875)	15 875	-	-	-	-	-
Settlement reserve*	4.25	-	-	-	(8 748)	8 748	-	-	-	-	-
Transfer of previous year’s profit		-	-	-	176 679	-	(176 679)	-	-	-	-
Repurchased treasury shares	4.25	-	(55 440)	-		-	-	-	**(55 440)**	-	**(55 440)**
Dividend paid		-	-	-	(24 512)	-	-	-	**(24 512)**	(2 280)	**(26 792)**
Changes from business combination	2.7.1	-	-	-	-	-	-	-	-	21 607	**21 607**
Purchase of non-controlling interest and other changes in the ownership share in subsidiaries	1.5	-	-	-	(3 066)	-	-	-	**(3 066)**	(1 078)	**(4 144)**
Transactions with Owners		**-**	**(55 440)**	**-**	**124 478**	**24 623**	**(176 679)**	**-**	**(83 018)**	**18 249**	**(64 769)**
31.12.2024		**322 530**	**(55 440)**	**348 894**	**169 232**	**75 689**	**197 390**	**11 602**	**1 069 897**	**69 559**	**1 139 456**

** Settlement reserve is related to Fundamenta and required by the Act CXIII of 1996 on Home Savings and Loan Associations.*

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CONSOLIDATED STATEMENT OF CASH-FLOWS

	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Cash flows from operating activities			
Profit/ (Loss) before taxation		**243 943**	**221 876**
Adjustments for non-cash income and expenses, interest, dividends and tax:			
Depreciation, amortisation and impairment	4.6	42 744	35 655
Expected credit loss / (reversal) on financial instruments	4.4	32 047	56 397
Impairment on securities, associates and other investments / (reversal of impairment)	4.4, 4.14, 4.15	4 412	3 901
Impairment on other assets / (reversal of impairment)		(1 383)	74
(Reversal of provisions for) / Recognise provisions on other items	4.23	(2 185)	1 382
Revaluation of loans and advances to customers mandatorily at fair value through profit or loss	4.11.1	(14 717)	(67 637)
Revaluation of securities	4.3	31 782	(9 287)
Revaluation of issued securities	4.21.3	15 049	(1 800)
Other revaluation differences	4.3	13 452	(21 736)
Net interest income	4.1	(508 206)	(565 557)
Dividends from shares and other non-fixed income securities	4.5	(1 083)	(1 628)
Negative goodwill	2.7.2	-	(4 821)
Unrealised foreign exchange gains less losses		(19 575)	(7 174)
Interest received	4.1	967 200	1 186 786
Interest paid	4.1	(489 223)	(669 618)
Dividends received	4.5	1 083	1628
Income tax	4.8	(40 092)	(25 732)
Cash flows before changes in assets and liabilities		**275 248**	**132 709**
Change in loans and advances to banks	4.14.1	(18 703)	32 506
Change in loans and advances to customers	4.14.2	(367 045)	(159 527)
Change in securities	4.13.1, 4.14.4	(336 628)	(179 967)
Change in derivative assets	4.11.4, 4.12	30 170	167 855
Change in other assets	4.19	(5 450)	(14 890)
Change in amounts due to banks (short term)	4.21.1	324 990	(128 287)
Change in current and deposit accounts	4.21.2	580 406	383 222
Change in other liabilities	4.24	3 468	(532)
Change in derivative liabilities and short positions	4.11.4, 4.12, 4.20	(37 784)	(109 673)
Net change in assets and liabilities of operating activities		**173 424**	**(9 293)**
Net cash (used in) / generated by operating activities		**448 672**	**123 416**

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	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired	2.7	(11 556)	35 017
Increase of associates and other investments	4.21.6	(18 749)	-
Decrease of associates and other investments		195	-
Purchases of property, equipment and intangible assets	4.16	(64 118)	(49 111)
Disposals of property, equipment and intangible assets	4.16	2 905	317
Purchase of securities measured at amortized cost	4.14.4	(868 678)	(372 901)
Disposals and redemptions of debt securities measured at amortised cost	4.14.4	487 761	218 883
Proceeds from disposal of non-current assets held for sale	4.31	1 099	-
Net cash (used in) / generated by investing activities		**(471 141)**	**(167 795)**
Cash flow from financing activities			
Issuance of debt securities	4.21.3	112 039	237 312
Redemption of issued debt securities	4.21.3	(112 579)	(8 936)
Proceeds from issuing subordinated debts	4.21.4	-	24 529
Redemption of subordinated debts	4.21.4	(14 125)	-
Repayment of principal of lease liabilities	4.21, 4,17	(11 874)	(12 985)
Change in long term amounts due to banks	4.21.1	(136 340)	(191 048)
Proceeds from shares issued	1.	-	-
Repurchased treasury shares	4.25	(55 440)	-
Dividends and advanced dividends paid	4.19	(49 692)	(25 093)
Net cash (used in) / generated by financing activities		**(268 011)**	**23 779**
Net increase / (decrease) of cash and cash-equivalents		**(290 480)**	**(20 600)**
Cash and cash-equivalents at the beginning of the year		**1 347 889**	**1 361 315**
FX change on cash and cash equivalents		19 575	7 174
Net cash-flow of cash and cash equivalents		(290 480)	(20 600)
Cash and cash-equivalents at the end of the year		**1 076 984**	**1 347 889**

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATIONS

MBH Bank is a commercial bank registered in Hungary, and operating under the effective laws of Hungary, particularly under Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. The headquarter of the Bank is at 38 Váci Street Budapest 1056.

With the triple bank merger led by Magyar Bankholding Ltd. (hereinafter: Magyar Bankholding) on 30 April 2023, Hungary's second largest universal major bank has been established. With the integration of Budapest Bank Ltd., az MKB Bank Plc., and Takarékbank Ltd., the merged credit institution continued its operation under the name of MBH Bank Public Limited Company (short name: MBH Plc.) as of 1 May 2023. The merger did not imply any change in the ownership structure of the banking group, the dominant shareholder of the banks involved in the merger process remained Magyar Bankholding until its division.

On 14 August 2024, the Company's main shareholder, Magyar Bankholding, decided to split into new legal successor companies, as a result of which Magyar Bankholding was dissolved and split into new legal successor companies and its assets were transferred to the legal successor companies (hereinafter: Transformation). The transformation date was 30 November, and the 10 new legal successor companies were established on 1 December 2024.

1.1 The shareholder structure of MBH Bank

As a result of the merger of Takarékbank Plc. into MKB Bank, the subscribed capital of MBH Bank as the acquiring company increased to HUF 322,529,625,000. The Bank's share capital consists entirely of Series „A" ordinary shares, each of which carries the same rights.

The 830,667 pieces of Series "A" ordinary shares with a nominal value of HUF 1,000 each newly issued within the framework of the above merger have been originated by KELER, registered in the share register of the Bank and listed to the "Standard" category of BSE as of 1 August 2023. Since the holders of the new shares issued as a result of the merger were the shareholders of Takarékbank as the merging company, the shareholding and voting rights of Magyar Bankholding in MBH Bank decreased from 99.12% to 98.87% as a result of the merger and the shareholding and voting rights of the other shareholders of the Bank increased proportionately from 0.88% to 1.13%.

MBH Bank's ownership structure and the shareholders' ownership was as the followings as at 31 December 2023:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Magyar Bankholding Ltd.	318 883 966	318 883 966 000	98.87%
Free float	3 645 659	3 645 659 000	1.13%
Total	**322 529 625**	**322 529 625 000**	**100.00%**

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As a result of the transformation of Magyar Bankholding, which took effect on 30 November 2024, MBH Bank had the following shareholder structure on 1 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Corvinus BHG Ltd.	91 131 330	91 131 330 000	28.26%
Zenith Asset Management Ltd.	83 189 017	83 189 017 000	25.79%
CEE Horizon Capital Ltd.	38 110 645	38 110 645 000	11.82%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10.70%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6.21%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6.21%
Total owners individually above 5%	**286 996 205**	**286 996 205 000**	**88.98%**
Other domestic companies*	31 887 761	31 887 761 000	9.89%
Free float before the transformation	3 645 659	3 645 659 000	1.13%
Total free float after transformation	**35 533 420**	**35 533 420 000**	**11.02%**
Total	**322 529 625**	**322 529 625 000**	**100%****

** Total new legal successor companies with less than 5% ownership share each after the Transformation*
*** Rounded value with an accuracy of 0.01%*

With its decision H-EN-I-524/2024, issued on 28 November 2024, Magyar Nemzeti Bank authorised the Company to repurchase, on an individual and consolidated basis, common equity tier 1 capital instruments (treasury shares) with an aggregate nominal value of HUF 22,577,074,000. In accordance with the legislation, the total amount specified in the authorisation is immediately deducted from the own funds. On 11 December 2024, MBH Bank purchased a total of 22,577,074 Series A ordinary own shares issued with a nominal value of HUF 1,000 each, in OTC transactions. As a result of the transactions, the number of treasury shares held by the Company changed to 22,580,867 shares, and the ratio of treasury shares held by the Company changed from 0% to 7%.

As a result of the above treasury share purchase transaction, MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 31 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)	Voting rights (%)
Zenith Asset Management Ltd.	80 123 046	80 123 046 000	24,84%	26,71%
Corvinus BHG Ltd.	64 524 163	64 524 163 000	20,01%	21,51%
CEE Horizon Capital Ltd.	36 706 059	36 706 059 000	11,38%	12,24%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10,70%	11,50%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6,21%	6,68%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6,21%	6,68%
Repurchased treasury shares	22 580 867	22 580 867 000	7,00%	0,00%
Free float*	44 030 277	44 030 277 000	13,65%	14,68%
Total	**322 529 625**	**322 529 625 000**	**100,00%**	**100,00%**

** Including successor companies with less than 5%.*

The Group has no ultimate controlling party.

Management Bodies and Committees of MBH Bank and their main responsibilities

Chairman of the Board of Directors:
- Dr. Zsolt Barna

Chairman of the Supervisory Board:
- Dr. Andor Nagy (resigned as of 30.11.2024)
- Miklós Vaszily

Members of the Board of Directors:
- Levente László Szabó
- Marcell Tamás Takács
- István Sárváry
- Andrea Mager (resigned as of 30.11.2024)
- Dr. Balázs Vinnai
- Ádám Egerszegi

Members of the Supervisory Board:
- dr. Géza Láng (resigned as of 12.12.2024)
- Zsigmond Járai
- Rita Feodor
- Kitti Dobi
- dr. Ilona Török
- Balázs Bechtold (resigned as of 12.12.2024)
- dr. Árpád Kovács (resigned as of 30.11.2024)

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

1.2 Availability of consolidated financial statements and annual report

Consolidated financial statements do not include a consolidated business report but the Group prepares one every year and provides access to it for those interested at its registered seat and its website.

Registered office: 38 Váci Street Budapest 1056.
Website: https://www.mbhbank.hu/befektetoi/befektetoknek/mkb-bankrol/penzugyi-jelentesek

Auditing company:
PricewaterhouseCoopers Auditing Ltd.

Auditor personally responsible:
Árpád Balázs

Person responsible for managing and controlling the accounting services tasks:
Edit Júlia Tóth-Zsinka, Managing director
Ildikó Brigitta Tóthné Fodor, Head of accounting (registration number: 007048)

Fee of audit and other services provided by the auditor*:

	2024	2023
PwC Auditing Ltd.		
Annual fee of audit services	733 031 000	625 410 000
Other audit services provided by the auditor	239 721 050	260 699 539
Fee for other assurance services	202 707 000	73 000 000
Non-audit services provided by the auditor	15 325 800	1 910 000
Total fee of services provided by PwC Auditing Ltd.	**1 190 784 850**	**961 019 539**
PwC network		
Non-audit services provided by firms in the auditor's network	157 566 969	80 558 150
Total fee of services provided by the auditor	**1 348 351 819**	**1 041 577 689**

**The fees shown are in HUF and do not include VAT.*

1.3 Changes in the legal and regulatory environment and its effect on the financial statements

During the year, the Group's activities were affected by the following government regulations and other legal regulatory instruments and amendments:

- Government Decrees on the different application of the provisions of CCXXXVII of 2013 on Credit Institutions and Financial Enterprises and certain related legislative provisions;
- The amendment of Government Decree No. 197/2022 (4.VI.) on extraprofit taxes Decree No 183/2024 (8.VII.), which entered into force on 1 August 2024 and Decree 356/2024 (21.IX), which entered into force on 1 January 2025, changing the relevant regulation of the special tax for Credit Institutions and Financial Enterprises;
- Government Decree No. 130/2024 (20.VI.) amending Government Decree No. 782/2021 (24.XII.) on the different application of Act CLXII of 2009 on credit to consumers in emergency situations, extending the “interest rate cap” on retail mortgage loan contracts until 30 June 2025.
- Act CVIII of 2023 - on the rules of corporate social responsibility that promote sustainable financing and unified corporate responsibility, taking into account environmental, social, and societal aspects, and on the amendment of related laws (entered into force: 01.01.2024);
- 518/2023. (30. XI.) Government Decree - on CSOK Plus loan program supporting housing benefits for families (entry into force: 01.01.2024);
- 34/2024. (26. II.) Government Decree - on the different application of Act C of 2000 on Accounting during the state of emergency and on the repeal of government decree;
- Government Decree 86/2024. (17. IV.) - on the amendment of Government Decree 424/2022. (28. X.) concerning the declaration of a state of emergency and certain emergency regulations in view of the armed conflict and humanitarian catastrophe in Ukraine and their implications for Hungary, as a result of which the application period of certain substantive legal provisions on delay interest was extended under Government Decree 454/2022. (9. XI.);
- Government Decree 187/2024. (8. VII.) - on certain consumer protection issues related to financial sector during the state of emergency;

Based on Act LXXXIV of 2023 the members of the Group are subjected to the global minimum tax, however, based on § 47 of this law, the members of the Group are temporarily exempted from tax payment.

For further information, see the Credit risk section in Chapter 3 Risk management.

1.4. Sustainability activity (ESG)

The Group is required to report on Sustainability about the year of 2024 under the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act. The Sustainability Report is presented in the business report as part of the annual report.

1.5 Subsidiaries

During the reporting period, the scope of consolidation of the Group's accounts changed due to the following events:

- MKB High-risk Investment Fund in the scope of consolidation following the acquisition of the majority of investment fund shares
- MBH Bank acquired 76.35% share capital of Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd., thereby included the members of the Fundamenta Group in the scope of consolidation:
  - Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd.
  - Fundamenta-Lakáskassza Pénzügyi Közvetítő Llc.
  - Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Llc.
- Exclusion from consolidation of Takarék Ingatlan Ltd. and Takinfo Ltd. as of 1 July 2024
- Exclusion from consolidation of Takarék Faktorház Ltd. as of 1 December 2024 (the company is under dissolution since 18 December 2024)
- Inclusion of MKB Real Estate Investment Fund following the acquisition of the majority of investment fund shares and reclassification as of December 2024 to associate due to ownership falling below 50%

Other changes during the period which have no impact on the scope of consolidation:

- Merger of Retail Prod Ltd. into Euroleasing Ltd. as of 1 January 2024

The fully consolidated subsidiaries of the Group as of 31 December 2024 are:

- Budapest Equipment Finance Privately Held Share
- Budapest Leasing Privately Held Share Company
- Euroleasing Real Estate Ltd.
- Euroleasing Ltd.
- Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd.
- Fundamenta-Lakáskassza Pénzügyi Közvetítő Llc.
- Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Llc.
- MBH Bank MRP Szervezet
- MBH Fund Management Ltd.
- MBH Investment Bank Co. Ltd.
- MBH Blue Sky Ltd.
- MBH Domo Llc.
- MBH Duna Bank Ltd.
- MBH Real Estate Development Ltd.
- MBH Mortgage Bank Co. Plc.
- MBH Mezőgazdasági és Fejlesztési Magántőkealap
- MBH Services Plc.
- MBH Vállalati Stabil Abszolút Hozamú Kötvény Investment Fund
- MITRA Informatikai Ltd.
- MKB High-risk Investment Fund
- OPUS TM-1 Investment Fund
- Takarék Zártkörű Investment Fund

MBH Bank and its subsidiaries included in the scope of accounting consolidation (the "Group") maintain their accounting records and prepare their general ledger statements in accordance with the laws in force in Hungary.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies are the specific principles, bases, conventions, rules and practices that the Group consistently applies when compiling and presenting the consolidated financial statements. Current note contains the main accounting policies and principles that can be interpreted at a general level, for more detailed accounting policies related to specific balance sheet and profit and loss items please see Note 4.

2.1 Basis of reporting

These consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (hereinafter: IFRS) as adopted by the European Union.

The functional currency of the members of the Group is the Hungarian forint (HUF). In these financial statements, all figures are presented in millions of HUF, and any different amounts are indicated separately.

2.2 Foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency').

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are converted to the functional currency at the officially published exchange rate of NBH at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

2.3 Presentation in financial statements

The consolidated financial statements have been prepared based on going concern assumption. The management neither intends to liquidate the Group nor to cease trading. The management is not aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern. The Group has a history of profitable operations and ready access to financial resources.

2.4 Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Management discusses the design, selection, disclosure and application of these critical accounting policies and estimates with the Group's Supervisory Board. These disclosures supplement the commentary on financial risk management in Note 3.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Allowances for credit losses

Credit risk is identified and measured in accordance with the Group's impairment and provisioning policy, so in this context, when applying impairment models based on expected credit losses, the Group considers all reasonable supportable information available without undue cost or effort. Forward-looking information, including other past and macroeconomic factors affecting the debtor and influencing the evolution of credit risk (for example, the probability of default (PD), the loss-to-default ratio (LGD), the exposure value, the historical and expected changes in the collateral) is taken into account in expected credit loss (hereinafter: ECL) models. In determining the recognition and reversal of ECL, as well as the creation, release and use of provisions, the Group takes into account the parameters above and the expected return in accordance with the principles of IFRS. When determining the expected credit loss and the expected return, the probability and magnitude of the loss, as well as the probability and extent of the return, must be taken into account. More details can be found in Note 3.2.1.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument (see also Note 4.26).

Deferred tax on tax loss carried forward

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies. For further information about the deferred tax on tax loss carried forward, please refer to Note 4.8.

2.5 Adoption of revised and new IFRS/IAS standards

2.5.1 The effect of adopting new and revised IFRS standards effective from 1 January 2024

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 16 „Leases”**: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).

- **Amendments to IAS 1 „Presentation of Financial Statements” -** Classification of Liabilities as Current or Non-Current (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).

- **Amendments to IAS 7 „Statement of Cash Flows” and IFRS 7 „Financial Instruments: Disclosures”:** Supplier Finance Arrangements (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

The application of the above amendments to the existing standards has not led to any material changes in the Group’s financial statements.

2.5.2 New standards and amendments to the existing standards issued by IASB but not yet effective and/or not yet adopted by the EU

- **Amendments to IAS 21 „Lack of Exchangeability”** (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

- **Amendments to IFRS 9 and IFRS 7** (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). Amendments to the Classification and Measurement of Financial Instruments.

- **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7** (Issued on 18 December 2024 and effective from 1 January 2026).

- **IFRS 18 „Presentation and Disclosure in Financial Statements”** (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1.

- **IFRS 19 „Subsidiaries without Public Accountability: Disclosures”** (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

The Group is currently assessing the impact of the amendments on its financial statements.

2.5.3 New standards and amendments to the existing standards issued by IASB but rejected or deferred by the EU

- **Amendments to IFRS 10 „Consolidated Financial Statements" and IAS 28 „Investments in Associates and Joint Ventures" -** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). The effective date is deferred indefinitely.

The above mentioned standard has no impact to the Group.

2.5.4 Annual Improvements to IFRS (Issued in July 2024 and effective from 1 January 2026)

- IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS if it does not meet the 'qualifying criteria', rather than 'conditions' for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included 'significant unobservable inputs'. This new phrase replaced reference to 'significant inputs that were not based on observable market data'. The amendment makes the wording consistent with IFRS 13.
- IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.
- In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at 'the amount determined by applying IFRS 15' instead of at 'their transaction price (as defined in IFRS 15)'.
- IFRS 10 was amended to use less conclusive language when an entity is a 'de-facto agent' and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent.
- IAS 7 was corrected to delete references to 'cost method' that was removed from IFRS in May 2008 when the IASB issued amendment 'Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Group's consolidated financial statements.

2.6 Basis of consolidation, consolidated financial statements

Consolidated financial statements aim to provide information on the financial situation, financial performance and cash flow of the Group that may prove useful for a wide range of users in making their economic decisions. This requirement is fulfilled with the preparation of the consolidated financial statements.

The consolidated accounting policy of the Group, in consideration of the above, contains the accounting principles, procedures applied as well as other regulations related to the preparation of consolidated financial statements.

The subsidiaries are economic entities controlled by the Group. Control exists when the Group, resulting from its involvement in the subsidiaries, is exposed to variable yields or has rights in relation to them and it is able to influence these yields through its power exerted over the subsidiaries. Control is determined by taking into consideration the actual and potential voting rights. Newly acquired subsidiaries are involved in the consolidation from the date when the Group acquires control over them. If the subsidiary does not have a financial statement for the date of acquisition, then it will be involved using the data of its financial statement nearest the date of its acquisition.

2.6.1 Acquisition method

Acquisition of subsidiaries (not under common control) are accounted for using the acquisition method in accordance with IFRS 3.

If the accounting policies applied by a member of the Group to identical transactions or to differing events in similar circumstances that are different from the ones applied in the consolidated financial statements, that particular member of the Group modifies its financial statements accordingly when preparing the consolidated financial statements in order to ensure compliance with the accounting policies of the Group.

<u>Presenting and measuring goodwill or gain from a bargain purchase</u>

Where the cost of acquisition is higher than the fair value of identifiable assets, liabilities, contingent liabilities belong to the Group, the difference is presented as goodwill. The Group presents goodwill at the time of the acquisition in accordance with the IFRS 3.

The Group carried out a profitable bargain if such a business combination took place, where the identifiable assets and liabilities of the Group increased the cost of acquisition. The Group records the profit resulting therefrom in the income at the time of the acquisition.

<u>Goodwill impairment</u>

Goodwill is subject to impairment testing in accordance with the IAS 36 "Impairment of Assets" standard and is impaired according to the standard.

<u>Deferred tax</u>

The acquired identifiable assets and assumed liabilities are presented by the Group at their fair value as of the date of the acquisition, and if the tax base of the acquired identifiable asset or assumed liability is not affected by the business combination or is affected differently, a temporary difference is recognised.

Non-controlling interest

The initial amount of the non-controlling interest is the fair value of the proportionate share of the acquired entity's identifiable net assets. The Group allocates the result and every item in the other comprehensive income to the owners of the parent company and to the non-controlling interests.

2.6.2 Accounting for associates and joint ventures

The Group recognises its investments with significant influence according to the equity method. Based on this, such investments are recognised at cost at initial recognition and then the carrying value is increased or decreased to account for the investor's share in the profit or loss of the investment generated since gaining significant influence.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group elects to measure that investment at fair value through profit or loss in accordance with IFRS 9. An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture.

2.6.3 Special consolidation rules

The Central Organization of Integrated Credit Institutions is part of the "Prudential" scope of consolidation on the basis of NBH's decision no. H-EN-I-832/2014. In accordance with this, the Central Organization of Integrated Credit Institutions is recognised as a subsidiary in the "Prudential" scope of consolidation, according to special capital consolidation rules. As the parent company does not control the Central Organization of Integrated Credit Institutions, it is not considered as a subsidiary in the current consolidated financial statements. Please see the impact on capital adequacy in Note 3.5

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

2.7 Business combinations during the reporting period

2.7.1 Acquisition of Fundamenta Group

In November 2023, MBH Bank Plc. signed a share purchase agreement with Bausparkasse Schwäbisch Hall AG (Germany), Bausparkasse Wüstenrot AG (Austria) and Wüstenrot & Württembergische AG (Germany) for the acquisition of a total 76.35% stake in Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd. (headquarters: 1123 Budapest, Alkotás utca 55-61, Hungary). The transaction has successfully completed the preliminary competition and regulatory clearance procedures, following which the Sellers and the Buyer completed the transaction on 27 March 2024. As part of the transaction, the parent company of MBH Group acquired control, and as a result, Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd., Fundamenta-Lakáskassza Pénzügyi Közvetítő Llc. and Fundamenta-Lakáskassza Pénzügyi Közvetítő Llc. became its subsidiaries (hereinafter collectively referred to as the "Fundamenta Group").

The fixed component of the purchase price is EUR 170,7 million, adjusted by other variable components, as defined in the purchase price contract. In connection with the business combination, non-controlling interests of HUF 21,607 million and goodwill of HUF 3,340 million were recognised. The goodwill is primarily attributable to the profitability of the acquired business, the significant synergies and combined cost savings expected to arise. Assets and liabilities identified in the business combination have been reviewed for facts and circumstances existing at the acquisition date in accordance with IFRS3. Differences between historic cost and market value have been accounted for using the acquisition method by performing purchase price allocation and determining goodwill arising on the transaction.

Total assets and liabilities of Fundamenta Group	31.03.2024	
	Book value	Fair value
Cash and cash equivalents	63 037	63 037
Financial assets measured at amortised cost	579 247	557 308
Property and equipment	7 106	8 040
Intangible assets	9 827	14 381
Income tax assets	402	402
Other assets	3 250	3 250
Total assets	***662 869***	***646 418***
Financial liabilities measured at amortised cost	579 640	531 517
Provisions for liabilities and charges	1 293	1 293
Income tax liabilities	521	521
Other liabilities	4 190	4 190
Contingent liabilities*	-	17 547
Total liabilities	***585 644***	***555 068***
Identifiable net assets of subsidiary	***77 225***	***91 351***
Less: non-controlling interest		(21 607)
Goodwill arising from the acquisition		3 340
Deferred tax related to purchase price allocation		1 271
Less: cash and cash equivalents acquired		(63 037)
Other cash changes from elimination of intercompany items		238
Outflow of cash and cash equivalents on acquisition		***11 556***

** Based on their housing savings contract, customers are entitled to a loan with a lower than market interest rate at the end of the deposit period, which is presented in the consolidated financial statement as a contingent liability.*

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

The result of Fundamenta Group has been recognised in these consolidated financial statements from 1 April 2024. In case Fundamenta Group had been part of the Group for the whole period, the consolidated total comprehensive income would have been HUF 182,047 million, the interest income would have been HUF 1,043,667 million and the fee and commission income would have been HUF 219,214 million. Financial assets include government bonds and loans and advances to customers. At the acquisition date the contractual net carrying amount of acquired loans and advances to customers is HUF 513,843 million (of which the retail portfolio is HUF 496,357 million; the wholesale portfolio is HUF 17,262 million).

The market value differences arising from the purchase price allocation are amortised over their estimated useful lives and financial assets are amortised based on their contractual maturity, the corresponding amortisation for the period was recognised until 31 December 2024. The impact of the initial recognition of the market value differences identified in the purchase price allocation is set out in the table below:

Carrying value of purchase price allocation adjustments	**31.12.2024**	**31.03.2024**
Financial assets measured at amortised cost	(15 900)	(21 939)
Newly recognised intangible assets	4 289	4 554
- from which: customer base	1 858	2 028
- from which: brand	2 431	2 526
Property rental contracts	790	935
Financial liabilities measured at amortised cost	40 722	48 123
Contingent liabilities	(17 547)	(17 547)
Deferred tax effect	(1 112)	(1 271)

2.7.2 Acquisition of Duna Takarék Ltd.

MBH Bank Plc. has made a purchase agreement with Duna Takarék Bank Ltd. about its 98.46% direct shareholding. The supervisory approval of the transaction has been successfully completed and the NBH as the supervisory authority has approved the acquisition by its decision H-EN-I-452/2023 dated 15 September 2023. Subsequently, the transaction was completed on 29 September 2023. The Purchaser paid the purchase price (HUF 3,9 billion) and the Seller transferred 270,084 ordinary shares as set out in the agreement.

Following the transaction, MBH Bank Plc., as the parent company of MBH Group, acquired control over Duna Takarék Bank Ltd. (MBH Duna Bank Ltd. from 01.12.2023; hereinafter MBH Duna Bank Ltd.) and fully consolidates it as of 30 September 2023. The business combination is accounted for using the acquisition method.

The total change in cash due to business combinations is HUF 35,017 million of which an amount of HUF 41,738 million is related to the acquisition of MBH Duna Bank Ltd., which is the difference between the cash acquired and the purchase price paid. In connection with the business combination, non-controlling interests of HUF 142 million and negative goodwill of HUF 4,821 million were recognised.

2.7.3 Merger of Takarékbank

The extraordinary general meeting of MKB Bank held on 9 December 2022 decided on the merger of Takarékbank to MKB Bank in its resolution No. 57/2022 (9 December) and on the planned share capital of MBH Bank as the successor company in its resolution No. 63/2022 (9 December).

The effect of the merger on the consolidated financial statements is shown in the row "Changes from business combination under common control" of the consolidated statement of changes in equity, as a rearrangement between capital elements.

3. RISK MANAGEMENT

3.1 Introduction and overview

The Group activities involve a certain degree of risk assumption. The measurement, evaluation, acceptance and management of these risks are integral parts of the Group's daily operative activity. Risk management is an integral part of the Group's operations and a crucial component of its business and overall financial performance. The Groups risk management framework has been designed to support the continuous monitoring of the changes of the risk environment and is supported by the strong commitment to a prudent risk management culture both on the strategy and business line levels. The main principles and priorities of the risk management function include the ultimate oversight by the Board of Directors (the approval of the Supervisory Board is also required for some specifically defined risk decisions), the importance of independent review of all risk-taking activities separately from business lines, and the proper evaluation, diversification, limitation, monitoring and reporting of all risks. Decisions in respect of major risk principles are approved at group level and are implemented individually by the own decision-making boards of the Group members. The effective communication on risk and risk appetite, the on-going initiatives to better identify, measure, monitor and manage risks, the improvement of efficiency, user-friendliness and awareness of key risk processes and practices, and the employment of highly skilled staff are the bases of running an effective risk management function in the Group. The risk self-assessment and the identification of material risks are prepared at least annually as part of the Internal Capital Adequacy Assessment Process (ICAAP) review process.

The most significant risks the Group needs to deal with are the followings:

<u>Credit risk</u>

- ***Credit risk***
  The risk of lending comprises the potential risk of the business partner failing to fulfill its payment obligations or failing to do so on time as well as the risk of the value of the receivable diminishing because the business partner's credit rating decreases. Risks originated from loans or other loan type commitments extended to associated enterprises are also included in the Group's credit risk managing mechanism.

- ***Counterparty risk***
  Counterparty risk means potential losses from a counterparty's failure to perform its contractual obligation before the conclusion of the specific transaction (i.e. before the final settlement of cash flows). As a type of credit risk, this risk affects derivatives, repurchase agreements (hereinafter: "repo") and other securities financing transactions. Another characteristic feature of counterparty risks is their bilateral character; in other words, the respective positions can take on an opposing (market) risk profile from the perspective of the counterparties participating in the given transaction which, among other things, provides an opportunity for netting positions and settlements.

- ***Credit valuation adjustment risk (CVA)***
  Credit valuation adjustment risk is defined as the adjustment of the counterparty's portfolio to the average market value.

- ***Concentration risk***
  The concentration of risks means the risk exposure that is able to generate such losses that endangers the institution's business activities or causes significant changes in the risk profile of the institution. It is fundamentally originated from credit risk, but it causes effect with other risks in tight interaction.

- ***Foreign exchange (FX) lending risk***
  FX lending risk is the potential threat of a loss from lending in a currency other than the legal currency of the country of the borrower's residence.

Liquidity risk

Liquidity is the institution's ability to finance the growth of its assets and meet its maturing obligations without incurring significant and unexpected losses. Liquidity risk is embodied in long-term lending from short-term liabilities (maturity transformation carried out for the sake of profitability), mass disinvestment before maturity, the renewability of funds, changes in funding costs, environmental effects and the uncertainty of the behaviour of other market participants.

Market risk

Market risk is the current or prospective risk of losses on balance sheet and off-balance sheet positions arising from changes in market prices (changes in bond prices, security or commodity prices, exchange rates or interest rates that impact the positions).

- ***Interest rate and exchange rate risk in the trading book***
  Market risk is the present and/or future danger of losses arising from changes in market prices (changes in the exchange rate of bonds, securities, commodities, currencies or interest rate affecting the position) on off-balance and on-balance sheet position.

- ***Interest rate risk in the banking book***
  Interest rate risk in the banking book is the possibility that income and/or institution's economic value of equity originating from banking book positions changes adversely as a result of changes in market interest rates.

- ***Credit spread risk from non-trading book activities***
  Risk driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump to-) default risk. Credit spread risk captures the risk of an instrument's changing spread while assuming the same level of creditworthiness, i.e. how the credit spread is moving within a certain rating/PD range.

Operational risks

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

- ***Legal and business risk***
  Legal risk is the risk of losses due to the non-observance of the scope set by legal provisions and jurisdiction caused by ignorance, lack of diligence in applying law, a delay in reacting to changes in legal framework conditions, unexpected or ex post facto changes in legal framework respectively courts diverse legal judgements from the Group's side. The legal risk includes conduct risk in the supply of financial services originated from an inadequate supply of services or deliberately exhibited impermissible conduct. This includes risks arising from fraud and unfair, unethical or aggressive trading practices harmful to customers.

- ***Reputational risk***

  Reputational risk is the current or prospective indirect risk to liquidity, earnings and capital arising from adverse perception of the image of the financial institution on the part of customers, counterparties, shareholders, investors or regulators. It is manifested in the fact that the external opinion on the institution is less favourable than desired.

- ***Model risk***

  Model risk is the risk of loss resulting from decisions based on using insufficiently accurate models. Mistakes in models are not necessarily, or not primarily occur from negligence instead limitations of knowledge, not enough data, or changes that cannot be read from past data: simply the fact that the models are never perfect.

- ***Information and communication technology (ICT) risk***

  ICT risk means the current or prospective risk of losses due to the inappropriateness or failure of the hardware and software of technical infrastructures, which can compromise the availability, integrity, accessibility and security of such infrastructures and of data. ICT risk also includes risks occurring from outsourcing of ICT relevant systems.

Other significant risks

- ***Strategic and business risk***

  Strategic risk is defined as the negative impact on capital and income of business policy decisions, deficient or unsatisfactory implementation of decisions, or slow adjustment to changes in the economic environment. Business risk is defined as unexpected changes in the economic environment that cause negative changes in business volume or margins and are not attributable to other types of risk. It quantifies the difference between planned and actual costs and income.

Risk management governance

The Group's Risk Strategy was set up in accordance with the Business Strategy and the regulations of the NBH. The tasks incorporated in the Risk Strategy aiming to ensure a balanced risk / return relationship, development of a disciplined and constructive control environment, defining the Group’s risk assumption willingness, risk appetite and the on-going ability of the Group to manage its risks and the maintenance of its funds to cover risk exposures in long-term. This will also ensure the capital preservation and guarantee the solvency of the Group at any time.

Committees	Main responsibilities
Supervisory Board	- Control the management of the Group in order to protect the interests of the Group. - Control of the harmonized and prudent operation of the Company and the credit institutions, financial enterprises and investment companies under its controlling influence. - Steers the Group's internal audit organization. - Analysing the regular and ad-hoc reports prepared by the Board of Directors. - Decision on matters conferred to its competence by the Civil Code, Credit Institutions Act or the Articles of Association.
Audit Committee	- The Audit Committee assists the Supervisory Board in the audit of the financial reporting system and in the selection of the auditor and in cooperation with the auditor.
Risk Assumption, Risk Management Committee	- As part of its ongoing monitoring of the Group's risk-taking strategy and risk appetite, the Committee reviews the risk strategy, remuneration policy and quarterly risk report in advance. The Committee supports the Board of Directors in supervising the implementation of the risk strategy.
Remuneration Committee	- The Remuneration Committee is responsible for the preparation of decisions regarding remuneration, taking into account the long-term interests of shareholders, investors and other stakeholders in the company. Within such competence the Remuneration Committee prepares the performance evaluation and ex-post risk assessment of the Chairman and CEO, Deputy CEOs and other board members, it evaluates the achievement of performance goals. The committee ensures the implementation of the remuneration policy. The Remuneration Committee furthermore oversees the remuneration of the senior officers in the risk management and compliance functions, including the employees carrying out internal control functions.
Nomination Committee	- The Nomination Committee is responsible for nominating and recommending nominees to the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory Board representing the employees. It is furthermore responsible for determining the skills and tasks required for membership of the management bodies, evaluating the composition and performance of the management bodies and its members. Determining the gender ratio within the management body and developing the strategy necessary to achieve this. It regularly reviews the Company's policy on the selection and appointment of managing directors.
Board of Directors	- As the Group's operative managing body, the Board of Directors carries out management-related tasks and ensures the keeping of the Group's business books in compliance with the regulations; - It pursues tasks related to the shares and dividend. - Tasks related to the company's organization and scope of activities. - Tasks related to strategic planning (preparation of the business policy and financial plan, and approval of the risk strategy). - It approves the policies related to risk assumptions. - It evaluates regular and ad-hoc reports.
Management Committee (MC)	- The MC is the operative decision-making and decision-preparation body covering the entire operation of the Group. The MC decides on general and strategic issues submitted to it, on business-related matters concerning the operation and organization of the Group, the management and development of human resources, as well as business related matters. The MC regularly reviews and discusses current issues affecting the operation of the Group and prescribes measures if necessary.

Credit and Debt Management Committee	- According to the relevant regulations, it makes decisions related to credit and partner risk assumptions referred to its competence, and discusses in advance proposals related to credit and partner risk assumption within the competence of the Board of Directors. - The committee also functions as debt management committee, its task is to supervise and manage the sale of receivables and its process, the practical implementation of the NPL strategy, taking the necessary measures, supervising the management of non-performing exposures, furthermore its task is to make risk assumption decisions, which fall within its decision-making authority based on the provisions of the risk decision competence rules.
Asset and Liability Committee (ALCO)	- The ALCO has primary responsibility for asset and liability management, and exercises competencies in liquidity and market risk management, capital management. - Develops and approves the appropriate balance sheet risk guidelines for the management of risks arising from asset-liability management and monitors their compliance, determines the necessary measures. - It sets the pricing framework for the business segments and products and the internal settlement prices and risk price levels within its pricing powers. - It approves securities issuance programs and individual issuances.
Group Banking Operations Committee (GBOC)	- GBOC is responsible for the group and individual company level banking operations, with a focus on profitability, cost, investment and resource management. - It monitors and controls the bank group expenses and capital expenditure. - It decides on the use of budgets, capital expenditure and commitments within defined limits, monitors operational efficiency and formulates measures to improve operational efficiency.
Internal Defence Lines Committee	- The Internal Defence Lines Committee is primarily a consultative forum between internal defence lines. - It is responsible for the integration of communication among the various defence lines and making it regular and systemic and for the improvement and establishment of communication channels where appropriate. - With its preventive, proactive activities, it identifies and effectively manages, or orders the management of, in a timely and effective manner, the risks affecting the Group that may lead to non-compliance with laws, external regulatory investigations or adverse decisions by the authorities supervising banking operations and ensures that any necessary corrective actions are taken promptly.
Methodology Committee	- It controls the implementation of the group-wide risk strategy and risk strategy limit system. - It approves all methodological, modelling, limit setting and monitoring, supervisory, regulatory and reporting proposals related to credit risk, concentration risk and country risk, counterparty risk, operational risk under Pillar 1, risks under Pillar 2, and the ICAAP-SREP methodology and the exercise of supervision/control, the Recovery Plan and the resolution framework. - Its responsibilities include the discussion of the NPL strategy, related methodological, modelling, internal portfolio setting and monitoring, supervisory, regulatory and reporting proposals, including individual and portfolio-level decisions on impairment and provisioning.
Quarterly Business Review Committee (QBR)	- Defines, monitors and, if necessary, modifies the development at the level of the banking group in line with the implementation of the banking strategy. - It sets portfolio priorities in line with the strategic goals and the current business plan - It makes proposals for launching new projects, monitors the progress of the portfolio and reports regularly to the Management Committee.

3.2 Risk factors

3.2.1 Credit risk

Credit risk is the risk of financial loss if a customer or a counterparty fails to meet an obligation under a contract. It arises principally from the Group's lending, trade finance and leasing business, but also from certain off-balance products such as guarantees, and from assets held in the form of debt securities.

For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Credit risk management

The members of the Group have standards, policies and procedures dedicated to the effective monitoring and managing risk from lending (including debt securities) activities. The Group sets a requirement for the Group members to elaborate and publish their own regulations that comply with the Group-level rules approved by it. The risk management of the members of the Group control and manage credit risks at high standards, in a centralised manner. Its responsibilities include:

- Formulating the Group member's credit policy in consultation with business units by establishing credit approval policies, standards, limits and guidelines that define, quantify, and monitor credit risk.
- Establishing the authorisation structure for the approval and renewal of credit facilities. In order to establish an adequate credit decision-making system in which decisions are made on time, the limit amounts are established differently according to the customer segment, the customer quality and the business line, for the delegated credit decision authorities and the boards and individual decision-makers of the Business and Risk Units.
- Monitoring the performance and management of retail and wholesale portfolios across the Group.
- Supervising the management of exposures to debt securities by establishing controls in respect of securities held for trading purposes.
- Establishing and maintaining the Group members' concentration risk management policies ensuring that the concentration of exposure does not exceed the limits stated in the internal and regulatory limit systems and concentration risks are effectively managed without any need for additional capital requirements if possible.
- Developing and maintaining the Group members' risk assessment systems in order to categorise the exposures according to the degree of the risk of financial loss faced and to manage the existing risks adequately. The purpose of the credit (deal) classification system is to define when impairment may be required against specific credit exposures. The risk categorisation system consists of several grades which reflect sufficiently the varying degrees of risk of default and the availability of collateral or other credit risk mitigation options with regard to a specific exposure.
- Providing position statements, guidance and professional support to the business units of the Group members in credit risk management.

In order to comply with the prudential requirements, Group developed and operates its borrower group forming concept. As part of that, the borrower group-level monitoring concept is to be highlighted. According to the processes, the complete risk assumption process must be executed at the level of borrower groups: in the case of the individual groups the limit proposal and monitoring process for each individual group member takes place at the same time based on the collective analysis and consideration of risks.

With regards to the management of concentration risks, the Group implemented the global concept of concentration risk limits. As part of the concept, the Group set up bank and sector level KPI's (key performance indicator) set and product limits, in order to restrain the assumption of further risks arising from the characteristics / risks rooted in different sectors and the assumption of risks of products representing high or special risk. Aiming to avoid high risk concentration within the portfolio, the concentration risk limit value has been established for the total bank portfolio, with the stipulation that the limits of the individual customers / customer groups may exceed this target value only in extraordinary and justified cases, based exclusively on the strategic guidelines approved by the relevant Committee.

As of the reporting date, environmental, social and governance (ESG) aspects have not been considered in the models used for the Group's risk management. The method of collecting and storing ESG relevant information has been already developed to ensure the subsequent analysis and usability in usual business procedures. ESG data taxonomy has been set up. In longer terms by analysing the composition of the ESG index and the gradual implementation of ESG customer-level data, from 1st July 2025 in accordance with the Recommendation No 9/2024 (IX.24.) of NBH, information can be utilised during stress test modelling as well as the estimation of life-time PD and LGD parameters.

In addition, MBH Bank's risk parameters were updated based on the latest macro forecasts, in accordance with the expectations of the NBH. Macro scenarios used were provided by MBH Bank's Research Center, thus ensuring that the macro forecasts used in impairment calculation and the macro parameters used in financial planning are even more closely consistent. Based on the forecasts the Group will use the current marcoeconomic PD forecast models to calculate the new parameters required for macroeconomic adjustments (Macro overlay factor – MOF) on a segment level. Using these new parameters the IFRS PD (without macro correction) values will be adjusted to reflect the expectations of the macroeconomic scenarios. The weighting of the macroeconomic scenarios is calculated in accordance with the recommendations of the (internal use only) management letter from NBH which is also in line with the weighting recommended by the Research Center. At reporting date, the weights used are the following: 30% - stress scenario (2023: 30%), 65% - base scenario (2023: 65%), 5% - optimistic scenario (2023: 5%). The resulting IFRS PD values adjusted to the new macroeconomic environment and expectations are implemented after the approval of the Methodology Committee. The Group's macroeconomic models will be validated with every update both with statistical methods and business side validation - thus ensuring the applicability of the model.

MBH Bank conducted a sensitivity analysis on collectively assessed expected credit loss (ECL) at the reporting date of 2024 by changing the weighting of macro scenarios and an absolute percentage change in LGD among risk parameters. It was calculated that if 100% of the optimistic, baseline or stress scenario were applied, what impact would be on ECL on collectively assessed loans. On this basis, if only the optimistic scenario was applied, ECL would decrease by 9.0%, whereas if only the pessimistic scenario was applied, ECL would increase by 10% for MBH Bank's collectively assessed loans. In addition to +/- 5% change in the LGD parameters applied at the reporting date (examined by segment, stage level), calculations were made to determine how much the collectively assessed provision amount would change. A -5% decrease in LGD would decrease by 9.4%, while a negative recovery expectation would increase the provision amount by 9.5%.

Quarterly reports on the development of impairment and provisioning for credit risks are presented to the Methodology Committee, and quarterly reports on the development and utilisation of sectoral and transaction type limits are also presented. In exceptional economic situations (e.g. Pandemic situation and subsequent events), the Group has the possibility to adjust the models based on expert judgements. The portfolio level management adjustment calculated in this context is a lump sum expected loss value that the Group's models are not able to capture or not fully capture, but the level of risk is assumed to be significant (e.g. credit loss increases due to default events after the end of the moratorium).

The Group has taken the following aspects into account when determining management overlays:

- In case of the client who enter an agricultural moratorium, the models do not contain data relating to the agricultural moratorium, so the willingness and ability to pay may contain a hidden high probability of default. In order to compensate for the risk, in the case of deals classified as stage 2, the Group increased the missing coverage for the stage 3 coverage level on an expert basis.
- In the construction industry, production volume decreased significantly in 2024 due to decreasing order numbers and postponed investments, which is not yet reflected in the risk classifications based on the financial reports of year 2023. For this reason, the Group, in order to cover increased credit risks and default probabilities, implemented a construction sector overlay for the exposures classified in Stage 2. Sectors affected by the overlay are marked in Note 3.3.
- Fundamenta-Lakáskassza Ltd. is managing the long-lasting effect of the higher price level and the inflation shock observed in recent years by applying a post model adjustment.

At the end of the reporting period the applied overlays and the cumulative expected credit loss accounted for were the followings:

- in case where customers participated in the agricultural moratorium until the end of the moratorium: HUF 8,5 billion (2023: HUF 7,9 billion),
- construction sector overlay introduced from the end of 2024: HUF 9,9 billion,
- post model adjustment applied by the Fundamenta Lakáskassza amounted HUF 1,4 billion.

Determination and recognition of expected credit loss (ECL)

When classifying the Group’s exposures, the customer's / partner's ability to pay is taken into account as the primary cover for the exposure. Except for those transactions that are covered by collateral which is independent of the financial and legal situation of the customer / partner and the recovery of the loan is fully guaranteed. The Group assigns exposures at each reporting period – in this case monthly – during which the exposures are allocated to the segments and to the so-called ‘stages’ (Stage 1, Stage 2, Stage 3 and / or POCI) in accordance with the principles of IFRS 9.

The Group assesses at each reporting date whether the credit risk of the financial asset has increased significantly since the initial recognition.

The Group determines the significant increase in credit risk based on the examination of the following conditions:

- deterioration of client treatment
- change in the master scale PD compared to the initial value,
- changes in life-time PD exceed the absolute threshold of 500 bps
- relative changes in life-time PD exceed the thresholds established for rating categories
- performing forborne exposures under probation period
- delay in payment (more than 30 days past due),
- for wholesale customers if the customer rating is between 19 and 21 (high-risk grade) and client is under intensive or problematic treatment
- the amount of the client's exposure classified as Stage 2 exceeds a certain proportion of its gross exposure
- in the case of consumer mortgage loans affected by the temporary cap on floating interest rates, the Group examines the monthly instalment increases calculated without the cap on the interest rate and applies at least Stage 2 classification when the change determined significant

The existence of any of these conditions is assessed by the Group as a significant increase in the credit risk. In case there is no evidence of significant increase of credit risk the financial instrument has to be transferred from Stage 2 to Stage 1. Financial assets whose default risk has increased to such an extent after initial recognition that there is objective evidence of impairment, have to be assigned to Stage 3 and loss allowance has to be recognised by calculating the lifetime expected credit loss (ECL). The Group defines materiality threshold, exposure that is below that threshold should be considered as a small amount (below the limit). The ECL of those assets which are above the threshold should be estimated individually. In order to determine the impairment and allowance for classes of clients, the ECL should be calculated according to the relevant principles of IFRS 9 for classes of clients calculated on a monthly basis, automatically.

Factors taken into account when determining expected credit loss:
- remaining lifetime,
- exposure at default (EAD),
- loss given default (LGD),
- probability of default (PD),
- credit conversion-factor (CCF),
- effective interest rate (EIR).

In Stage 1 the expected credit loss is equal to 12-month ECL. In Stage 2 and Stage 3 the expected credit loss is equal to the lifetime ECL. The applied risk parameters are determined on the basis of statistical models for homogeneous groups. The models are validated at least once a year, and if necessary, they will be revised.

The Group calculates lifetime ECL, except for the following financial instruments for which the loss is calculated for 12 months:
- financial instruments except for trade receivables, which credit risk did not significantly increase compared to initial recognition.

The Group does not use the low credit risk exemption. For trade receivables the Group always calculates lifetime expected credit loss.

Expected credit losses are probability-weighted estimates of credit losses during the life expectancy of a financial asset. These are assessed by the Group as follows:
- financial assets not impaired at the reporting date: discounted loss on cash flow (difference between the contractual cash flows and the expected cash flows),
- financial assets impaired at the reporting date: difference between the gross carrying amount and the estimated present value of the expected outstanding amount,
- undrawn loan commitments: present value of the difference between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down the loan and the cash flows that the entity expects to receive if the loan is drawn down,
- financial guarantee contracts: expected payments to the holder, reduced by the amounts that are expected to be recovered.

The Group recognises gain or loss for the expected credit loss on the following financial instruments not measured at fair value through Profit or Loss:
- debt instruments,
- lease receivables,
- accounts receivables,
- financial guarantees, and
- loan commitments.

The expected credit loss should be recognised by the Group as the following:

- deducted amount from the gross carrying value (impairment) – in case of financial assets measured at amortised cost,
- provision – in case of financial guarantees and loan commitments, if the financial instrument includes both a loan and an undrawn component and the Group is unable to distinguish the expected credit loss calculated for the loan and for the undrawn components, the Group will therefore determine the impairment loss on the two components together. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognised as a provision,
- in case of financial assets measured at fair value through other comprehensive income (OCI), the impairment loss is not recognised in the financial statement as part of the assets' fair value. The recognised impairment modifies the cumulative other comprehensive income and the consolidated statement of profit or loss.

For purchased or originated credit-impaired financial assets at the reporting date the Group recognises the accumulated changes in the lifetime expected credit loss since the initial recognition.

The Group assesses provision for contingent liabilities (i.e. contracted but undrawn loan commitments, issued financial guarantees, letter of credits) as follows:

- in the case of clients / debtors subject to individual valuation, the Group determines the amount of provision individually,
- in the case of clients / debtors subject to collective valuation, the Group determines the EAD (corrected by CCF) and the amount of provision by the probability of default of the guarantor.

For transactions accounted as commitments showing loss on the reporting date, the calculated provision is based on the negative difference between the expected drawn amount and the gross carrying amount.

Impairment and provision are based on the amount of expected loss calculated as above.

3.2.1.1 Individually and collectively assessed exposures

Expected credit loss accounted for loans to be assessed individually and collectively

On the balance sheet date, and during the monthly monitoring, an assessment is made for the relevant financial instruments to determine the expected credit loss and the amount of the loss allowance for impairment. Individual calculation approach is applied in case of individually significant exposures to defaulted wholesale customers in Stage 3. The customer is individually significant if the total on- and off-balance exposure or the customer group exposure exceeds the predefined materiality limit. Workout experts calculate the loss allowances by discounting the expected recoveries from cash flows with the effective interest rate of transactions and deducted it from the gross exposures. The experts provide estimates in more probability-weighted scenarios on transaction basis.

Credit loss allowance of loans to be assessed collectively is determined in accordance with the provisions of IFRS 9. Allowance of loans to be assessed collectively is calculated on a monthly basis and the risk parameters used are determined on the basis of statistical models developed for homogeneous groups or groups of transactions. The models are validated at least once a year and revised if necessary. For Stage 1 loans, the expected credit loss is determined on the basis of the 12-month expected credit loss. For Stage 2 and Stage 3 loans, the expected lending loss is determined with the lifetime expected credit loss.

The aim of the IFRS 9 credit risk scoring system is to assign a PIT (point-in-time) PD to each relevant customer. The IRB rating system for Pillar II. capital requirement calculation was modified according to IFRS 9 requirements. Both of rating systems use the same default definition and model structure, including the quantitative and qualitative sub-models and the explicative variables. The calibration processes are different. In the case of IFRS 9 it depends on the stage of a given customer. In stage 1, the time horizon is one year, in stage 2 the lifetime PIT PD’s are estimated. Stage 3 contains the defaulted customers, where the PD equals to 1.

In Stage 2, the one-year PD is transformed to the lifetime PD, based on the Markov chain and Vintage analysis estimation of transition probabilities and taken into account the macroeconomic forecast, especially the year-on-year GDP forecasts, in the first three years of the estimation horizon. From the fourth year, the TTC (through-the-cycle) PD has been used. The Group classified its retail portfolio in homogenous credit risk clusters, and allocates PD, LGD and CCF parameters.

The internal rating-based models calculate the risk parameters which determine the level of impairment.

In case of individually not significant wholesale customers the calculation of impairment and provision methodology is based on internal models. The required provisioning rates are calculated based on the credit conversion factor (CCF), the statistical analysis of default (PD) and the loss given default (LGD).

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Individually and collectively assessed exposures of the Group are the followings:

31.12.2024	Cash and cash-equivalents	Loans and advances to banks	Loans and advances to customers	Securities	Repurchase agreements and other financial receivables	Off-balance exposures
Individually assessed items						
Performing	-	-	9 513	-	-	-
Default	-	-	40 980	1 322	-	3 251
Total individually assessed gross amount	**-**	**-**	**50 493**	**1 322**	**-**	**3 251**
ECL on individually assessed items	-	-	(24 413)	(1 322)	-	(813)
Total individually assessed carrying amount	**-**	**-**	**26 080**	**-**	**-**	**2 438**
Collectively assessed						
Performing	1 077 282	137 723	5 377 248	3 433 340	138 304	2 014 101
Default	-	-	123 184	-	2 927	3 682
Total collectively assessed gross amount	**1 077 282**	**137 723**	**5 500 432**	**3 433 340**	**141 231**	**2 017 783**
ECL on collectively assessed items	(298)	(1 123)	(281 438)	(8 496)	(4 063)	(25 515)
Total collectively assessed carrying amount	**1 076 984**	**136 600**	**5 218 994**	**3 424 844**	**137 168**	**1 992 268**
Total gross amount	**1 077 282**	**137 723**	**5 550 925**	**3 434 662**	**141 231**	**2 021 034**
Total ECL	**(298)**	**(1 123)**	**(305 851)**	**(9 818)**	**(4 063)**	**(26 328)**
Total carrying amount	**1 076 984**	**136 600**	**5 245 074**	**3 424 844**	**137 168**	**1 994 706**

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31.12.2023	Cash and cash-equivalents	Loans and advances to banks	Loans and advances to customers	Securities	Repurchase agreements and other financial receivables	Off-balance exposures
Individually assessed items						
Performing	-	-	2 478	-	-	365
Default	-	-	38 225	438	-	6 145
Total individually assessed gross amount	**-**	**-**	**40 703**	**438**	**-**	**6 510**
ECL on individually assessed items	-	-	(20 362)	(345)	-	(824)
Total individually assessed carrying amount	**-**	**-**	**20 341**	**93**	**-**	**5 686**
Collectively assessed						
Performing	1 348 055	107 559	4 494 098	3 016 813	189 151	1 275 854
Default	-	-	124 788	-	-	15 722
Total collectively assessed gross amount	**1 348 055**	**107 559**	**4 618 886**	**3 016 813**	**189 151**	**1 291 576**
ECL on collectively assessed items	(166)	(1 015)	(248 799)	(6 042)	(7 525)	(19 886)
Total collectively assessed carrying amount	**1 347 889**	**106 544**	**4 370 087**	**3 010 771**	**181 626**	**1 271 690**
Total gross amount	**1 348 055**	**107 559**	**4 659 589**	**3 017 251**	**189 151**	**1 298 086**
Total ECL	**(166)**	**(1 015)**	**(269 161)**	**(6 387)**	**(7 525)**	**(20 710)**
Total carrying amount	**1 347 889**	**106 544**	**4 390 428**	**3 010 864**	**181 626**	**1 277 376**

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3.2.1.2 Classification of credit risks

Tables below show the breakdown of gross value and expected credit loss of loans and advances to customers and banks measured at amortised cost, by credit quality and stages. Significant increase in current year's exposure contains the effect of acquisition of Fundamenta.

31.12.2024	Gross amount Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	137 723	-	-	-	137 723
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***137 723***	***-***	***-***	***-***	***137 723***
Retail loans					
Low risk	355 771	-	-	378	356 149
Medium risk	1 258 830	-	-	730	1 259 560
High risk	46 347	322 911	-	3 610	372 868
Default	-	-	63 328	4 527	67 855
Total retail loans	***1 660 948***	***322 911***	***63 328***	***9 245***	***2 056 432***
Wholesale loans					
Low risk	298 052	-	-	49	298 101
Medium risk	2 156 417	-	-	-	2 156 417
High risk	83 107	865 326	-	292	948 725
Default	-	-	90 934	316	91 250
Total wholesale loans	***2 537 576***	***865 326***	***90 934***	***657***	***3 494 493***
Total	**4 336 247**	**1 188 237**	**154 262**	**9 902**	**5 688 648**

31.12.2024	Expected credit loss Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	(1 123)	-	-	-	(1 123)
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***(1 123)***	***-***	***-***	***-***	***(1 123)***
Retail loans					
Low risk	(1 650)	-	-	-	(1 650)
Medium risk	(14 140)	-	-	-	(14 140)
High risk	(5 639)	(22 735)	-	(143)	(28 517)
Default	-	-	(43 996)	(455)	(44 451)
Total retail loans	***(21 429)***	***(22 735)***	***(43 996)***	***(598)***	***(88 758)***
Wholesale loans					
Low risk	(1 585)	-	-	-	(1 585)
Medium risk	(29 809)	-	-	-	(29 809)
High risk	(9 084)	(123 701)	-	(10)	(132 795)
Default	-	-	(52 845)	(59)	(52 904)
Total wholesale loans	***(40 478)***	***(123 701)***	***(52 845)***	***(69)***	***(217 093)***
Total	**(63 030)**	**(146 436)**	**(96 841)**	**(667)**	**(306 974)**

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31.12.2023	Gross amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	107 559	-	-	-	107 559
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***107 559***	***-***	***-***	***-***	***107 559***
Retail loans					
Low risk	206 778	-	-	11	206 789
Medium risk	959 491	50 056	-	2 605	1 012 152
High risk	27 327	187 194	-	1 442	215 963
Default	-	-	81 174	735	81 909
Total retail loans	***1 193 596***	***237 250***	***81 174***	***4 793***	***1 516 813***
Wholesale loans					
Low risk	391 580	-	-	-	391 580
Medium risk	2 020 982	40 022	-	462	2 061 466
High risk	51 260	552 930	-	203	604 393
Default	-	-	84 904	433	85 337
Total wholesale loans	***2 463 822***	***592 952***	***84 904***	***1 098***	***3 142 776***
Total	**3 764 977**	**830 202**	**166 078**	**5 891**	**4 767 148**

31.12.2023	Expected credit loss				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	(1 015)	-	-	-	(1 015)
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***(1 015)***	***-***	***-***	***-***	***(1 015)***
Retail loans					
Low risk	(751)	-	-	-	(751)
Medium risk	(12 663)	(2 056)	-	(174)	(14 893)
High risk	(2 764)	(17 759)	-	(479)	(21 002)
Default	-	-	(53 912)	(228)	(54 140)
Total retail loans	***(16 178)***	***(19 815)***	***(53 912)***	***(881)***	***(90 786)***
Wholesale loans					
Low risk	(2 436)	-	-	-	(2 436)
Medium risk	(41 657)	(601)	-	(10)	(42 268)
High risk	(4 267)	(88 929)	-	(17)	(93 213)
Default	-	-	(40 267)	(191)	(40 458)
Total wholesale loans	***(48 360)***	***(89 530)***	***(40 267)***	***(218)***	***(178 375)***
Total	**(65 553)**	**(109 345)**	**(94 179)**	**(1 099)**	**(270 176)**

Definition of non-performing (default)

In the context of internal credit risk management objectives, the Group considers the following to be events of default, the occurrence of which, based on experience, would be likely to result in the non-recovery of the financial asset:

- breach of financial covenants by the debtor;
- based on information from an internal or external source, the debtor is likely to default on its debt service (e.g. the debtor is more than 90 days in arrears);
- loans restructured with a loss of more than 1% of the NPV.

The Group, in accordance with the provisions of its risk management policy, continuously monitors the changes in the quality of its credit portfolio. The business fields and the management are informed on a weekly basis on past due receivables and the registered risk-mitigating assets underlying these receivables. The risk classification of loans is carried out by the Group quarterly, in the framework of risk monitoring. Decisions related to individual impairment losses of exposures are made during the monitoring.

3.2.1.3 Forborne assets

During the normal course of business, the Group enters into forbearance measures to decrease the potential loan loss and maximize collection opportunities for the borrowers who have problems with their payment ability but not with their willingness and capacity to pay. Restructured exposures are renegotiated, rescheduled (prolonged) or otherwise revised loans, receivables and credits (including also purchased ones) originated in the framework of an amendment or termination of a previously concluded contract, initiated either by the borrower or the Group, where

- the contract is amended to avoid default because the borrower is unable to fulfil its payment obligations in compliance with the conditions of the original contract due to significant deterioration in its financial position or payment ability, and
- the amendments significantly change the original terms and conditions of the outstanding contract largely in favour of the borrower, as compared to the market terms and conditions generally applicable to contracts of the same type and concluded under the same conditions, or
- a supplementary agreement or a new contract is concluded between the borrower and the Group that relates to a new loan provided for the repayment of the outstanding debts (principal and / or interest) arising from the original contract that is not terminated, or to any further commitment assumed to avoid any increase in the credit risks and to mitigate the possible loss.

Under its forbearance policies, the Group grants loan forbearance on a selective basis where the borrower is in default on its debt, or there is a high risk of future default, and there is evidence that the borrower made all reasonable efforts to pay under the original contractual terms, and it is expected that the borrower will be able to meet the revised terms. Both corporate and retail loans are subject to forbearance policies.

The Group generally applies the following types of forbearance measures:

- extension of the tenor / final maturity of the loan,
- renegotiation of original repayment schedule, reschedule instalments,
- agreement on instalment payment,
- reduction of the collateral coverage parallel reducing exposure,
- refinancing of the loan,
- interest rate cut, or lower conditions,
- interest capitalization.

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Such exposures and associated credit risks are managed, monitored and reported distinctly by specific restructuring and debt management units of the Group on the basis of guidelines and procedure rules set by internal regulations incorporating also both legal and supervisory requirements and recommendations. When the conditions of forbearance cease to exist and the following cure period expires, respective assets are returned to normal / business treatments both from business and risk management perspectives.

Based on qualitative and quantitative information the Group terminates the forborne status of non-performing loans. After 1 year the fulfilment of non-default requirements, and after a further 2 years the fulfilment of monitoring period requirements, the forborne status of non-performing loans are reverting to normal treatment. To revert to normal treatment regarding corporate customers, additional criteria is that the customer performs its amended contractual obligations duly through a specified period (90 days or 365 days) and its risk position shows significant improvement. The amended terms and conditions of the contract are indicated in the records. Recognition, derecognition and subsequent valuation of these assets are carried out according to the general rules of accounting as specified by the relevant IFRS.

The detailed requirements of risk classification and impairment valuation of forborne exposures are included in the accounting policies, and other internal regulations on the valuation of assets and liabilities, as well as in impairment and provisioning policies. Based on these internal guidelines, forbearance measures are regarded as impairment triggers and, consequently, impairment assessment should be performed for such exposures where the general methodologies and principles of assessment are to be applied. On the results of such risk assessments, impairment losses and the reversals of previously charged impairments are accounted for according to the common rules defined by IFRS 9. Compared to the previous financial year, there were no changes in forbearance policies and in practices applied by the Group. It is obligatory to examine and define the effect of proposed construction (modification of the contracts), forborne contract on the NPV in all the cases of clients to forborne, treated by Business Units. If the change of NPV would be higher than 1%, thus the treatment should be transferred to the Restructuring and Debt Management Unit.

The Group's forborne portfolio decreased significantly during the 2024 business year. Due to the recovery of transactions previously linked to the moratorium, the household sector improved significantly, including sole proprietors and primary producers.

The following tables show the gross and net book value of the Group’s forborne exposures:

Gross book value of forborne assets	Performing	Non-performing	Total
31.12.2024			
General governments	-	3	3
Other financial corporations	-	278	278
Non-financial corporations	17 433	22 459	39 892
Households	77 347	18 837	96 184
Total	***94 780***	***41 577***	***136 357***
31.12.2023			
General governments	1	5	6
Other financial corporations	4	310	314
Non-financial corporations	30 159	28 574	58 733
Households	87 908	37 023	124 931
Total	***118 072***	***65 912***	***183 984***

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Book value of forborne assets	Gross amount	ECL	Total
31.12.2024			
General governments	3	(3)	-
Other financial corporations	278	(20)	258
Non-financial corporations	39 892	(16 893)	22 999
Households	96 184	(17 087)	79 097
Total	***136 357***	***(34 003)***	***102 354***
31.12.2023			
General governments	6	(3)	3
Other financial corporations	314	(18)	296
Non-financial corporations	58 733	(18 004)	40 729
Households	124 931	(28 420)	96 511
Total	***183 984***	***(46 445)***	***137 539***

3.2.1.4 Portfolio affected by interest rate cap

On 24 December 2021, the Hungarian Government introduced a temporary cap on floating interest rates applicable to consumer mortgage loans – between 1 January 2022 and 30 June 2022, floating interest rates applicable to consumer mortgage loans cannot be set higher than the actual floating interest rate which was applicable in the context of the respective mortgage loan on 27 October 2021. In addition, lenders are not entitled to increase principal and interest amounts payable under consumer mortgage loans with any interest amounts which become due and are not paid during the above temporary period.

According to Decree 49/2022 (II. 18.) issued by the Hungarian Government on 18 February 2022, between 1 January 2022 and 30 June 2022 in the case of financial lease contracts on housing purpose with a reference interest rate, the reference interest rate shall be set so, that it cannot be higher than the reference interest rate specified in the contract on 27 October 2021. According to Decree 415/2022 (X. 26.) issued by the Hungarian Government on 26 October 2022, the temporary cap on floating interest rates was extended to HUF denominated, non-state subsidised credit, loan- and financial lease agreements of small and medium enterprises (hereinafter: “SMEs”). Following 15 November 2022, interest rates were frozen retroactively at their level on 28 June 2022. Similarly to consumer mortgage loans and financial lease contracts on housing purpose the cap was effective until 30 June 2023. This Decree entered into force on 27 October 2022. The interest rate cap was extended since then each time for a 6 month period, most recently by decree 374/2024 until 30 June 2025. The interest rate cap was abolished in the case of loans disbursed to SMEs on 1 April 2024.

The modification loss due to the program was calculated in each period based on the expected cash flow, which ones are estimated under these legislations and was reversed. Credit risk monitoring is a key element in the methodology for measuring the significant increase in credit risk since its initial publication.

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The exposure of the Group's customers affected by the cap of floating interest rate was the following:

Exposures affected by 374/2024. (XII.2.) Gov. decree – impact of extension at 31.12.2024	
Gross carrying amount before modification	209 160
Loss allowance before modification	(10 202)
Net amortised cost before modification	***198 958***
Net modification loss	4 288
Loss allowance due to modification loss	(190)
Net amortised cost after modification	**203 056**

Exposures affected by 130/2024. (VI.20.) Gov. decree – impact of extension at 30.06.2024	
Gross carrying amount before modification	222 154
Loss allowance before modification	(14 628)
Net amortised cost before modification	***207 526***
Net modification loss	3 992
Loss allowance due to modification loss	(255)
Net amortised cost after modification	**211 263**

The calculated modification loss – relating to both extensions as explained above – in connection with modified contractual cash-flows was HUF -8,280 million in 2024 (2023: HUF -23,727 million). For stage 2, stage 3 loans an amount of HUF -5,781 million has recognised in (Loss) / gain on modification of financial instruments that did not lead to derecognition (2023: HUF -14,449 million) and for stage 1 loans HUF -2,499 million in Interest income calculated using effective interest rate method in the statement of profit or loss (2023: HUF -9,278 million). In addition, in the line of Interest income calculated using effective interest rate method HUF 10,885 million is recognised in connection with the modified cash-flows of financial instruments of the previous years (2023: HUF 10,380 million).

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3.2.1.5 Collaterals

To ensure prudent operation, the Group decides on the necessary rate of risk mitigation and the tools applied for credit risk mitigation by taking into consideration the transaction and the rating of the client. In the meantime, and prior to each risk-related decision, the Group ensures that the necessary securities and collateral exist and verifies their real value and enforceability. The Group specifies in a separate policy the collateral it finds acceptable, the classification thereof, the acceptance criteria of the collateral, it lays down the rules for evaluating the collateral and for determining the acceptable loan-to-value figure, and for the monitoring of the collateral. Prior credit risk protection accepted by the Group includes assets that are liquid and value-preserving. Therefore, accepted financial collateral are especially:

- cash or deposit placed with the Group as collateral or deposit;
- debt securities issued by central governments, central banks;
- property.

When accepting mortgage collateral, the Group engages third party experts to determine market value. The Group, as credit risk collateral not provided in advance, recognises a credit risk measurement process whose provider is reliable and in the case of which the agreement on the credit risk collateral is valid and enforceable before a competent authority, and which fulfils the conditions stipulated in Hungarian legislation and in the internal policies of the Group. Therefore, the Group predominantly accepts guarantees and on-demand credit default guarantees for credit risk collateral not provided in advance which are provided by:

- central governments or central banks;
- public sector institutions;
- credit institutions or investment firms.

In performing its activities, the Group engages the services of Rural Credit Guarantee Foundation, the Start-Garancia Zrt. and Garantiqa Hitelgarancia Zrt. providing on-demand credit default guarantees in addition to the state-backed counter guarantee. The Group entered into a cooperation agreement with the three organizations. These collaterals are integral part to the respective loans.

Face value of collateral received	Loan commitments received	Financial guarantees received
31.12.2024		
Central banks	112	-
General governments	-	821 110
Banks	64 604	218 900
Other financial companies	-	78 265
Non-financial companies	-	96 880
Households	-	944
Total	***64 716***	***1 216 099***
31.12.2023		
Central banks	54 991	-
General governments	-	535 478
Banks	79 098	193 815
Other financial companies	-	53 145
Non-financial companies	-	212 998
Households	-	89 004
Total	***134 089***	***1 084 440***

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The Group received the following assets by taking possession of the collateral provided to it as security or by exercising other credit quality improvement possibilities:

Total assets acquired in exchange for loans	31.12.2024	31.12.2023
Residential property	632	643
Commercial property	116	161
Other	138	208
Total	**886**	**1 012**

3.2.2 Liquidity risk

Liquidity risk is the risk that the Group's cash flows may not be adequate to fund operations and meet commitments on a timely and cost-effective basis. This risk arises from mismatches in the timing of cash flows.

Liquidity risks can fundamentally be divided into two categories, and their subcategories:

- funding liquidity risk, including:
  - maturity (maturity mismatch) liquidity risk arising from the fact that the cash flows of assets and liabilities are not properly matched and maturing liabilities in certain periods exceed the amount of receivables due. The nearer the period of the mismatch, the more significant the risk.
  - withdrawal (massive withdrawal of funds before maturity) liquidity risk – funds are withdrawn prior to the contractual expiry.
  - structural liquidity risk – the risk of funds being renewed with difficulty and only at higher cost;
- market liquidity risk – the risk that a market position cannot be closed at the market price in the short term, only at a less favourable price, therefore the position will need to be maintained so that the proper market price can be realized, and this may require committing/using liquid assets.

Management of liquidity risk

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to approval by the Board of Directors following the prior review and approval by the Asset-Liability Committee (hereinafter: "ALCO")

Liquidity risk means the Group does not possess the necessary amount of cash and cash-equivalents to pay due and legitimate obligations.

Liquidity risks are curtailed by the following Group-level limits:

- Liquidity coverage ratio (LCR)
- Net stable funding ratio (NSFR)
- Mortgage funding adequacy ratio (MFAR)
- Foreign Exchange Funding Adequacy Ratio (FFAR)
- Foreign exchange balance indicator (FEBI)
- Interbank Funding Ratio (IFR)
- Liquidity stress test
- Central bank eligible, unencumbered securities
- Liquidity position
- Limits specified in the early warning system

The decisions by the management of the Group are, however, also based on the liquidity gap between contractual inward and outward flows (net position), and therefore both financial assets and financial liabilities are rated in liquidity categories.

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The below table shows the undiscounted contractual cash flows of the Group's financial asset. The disclosure for derivatives shows the gross inflow and outflow amount of derivatives (for example: forward exchange contracts and currency swaps).

31.12.2024	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Cash and cash-equivalents	**1 076 984**	**1 076 984**	**1 076 984**	**-**	**-**	**-**	**-**
Financial assets measured at FVTPL	**882 423**	**2 817 910**	**1 061 277**	**559 046**	**289 483**	**274 724**	**633 379**
Loans and advances	565 731	647 659	2 660	5 521	25 943	153 762	459 772
Securities	69 552	76 576	37	202	1 077	14 736	60 524
Derivative financial assets*	247 140	2 093 675	1 058 580	553 323	262 463	106 226	113 083
Financial assets measured at FVTOCI	**1 204 054**	**1 500 653**	**612**	**27 690**	**189 936**	**672 389**	**610 027**
Securities	1 204 054	1 500 653	612	27 690	189 936	672 389	610 027
Financial assets measured at AC	**8 943 686**	**10 646 141**	**185 710**	**447 474**	**1 873 829**	**5 005 047**	**3 134 081**
Loans and advances, reverse sale and repurchase agreements and other financial assets	5 518 842	6 880 366	178 291	425 409	1 344 937	2 890 344	2 041 385
Securities	3 424 844	3 765 775	7 419	22 065	528 892	2 114 703	1 092 696
Total assets	**12 107 147**	**16 041 688**	**2 324 583**	**1 034 210**	**2 353 248**	**5 952 160**	**4 377 487**

31.12.2023	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Cash and cash-equivalents	**1 347 889**	**1 347 889**	**1 347 889**	**-**	**-**	**-**	**-**
Financial assets measured at FVTPL	**829 960**	**1 960 073**	**706 580**	**227 509**	**142 497**	**283 087**	**600 400**
Loans and advances	510 988	589 030	2 351	4 720	22 795	138 115	421 049
Securities	50 137	51 490	45	262	572	1 174	49 437
Derivative financial assets*	268 835	1 319 553	704 184	222 527	119 130	143 798	129 914
Financial assets measured at FVTOCI	**912 538**	**1 043 663**	**12 777**	**8 881**	**78 269**	**547 634**	**396 102**
Securities	912 538	1 043 663	12 777	8 881	78 269	547 634	396 102
Financial assets measured at AC	**7 689 462**	**9 023 003**	**29 792**	**397 017**	**1 687 817**	**4 171 203**	**2 737 174**
Loans and advances, reverse sale and repurchase agreements and other financial assets	4 678 598	5 779 535	17 060	369 373	1 326 862	2 431 870	1 634 370
Securities	3 010 864	3 243 468	12 732	27 644	360 955	1 739 333	1 102 804
Total assets	**10 779 849**	**13 374 628**	**2 097 038**	**633 407**	**1 908 583**	**5 001 924**	**3 733 676**

** The row contains the amount of balance sheet lines Derivative financial assets and Hedging derivative assets as well.*

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The following table shows the breakdown of financial liabilities by contractual maturity. Loan commitments are shown based on their earliest possible date of maturity.

31.12.2024	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**(138 364)**	**(2 091 501)**	**(1 080 272)**	**(549 429)**	**(259 828)**	**(92 797)**	**(109 175)**
Derivative financial liabilities*	(109 178)	(2 062 315)	(1 051 086)	(549 429)	(259 828)	(92 797)	(109 175)
Short positions	(29 186)	(29 186)	(29 186)	-	-	-	-
Financial liabilities measured at AC	**(11 109 168)**	**(11 584 857)**	**(7 204 032)**	**(808 815)**	**(1 820 134)**	**(963 785)**	**(788 091)**
Term deposits	(3 861 705)	(4 021 200)	(2 468 367)	(723 360)	(500 808)	(155 338)	(173 327)
Current deposits	(4 243 618)	(4 243 618)	(4 243 618)	-	-	-	-
Loans, sale and repurchase agreements and other financial liabilities	(2 345 438)	(2 477 859)	(479 940)	(43 699)	(1 225 939)	(308 218)	(420 063)
Issued debt securities	(534 628)	(712 922)	(9 376)	(38 821)	(80 058)	(436 719)	(147 948)
Subordinated debts	(94 662)	(95 704)	(2 731)	-	(3 691)	(47 447)	(41 835)
Lease liabilities	(29 117)	(33 554)	-	(2 935)	(9 638)	(16 063)	(4 918)
Total liabilities	**(11 247 532)**	**(13 676 358)**	**(8 284 304)**	**(1 358 244)**	**(2 079 962)**	**(1 056 582)**	**(897 266)**
Credit limits	(21 219)	(1 613 449)	(1 613 449)	-	-	-	-
Guarantees	(2 766)	(107 548)	(107 548)	-	-	-	-
Other commitments	(2 343)	(253 251)	(253 251)	-	-	-	-
Off balance sheet items	**(26 328)**	**(1 974 248)**	**(1 974 248)**	**-**	**-**	**-**	**-**

31.12.2023	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**(169 599)**	**(1 360 156)**	**(747 416)**	**(219 142)**	**(132 142)**	**(134 361)**	**(127 095)**
Derivative financial liabilities*	(146 962)	(1 337 519)	(724 779)	(219 142)	(132 142)	(134 361)	(127 095)
Short positions	(22 637)	(22 637)	(22 637)	-	-	-	-
Financial liabilities measured at AC	**(9 789 825)**	**(10 255 117)**	**(6 511 858)**	**(470 541)**	**(635 242)**	**(1 637 282)**	**(1 000 194)**
Term deposits	(2 786 317)	(2 786 317)	(2 020 817)	(460 737)	(270 833)	(23 856)	(10 074)
Current deposits	(4 170 783)	(4 170 783)	(4 170 783)	-	-	-	-
Loans, sale and repurchase agreements and other financial liabilities	(2 177 869)	(2 514 059)	(300 808)	(7 280)	(236 258)	(1 171 291)	(798 422)
Issued debt securities	(520 901)	(639 545)	(14 252)	(210)	(105 588)	(396 563)	(122 932)
Subordinated debts	(108 341)	(115 585)	(5 198)	-	(15 933)	(29 704)	(64 750)
Lease liabilities	(25 614)	(28 828)	-	(2 314)	(6 630)	(15 868)	(4 016)
Total liabilities	**(9 959 424)**	**(11 615 273)**	**(7 259 274)**	**(689 683)**	**(767 384)**	**(1 771 643)**	**(1 127 289)**
Credit limits	(17 857)	(1 186 225)	(1 186 225)	-	-	-	-
Guarantees	(2 865)	(98 356)	(98 356)	-	-	-	-
Other commitments	(1 861)	(294 641)	(294 641)	-	-	-	-
Off balance sheet items	**(22 583)**	**(1 579 221)**	**(1 579 221)**	**-**	**-**	**-**	**-**

** The row contains the amount of balance sheet lines Derivative financial liabilities and Hedging derivative liabilities as well.*

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During the contractual maturity gap analysis – to adequately determine liquidity risk – the fundamental aspect that needs to be considered is that the overwhelming portion of liabilities need to be regarded as continually renewing liabilities. The following table shows the breakdown of financial liabilities by expected maturity:

31.12.2024	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**(138 364)**	**(2 091 501)**	**(1 080 272)**	**(549 429)**	**(259 828)**	**(92 797)**	**(109 175)**
Derivative financial liabilities*	(109 178)	(2 062 315)	(1 051 086)	(549 429)	(259 828)	(92 797)	(109 175)
Short positions	(29 186)	(29 186)	(29 186)	-	-	-	-
Financial liabilities measured at AC	**(11 109 168)**	**(11 558 201)**	**(925 685)**	**(214 648)**	**(1 393 959)**	**(1 085 924)**	**(7 937 985)**
Term deposits	(3 861 705)	(3 994 544)	(192 617)	(129 193)	(74 633)	(277 477)	(3 320 624)
Current deposits	(4 243 618)	(4 243 618)	(241 021)	-	-	-	(4 002 597)
Loans, sale and repurchase agreements and other financial liabilities	(2 345 438)	(2 477 859)	(479 940)	(43 699)	(1 225 939)	(308 218)	(420 063)
Issued debt securities	(534 628)	(712 922)	(9 376)	(38 821)	(80 058)	(436 719)	(147 948)
Subordinated debts	(94 662)	(95 704)	(2 731)	-	(3 691)	(47 447)	(41 835)
Lease liabilities	(29 117)	(33 554)	-	(2 935)	(9 638)	(16 063)	(4 918)
Total liabilities	**(11 247 532)**	**(13 649 702)**	**(2 005 957)**	**(764 077)**	**(1 653 787)**	**(1 178 721)**	**(8 047 160)**
Credit limits	(21 219)	(1 613 449)	(116 605)	(215 866)	(146 793)	(759 864)	(374 321)
Guarantees	(2 766)	(107 548)	(7 599)	(14 463)	(9 928)	(50 184)	(25 374)
Other commitments	(2 343)	(253 251)	(19 144)	(36 436)	(25 011)	(108 742)	(63 918)
Off balance sheet items	**(26 328)**	**(1 974 248)**	**(143 348)**	**(266 765)**	**(181 732)**	**(918 790)**	**(463 613)**

31.12.2023	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**(169 599)**	**(1 360 156)**	**(747 416)**	**(219 142)**	**(132 142)**	**(134 361)**	**(127 095)**
Derivative financial liabilities*	(146 962)	(1 337 519)	(724 779)	(219 142)	(132 142)	(134 361)	(127 095)
Short positions	(22 637)	(22 637)	(22 637)	-	-	-	-
Financial liabilities measured at AC	**(9 789 825)**	**(10 255 241)**	**(1 026 985)**	**(39 722)**	**(386 768)**	**(1 614 621)**	**(7 187 145)**
Term deposits	(2 786 317)	(2 786 441)	(456 763)	(29 918)	(22 359)	(1 195)	(2 276 206)
Current deposits	(4 170 783)	(4 170 783)	(249 964)	-	-	-	(3 920 819)
Loans, sale and repurchase agreements and other financial liabilities	(2 177 869)	(2 514 059)	(300 808)	(7 280)	(236 258)	(1 171 291)	(798 422)
Issued debt securities	(520 901)	(639 545)	(14 252)	(210)	(105 588)	(396 563)	(122 932)
Subordinated debts	(108 341)	(115 585)	(5 198)	-	(15 933)	(29 704)	(64 750)
Lease liabilities	(25 614)	(28 828)	-	(2 314)	(6 630)	(15 868)	(4 016)
Total liabilities	**(9 959 424)**	**(11 615 397)**	**(1 774 401)**	**(258 864)**	**(518 910)**	**(1 748 982)**	**(7 314 240)**
Credit limits	(17 857)	(1 186 225)	(82 167)	(159 033)	(108 540)	(559 105)	(277 380)
Guarantees	(2 865)	(98 356)	(6 896)	(13 348)	(9 110)	(45 721)	(23 281)
Other commitments	(1 861)	(294 641)	(21 588)	(41 782)	(28 517)	(129 878)	(72 876)
Off balance sheet items	**(22 583)**	**(1 579 221)**	**(110 651)**	**(214 163)**	**(146 166)**	**(734 704)**	**(373 536)**

** The row contains the amount of balance sheet lines Derivative financial liabilities and Hedging derivative liabilities as well.*

The expected outflow of customer deposits differs from contractual maturities because – based on historical data – majority of depositors do not withdraw their deposit at maturity but roll it over or leave it on the account as sight deposit. The undrawn part of the deposit can thus be considered as stable stock, which is aggregated in the last time bucket.

The Group is able to maintain its liquidity and fulfil its due payment obligations.

The Group analyses the consequences of any potential severe liquidity stress.

The following are viewed by the Group as liquidity stress positions:
- sudden and large-scale withdrawal of clients' deposits, and this needs to be hedged by selling or borrowing against liquid assets.

Assumptions used in the liquidity stress test applied by the Group:
- decrease of the market value of liquid assets;
- withdrawal of a certain part of the customer deposit portfolio;
- drawdown of undrawn credit facilities and guarantees;
- a certain roll-over of customer loans;
- partial repurchase of bonds issued.

A stress position may arise due to a fault attributable to the Group (reputational risk) or due to a fault beyond its control (general market influence).

The Group, in part, prepares for liquidity stress positions by:
- creating liquidity reserves;
- entering long-term cross-currency interest rates swaps (CCIRS) for currency refinancing.

The Group has in place a contingency plan to manage any critical situations arising from liquidity disturbances/crises, which the affected business lines and functions comply with so that they can take prudent and optimal measures in due time under the given circumstances.

3.2.3 Market risks

Market risk is the risk that changes in market prices, such as interest rate (interest rate risk), equity prices (equity risk), and foreign exchange rates (foreign exchange risk) will affect the Group's income or the value of its holdings of financial instruments.

Management of market risks

As part of the Risk strategy, the Board of Directors approves the maximum amount and scope of market risks incurable by the Group, ensured by a comprehensive limit structure broken down by relevant portfolios. The main market risk limit is arising from the annual capital allocation process based on ICAAP requirements.

ALCO is responsible for developing and monitoring the Group's market risk management policies. ALCO has the overall responsibility for establishing and managing market risk policies for the Group, within the framework of internal policies, covering risk management, assessment of risk and related limits, competence and decision-making mechanism, and regulation for breaches of limits, approved by the Board of Directors. The members of the ALCO are senior executives who have principal decision-making responsibilities for businesses throughout the whole Group. At the operational level, market risk is managed by the Money and Capital Markets Managing Directorate on a bank-wide basis. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Group separates its exposure to market risk between trading and non-trading portfolios.

Trading portfolios include those positions arising from market-making, customer business driven proprietary position-taking and other marked-to-market positions as designated. According to the risk strategy of the Group there is no own account activity (proprietary trading) with the purpose of short-term profit arising from market changes. Trading activities include transactions with debt and equity securities, foreign currencies, and derivative financial instruments.

Non-trading portfolios include positions that arise from the Group's retail and commercial banking activity and the interest rate management of the Group's retail and commercial banking assets and liabilities. The Group's non-trading activities encompass all activities other than accounted for as trading transactions, including lending, accepting deposits, and issuing debt instruments.

3.2.3.1 Exposure to market risks - trading portfolios

The Group manages exposure to market risk by establishing and monitoring various limits on trading activities. These limits include:

- Capital limits define maximum aggregate amounts of trading products and contracts that the Group may hold at any time.
- FX position limits restrict the long and short position for each currency and the total net amounts of FX positions that can be held in the trading and banking books.
- Sensitivity limits define the maximum interest rate exposure in the trading book.
- The Greeks metrics (delta, gamma, vega, rho) define the maximum exposure stemming from option trading activity.
- Value at Risk (VaR) limits: The VaR limit of a trading portfolio is the estimated maximum loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). the Group applies historical and parametric VaR method with 1-day holding period at 99% confidence level.

The VaR model used is based mainly on historical data. Taking account of market data from the previous one year (250 business days in case of historical VaR and and 100 business days in case of parametric VaR), and observed relationships between different markets and prices, the model calculates both diversified and undiversified total VaR, and VaR by risk factors such as interest rate, equity and currency VaR.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 1-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- VAR only covers "normal" market conditions.
- The VaR measure is dependent upon the Group's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The overall structure of VaR limits is subject to review and approval by ALCO. VaR limits are allocated to trading portfolios. VaR is measured on a daily basis. Daily reports of utilisation of VaR limits are prepared by the Group's Risk Unit and regular summaries are submitted to ALCO.

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The following table shows the historical VaR position of the Group's trading portfolio at 99% confidence level with a one-day holding period:

	Average	Maximum	Minimum
31.12.2024			
Currency risk	36	315	5
Interest risk	106	245	44
Equity risk	4	6	2
Total	***146***	***566***	***51***
31.12.2023			
Currency risk	65	568	7
Interest risk	216	508	78
Equity risk	5	23	2
Total	***286***	***1 099***	***87***

Notes in connection with the table above:

- The Group applies historical and parametric VaR for general market risk:
  - Historical VaR: (1 day holding period; 99% confidence level, number of observations: 250 business days),
  - Parametric VaR: Risk metrics methodology (1 day holding period; 99% confidence level, 0.94 decay factor, number of observations: 100 business days).
- The Group calculates VaR only on trading-book position.
- There is no commodity in the Group's position.
- The Group does not have a significant open position from options therefore there is no volatility VaR calculation.

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3.2.3.2 Exposure to market risks - foreign currency risk

Currency risk means the risk of having the profit or the capital of the Group decreasing or being totally lost due to changes in the levels and proportions of the currency exchanges. The Group is exposed to currency risks because of collecting deposits denominated in different currencies, providing loans, the sale and purchase of securities and various derivative transactions. The Group manages currency risks uniformly at the level of the member banks. The Group curtails currency risks with limits and measures daily.

Currency risks are limited by the following limits for the banks belonging to the group:

- VaR limit;
- open position limit.

The financial position of the Group in foreign exchange at the end of the reporting periods were the following:

Foreign currency position	EUR	USD	CHF	Other currency	Total
31.12.2024					
Assets	1 788 648	249 302	7 966	46 923	2 092 839
Liabilities	(1 643 309)	(401 315)	(17 824)	(161 638)	(2 224 086)
Derivatives and spot (short)/long position	(146 603)	151 911	9 955	114 677	129 940
Total	***(1 264)***	***(102)***	***97***	***(38)***	***(1 307)***
31.12.2023					
Assets	1 563 852	141 228	11 253	31 365	1 747 698
Liabilities	(1 793 980)	(295 569)	(20 101)	(104 381)	(2 214 031)
Derivatives and spot (short)/long position	234 840	154 188	9 431	73 255	471 714
Total	***4 712***	***(153)***	***583***	***239***	***5 381***

Sensitivity test

An adverse change in exchange rates of 15% would result in a loss of HUF 333 million on the open foreign exchange position at the end of the period.

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3.2.3.3 Exposure to market risks - interest risk

Interest rate risk means the risk of having the profit or the capital of the Group decreasing or being totally lost due to changes in the levels and proportions of the interest rates in the market. The Group covers the arising interest rate risks using derivative financial instruments (for further information please see Note 4.12). The following table presents the sensitivity of the net present value of the Group's trading and banking book position in case of a parallel + 200 bp movement in market conditions.

Book type	HUF	EUR	USD	Other
31.12.2024				
Trading	(138)	(17)	(0)	(8)
Banking	(37 292)	(11 515)	(4 027)	-
31.12.2023				
Trading	(596)	(10)	(4)	-
Banking	(13 214)	(4 792)	(1 689)	-

Interest rate risk registered in the non-trading book

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows of financial instruments because of a change in market interest rates. The management of interest rate risk is supplemented by monitoring the sensitivity of the financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200 basis point parallel fall or rise in all yield curves worldwide. At the end of the reporting period, the interest rate structure of interest-bearing financial instruments of the Group was the following (HUF, EUR, USD):

Interest rate structure of financial instruments*	HUF	EUR	USD	Total
31.12.2024**				
Fixed rate assets	5 363 811	833 306	137 077	6 334 194
Variable rate assets	3 124 281	951 055	71 867	4 147 203
Total assets	***8 488 092***	***1 784 361***	***208 944***	***10 481 397***
Fixed rate liabilities	(7 909 029)	(1 624 949)	(355 134)	(9 889 112)
Variable rate liabilities	(276 372)	(750)	(2)	(277 124)
Total liabilities	***(8 185 401)***	***(1 625 699)***	***(355 136)***	***(10 166 236)***
31.12.2023				
Fixed rate assets	6 071 355	813 526	127 480	7 012 361
Variable rate assets	3 574 987	775 620	867	4 351 474
Total assets	***9 646 342***	***1 589 146***	***128 347***	***11 363 835***
Fixed rate liabilities	(7 538 566)	(1 683 269)	(289 558)	(9 511 393)
Variable rate liabilities	(1 212 831)	(99 786)	(2)	(1 312 619)
Total liabilities	***(8 751 397)***	***(1 783 055)***	***(289 560)***	***(10 824 012)***

** Table of interest rate structure contains gross exposures and does not include derivative transactions.*
*** Based on NBH's expectations, the Group modified the group-level calculation of interest rate risk in the banking book from 30.06.2024 which results a netting effect and a decrease in the stock between the end of 2023 and the end of 2024.*

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Sensitivity tests

The following table shows the sensitivity of the Group to the increase or decrease of market interest rates per currency:

	31.12.2024		31.12.2023	
	Effect on Equity	Effect on P/L*	Effect on Equity	Effect on P/L*
HUF				
200 bp increase	(37 292)	2 050	9 973	1 255
200 bp decrease	37 206	(15 427)	(13 214)	(20 981)
EUR				
200 bp increase	(11 515)	(11 846)	(4 792)	(1 216)
200 bp decrease	12 203	9 185	4 994	(5 440)
USD				
200 bp increase	(4 027)	(1 670)	(1 689)	208
200 bp decrease	4 316	1 110	1 865	(1 080)

** The table shows the effect on net interest income of a 200 bp change in market interest rates.*

FCY	Yield curve stress + 200 Bp	Yield curve stress - 200 Bp	Adverse case
31.12.2024			
EUR	(11 515)	12 203	(11 515)
USD	(4 027)	4 316	(4 027)
Total	***(15 542)***	***16 519***	***(15 542)***
31.12.2023			
EUR	(4 792)	4 994	(4 792)
USD	(1 689)	1 865	(1 689)
Total	***(6 481)***	***6 859***	***(6 481)***

3.2.3.4 Exposure to market risks - share price risk

Share price risk means the risk of having the profit or the capital of the Group decreasing or being totally lost due to changes in the levels and proportions of the stock prices in the market.

The Group distinguishes individual and general stock price risks:

- Individual price risk arises when the value of a single share position or a complex position or a derivative transaction in the portfolio of the Group decreases due to the risks associated with the special characteristics of an underlying share of a transaction compared to cost, which may generate a loss.
- General price risk arises when the value of a single share position or a complex position or a derivative transaction in the portfolio of the Group decreases due to general market changes compared to cost, independently of the risks associated with the special characteristics of an underlying share of a transaction.

Share price risk registered in the trading book

Among the transactions involving share price risk, the Group primarily deals with hedging transactions to realize interest rate margins to completely cover the risk that arise.

The Group applies limits related to its share price risk in the trading book and measures it on a daily basis.

Applied limits in the trading book are the followings:

- VaR limit;
- quantitative limits;
- issuer’s limit.

3.2.4 Operational risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk, conduct risk, reputational risk, modelling risk and information and communication technology (ICT) risk. Operational risk does not include business and strategic risks.

The principles, rules and procedures that serve to properly identify, manage and monitor operational risk are defined in the Risk Strategy and in the OpRisk Policy.

From 31 of December 2023 the operational risk capital requirement of MBH Bank Plc. is calculated by using the Basic Indicator Approach (BIA) both at separate and group level. Under the Basic Indicator Approach, the own funds requirements for operational risk are equal to 15 % of the average over three years of the relevant indicator (gross income).

Risk management and monitoring

The system that serves to evaluate operational risk is fully integrated in the Group's risk management process and in the work processes. The centralised unit of the Group's operational risk management is the OpRisk Management that is responsible for the establishment and maintenance of the internal regulation and organisation of operational risk management and for the establishment and coordination of the Oprisk management methods and tools. Besides, its task is to ensure proper loss data collection and in connection with the reporting obligations.

Besides the OpRisk Management, OpRisk Network (extended to the whole organisation) were established in order to identify, report and manage operational risks. The network's tasks and responsibilities are included in the OpRisk regulations. The OpRisk Management keeps independent control over the responsible persons that are assigned in the various units and responsible for managing operational risk and reporting of loss events. At group level the OpRisk Management of the Group determines the operational risk regulations required from the subsidiaries, and also the framework for operational risk management at group level and in this respect supervises the subsidiaries as well. The centralised and decentralised operational risk management units have also been established in the subsidiaries that have loss data collection and reporting obligation towards the OpRisk Management.

The OpRisk Management prepares reports on the current status of the operational risk management of the Group for the Board of Directors on a quarterly basis. The Group has a half-yearly reporting obligation about its operation risks in COREP (Common Reporting Framework) data delivery to NBH.

Business Continuity Planning

In order to undisturbedly maintain the Group's operational processes, it is necessary to evaluate the potential risks and the potential damages resulting from the fallout of the processes. The analysis and the procedures needed to maintain the functionality of the Group's organisation is included in the Business Continuity Regulation and Plans (BCP). The BCP includes measures that must be taken when the processes that are critical regarding the Group's operation and resources (e.g. IT) that support these processes get damaged or become unmaintainable.

Membership of the Hungarian Interbank Operational Risk Database (HunOR)

The Group is one of the foundation members of the Hungarian Interbank Operational Risk Database (HunOR) and reports their loss data towards regularly and anonymously.

3.3 Concentration of risks

The purpose of the Group is to maintain a balanced portfolio composition and to keep the concentration risk within an acceptable limit. Managing the concentration risk is operated by unique and portfolio-based limits. Measurement of the portfolio-based concentration risk is prepared by applying concentration figures in case of both the limits and the calculation of equity requirements. To cover non-planned losses derived from concentration risks the appropriate level of equity is required to ensure by the Group. The Group limits the geographical concentration with the concentration of portfolios by countries.

The risk strategy of the Group involves the following limits determining the risk appetite:

- Proportion of the top 10 client portfolio in the corporate loan portfolio (%),
- Proportion of the corporate clients worse than internally determined level of rating,
- Sector limits (billion HUF),
- Sector concentration (%) – industry with the highest proportion,
- Product limits (billion HUF),
- Country risk limits (billion HUF),
- Portfolio concentration denominated in corporate currency (%),
- Shadow-banking limits.

On Group level a regular report is prepared on the most important dimensions of the concentration risk for the relevant committees of the Group management institution and for the Board of directors.

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The following table shows the sectoral breakdown of loans measured at amortised cost:

	31.12.2024		31.12.2023	
	Gross amount	Loss allowance	Gross amount	Loss allowance
Manufacturing*	569 587	(37 090)	483 836	(29 166)
Wholesale and retail trade*	550 430	(19 747)	517 406	(14 320)
Real estate activities	409 363	(48 658)	414 994	(53 323)
Professional, scientific and technical activities*	238 061	(10 360)	150 404	(9 466)
Construction*	236 572	(22 755)	215 437	(13 068)
Agriculture, forestry and fishing	202 621	(11 577)	193 893	(12 174)
Transport and storage	194 860	(3 928)	173 992	(4 426)
Electricity, gas, steam and air conditioning supply	141 395	(3 889)	127 417	(3 083)
Administrative and support service activities	95 104	(2 553)	79 422	(1 963)
Financial and insurance activities	85 371	(5 708)	176 071	(6 490)
Accommodation and food service activities	83 015	(4 406)	78 545	(5 801)
Information and communication	80 706	(1 690)	74 139	(1 576)
Other services	52 370	(6 311)	62 374	(4 398)
Mining and quarrying*	38 614	(874)	13 364	(52)
Human health services and social work activities	14 500	(337)	14 287	(288)
Water supply	12 066	(462)	8 789	(274)
Arts, entertainment and recreation	11 805	(835)	11 693	(949)
Education	3 110	(240)	2 863	(95)
Public administration	150	(30)	143	(8)
Non-financial corporations	**3 019 700**	**(181 450)**	**2 799 069**	**(160 920)**
Households	2 056 275	(88 601)	1 395 015	(92 091)
Other financial corporations	244 467	(34 831)	228 671	(14 495)
General governments	230 484	(970)	236 834	(1 655)
Credit institutions	137 723	(1 123)	107 559	(1 015)
Total	**5 688 649**	**(306 975)**	**4 767 148**	**(270 176)**

** Sectors affected by the construction overlay mentioned in Note 3.2.1.*

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3.4 Encumbered assets

According to implementation regulation (EU) 680/2014, the following encumbered assets existed at the end of the reporting period:

Encumbered assets	31.12.2024		31.12.2023	
	Book value	Fair value	Book value	Fair value
Loans on demand	981	981	443	443
Debt securities*	1 750 545	1 654 036	1 513 750	1 407 804
Loans and advances other than loans on demand	1 010 717	1 010 717	1 018 668	1 018 668
Total	**2 762 243**	**2 665 734**	**2 532 861**	**2 426 915**

* Amount of HUF 335.3 billion debt securities are pledges as collateral in reverse sale and repurchase agreements (2023: HUF 11.8 billion).

Assets, collateral received, and own debt securities issued	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance	Nominal value of collateral received or own debt securities issued non available for encumbrance
31.12.2024			
Loans on demand	-	11 046	-
Equity instruments	-	40 576	-
Debt securities	-	81 078	88 616
Loans and advances other than loans on demand	-	-	350 953
Other collateral received	582 135	6 116 812	4 739 378
Total	***582 135***	***6 249 512***	***5 178 947***
31.12.2023			
Current receivables	-	14 444	-
Equity instruments	-	85 073	-
Debt securities	-	94 756	115 861
Loans and advances other than current receivables	-	-	356 328
Other collateral received	536 606	5 713 129	2 856 090
Total	***536 606***	***5 907 402***	***3 328 279***

The main sources and types of encumbrances were arising from having corporate loans covered by NBH, secured refinancing, from collaterals of mortgage loans, money market deposits as well as collateralized derivative transactions and repo transactions. Encumbrance due to collateral requirement of used clearing systems and central counterparties was not significant. The Group did not have covered bonds issued or securitization. The most significant secured refinancing facilities were participating in the “Funding for Growth Scheme” refinancing loan program of the NBH. Most collateralized derivative transactions were concluded to hedge on balance sheet FX position and interest rate.

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3.5 Capital management

NBH as the regulator sets and monitors capital requirements for the Group. The calculations are Capital Requirements Regulation (CRR) (575/2013/EU regulation) compliant.

Based on NBH's decision no. H-EN-I-300/2024 on MBH Bank's consolidated supervision, regulatory capital includes reserves of the Central Organization of Integrated Credit Institutions, therefore the table of regulatory capital shows the capital adequacy of the entire scope of prudential consolidation.

	31.12.2024	31.12.2023
Share capital	323 919	323 919
Outstanding share capital	***323 919***	***323 919***
Reserves	1 014 248	841 418
Deferred tax	(6 820)	(12 310)
Intangible assets	(94 971)	(71 096)
AVA - additional valuation adjustments	(2 168)	(1 881)
Regulatory adjustments to core Tier 1 capital	(173 810)	(117 641)
Repurchased treasury shares	(55 440)	-
Additional Tier 1	-	-
Tier 1: Net core capital	**1 004 958**	**962 409**
Subordinated debts	79 097	84 734
Tier 2: Supplementary capital	**79 097**	**84 734**
Regulatory capital	**1 084 055**	**1 047 143**
Risk-weighted assets (RWA)	4 138 565	3 584 309
Operational risk (OR)	1 367 491	1 130 009
Market risk positions (MR)	17 996	15 084
Total risk weighted assets	***5 524 052***	***4 729 402***
Capital adequacy ratio	**19.62%**	**22.14%**

As of 31 December 2024, as an actual figure of the Group regulatory Tier 1 capital was HUF 1,005 billion based on CRR under Supervisory Regulation (31 December 2023: HUF 962 billion). Risk-weighted assets including operational and market risk increased from HUF 4,729 billion to HUF 5,524 billion. By application of capital management as a tool, the capital is a priority decision making factor; therefore, the Group monitors the changes of the capital elements continuously.

As of 31 December 2024, as an actual figure of the Group regulatory capital was HUF 1,084 billion (31 December 2023: HUF 1,047 billion).

Current year's changes in regulatory capital are derived from the followings:

- the profit generated during the year increased the regulatory capital
- the overall level of reserves (capital reserve, retained earnings, other reserves) increased
- the value of accumulated other comprehensive income decreased
- the amount of IFRS9 capital allowance decreased
- the amount of CET1 capital deductions increased, which was primarily caused by the increase of intangible assets stock
- the purchase of own shares carried out in December 2024 decreased the regulatory capital
- the amount of Tier2 capital decreased due to the increased amortisation

Amount of risk weighted assets increased in connection with Fundamenta acquisition, the increase of business volumes and increase of operational risk and market risk compared to the end of 2023.

The Group always complied with prudential regulations in 2024 and in 2023, no limits were breached.

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4. DETAILS ON STATEMENT OF PROFIT OR LOSS AND FINANCIAL POSITION ITEMS

4.1 Net interest income

Interest income and interest expense are recognised time-proportionately using the effective interest rate method. Interest income and interest expense include the amortisation of discount or premium on securities. The carrying amount of the financial asset or financial liability is adjusted if the Group revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense. The Group has recorded the modification loss of stage 1 financial assets among the interest income.

The Group applies the simplified approach for financial assets that have no payment schedule (e.g. revolving loans, overdraft, or credit cards), or the short-term financial assets (maximum 12 month maturity), if the effect is not material. According to the simplified approach no fee and commission items (received or paid) are taken into account when calculating the effective interest. These items are recognised as revenue or expense at arisen date.

Interest income	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
Interest income from cash and cash equivalents	68 960	68 729
Interest income from deposits	4 157	21 767
Interest income from debt securities measured at FVTOCI	67 213	83 348
Interest income from loans and advances measured at AC	359 098	408 968
Interest income from reverse sale and repurchase agreements at AC	488	928
Interest income from debt securities measured at AC	172 055	196 398
Interest income calculated using effective interest rate method	***671 971***	***780 138***
Interest income from loans and advances measured at FVTPL	33 987	27 678
Interest income from debt securities for trading	380	1 325
Interest income from derivatives for trading	211 066	267 588
Interest income from hedging derivatives	70 732	85 521
Interest income from lease assets	41 173	38 679
Interest income from other assets and liabilities	5 255	3 781
Other income similar to interest	***362 593***	***424 572***
Total interest income	**1 034 564**	**1 204 710**

During 2024 a total amount of HUF 13,711 million (2023: HUF 15,846 million) was recognised in interest income on impaired financial assets.

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Interest expense	**01.01.2024-31.12.2024**	**01.01.2023-31.12.2023**
Interest expense from loans and advances measured at AC	(26 590)	(34 212)
Interest expense from deposits measured at AC	(207 105)	(303 934)
Interest expense from sale and repurchase agreements at AC	(15 839)	(18 033)
Interest expense from debt securities measured at AC	(35 884)	(22 822)
Interest expense from subordinated debts measured at AC	(9 279)	(8 999)
Interest expense from other financial liabilities measured at AC	(18)	(40)
Interest expense calculated using effective interest rate method	***(294 715)***	***(388 040)***
Interest expense from derivatives for trading	(188 205)	(223 766)
Interest expense from hedging derivatives	(41 007)	(24 438)
Interest expense from other liabilities	(2 431)	(2 909)
Other expense similar to interest	***(231 643)***	***(251 113)***
Total interest expense	**(526 358)**	**(639 153)**
Net interest income	**508 206**	**565 557**

4.2 Net income from fees and commissions

„Net income from fees and commissions" comprises commission and fee income and expense that are not part of the amortised cost of the financial instruments. The fee and commission that is part of the Effective Interest Rate (hereinafter: EIR) calculation are presented as interest income and expense. The Group applies IFRS 15 for fee and commission incomes that are not part of the EIR calculation method based on IFRS 9.

Fee and commission income, that is not part of the EIR calculation is accounted for as follows:

- income earned on the execution of a significant act is recognised as revenue when the act is completed (for example the arrangement for the acquisition of shares or other securities); and
- income earned from the provision of services is recognised as revenue as the services are provided (for example asset management and service fees).

	01.01.2024-31.12.2024	**01.01.2023-31.12.2023**
Fee and commission income from payment services	114 882	103 558
Fee and commission income from credit and debit cards	39 945	31 367
Fee and commission income from credit service activity	6 419	5 500
Fee and commission income from asset management	23 425	16 710
Fee and commission income from securities transfers	13 946	10 663
Fee and commission income on financial guarantees given	3 362	3 439
Other fee and commission income	16 468	17 635
Total fee and commission income	***218 447***	***188 872***
Fee and commission expense from credit service activity	(8 917)	(6 229)
Fee and commission expense on financial guarantees received	(3 114)	(3 041)
Fee and commission expenses on payment services	(7 412)	(3 192)
Fee and commission expense on credit and debit cards	(14 538)	(11 716)
Other asset management fee and commission expense	(4 187)	(964)
External distribution of products	(7 564)	(7 196)
Other fee and commission expense	(4 587)	(17 093)
Total fee and commission expense	***(50 319)***	***(49 431)***
Net income from fees and commissions	**168 128**	**139 441**

The following main fee and commission income is accounted for in accordance with IFRS 15:

Fee and commission income from payment services

The Group provides account management services to its retail and business clientele. The main types of services are opening an account, monitoring the balance, arranging transactions within and outside the bank based on a customer order/provision, arranging deposit transactions in relation to the account, cash flow, closing of accounts. Depending on the regularity of the service, their service fee and commission will be charged to customer accounts on a daily, monthly (or more regular basis) or on a case-by-case basis. In the case of continuous services (for example: monthly fee for account management, monthly fee for SMS services), fee receipts are recorded monthly on the last day of the month. These fees are typically fixed fees. In the case of transaction-based services (for example: remittance orders, direct debits, cash payments), transaction fees are settled at the same time as the transaction or by collecting monthly transaction fees. Fees are determined based on the amount of the transaction, in % or in combination with a fixed and % combination.

Credit card fees are typically fixed fees, which are usually related to events such as the maintenance (annual card fee), issuance, cancellation or replacement of credit cards. Credit card transactions are free of charge.

Fee and commission income from credit service activity

Non-interest charges related to credit transactions are regular monitoring fees, fees for validation, verification, review and administration fees, incurring on an ad hoc basis. These fees are recorded when the service is incurred or, in the case of a continuous service, monthly, ex post.

Fee and commission income from securities transfers and asset management

The Group provides brokerage services to other banks, insurers, investment service providers, factoring companies. The fees for these services are usually charged monthly, depending on the volume and value of the customer transactions. Fees related to investment services provided for customers, typically fee of maintaining, distributing and issuing security accounts and fee income related to other investment services which are recorded when the service is incurred, monthly.

Fee and commission income on financial guarantees given

Fee income from documentary operations can either be fixed or charged occasionally when the service is provided, for example fees charged for guarantees, sureties, for the issuance of letters of credit or collections.

The following main fee and commission expense is accounted for in accordance with IFRS 15:

Fee and commission expense from credit service activity

Fees and commissions incurred in connection with the lending activity of the Group to its clients, to other banks or refinancing institutions (one-off disbursement fees for refinancing loans, verification fees), accounted for on a regular basis and may be subject to variable remuneration depending on the refinancing facility or transactions but may also be fixed remuneration. These types of fees are accounted for on a monthly basis or on a case-by-case basis for one-offs.

Fee and commission expense on financial guarantees received

Fees paid to other entities in connection with customer loans are also incurred in case they are not part of the effective interest calculation, for example: notary fees, valuation fees, national or other central database fees if they are passed on to the client. Fees are accounted for on a monthly basis in line with continuous services.

Fee and commission expenses on payment services

The fees paid for ancillary services related to account management services provided to customers are typically fees incurred in connection with the payment of account management fees (nostro) to other banks, the sending of statements, cash logistics, cash processing, postal cash transfers, postal payments, SMS service payments incurred in order to serve the account management of customers. Fees are accounted for on a monthly basis and regularly in line with continuous account management. The Group incurs expenses related to credit card manufacturing and distribution, and also pays transaction fees. These fees can either be charged on a fixed monthly rate or depend on the volume of cards and the value of the card transactions. Fees are accounted for on a monthly basis.

External distribution of products

The Group also sells its products through agents, so its payments for brokering are typically made on a monthly basis, depending on the volume sold. Typically used broker services include currency exchange agents.

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4.3 Result from remeasurement and derecognition of financial instruments

"Result from remeasurement and derecognition of financial instruments" comprises gains less losses related to trading and investment assets and liabilities and includes all realised and unrealised fair value changes and foreign exchange differences.

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Gains/(losses) on derivative instruments	24 404	(150 411)
Gains/(losses) on securities held for trade	3 335	13 026
Changes in fair value of loans mandatorily measured at FVTPL	14 717	67 637
Changes in fair value of securities mandatorily measured at FVTPL	2 251	(2 357)
Result from remeasurement and derecognition of financial instruments measured at FVTPL	***44 707***	***(72 105)***
Gains/(losses) on debt securities measured at FVTOCI	13 527	2 784
Result from derecognition of debt securities measured at FVTOCI	***13 527***	***2 784***
Gains/(losses) on loans and advances measured at AC	2 938	(1 946)
Gains/(losses) on debt securities measured at AC*	(10 047)	(468)
Results from derecognition of loans and debt securities measured at AC	***(7 109)***	***(2 414)***
Results from micro hedge transactions	1 138	(30 589)
Results from macro hedge transactions	(8 474)	54 837
Results from hedge accounting	***(7 336)***	***24 248***
Foreign exchange gains less losses	***(9 994)***	***50 141***
Total	**33 795**	**2 654**

** Sales before maturity were made in accordance with IFRS 9 requirements.*

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4.4 Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Loans and advances to banks and customers	(28 759)	(49 301)
Provision for commitments and guarantees	(3 288)	(7 096)
Investment in securities	(3 821)	(2 221)
ECL on financial assets, financial guarantees and loan commitments	**(35 868)**	**(58 618)**
Provision for litigation	173	(465)
Provision for restructuring	2 011	1 245
Other provision	1 219	(1 392)
Provision for staff costs	-	255
Provisions for litigation, restructuring and similar charges	**3 403**	**(357)**
(Loss) / gain on modification of financial instruments that did not lead to derecognition	**(5 781)**	**(14 449)**
(Impairment) / reversal of impairment on other investments	**(591)**	**(1 680)**
(Impairment) / reversal of impairment on other financial and non-financial assets	**1 290**	**(357)**
Total	**(37 547)**	**(75 461)**

4.5 Dividend income

Dividends earned on trading equity instruments are disclosed separately among the dividend income when received. Interest payable on financial liabilities acquired for trading purposes is reported as other interest expenses. Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Dividend income on financial assets held for trading	42	1 011
Dividend income from financial assets mandatorily measured at FVTPL	6	-
Dividend income from financial assets measured at FVTOCI	341	-
Dividend income received from associates and other investments	694	617
Total	**1 083**	**1 628**

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4.6 Administrative and other operating expenses

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Wages and salaries	(136 799)	(124 376)
Financial transactional levy	(77 232)	(61 737)
IT costs	(32 119)	(24 625)
General and administration expenses	(20 189)	(24 767)
Legal, advisory and professional services	(20 144)	(18 227)
Non-deductible VAT	(18 239)	(15 396)
Bank tax	(16 238)	(9 325)
Marketing and public relations	(14 300)	(10 844)
Social security costs	(14 145)	(12 045)
Extraprofit tax	(14 013)	(55 579)
Property costs	(11 595)	(7 667)
Postal fee	(6 836)	(5 192)
Membership fees	(5 617)	(5 209)
Repair and maintenance costs of goods	(2 889)	(2 209)
Severance and other termination costs	(929)	(5 624)
Other tax-related costs	(836)	(876)
Administrative costs	***(392 120)***	***(383 698)***
Depreciation	***(42 649)***	***(35 371)***
Total	**(434 769)**	**(419 069)**

In 2024, the Group's average statistical employee number was 9,553 (2023: 8,838).

Short-term employee benefits

Short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave are settled in the period in which the employees render the related service. Under the Group’s policy, the employer must grant employees their paid leave in the period the leave is earned, except for the paid leave emerges during maternity leave. Deferment of the expected cost of leave appears in operating expenses.

Long-term employee benefits

The Group has a defined jubilee benefit plan for all employees of the Group. The employees receive jubilee benefit only if they remain with the entity for a specified period and benefits are determined by the length of their service. The authority for jubilee benefit, its condition and the benefit are regulated in the Group’s policy. In the normal course of business, the Group pays fixed contributions into the Hungarian State and private pension funds on its employees, which is recognised in social security contributions and which cannot be considered as employee benefit plan. The Group itself does not offer a pension scheme or post-retirement benefit plan, and consequently has no legal or contractual obligation to make further contributions.

Termination benefits

The Group recognises termination benefits as a liability and an expense when it has a demonstrable obligation to terminate the employment of an employee or a group of employees before the normal retirement date or to offer termination benefits as an incentive to encourage employees to voluntarily leave the Group. In case of redundancy, obligation can be recognised when the employee's contract of employment is terminated.

Bank tax, extra profit tax

Hungarian credit institutions are obliged to pay bank tax. The base of the banking tax is the adjusted balance sheet total according to Hungarian Accounting Standards at the actual calendar year minus two years. The bank tax is presented in the line "Administrative and other operating expenses" as it does not meet the definition of income tax according to IFRS.

According to the Government Decree No 197/2022. (4.VI) credit institutions and financial enterprises are subject to extra profit tax in 2024 as well. The tax base is the amended net profit before tax of the 2022 tax year. The tax rate is 13% up to HUF 20 billion of the tax base, and 30% above that limit.

The 2024 extra profit tax liability may be reduced up to 50 % if the daily average amount of Hungarian government securities, maturing after January 1, 2027, held by a bank or financial institution for the period from 1 January 2024 to 30 November 2024 increased compared to the daily average between 1 January 2023 and 30 April 2023. The amount of the 2024 extra profit tax liability of the Group members was decreased due to the increase in the government securities portfolio.

The extra profit tax must be presented among operating expenses, and the total amount of expenditure for the year must be accounted for at the beginning of the year. The Group presents the whole expense of extra profit tax and bank tax according to IFRIC 21.

Financial transactional levy

Payment service providers having their seat or branch in Hungary (including credit institutions as well) are subject to financial transaction tax. The base of the tax is the value of certain client's payment account transactions as prescribed by the law. Since the financial transactional levy is not based on taxable profit, it does not meet the conditions of income tax according to the IFRS standards. Therefore, the Group presents it among „Administrative and other operating expense" in its statement of profit or loss.

In 2024 the Act CXVI of 2012 on financial transaction tax was modified by the Government Decree No 183/2024 (VII.8.). The tax rate has been increased to 0.45%/0.9%, and the cap of the tax to HUF 20,000 per transaction both in case of financial transactions and sales of securities. Furthermore, a new Supplementary transaction tax was introduced for transactions including foreign currency exchange.

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4.7 Other income and expense

Other income	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Income from related shares' disposal	254	-
Other operating income	15 083	25 776
Total	***15 337***	***25 776***

Other expense	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Expense from related shares' disposal	(185)	(71)
Expense from intermediate services	(1 418)	(5 665)
Loss from non-financial assets' disposal	(114)	(110)
Grants given	(6 549)	(10 993)
Other operating expenses	(6 822)	(4 376)
Total	***(15 088)***	***(21 215)***
Other income / (expense), net	**249**	**4 561**

Other operating income contains other income received related to MFB Points, given subsidies are shown as the most significant item of other operating expenses.

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4.8 Income tax income / (expense)

Income tax expense comprises current tax and deferred tax.

By accounting treatment for current and future income tax, the Group recognises the tax consequences of the future recovery / settlement of the carrying amount of assets, liabilities, transactions and other events of the current period that are recognised in the consolidated statement of financial position.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the end of the reporting period.

Both in the reporting period and in the comparative period, the corporate income tax rate was 9% levied on the taxable profit in Hungary. Due to this, a 9% nominal income tax rate was applied both for current income tax and deferred tax purposes. The Group classifies the local business tax and innovation contribution as income taxes.

	01.01.2024-31.12.2024	01.01.2023-31.12.2023
Corporate income tax expense on current year's profit	(9 788)	(9 386)
Corporate income tax expense - effect of self-revision of previous years	59	(55)
Local business tax	(17 485)	(20 345)
Innovation contribution	(2 634)	(3 081)
Current tax income/(expense)	***(29 848)***	***(32 867)***
Deferred tax income/(expense)	***(8 173)***	***(5 819)***
Total	**(38 021)**	**(38 686)**

For further information on deferred tax assets and liabilities please see Note 4.18.

A reconciliation of corporate tax payable for pre-tax profit or loss, calculated with the tax rate determined by law, and the Group's current rate of tax, applicable to the balance sheet date, is the following:

Determination of the effective tax rate	01.01.2024- 31.12.2024		01.01.2023 - 31.12.2023	
	%	Data in million HUF	%	Data in million HUF
Profit before income tax		***243 943***		***221 876***
Income tax using the domestic corporation tax rate	9.00%	(21 955)	9.00%	(19 969)
Local business tax	7.17%	(17 485)	9.17%	(20 345)
Innovation contribution	1.08%	(2 634)	1.39%	(3 081)
Unrecognised tax losses for the reporting period	0.08%	(184)	0.02%	(34)
Non-deductible expense	0.21%	(515)	0.25%	(544)
Tax exempt income	-1.56%	3 794	-1.44%	3 187
Change of unrecognised tax losses carried forwards*	-0.08%	198	-0.63%	1 406
Effect of corporate tax group	-0.52%	1 277	-0.33%	727
Other tax effects	0.21%	(517)	0.01%	(33)
Income tax expense	**15.59%**	**(38 021)**	**17.44%**	**(38 686)**

**The Group relies on its available business plans for calculating the amount of tax losses that can be offset against future tax bases.*

MBH Bank is a member of a corporate income tax group, therefore corporate income tax is not assessed on a standalone basis, rather it is impacted by the overall tax position of the corporate income tax group.

Tax losses can be offset against up to 50% of future tax bases. On 31 December 2024, the Group had unused tax losses amounting to HUF 125,766 million (2023: HUF 226,137 million) with the following maturity:

Unused tax losses	31.12.2024	31.12.2023
Utilizable within 5 years	30 833	46 687
Indefinitely utilizable*	94 933	179 450
Total	**125 766**	**226 137**

** In 2015, the rules of utilization of tax losses carried forward have changed in Hungary: tax losses arising in 2015 and in following years, can be utilized solely in the subsequent five years following the tax year in which they were generated. Tax losses incurred before 2015 can be carried forward for an unlimited period of time.*

4.9 Notes for financial instruments

Initial recognition and measurement of financial instruments

Financial assets are recognised by the Group on settlement date. All financial instruments are measured at fair value at initial recognition. Trade receivables, if they do not contain a significant financing component, are recognised at transaction price by the Group. The Group measures its financial assets at amortised cost if supported by the results of the business model test and if they meet the criteria of the SPPI (Solely Payments of Principal and Interest) test. Interest income and interest expense should be determined using the effective interest rate method and then recognised in consolidated statement of profit or loss. In those cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument, the Group uses the contractual cash flows over the full contractual term of the financial instrument.

Classification and subsequent measurement of financial instruments

Based on the principles of IFRS 9 standard the Group applies the following three main categories to classify and measure the financial assets: amortised cost (AC), fair value through other comprehensive income (FVTOCI) and fair value through Profit and Loss (FVTPL).

The Group uses in accordance with IFRS 9 standard the following business models to manage its financial instruments:

- Held to Collect (HTC): an instrument is held for the collection of contractual cash flows. The intention is to hold to maturity, however sale is permitted especially in case of increase in credit risk, not significant sales (even if frequent), infrequent sales (even if significant) – regardless of the reason behind the sales. Sales could be also consistent with the business model if the credit concentration risks change or if close to maturity.
- Both Held to Collect and for Sale (HTCS): an instrument that is held for the collection of contractual cash flows and for the sale of financial assets at the same time. Compared to the HTC, sales occur more frequently and are higher in value.
- Other trading business model (Trading): mainly trading financial instruments that are purchased for short-term gain.

The listing in the business model reflects the expectations of the Group, not just the intent, but also the ability. If the Group sells a particular portfolio or financial asset in a ‘stress case’ scenario, it does not affect the evaluation of the business model. For selected financial instruments the Group makes an irrevocable election to measure the investments in equity instruments, which are not held for trading at “Financial assets measured at fair value through other comprehensive income” category at initial recognition, in other cases these financial assets should be measured at fair value through profit or loss.

All other financial assets are classified by the Group as the fair value through profit or loss category.

Classification and subsequent measurement of financial liabilities

The Group classifies its financial liabilities into the following categories:

- mandatory FVTPL measurement (FVTPL category) if liabilities are held for trading;
- FVTPL option – based on the decision of the Group at initial recognition (if qualifying criteria are met);
- at amortised cost – in case of all other financial liabilities.

Derecognition of financial assets

Financial asset transfer

The Group derecognises financial assets in accordance with IFRS 9. The transfer of risks and rewards is evaluated by comparing the Group's exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The computation and comparison are made using the current market interest rate as a discount rate. All reasonably possible variability in net cash flows is considered, with greater weight being given to those outcomes that are more likely to occur. The Group has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer.

Derecognition due to significant changes in contractual cash flows of financial instruments

The Group considers it a significant change if the contractual currency is modified, or if the contractual interest rate is changed from variable to fix, or inversely. The terms are substantially different if under the new terms the present value discounted at the original effective interest rate of the cash flows – including fees received and paid – is at least 10% different from the discounted present value of the remaining cash flows of the original financial asset. If the exchange of debt instruments or the modification of the terms is treated as derecognition, the Group will recognise any costs or fees incurred as a gain or loss related to the termination of the asset. If the exchange or modification is not accounted for as derecognition, the costs or fees incurred will modify the carrying amount of the asset and will be amortised over the remaining maturity of the modified loan. For debt instrument assets not measured at FVTPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in the consolidated statement of profit or loss and other comprehensive income. The modification gain or loss is presented in the line "Other income similar to interest" if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line "(Loss) / gain on modification of financial instruments that did not lead to derecognition".

Write-off of financial assets under legal proceeding

Loans which are under legal proceeding (bankruptcy, liquidation and final proceedings) and in case of enforcement collateral transactions:

- the Group's contractual right to receive cash flows from the financial asset does not expire;
- the Group did not transfer the right of collecting cash flows from the financial asset;
- the Group did not assume any obligation to pay the cash flows from the financial asset;

therefore the Group does not derecognise such items entirely from its books, but may partially derecognise them.

When the Group can reasonably not expect to recover part of the financial asset while maintaining the legal claim it is considered as a partial derecognition. In such cases, the Group directly derecognises the gross carrying amount of the financial asset. After the legal waiver of the claim, the Group may write down the total gross carrying amount of the financial asset if it is not able to be recovered and void according to the relevant internal rules (in this case there is no legal claim). The Group derecognises a financial liability (or a part of a financial liability) from its consolidated statement of financial position when the obligation specified in the contract is fulfilled, cancelled or expired.

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4.10 Cash and cash-equivalents

Cash and cash-equivalents include highly liquid financial assets with original maturities of less than three months, with an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term obligations.

	31.12.2024	31.12.2023
Cash	100 403	81 300
Receivables from central banks	897 897	1 181 881
Other current receivables from banks	78 982	84 874
Expected credit loss	***(298)***	***(166)***
Total	**1 076 984**	**1 347 889**

Based on the applicable Reserve Decree limit (10-15%) the Group maintained its regulatory reserves according to its balance sheet as of October 2024. Accordingly, the applied reserve ratio was 10% on balance sheet date (2023: 10%). In case of over-reserving on the Group's accounts NBH pays the value of the actual base rate of the central bank - similarly to the payable interest of the obligatory reserve.

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4.11 Financial assets measured at fair value through profit or loss

4.11.1 Loans and advances to customers mandatorily at fair value through profit or loss

The fair value of loans and advances is based on observable market transactions. In the absence of observable market transactions, fair value is estimated using discounted cash flow models. Performing loans are grouped, as far as possible, into homogeneous pools segregated by interest repricing. In general, contractual cash flows are discounted using a rate which is the sum of the available interest rate which is determined based on the current market yield curve at the end of the reporting period plus the customer-related surcharge. The rediscounted cash flows are decreased using the same impairment percentage as it was used for impairment purposes, and it is considered as fair value of the loan portfolio.

The Group performed SPPI test for the related loans, based on which the Group determined that the pricing method of the loans does not exclusively reflect the time value of money and credit risk, given the interest component containing the leverage determined by the Regulator.

In connection with loans mandatorily measured at FVTPL the Group has identified the following effects in the profit or loss:

- The change in the fair value of loan portfolios is driven by a 425-basis point decrease in the short-end of the yield curve and a 70-80 basis point increase in the long-side, had a positive impact on earnings of HUF 15 billion, which already includes the risk cost impact during discounting (2023: HUF 68 billion).

Loans mandatorily measured at FVTPL	Total
Opening fair value of loans at 01.01.2024	***510 988***
FV and other movements	14 717
Financial assets derecognised during the period	(5 142)
Financial assets originated*	45 168
Closing fair value of loans at 31.12.2024	***565 731***
Opening fair value of loans at 01.01.2023	***418 517***
Increase from business combination	14 369
FV and other movements	68 405
Financial assets derecognised during the period	(6 948)
Financial assets originated	16 645
Closing fair value of loans at 31.12.2023	***510 988***

** Significant increase in the current year’s balance can be traced back to the disbursement of CSOK Plus subsidized loans, for more details please see Gov. Decree 518/2023 (XI.30.) on CSOK Plus loan program supporting housing benefits for families.*

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4.11.2. Securities held for trading

Treasury bills, debt securities, equity shares are classified as held for trading if they have been acquired principally for the purpose of selling or repurchasing in the near term. These financial assets or financial liabilities are recognised on trade date, when the Group enters contractual arrangements with counterparties to purchase or sell securities and are normally derecognised when either sold (assets) or extinguished (liabilities). Measurement is initially at fair value, with transaction costs recognised in the consolidated statement of profit or loss and other comprehensive income. Subsequently, their fair values are remeasured, and all gains and losses from changes therein should be recognised in the consolidated statement of profit or loss and other comprehensive income in “Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss” as they arise.

	31.12.2024	31.12.2023
Debt securities	17 001	2 418
Equity instruments	235	203
Total	***17 236***	***2 621***
Breakdown of securities		
Government bonds	16 843	2 214
Bonds issued by banks	158	203
Domestic shares	235	203
Investment fund units		1
Total	**17 236**	***2 621***

4.11.3. Securities mandatorily at fair value through profit or loss

	31.12.2024	31.12.2023
Debt securities	17	22
Equity instruments	52 299	47 494
Total	***52 316***	***47 516***
Breakdown of securities		
Government bonds	17	22
Domestic shares	38 383	40 683
Foreign shares	8 624	3 947
Investment fund units	5 292	2 864
Total	**52 316**	***47 516***

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4.11.4 Derivative financial assets and liabilities

Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models. Derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. Interest income on derivatives is recognised in lines "Other income similar to interest" and "Other expense similar to interest". Fair value differences related to derivatives are recognised in "Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss".

The fair values of the Group's derivatives not designated as hedges were as follows:

	31.12.2024		31.12.2023	
	Asset	Liability	Asset	Liability
Interest rate swaps	129 692	74 916	174 214	106 688
Forwards	4 602	5 432	351	14 066
Cross-currency interest rate swaps	23 469	8 625	15 968	5 318
Foreign exchange swaps	5 723	1 147	2 187	1 539
Options	2 021	1 778	2 463	2 333
Total	**165 507**	**91 898**	**195 183**	**129 944**

4.11.5 Offsetting of financial assets and liabilities according to IFRS7.13 A-F

This disclosure represents the financial instruments that are set off or that are subject to an enforceable master netting agreement or similar agreement, irrespective whether they are set off or not. As of reporting date the Group had no enforceable master netting agreement or similar agreement which should be set off in accordance with IAS 32.42. This is because the agreements constitute rights for an offset that is enforceable only in case of default, insolvency or bankruptcy of the Group or its counterparties. In addition, the Group or the counterparties do not intend to settle on a net basis or realize the assets and settle the liabilities simultaneously.

Similar agreements include derivative clearing agreements, GRAM (Global Master Repurchase Agreements). Similar financial instruments include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the consolidated statement of financial position.

The Group receives and gives collateral in the form of cash and marketable securities in respect of following transactions:

- derivatives,
- sale and repurchase agreements, reverse sale and repurchase agreements.

Such collateral is subject to standard industry terms, including an ISDA Credit Support Annex.

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Following tables presenting the potential effect of the not implemented offsetting as well.

31.12.2024 Offsetting and enforceable master netting arrangements	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position			Net amount of exposure
				Financial instruments	Cash collateral received	Other non-cash collateral received	
Derivative financial assets	247 140	-	247 140	129 069	-	-	118 071
Reverse sale and repurchase agreements	4 824	-	4 824	-	-	4 824	-
		-			-		
Total assets subject to offsetting	***251 964***	-	***251 964***	***129 069***	-	***4 824***	***118 071***
		-			-		
Derivative financial liabilities	109 178	-	109 178	10 495	-	-	98 683
Sale and repurchase agreements	335 297	-	335 297	335 297	-	-	-
		-			-		
Total liabilities subject to offsetting	**444 475**	-	**444 475**	**345 792**	-	-	**98 683**

31.12.2023 Offsetting and enforceable master netting arrangements	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position			Net amount of exposure
				Financial instruments	Cash collateral received	Other non-cash collateral received	
Derivative financial assets	268 835	-	268 835	123 113	-	-	145 722
Repurchase assets	17 918	-	17 918	-	-	19 130	(1 212)
Total assets subject to offsetting	***286 753***	-	***286 753***	***123 113***	-	***19 130***	***144 510***
Derivative financial liabilities	146 962	-	146 962	123 113	-	-	23 849
Repurchase liabilities	11 767	-	11 767	12 000	-		(233)
Total liabilities subject to offsetting	***158 729***	-	***158 729***	***135 113***	-	-	***23 616***

4.12 Hedging derivative assets and liabilities

The Group offsets the fluctuating net income effects of the fair value and the cash flow changes of certain financial instruments through hedge transactions and related hedge accounting. Based on the used hedge methodology there are two types of hedges in the Group: macro hedge and micro hedge.

The Group prepares hedging documentation containing the purpose of the hedge relationship, the ID codes, the terms and conditions of the hedged and hedge transactions, the risk intended to be hedged and the method for measuring hedging efficiency. The Group assesses hedging efficiency on the day of the creation of the hedge and monthly thereafter, at the end of the month. Assessment methods used: dollar offset and scenario analysis (parallel changing the interest rates of the transactions under the terms and conditions by +/-250 basis points). The Group regards a hedge relationship as effective if there is an economic relationship between the hedged and the hedge items (interest rates move between the hedging transaction and the underlying transaction in the same way in the opposite directions) and the hedge effectiveness is at a pre-fixed required level.

In the consolidated statement of profit or loss and other comprehensive income the following lines contain the gains and losses in connection with the hedging instruments (including the ineffective part):

I. Other income / expense similar to interest
II. Results from hedge accounting (including change in the fair value of hedged instruments)

In the consolidated statement of financial position, the fair value change of hedging instruments recorded in lines “Hedging derivative assets” and “Hedging derivative liabilities”.

Macro hedge transaction

As allowed per IFRS 9.6.1.3 the Group applies the hedge accounting requirements in IAS 39 instead of IFRS9 for the fair value hedge of the interest rate exposure of a portfolio of financial assets. The Group macro hedges the changes in the fair value of multiple products valued at amortised cost (at present: mortgage, corporate loans, automobile loans and leases with fixed interest) through interest rate swaps (pay fixed receive variable IRS). In each product type, the reference interest rate of the credit products bearing variable interest is the BUBOR (Budapest Interbank Offered Rate), while in the long term the BUBOR also affects the pricing of products bearing fixed interest.

The fair value of the loans included in the hedging is measured by discounting the cash flows of the transactions. For the calculation of this value the Group uses the average fixed interest rate of the IRSs assigned as hedging instruments. For assessing the loan instalment’s maturity the earlier of contractual maturity or the repricing date is used. Upon the valuation at fair value of the instruments included in the hedge relationship, the Group only considers the impacts attributable to interest risk, while excluding the effect of credit risk of customers.

The “Fair value change of hedged items in portfolio hedge of interest rate risk” is recorded in the same line in the consolidated statement of financial position as the underlying transaction.

In accordance with the IAS 39 carve out rules, the Group measures efficiency both retrospectively and prospectively. For portfolio hedging, there is effectiveness between the hedging and the underlying transactions if, according to the scenario analysis, upon shifting the interest curve in either direction the relative percentage of changes in the fair values of the hedged and hedging transactions falls between 80 and 125%.

Micro hedge transaction

The Group makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risk. These transactions fall under IFRS 9. In order to manage particular risks, the Group applies hedge accounting for transactions which meet specified criteria.

For the calculation of fair value change of the hedged instruments the Group uses a so-called hypothetical transaction; each parameter of this transaction is identical to that of the original transaction. Upon the valuation at fair value of the instruments included in the hedge relationship, the Group only considers the impacts attributable to interest rate risk and in certain cases foreign currency risk, while excluding the effect of credit risk of customers. Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the consolidated statement of profit or loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk.

Hedge accounting is discontinued when the hedging instrument expired or sold, terminated, exercised or no longer qualifies for hedge accounting.

For hedges, which do not qualify for hedge accounting (economic hedges), any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to the consolidated statement of profit or loss for the period.

The Group used fair value hedges during the reporting period.

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Presentation of macro and micro hedge transactions

Fair value of macro and micro hedging derivatives at the end of the period is shown in the following table:

	31.12.2024		31.12.2023	
	Asset	Liability	Asset	Liability
Interest rate swaps	81 633	15 860	73 426	16 793
Cross-currency interest rate swaps	-	1 420	226	225
Fair value hedging derivatives	***81 633***	***17 280***	***73 652***	***17 018***
Total	**81 633**	**17 280**	**73 652**	**17 018**

The face value is the value of an underlying asset in a derivative contract. The maturity breakdown of hedges by face value is shown below:

31.12.2024	Maturity					
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	Total
Interest rate swaps	-	-	9 022	411 528	285 482	706 032
Cross-currency interest rate swaps	-	-	-	-	9 674	9 674
Micro-hedge derivatives	***-***	***-***	***9 022***	***411 528***	***295 156***	***715 706***
Interest rate swaps	3 400	16 400	28 300	155 372	182 176	385 648
Cross-currency interest rate swaps	-	-	-	-	-	-
Macro-hedge derivatives	***3 400***	***16 400***	***28 300***	***155 372***	***182 176***	***385 648***
Total	**3 400**	**16 400**	**37 322**	**566 900**	**477 332**	**1 101 354**

31.12.2023	Maturity					
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	Total
Interest rate swap	-	-	8 906	168 199	291 282	468 387
Cross-currency interest rate swaps	-	-	-	-	9 674	9 674
Micro-hedge derivatives	***-***	***-***	***8 906***	***168 199***	***300 956***	***478 061***
Interest rate swap	11 600	6 500	30 537	128 727	122 489	299 853
Cross-currency interest rate swaps	-	-	-	-	-	-
Macro-hedge derivatives	***11 600***	***6 500***	***30 537***	***128 727***	***122 489***	***299 853***
Total	**11 600**	**6 500**	**39 443**	**296 926**	**423 445**	**777 914**

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On 31 December 2024, HUF 385,6 billion (2023: HUF 299,9 billion) value of fixed rate loan and interest rate swaps were stocked in macro hedge and HUF 715,7 billion (2023: HUF 478 billion) value of debt securities and interest rate swaps were stocked in micro hedge.

	Face value of swaps	Fair value differences on swaps designated as hedges
31.12.2024		
Macro hedge - Asset	259 588	36 232
Macro hedge - Liability	126 060	(6 575)
Total	***385 648***	***29 657***
Micro hedge - Asset	436 756	45 401
Micro hedge - Liability	278 950	(10 705)
Total	***715 706***	***34 696***
31.12.2023		
Macro hedge - Asset	250 452	34 362
Macro hedge - Liability	49 401	(4 230)
Total	***299 853***	***30 132***
Micro hedge - Asset	302 626	39 290
Micro hedge - Liability	175 435	(12 788)
Total	***478 061***	***26 502***

The table below shows the breakdown of macro hedging interest rate swaps at the balance sheet date:

	Fix-interest loans	Interest rate swaps	Net profit/loss
31.12.2024			
Macro hedge – Positive fair value change	26 227	30 747	
Macro hedge – Negative fair value change	(34 702)	(29 111)	
Total	***(8 475)***	***1 636***	***(6 839)***
31.12.2023			
Macro hedge – Positive fair value change	58 094	4 005	
Macro hedge – Negative fair value change	(3 257)	(53 241)	
Total	***54 837***	***(49 236)***	***5 601***

In 2024 the Group accounted for a profit of HUF 1,6 billion on interest swaps in macro hedging relationships (2023: HUF 49,2 billion loss). During the hedge relation the Group accounted for a loss of HUF 8,5 billion on changes in interest risks related to the hedged fixed interest-bearing loans which are stated in the balance sheet line "Loans and advances to customers" (2023: HUF 49,2 billion loss). Of this HUF 4,9 billion amortisation of the previous years' losses (2023: HUF 3,4 billion) and HUF 3,5 billion profit on the fixed rate interest loans (2023: HUF 51,4 billion). An unamortised sum of HUF 5,3 billion arising from terminated hedging relationships is recorded in the balance sheet line "Fair value change of hedged items in portfolio hedge of interest rate risk" (2023: HUF 3,2 billion).

The ineffective part of micro hedge transactions was HUF -2,5s billion during the current period (2023: HUF -10,4 billion).

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4.13 Financial assets measured at fair value through other comprehensive income

4.13.1. Debt and equity securities

Securities are classified as held to collect and sell if there was a decision made previously about possible disposal in case of the changes in market conditions. By these assets the objective is to achieve both collecting contractual cash flows and selling financial assets. Financial investments are recognised on trade date, when the Group enters into contractual arrangements with counterparties to purchase securities and are derecognised when either the securities are sold or the borrowers repay their obligations.

The liquid securities are initially measured at fair value modified by direct and incremental transaction costs. Securities measured at FVTOCI are subsequently remeasured at fair value, and changes therein are recognised in the Other comprehensive income. Relating to these assets' impairment gains / losses, interest income and foreign exchange differences should be accounted in the consolidated statement of profit or loss. When these securities are sold, cumulative gains or losses are recognised in the consolidated statement of profit or loss and other comprehensive income as "Net result from derecognition of debt securities measured at fair value through other comprehensive income".

The table below shows the composition of equity and debt instruments measured at FVTOCI:

Securities measured at FVTOCI	31.12.2024	31.12.2023
Debt securities	1 187 007	896 476
Equity instruments	17 047	16 062
Total	**1 204 054**	***912 538***
Breakdown of securities		
Government bonds	834 482	520 001
Domestic corporate bonds	57 643	59 134
Bonds issued by domestic banks	293 175	294 712
Bonds issued by foreign banks	1 707	22 629
Domestic shares	15 962	9 529
Foreign shares	228	151
Investment fund shares	857	6 382
Expected credit loss	***(1 836)***	***(1 319)***
Total	**1 204 054**	***912 538***

The amount of ECL on FVTOCI financial assets, which is accounted for between other comprehensive income reserve and profit or loss, does not decrease the carrying amount of the financial assets.

The amount of debt securities measured at FVTOCI was HUF 1,187 billion at the end of the reporting period (2023: HUF 896,5 billion). The Group's equity instruments measured at FVTOCI at the end of the period was HUF 17 billion (2023: HUF 16 billion). The revaluation difference on financial assets measured at FVTOCI changed to HUF -27,086 million from HUF 62,655 million. As of 31 December 2024, the total amount of revaluation reserve comprises HUF 11,602 million (2023: HUF 36,465 million). In 2024, HUF 13,526 million gain on sale (2023: HUF 2,784 million gain) was recognised in the profit or loss relating to securities measured at FVTOCI, which is a reclassification from other comprehensive income into profit or loss.

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The following tables show the composition of debt and equity securities measured at FVTOCI by stage:

	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Government bonds	834 482	-	-	834 482
Domestic corporate bonds	53 046	4 597	-	57 643
Bonds issued by domestic banks	293 175	-	-	293 175
Bonds issued by foreign banks	1 707	-	-	1 707
Domestic shares	15 962	-	-	15 962
Foreign shares	228	-	-	228
Investment fund shares	857	-	-	857
Expected credit loss	***(1 216)***	***(620)***	***-***	***(1 836)***
Total	***1 199 457***	***4 597***	***-***	***1 204 054***
31.12.2023				
Government bonds	520 001	-	-	520 001
Domestic corporate bonds	59 134	-	-	59 134
Bonds issued by domestic banks	294 712	-	-	294 712
Bonds issued by foreign banks	22 629	-	-	22 629
Domestic shares	9 529	-	-	9 529
Foreign shares	151	-	-	151
Investment fund shares	6 382	-	-	6 382
Expected credit loss	***(1 319)***	***-***	***-***	***(1 319)***
Total	***912 538***	***-***	***-***	***912 538***

4.14 Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows. On the balance sheet, these assets are carried at amortised cost (gross carrying amount less expected credit loss). Interest income on these assets is calculated by effective interest method and is included under the line “Interest income calculated using effective interest rate method” in the statement of profit or loss. Impairment and impairment reversal is included in the line “Expected credit loss on financial assets, financial guarantees and loan commitments”. Gains and losses from derecognition (such as sales) of the assets are reported under the line item “Results from derecognition of loans and debt securities measured at amortised cost”.

4.14.1 Loans and advances to banks

	31.12.2024	31.12.2023
Interbank term deposits	71 685	16 421
Interbank loans granted	66 082	91 282
Expected credit loss	***(1 167)***	***(1 159)***
Total	**136 600**	**106 544**

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4.14.2 Loans and advances to customers

Movement of loans measured at amortised cost

From 2024 the Group presents the movement of loans measured at amortised cost by sectoral breakdown, sectoral breakdown is not available for the comparative period. The following movement tables contain cumulative data for the financial year.

Gross book value – retail segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***1 061 691***	***260 681***	***74 264***	***4 987***	***1 401 623***
Reclassifications					
from Stage 1 to Stage 2	(121 976)	121 976	-	-	-
from Stage 1 to Stage 3	(10 264)	-	10 264	-	-
from Stage 2 to Stage 1	110 581	(110 581)	-	-	-
from Stage 2 to Stage 3	-	(20 424)	20 424	-	-
from Stage 3 to Stage 1	11 467	-	(11 467)	-	-
from Stage 3 to Stage 2	-	15 296	(15 296)	-	-
Increase from business combination	452 744	41 405	-	6 554	500 703
Change in EAD*	(239 955)	(45 614)	(6 277)	(1 002)	(292 848)
Assets derecognised except write off	(36 184)	(9 514)	(13 331)	(1 236)	(60 265)
Financial assets written off	(123)	(105)	(795)	(57)	(1 080)
Financial assets originated or purchased**	433 172	69 869	5 375	51	508 467
FX and other movements	(205)	(78)	167	(52)	(168)
31.12.2024	***1 660 948***	***322 911***	***63 328***	***9 245***	***2 056 432***

Expected credit loss of assets (ECL) – retail segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***15 832***	***23 874***	***49 698***	***965***	***90 369***
Reclassifications					
from Stage 1 to Stage 2	(1 798)	1 798	-	-	-
from Stage 1 to Stage 3	(489)	-	489	-	-
from Stage 2 to Stage 1	6 884	(6 884)	-	-	-
from Stage 2 to Stage 3	-	(3 354)	3 354	-	-
from Stage 3 to Stage 1	7 398	-	(7 398)	-	-
from Stage 3 to Stage 2	-	6 461	(6 461)	-	-
Increase from business combination	2 693	662	-	991	4 346
Change in risk parameters*	(19 477)	(4 741)	11 724	(1 020)	(13 514)
Assets derecognised except write off	(811)	(627)	(10 834)	(502)	(12 774)
Financial assets written off	(83)	(45)	(717)	(38)	(883)
Financial assets originated or purchased**	11 279	5 692	4 194	28	21 193
FX and other movements	1	(101)	(53)	174	21
31.12.2024	***21 429***	***22 735***	***43 996***	***598***	***88 758***

** Line includes the effect of repayments for the period.*
*** Stage classification applied in the row reflects the financial instrument's year-end rating. Line includes the subsequent measurement (reclassification to stage 2 or stage 3) of purchased financial assets as well.*

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Gross book value – wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***2 617 687***	***549 321***	***90 821***	***1 270***	***3 259 099***
Reclassifications					
from Stage 1 to Stage 2	(418 428)	418 428	-	-	-
from Stage 1 to Stage 3	(17 019)	-	17 019	-	-
from Stage 2 to Stage 1	115 651	(115 651)	-	-	-
from Stage 2 to Stage 3	-	(23 161)	23 161	-	-
from Stage 3 to Stage 1	5 023	-	(5 023)	-	-
from Stage 3 to Stage 2	-	9 103	(9 103)	-	-
Increase from business combination	15 591	1 683	-	161	17 435
Change in EAD*	(36 415)	(48 914)	(20 324)	(542)	(106 195)
Assets derecognised except write off	(756 133)	(110 242)	(11 252)	(167)	(877 794)
Financial assets written off	(4)	(13)	(2 740)	(93)	(2 850)
Financial assets originated or purchased**	1 001 587	186 363	9 190	17	1 197 157
FX and other movements	10 036	(1 591)	(815)	11	7 641
31.12.2024	***2 537 576***	***865 326***	***90 934***	***657***	***3 494 493***

Expected credit loss of assets (ECL) – wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***48 104***	***86 404***	***43 625***	***273***	***178 406***
Reclassifications					
from Stage 1 to Stage 2	(13 820)	13 820	-	-	-
from Stage 1 to Stage 3	(286)	-	286	-	-
from Stage 2 to Stage 1	12 906	(12 906)	-	-	-
from Stage 2 to Stage 3	-	(3 633)	3 633	-	-
from Stage 3 to Stage 1	1 664	-	(1 664)	-	-
from Stage 3 to Stage 2	-	3 018	(3 018)	-	-
Increase from business combination	111	22	-	40	173
Change in risk parameters*	(8 755)	32 409	14 602	(142)	38 114
Assets derecognised except write off	(14 837)	(15 782)	(7 487)	(37)	(38 143)
Financial assets written off	-	(6)	(2 612)	(2)	(2 620)
Financial assets originated or purchased**	16 004	19 991	4 683	3	40 681
FX and other movements	(613)	364	797	(66)	482
31.12.2024	***40 478***	***123 701***	***52 845***	***69***	***217 093***

** Line includes the effect of repayments for the period.*
*** Stage classification applied in the row reflects the financial instrument's year-end rating. Line includes the subsequent measurement (reclassification to stage 2 or stage 3) of purchased financial assets as well.*

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Gross book value	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2023	***3 316 855***	***1 034 505***	***197 140***	***9 615***	***4 558 115***
Reclassifications					
from Stage 1 to Stage 2	(164 940)	164 940	-	-	-
from Stage 1 to Stage 3	(17 935)	-	17 935	-	-
from Stage 2 to Stage 1	359 911	(359 911)	-	-	-
from Stage 2 to Stage 3	-	(35 915)	35 915	-	-
from Stage 3 to Stage 1	14 374	-	(14 374)	-	-
from Stage 3 to Stage 2	-	37 893	(37 893)	-	-
Increase from business combination	28 603	-	-	1 461	30 064
Change in EAD*	(1 133 424)	(91 035)	(39 916)	(3 762)	(1 268 137)
Assets derecognised except write off	(244 272)	(44 141)	(8 752)	(503)	(297 668)
Financial assets written off	(77)	(18)	(982)	(13)	(1 090)
Financial assets originated or purchased**	1 496 555	123 879	16 215	156	1 636 805
FX and other movements	1 768	5	790	(1 063)	1 500
31.12.2023	***3 657 418***	***830 202***	***166 078***	***5 891***	***4 659 589***

Expected credit loss of assets (ECL)	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2023	***37 435***	***75 036***	***101 525***	***1 318***	***215 314***
Reclassifications					
from Stage 1 to Stage 2	(3 073)	3 073	-	-	-
from Stage 1 to Stage 3	(368)	-	368	-	-
from Stage 2 to Stage 1	18 234	(18 234)	-	-	-
from Stage 2 to Stage 3	-	(3 212)	3 212	-	-
from Stage 3 to Stage 1	7 328	-	(7 328)	-	-
from Stage 3 to Stage 2	-	17 997	(17 997)	-	-
Increase from business combination	852	-	-	617	1 469
Change in risk parameters*	(27 583)	34 124	18 932	(753)	24 720
Assets derecognised except write off	(5 545)	(4 765)	(4 746)	(41)	(15 097)
Financial assets written off	(40)	(1)	(926)	-	(967)
Financial assets originated or purchased**	24 606	14 559	7 656	66	46 887
FX and other movements	12 692	(9 232)	(6 517)	(108)	(3 165)
31.12.2023	***64 538***	***109 345***	***94 179***	***1 099***	***269 161***

** Line includes the effect of repayments for the period.*
*** Stage classification applied in the row reflects the financial instrument's year-end rating. Line includes the subsequent measurement (reclassification to stage 2 or stage 3) of purchased financial assets as well.*

The following table shows the eligible collateral value of the Group's non-performing loan portfolio:

Stage 3 Loans and advances to customers	31.12.2024	31.12.2023
Carrying amount	57 421	72 233
Collateral value	81 220	101 549

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4.14.3 Reverse sale and repurchase agreements

	31.12.2024	31.12.2023
Reverse sale and repurchase agreements to banks	102	11 777
Reverse sale and repurchase agreements to customers	4 767	6 141
Expected credit loss	***(45)***	***-***
Total	**4 824**	**17 918**

4.14.4 Debt securities

	31.12.2024	31.12.2023
Government bonds	2 939 676	2 493 527
Corporate bonds	225 129	258 526
Bonds issued by domestic banks	267 920	232 390
Bonds issued by foreign banks	1 937	32 808
Expected credit loss	***(9 818)***	***(6 387)***
Total	**3 424 844**	**3 010 864**

The following tables show the composition of debt instruments measured at amortised cost by stage:

	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Government bonds	2 939 676	-	-	2 939 676
Corporate bonds	201 095	22 712	1 322	225 129
Bonds issued by domestic banks	267 920	-	-	267 920
Bonds issued by foreign banks	1 937	-	-	1 937
Expected credit loss	***(3 583)***	***(4 913)***	***(1 322)***	***(9 818)***
Total	***3 407 045***	***17 799***	***-***	***3 424 844***
31.12.2023				
Government bonds	2 493 527	-	-	2 493 527
Corporate bonds	235 320	22 768	438	258 526
Bonds issued by domestic banks	232 390	-	-	232 390
Bonds issued by foreign banks	32 808	-	-	32 808
Expected credit loss	***(2 896)***	***(3 146)***	***(345)***	***(6 387)***
Total	***2 991 149***	***19 622***	***93***	***3 010 864***

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4.14.5 Other financial assets

	31.12.2024	31.12.2023
Other receivables related to lending activities	2 887	19 953
Accounts relating to subsidised loans	60 531	68 462
Capital increase pending in an associate	31 724	44 730
Receivables from card transactions to banks and customers	7 893	1 480
Loans to customers from account management	591	5 069
Loans to investing services	5 696	3 442
Trade receivables (customers)	11 164	6 847
Advance payments	1 294	9 527
Clearing settlement	142	214
Various other financial receivables	14 441	11 510
Expected credit loss	***(4 019)***	***(7 525)***
Total	**132 344**	**163 708**

The following table shows the composition of other financial assets measured at amortised cost by stage:

	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Other financial assets	130 613	2 822	2 927	136 362
Expected credit loss	***(372)***	***(1 068)***	***(2 578)***	***(4 018)***
Total	***130 241***	***1 754***	***349***	***132 344***
31.12.2023				
Other financial assets	161 062	1 436	8 725	171 223
Expected credit loss	***(537)***	***(722)***	***(6 256)***	***(7 515)***
Total	***160 525***	***714***	***2 469***	***163 708***

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4.15 Investment in associates and other investments

The Group recognizes its investments with significant influence according to the equity method. Based on this, such investments are recognised at cost at initial recognition and then the carrying value is increased or decreased to account for the investor's share in the profit or loss of the investment generated since gaining significant influence.

When an investment in an associate or a joint venture is held by, or is held indirectly through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds, the Group elects to measure that investment at fair value through profit or loss in accordance with IFRS 9. An entity shall make this election separately for each associate or joint venture, at initial recognition of the associate or joint venture.

	31.12.2024	31.12.2023
Cost	74 312	50 064
- *from which equity method for material investments*	*60 176*	*44 018*
- *from which equity method for non-material investments*	*14 136*	*6 046*
Share of post-acquisition reserves	5 197	2 805
Investment in associates	***79 509***	***52 869***
Other investments	3 382	2 300
Total	**82 891**	**55 169**

The Group accounted for HUF 3,805 million impairment loss on its investment in associates and other investments (2023: HUF 4,696 million).

The following table shows the associates of the Group considered as not material in an aggregated manner:

Associates	Book value	Profit after tax	Country of incorporation	Activity
31.12.2024				
FVTPL exemption	36 456	3 090	Hungary	agricultural activity, investment fund
Equity method	14 136	(2 575)	Hungary	investment fund
31.12.2023				
FVTPL exemption	25 980	(1 119)	Hungary	agricultural activity, investment fund
Equity method	6 046	771	Hungary	investment fund

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The following table shows the associates of the Group considered as material:

General information	**Magyar Strat-Alfa Ltd.**	**MBH Magántőkealap**
Activity	Sale of own property	Fund management
Country of incorporation	Hungary	Hungary
Ownership % (direct & non-direct)	50%**	30%
Relation	Associate	Associate
Involvement	Equity method	Equity method
Financial data*	**2024.12.31**	**2024.12.31**
Cash and cash equivalents	*461*	*1 765*
Other current assets	*57*	*22*
Current assets	518	1 787
Non-current assets (equity and debt investments)	83 419	127 169
Other assets	886	2 240
Total assets	**84 823**	**131 196**
Amounts due to banks	20 765	-
Liabilities from customers	-	-
Other liabilities	2 956	70
Total liabilities	**23 721**	**70**
Equity	61 102	131 126
Total equity and liabilities	**84 823**	**131 196**
Revenue	270	-
Other income	-	-
Total revenue	**270**	**-**
Other expenses	(116)	(957)
Depreciation	-	-
Total expenses	**(116)**	**(957)**
Financial result	(2 546)	7 594
Income tax expense	-	-
Profit after tax	**(2 392)**	**6 637**
Dividend paid	-	-

* *Table contains preliminary, non-audited financial data.*
** *Based on contractual agreements the Investee classified as an associate*

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General information	**Magyar Strat-Alfa Ltd.**	**MBH Magántőkealap**
Activity	Sale of own property	Fund management
Country of incorporation	Hungary	Hungary
Ownership % (direct & non-direct)	50%*	30%
Relation	Associate	Associate
Involvement	Equity method	Equity method
Financial data	**2023.12.31**	**2023.12.31**
Cash and cash equivalents	*208*	*8 269*
Other current assets	*100*	*-*
Current assets	308	8 269
Non-current assets (equity and debt investments)	60 880	71 647
Other assets	635	1 557
Total assets	***61 823***	***81 473***
Amounts due to banks	20 814	-
Liabilities from customers	-	-
Other liabilities	53	74
Total liabilities	***20 867***	***74***
Equity	40 956	81 399
Total equity and liabilities	***61 823***	***81 399***
Revenue	333	-
Other income	-	-
Total revenue	***333***	***-***
Other expenses	(164)	(12 252)
Depreciation	-	-
Total expenses	***(164)***	***(12 252)***
Financial result	506	3 182
Income tax expense	(17)	-
Profit after tax	***658***	***(9 070)***
Dividend paid	-	-

* *Based on contractual agreements the Investee classified as an associate*

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4.16 Property and equipment and Intangible assets

Items of property and equipment including investment properties are measured initially at cost, including transaction cost, then subsequently cost less accumulated depreciation and impairment losses. The Group applies the following linear depreciation rates for the depreciation cost calculation:

Property and equipment:	
Property	0-14%
Land	0%
Building, other facility	2%
Image items	14%
IT networks	12%
Renovation of property	6% - 14.7%
Office equipment	9% - 33%
IT devices	33% - 50%
Vehicles	10% - 33%
Other equipment	7% - 50%
Intangible assets:	
Softwares	5% - 50%
Rights	3.5% - 25%

Intangible assets that have a finite useful life are measured initially at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over their estimated useful life from the date when the asset is available for use, applying the straight-line method. The useful lives are reviewed annually. Intangible assets that have an indefinite useful life, or are not yet ready for use, are tested for impairment annually. Depreciation of property and equipment are included in the "Administrative and other operating expense" line in the consolidated statement of profit or loss and other comprehensive income.

Related to goodwill please see Note 2.6.1.

The Group recognises depreciation of the right-of-use asset from the effective date of the lease term for the entire lease term in the line of "Administrative and other operating expenses". In the case of a purchase option, or if ownership of the underlying asset transfers to the lessee at the end of the lease term, depreciation is recognised over the useful life of the underlying asset, starting from the beginning of the lease term.

Net gains and losses on disposal of property and equipment and intangible assets are recognised in "Other income" or „Other expense", in the year of disposal.

Expenditures on internally developed intangible assets (software) are recognised as an asset when the Group is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life.

The gross value of the property and equipment is HUF 31 billion and the gross value of the intangible assets is HUF 55.2 billion which are recognized at net zero value.

Other modifications include the effect of contract amendments and indexations of lease agreements.

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31.12.2024	Softwares	Other intangible assets	Own properties	Own equipments	Right-of use assets	Total
Cost						
Opening balance at 01.01.2024	***177 354***	***25 703***	***98 563***	***53 366***	***43 165***	***398 151***
Additions – including internally developed	26 986	4 264	15 151	68 556	5 919	120 876
Additions from business combination	16 207	7 113	1 792	6 818	6 514	38 444
Other modification	(108)	(847)	(4 491)	4 491	3 401	2 446
Disposals	(1 549)	(14 344)	(9 096)	(43 390)	(2 343)	(70 722)
Closing balance at 31.12.2024	**218 890**	**21 889**	**101 919**	**89 841**	**56 656**	**489 195**
Depreciation and impairment losses						
Opening balance at 01.01.2024	***112 849***	***19 114***	***21 892***	***33 448***	***19 253***	***206 556***
Depreciation charged for the year	20 423	1 921	3 449	7 168	10 031	42 992
Additions from business combination	7 502	1 436	1 065	4 019	2 933	16 955
Impairment loss	41	-	-	71	-	112
Other modification	(1 845)	147	-	125	(719)	(2 291)
Disposals	(1 188)	(11 251)	(1 908)	(2 207)	(1 263)	(17 817)
Closing balance at 31.12.2024	**137 782**	**11 367**	**24 498**	**42 624**	**30 235**	**246 506**
Book value						
01.01.2024	64 505	6 589	76 671	19 918	23 912	191 595
31.12.2024	81 108	10 522	77 421	47 217	26 421	242 689

Data in HUF million except stated otherwise

31.12.2023	Softwares	Other intangible assets	Own properties	Own equipments	Right-of use assets	Total
Cost						
Opening balance at 01.01.2023	***159 422***	***26 571***	***75 837***	***46 324***	***49 043***	***357 197***
Additions – including internally developed	18 976	3 942	29 609	3 893	12 501	68 921
Additions from business combination	2 480	734	877	5 382	13 264	22 736
Other modification	(31)	1	(300)	(802)		(1 132)
Disposals	(3 493)	(5 545)	(7 460)	(1 430)	(31 643)	(49 571)
Closing balance at 31.12.2023	**177 354**	**25 703**	**98 563**	**53 366**	**43 165**	**398 151**
Depreciation and impairment losses						
Opening balance at 01.01.2023	***92 993***	***22 489***	***21 218***	***25 737***	***25 904***	***188 341***
Depreciation charged for the year	17 029	945	3 008	5 454	8 711	35 147
Additions from business combination	2 649	407	583	3 103	5 901	12 643
Impairment loss	237	-	106	14		357
Other modification	-	-	-	-		-
Disposals	(59)	(4 727)	(3 023)	(860)	(21 263)	(29 932)
Closing balance at 31.12.2023	**112 849**	**19 114**	**21 892**	**33 448**	**19 253**	**206 556**
Book value						
01.01.2023	66 429	4 082	54 619	20 586	23 139	168 855
31.12.2023	64 505	6 589	76 671	19 918	23 912	191 595

4.17 Leases

In accordance with the requirements of IFRS 16, the Group, as lessee, introduces a single model to recognise right-of-use asset and lease liability on balance sheet. In this case, the Group presents separately the interest expense for the lease liability and the depreciation for the right-of-use asset. In some cases (e.g. when there is a change in the lease term or in future lease payments arising from a change in an index or rate) the Group as lessee remeasures the lease liability.

At the commencement date, the Group assesses whether the lessee is reasonably certain to exercise an option to extend or not to exercise an option to terminate the lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option.

The Group recognises the right-of-use asset and the lease liability as at the commencement date of the lease, at the cost determined by IFRS 16. On subsequent measurement, the Group measures the right-of-use assets at cost and recognises depreciation on it from the commencement date to the end of the useful life of the underlying asset. After the commencement date of the lease term, the Group depreciates the asset on a straight-line basis. After the commencement date, the Group measures the lease liability at amortised cost using the effective interest rate method.

The Group as a lessor classifies its leasing contracts as finance leases or operating leases based on requirements of the standard.

Presentation in the financial statements

During the lease term, the Group recognises lease payments for short-term leases and low value leases (HUF 1,5 million) as an expense in the consolidated statement of profit or loss and other comprehensive income. The right-of-use assets are included in line “Property and equipment” and the lease liabilities in “Other financial liabilities” in the consolidated statement of financial position. After the commencement date the Group recognises the related costs in the consolidated statement of profit or loss and other comprehensive income, if these are not recognised as part of the cost of the right-of-use asset. Interest on lease liabilities is included in line “Other expense similar to interest”. The depreciation of a right-of-use asset is recognised as “Administrative and other operating expense”. The Group, as lessee, mainly possesses lease contracts for properties and vehicles.

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The following tables show the right-of-use assets and lease liabilities recorded because of these lease contracts:

	Property	Vehicles and other equipment	Total
Cost			
Balance at 01.01.2024	***39 639***	***3 526***	***43 165***
Additions	3 791	2 128	5 919
Increase from business combination	6 514	-	6 514
Disposals	(2 165)	(178)	(2 343)
Modifications*	2 908	493	3 401
Balance at 31.12.2024	**50 687**	**5 969**	**56 656**
Depreciation and impairment losses			
Balance at 01.01.2024	***16 975***	***2 278***	***19 253***
Depreciation for the year	8 754	1 277	10 031
Increase from business combination	2 933	-	2 933
Disposals	(1 057)	(206)	(1 263)
Modifications*	(492)	(227)	(719)
Balance at 31.12.2024	**27 113**	**3 122**	**30 235**
Carrying amounts			
01.01.2024	***22 664***	***1 248***	***23 912***
31.12.2024	***23 574***	***2 847***	***26 421***

** The effect on the gross value of changes in the rental fees amended by the real estate lease agreements is shown among modifications.*

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	Property	Vehicles and other equipment	Total
Cost			
Balance at 01.01.2023	***44 605***	***4 438***	***49 043***
Additions	12 013	488	12 501
Increase from business combination	11 190	2 074	13 264
Disposals	(28 169)	(3 474)	(31 643)
Balance at 31.12.2023	***39 639***	***3 526***	***43 165***
Depreciation and impairment losses			
Balance at 01.01.2023	***23 369***	***2 535***	***25 904***
Depreciation for the year	7 782	929	8 711
Increase from business combination	4 561	1 340	5 901
Disposals	(18 737)	(2 526)	(21 263)
Balance at 31.12.2023	***16 975***	***2 278***	***19 253***
Carrying amounts			
01.01.2023	***21 236***	***1 903***	***23 139***
31.12.2023	***22 664***	***1 248***	***23 912***

Lease liabilities	**31.12.2024**	**31.12.2023**
Short-term (less than 1 year)	3 262	7 675
Long-term (more than 1 year)	25 855	17 939
Total lease liabilities	**29 117**	**25 614**

Items presented in the cash-flow statement	**2024**	**2023**
Interest expense on leasing liabilities	1 691	1 725
Payments related to the capital component of a lease liability	11 874	12 985
Items presented in the cash-flow statement	***13 565***	***14 710***

The value of contracts for which the Group does not expect to exercise the extension and / or exercise option is immaterial.

The Group elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (e.g. including printers, IT equipment). Expenses relating to leases of low-value assets and short-term leases for the reporting period are considered not material.

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4.18 Deferred income tax assets and liabilities

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The Group recognises deferred tax assets for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Deferred tax assets and liabilities are offset when they arise in the same entity and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists in the entity. Deferred tax relating to fair value remeasurement of financial assets measured at fair value through other comprehensive income, which are charged or credited directly to other comprehensive income.

For further information about the deferred tax on tax loss carried forward, please refer to Note 4.8.

Deferred tax assets and liabilities arise under the following grounds:

	31.12.2023	Credited/ (charged) to profit or loss	Credited/ (charged) to other compre-hensive income	Credited/ (charged) directly to equity	31.12.2024
Provisions	739	(477)	-	-	262
Intangible assets	189	63	-	-	252
Property and equipment	(372)	(111)	-	-	(483)
Allowances for loan losses	8	-	-	3	11
Securities	(2 141)	-	2 496	-	355
Tax-loss carry-forward	14 321	(7 389)	-	-	6 932
Other items	(1 111)	(258)	(32)	1 350	(51)
Total	**11 633**	**(8 172)**	**2 464**	**1 353**	**7 278**
Recognised deferred tax asset	13 264	(7 227)	513	1 938	8 488
Recognised deferred tax liability	(1 631)	(945)	1 951	(585)	(1 210)
Total	**11 633**	**(8 172)**	**2 464**	**1 353**	**7 278**

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4.19 Other assets

	31.12.2024	31.12.2023
Inventories	1 099	1 023
Assets received in exchange of claims	334	457
Initial fair value difference	5 961	8 342
Taxes, duties and other fiscal items*	6 757	8 323
Intermediary services	495	1 744
Prepaid costs	26 983	20 869
Advance dividend paid	22 900	21 609
Total	**64 529**	**62 367**

The NBH launched its three-pillar Funding for Growth Scheme (FGS) on 1 June 2013, primarily to stimulate lending to small and medium-sized enterprises. Under pillar I and II of the FGS the NBH provided refinancing loans to credit institutions participating in the Scheme at 0 percent interest rate, which were lent further by the credit institutions to the SMEs with a capped interest margin. Since then, the range of FGS schemes has been further expanded with the FGS Go and FGS Green Home loan programs. The Group participated in all mentioned loan programs, the presentation of initial fair value difference is related to these programs.

Based on Section 5.3.3 of the Articles of Association, the Board of Directors of MBH Bank Plc. (decided on 11 October 2024 with its Resolution No. 201/2024(11 October) to pay an interim dividend of HUF 22,900 million to the shareholders of the Bank, which was paid on 28 October 2024. The Supervisory Board approved the decision of the Board of Directors by way of its Resolution No. 42/2024 (11 October). Based on the above, the gross interim dividend per ordinary share with a nominal value of HUF 1,000 is HUF 71. The amount of the gross interim dividend actually payable to a shareholder is calculated by multiplying the number of shares held by the shareholder by the gross interim dividend per share, rounded up to the nearest whole forint amount in accordance with the rounding rules.

*Special epidemic tax is shown among other assets, as the Government Decree No. 108/2020 (IV.14.) on the special tax on credit institutions related to the epidemiological situation the tax paid can be deducted from the special tax payment obligation of financial institutions in the next 5 years (2021-2025). In 2024 the decree has been changed, therefore the special epidemic tax cannot be deducted from the special tax of financial institutions in this year. However, the 5-year credit period has been extended until 2026.

4.20 Financial liabilities measured at fair value through profit or loss

	31.12.2024	31.12.2023
Derivative financial liabilities	91 898	129 944
Financial liabilities from short positions	29 186	22 637
Total	**121 084**	**152 581**

The Group recognised short positions due to government bond transactions.

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4.21 Financial liabilities measured at amortised cost

4.21.1 Amounts due to banks and sale and repurchase agreements

	31.12.2024	31.12.2023
Borrowings	1 777 378	1 912 713
Deposits	152 951	114 954
Total amounts due to banks	***1 930 329***	***2 027 667***
Repurchase agreements with banks	335 297	11 767
Total	**2 265 626**	**2 039 434**

Loans received show the liabilities related to the Funding for Growth Scheme (FGS) loans refinanced by the Hungarian National Bank and liabilities towards Hungarian Development Bank.

4.21.2 Amounts due to customers

Amounts due to customers are the Group's sources of debt funding. Deposits are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except for the items which at initial recognition are designated by the Group to fair value through profit or loss category. The Group do not have any deposit measured at fair value through profit or loss.

Sectoral breakdown of amounts due to customers	31.12.2024	31.12.2023
Amounts due to retail customers		
- *of which: current accounts*	2 079 944	1 892 987
- *of which: deposits*	869 400	408 103
Amounts due to wholesale customers		
- *of which: current accounts*	2 152 549	2 277 795
- *of which: deposits*	2 950 577	2 378 215
Total	**8 052 470**	**6 957 100**

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4.21.3 Issued debt securities

Debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method. The Group does not have any issued debt instruments measured at fair value.

The following table represents the amount of issued debt securities:

Issued debt securities	31.12.2024 Nominal value	31.12.2024 Book value	31.12.2023 Nominal value	31.12.2023 Book value
Bonds issued				
Variable rate	-	-	-	-
Fixed rate	102 017	106 333	71 280	71 626
Total	***102 017***	***106 333***	***71 280***	***71 626***
Mortgage bonds issued				
Variable rate	42 888	42 427	47 476	46 921
Fixed rate	218 266	213 655	250 913	242 711
Total	***261 154***	***256 082***	***298 389***	***289 632***
MREL bonds issued*				
Variable rate	-	-	-	-
Fixed rate	168 863	172 213	156 335	159 643
Total	***168 863***	***172 213***	***156 335***	***159 643***
Total	**532 034**	**534 628**	**526 004**	**520 901**

Book value of securities issued by currency	31.12.2024	31.12.2023
Denominated in EUR	191 289	173 306
Denominated in HUF	343 339	347 595
Total	**534 628**	**520 901**

***MREL bonds**

From 1 January 2024 a minimum level of quantity and quality of liability is required to be held by the domestic financial institutions and investment entities regulated by NBH. The required type of liabilities must partly or entirely be eligible, or convertible to capital in a case of critical economic situation (minimum requirement for regulatory capital, and eligible or convertible liabilities, shortly: MREL - Minimum Requirement for own funds and Eligible Liabilities).

The following bonds have been issued by MBH Bank to comply with the minimum requirements:

- within the framework of the first issuance program of debt instruments complying with MREL requirements of MBH Bank's history a senior non-priority (senior-preferred) debt instrument (ISIN: HU0000362702) has been issued on value date of 16 June 2023 with EUR 74,98 million (HUF 28,1 billion) nominal value, 3 years maturity, 9% fixed interest rate for the first and second year then 3 month EURIBOR+5.5% variable interest rate for the last year of the duration.
- during the Bank's newly announced EUR 1.5 billion international bond issuance program a senior non-priority (senior-preferred) debt instrument (ISIN: XS2701655677) has been issued on value date of 19 October 2023 with EUR 350 million (HUF 134,7 billion) nominal value, 4 years maturity (redeemable after 3 year) and 8.625% fixed interest rate.

Mortgage bonds

Mortgage bonds are registered or transferable bearer securities, which can only be issued by mortgage credit institutions under the Act XXX of 1997 (hereinafter referred to as Mortgage Loan Act). Prior to their issue, an asset controller mandatorily reviews whether the Group possesses adequate collateral for the planned issue. Such collateral may be (i) ordinary collateral such as the principal and interest receivables from mortgage loans provided by the Group in accordance with the standard collateral requirements (including interest subsidies), the repurchase price of an independent lien and the related refinancing interest, and (ii) additional collateral such as, typically, government securities and related interest and any principal and interest receivables guaranteed by the government. According to the Mortgage Loan Act, if the amount of principal receivable exceeds 60% of the collateral value of related property offered, only the receivable corresponding to 60% of the collateral value and the proportionate amount of interest can be considered as an ordinary collateral. The Act governs the proportion between ordinary and additional collaterals backing the mortgage bonds: at least 80% of all collateral must be ordinary collateral.

In addition to the requirements under the Mortgage Loan Act, the Group must at all times maintain the following:

- cover for the nominal value: the nominal value of the ordinary collateral (the underlying principal excluding the provision for any impairment loss and interest) should exceed 100% of the not yet repaid nominal value of the mortgage bonds outstanding,
- if the requirement in clause (i) is not fulfilled, the Group has to acquire additional collateral to the extent that the sum of the nominal values of the ordinary and additional collaterals always exceed 100% of the not yet repaid nominal value of the mortgage bonds outstanding,
- cover for the interest: the interest on the principal of the ordinary and additional collaterals should exceed 100% of the interest on the not yet repaid nominal value of the mortgage bonds outstanding.

In addition to assessing the nominal value of the cover of mortgage bonds and the underlying collaterals, the Mortgage Loan Act stipulates that collateral for mortgage bonds should also be assessed at present value. The present value of collateral exceeded the present value of mortgage bonds outstanding not yet repaid throughout the period. The Group fulfils the requirements of the Mortgage Funding Adequacy Ratio (JMM) introduced by NBH.

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4.21.4 Subordinated debts

Subordinated debts represent the Group's direct, unconditional and unsecured subordinated bonds and loans issued, which has subordinated status in relation to the Group's liabilities to other depositors and creditors.

Subordinated debts are initially measured at fair value plus transaction costs and subsequently measured at their amortised cost using the effective interest method.

	Interest	Date of issue	Maturity	Face value in original currency	Original currency	Book value
31.12.2024						
Subordinated debt	Variable	28.12.2018	28.12.2025	56 681 294	HUF	60
Subordinated bond	Fixed	28.03.2019	15.04.2026	28 700 000	EUR	12 147
Subordinated bond	Fixed	26.05.2020	20.07.2028	38 955 000	EUR	16 298
Subordinated debt	Fixed	23.11.2020	23.11.2030	40 000 000 000	HUF	40 087
Subordinated bond	Variable	31.01.2023	31.01.2030	24 750 000 000	HUF	26 070
Total						***94 662***
31.12.2023						
Subordinated debt	Variable	31.12.1995	Perpetual	32 477 987	HUF	33
Subordinated bond	Fixed	26.05.2017	14.06.2024	36 900 000	EUR	14 472
Subordinated debt	Variable	28.12.2017	28.12.2024	179 266 584	HUF	179
Subordinated debt	Variable	28.12.2018	28.12.2025	62 395 771	HUF	62
Subordinated bond	Fixed	28.03.2019	15.04.2026	28 700 000	EUR	11 337
Subordinated bond	Fixed	26.05.2020	20.07.2028	39 255 000	EUR	15 329
Subordinated debt	Fixed	23.11.2020	23.11.2030	40 000 000 000	HUF	40 000
Subordinated bond	Variable	31.01.2023	31.01.2030	24 750 000 000	HUF	26 929
Total						***108 341***

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4.21.5 Reconciliation of liabilities arising from financing activities

The table below sets out movements in the Group's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

	Amounts due to banks	Issued debt securities	Subordi-nated debts	IFRS 16 lease liabilities	Total
31.12.2022	***2 378 471***	***290 838***	***88 887***	***33 112***	***2 791 308***
Cash flows from financing activities	(191 048)	228 376	24 529	(12 985)	48 872
New leases	-	-	-	18 212	18 212
Foreign exchange adjustments	-	125	(2 134)	-	(2 134)
Other changes*	(159 756)	1 562	(2 941)	(12 725)	(173 735)
31.12.2023	***2 027 667***	***520 901***	***108 341***	***25 614***	***2 682 523***
Cash flows from financing activities	(136 340)	(540)	(14 125)	(11 874)	(162 879)
New leases	-	-	-	5 920	5 920
Foreign exchange adjustments	-	11 306	2 248	-	13 554
Other changes*	39 002	2 961	(1 802)	9 457	49 618
31.12.2024	***1 930 329***	***534 628***	***94 662***	***29 117***	***2 588 736***

* *Includes changes resulting from a business combination.*

4.21.6 Other financial liabilities

	31.12.2024	31.12.2023
Capital increase pending in an associate	31 032	44 730
Clearing settlement	19 982	37 509
Account related to owners	9	21 610
IFRS 16 lease liability	29 117	26 133
Trade payables	25 506	13 375
Other liabilities related to lending and factoring activities	6 395	2 368
Other financial liabilities to customers	10 521	7 325
Various other financial liabilities	21 673	10 999
Contingent liabilities related to business combination	17 547	-
Total	**161 782**	**164 049**

MBH Bank has carried out a capital increase of HUF 13,698 million in MBH Magántőkealap in 2024.

For further information about lease liability, see Note 4.17.

The various other financial liabilities mainly include clearing accounts.

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4.22 Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Following table shows the movement of provision by title:

	Opening at 01.01. 2024	Increase from business combination	Provisions made during the year	Use of provisions	Release of provisions	Effect of revalua-tion	Closing at 31.12. 2024
Expected credit loss (IFRS9)*	22 633	-	46 333	(8 236)	(34 764)	412	26 378
Provision for litigation	1 085	-	177	(119)	(250)	23	916
Provision for restructuring	2 571	-	654	(132)	(2 439)	-	654
Provision for pension, severance pay and unused leave	3 253	-	1 725	(1 827)	(1 478)	-	1 673
Other provisions	1 698	1 249	295	(1 127)	(430)	-	1 685
Total provisions	**31 240**	**1 249**	**49 184**	**(11 441)**	**(39 361)**	**435**	**31 306**

	Opening at 01.01. 2023	Increase from business combination	Provisions made during the year	Use of provisions	Release of provisions	Effect of revalua-tion	Closing at 31.12. 2023
Expected credit loss (IFRS9)*	15 311	60	45 833	(1 753)	(36 818)	-	22 633
Provision for litigation	619	-	513	(43)	(4)	-	1 085
Provision for restructuring	3 816	-	2 571	(3 816)	-	-	2 571
Provision for pension, severance pay and unused leave	2 361	-	3 248	(1 036)	(1 320)	-	3 253
Other provisions	516	105	1 231	(77)	(77)	-	1 698
Total provisions	**22 623**	**165**	**53 396**	**(6 725)**	**(38 219)**	**-**	**31 240**

** ECL relates to off-balance sheet exposures*

Risk reserves are made for existing commitments and contractual obligations. Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument. The Group recognises provision for untaken and unpaid regular leave. The provision for restructuring consists of payments after termination and the rationalization in the number of branches. Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: an entity's decision to terminate before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment. Branch closures may occur if multiple branches operate in the same location and maintaining all of them is not sustainable economically. The defined employee benefit plan operated by the Group is for jubilee benefits to which all employees are entitled. Jubilee benefits are gifts and vouchers tied to the length of employees' service to an employer, expensed in the relevant year.

Provisions for litigation are made for those contingent liabilities of the Group in relation to which the third parties involved may pursue claims against the Group. The outcome and schedule of litigations is uncertain.

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4.23 Contingent liabilities

Contingent liabilities determined by the IAS 37 are not recognised in the financial statements but are disclosed in the additional notes. Commitments related to loans include commitments to extend credit lines and guarantees, the purpose of which is to meet the demands of the clients of the Group. Commitments to extend loans refer to contractual commitments to provide credit line and revolving loans. Commitments typically have fixed expiry dates or have other provisions regarding its termination and typically generate an obligation for the client to pay a fee. Since most commitments related to loans expire without being enforced or are terminated, the full contractual amount does not necessarily correspond to the future cash requirement.

After initial recognition, an issuer of such a contract shall subsequently measure it in accordance with IFRS 9. There are no significant non-financial guarantee contracts that should be measured based on IFRS 17 standard. Since the majority of commitments related to loans expire without being enforced or are terminated, the full contractual amount does not necessarily correspond to the future cash requirement.

	Nominal amount	Provision			
		Stage 1	Stage 2	Stage 3	IAS 37
31.12.2024					
Expected credit loss (IFRS 9)	2 021 034	(10 749)	(13 398)	(2 181)	(50)
- Loan commitments provided	1 634 777	(9 350)	(9 983)	(1 886)	-
- Financial guarantees provided	110 315	(632)	(1 898)	(236)	-
- Other commitments provided	275 942	(767)	(1 517)	(59)	(50)
Pension and severance pay	-	-	-	-	(1 673)
Provision for litigation	-	-	-	-	(916)
Provision for restructuring	-	-	-	-	(654)
Other provisions	-	-	-	-	(1 685)
Total contingent liabilities	***2 021 034***	***(10 749)***	***(13 398)***	***(2 181)***	***(4 978)***
31.12.2023					
Expected credit loss (IFRS 9)	1 624 070	(12 432)	(8 462)	(1 689)	(50)
- Loan commitments provided	1 206 000	(10 477)	(5 936)	(1 444)	-
- Financial guarantees provided	101 220	(1 083)	(1 549)	(233)	-
- Other commitments provided	316 850	(872)	(977)	(12)	(50)
Pension and severance pay	-	-	-	-	(3 253)
Provision for litigation	-	-	-	-	(1 085)
Provision for restructuring	-	-	-	-	(2 571)
Other provisions	-	-	-	-	(1 698)
Total contingent liabilities	***1 624 070***	***(12 432)***	***(8 462)***	***(1 689)***	***(8 657)***

Other contingent liabilities include the amount of liabilities arising from legal cases and other possible future events, the settlement of which will probably require the use of resources representing economic benefits. The Management Committee decided on a capital increase in MBH Domo Ltd on 8 August 2024, the amount and schedule of the capital increase depends on the schedule of construction to be carried out by the subsidiary. In connection with the aforementioned resolution, a capital increase of HUF 15 billion was carried out in the subsidiary until the reporting date following the adoption of the ownership resolution.

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4.24 Other liabilities

	31.12.2024	31.12.2023
Other accrued expenses	29 727	42 862
Taxes, duties and other levies	19 412	13 695
Initial fair value difference	5 990	9 247
Other liabilities	21 906	10 224
Total	**77 035**	**76 028**

4.25 Equity

Share capital

Shares are classified as share capital when there is no contractual obligation to deliver cash or other financial assets to the holders. Incremental costs directly attributable to the issue of equity instruments are presented in equity as a deduction from the proceeds, net of tax.

Treasury shares

The cost of the Group’s repurchased equity instruments ('treasury shares') is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired by any members of the Group. On 11 December 2024, MBH Bank has repurchased common equity tier 1 capital instruments (treasury shares) with an aggregate book value of HUF 55,440 million. Regarding the Hungarian Civil Code Section 3:225 Subsection (1) and (3) treasury shares shall not entitle the limited company to exercise shareholder rights (e.g. voting rights) and any dividend that is payable on the company’s own shares shall be taken into account at nominal value as pertaining to shareholders with respect to the dividends payable on their shares.

Share premium

Share premium comprises of premiums on share capital issuances.

General reserve

According to the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Banking Act), banks shall set aside as general reserve 10% of Profit after taxation. Dividends can be paid only after the recognition of the general reserve. This reserve can be utilized only for losses derived from ordinary activity. A credit institution can reclassify part of the total of its retained earnings into general reserve. Supervisory authority can allow the entity not to set aside the amount calculated as above stated.

The Group discloses the general reserve as a part of Other reserves. In 2024, MBH Bank recognised a general reserve of HUF 66,022 million (2023: HUF 50,147 million).

Settlement reserve

With a view to protecting those with home savings contracts, the Group recognises a settlement reserve from the yield on the placement of free assets defined by Act CXIII of 1996 on Home Savings and Loan Associations (hereinafter referred to as: Home Savings and Loans Act), and on 31 December, or on 30 June if certain conditions are fulfilled, of the reporting year supplements the settlement reserve recognised in the previous year. The settlement reserve is outside the scope of IAS 37. In the consolidated financial statements the Group recognises the settlement reserve from retained earnings.

Retained earnings

Retained earnings comprise the accumulated profit after taxes earned in the course of the operating life of an entity of the Bank less any dividend payment.

Revaluation reserves

Revaluation reserve of financial assets measured at FVTOCI includes the cumulative net change in the fair value until the derecognition. For financial instruments measured at fair value through other comprehensive income, the Bank has recognised an impairment loss in accordance with IFRS 9, which is shown in the Revaluation reserve.

4.26 Fair value of financial instruments

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the initial fair value will be based on other observable current market transactions in the same instrument, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield curves, option volatilities and currency rates. When such evidence exists, the Group recognises a trading gain or loss on inception of the financial instrument.

When unavailable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value indicated by the valuation model from the transaction price is not recognised immediately in the consolidated statement of profit or loss and other comprehensive income but is recognised over the life of the transaction on an appropriate basis, or when the inputs become observable, or the transaction matures or is closed out, or when the Group enters into an offsetting transaction.

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets held and offer prices for liabilities issued.

The estimated fair values disclosed in the following table are designated to approximate values at which these instruments could be exchanged in an arm’s length transaction. However, many of the financial instruments have no active market and therefore, fair values are based on estimates using net present value and other valuation techniques, which are significantly affected by the assumptions used on the amount and timing of the estimated future cash flows and discount rates. In many cases, it would not be possible to realise immediately the estimated fair values given the size of the portfolios measured.

The following tables set out the carrying amounts and fair values of the Group’s financial assets and financial liabilities and the applied evaluation methods.

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31.12.2024	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Cash and cash-equivalents	**1 076 984**	**1 076 984**	**99 918**	**977 066**	**-**
Financial assets measured at fair value through profit or loss	**800 790**	**800 790**	**25 468**	**173 135**	**602 187**
Loans and advances to customers mandatorily at fair value through profit or loss	565 731	565 731	-	-	565 731
Securities held for trading	17 236	17 236	16 843	393	-
Securities mandatorily at fair value through profit or loss	52 316	52 316	8 625	7 235	36 456
Derivative financial assets	165 507	165 507	-	165 507	-
Hedging derivative assets	**81 633**	**81 633**	**-**	**81 633**	**-**
Financial assets measured at fair value through other comprehensive income	**1 204 054**	**1 204 054**	**846 977**	**357 077**	**-**
Debt and equity securities	1 204 054	1 204 054	846 977	357 077	-
Financial assets measured at amortised cost	**8 943 686**	**8 613 483**	**2 703 614**	**579 623**	**5 330 246**
Loans and advances to banks	136 600	136 600	-	-	136 600
Loans and advances to customers	5 245 074	5 061 302	-	-	5 061 302
Reverse sale and repurchase agreements	4 824	4 824	-	4 824	-
Debt securities	3 424 844	3 278 413	2 703 614	574 799	-
Other financial assets	132 344	132 344	-	-	132 344
Fair value change of hedged items in portfolio hedge of interest rate risk	**(5 316)**	**(5 316)**	**-**	**(5 316)**	**-**
Total financial assets	***12 101 831***	***11 771 628***	***3 675 977***	***2 163 218***	***5 932 433***
Financial liabilities measured at fair value through profit or loss	**121 084**	**121 084**	**-**	**121 084**	**-**
Derivative financial liabilities	91 898	91 898	-	91 898	-
Financial liabilities from short positions	29 186	29 186	-	29 186	-
Hedging derivative liabilities	**17 280**	**17 280**	**-**	**17 280**	**-**
Financial liabilities measured at amortised cost	**11 109 168**	**11 085 015**	**-**	**4 567 790**	**6 517 225**
Amounts due to banks	1 930 329	1 930 329	-	-	1 930 329
Amounts due to customers	8 052 470	8 052 470	-	4 232 493	3 819 977
Sale and repurchase agreements	335 297	335 297	-	335 297	-
Issued debt securities	534 628	510 475	-	-	510 475
Subordinated debts	94 662	94 662	-	-	94 662
Other financial liabilities	161 782	161 782	-	-	161 782
Total financial liabilities	***11 247 532***	***11 223 379***	***-***	***4 706 154***	***6 517 225***

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	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
31.12.2023					
Cash and cash-equivalents	**1 347 889**	**1 347 889**	**80 627**	**1 267 262**	**-**
Financial assets measured at fair value through profit or loss	**756 308**	**756 308**	**6 184**	**214 234**	**535 890**
Loans and advances to customers mandatorily at fair value through profit or loss	510 988	510 988	-	-	510 988
Securities held for trading	2 621	2 621	2 215	406	-
Securities mandatorily at fair value through profit or loss	47 516	47 516	3 969	18 645	24 902
Derivative financial assets	195 183	195 183	-	195 183	-
Hedging derivative assets	**73 652**	**73 652**	**-**	**73 652**	**-**
Financial assets measured at fair value through other comprehensive income	**912 538**	**912 538**	**520 152**	**392 386**	**-**
Debt and equity securities	912 538	912 538	520 152	392 386	-
Financial assets measured at amortised cost	**7 689 462**	**7 385 332**	**2 294 983**	**560 859**	**4 529 490**
Loans and advances to banks	106 544	106 544	-	-	106 544
Loans and advances to customers	4 390 428	4 259 238	-	-	4 259 238
Reverse sale and repurchase agreements	17 918	17 918	-	17 918	-
Debt securities	3 010 864	2 837 924	2 294 983	542 941	-
Other financial assets	163 708	163 708	-	-	163 708
Fair value change of hedged items in portfolio hedge of interest rate risk	**3 159**	**3 159**	**-**	**3 159**	**-**
Total financial assets	***10 783 008***	***10 478 878***	***2 901 946***	***2 511 552***	***5 065 380***
Financial liabilities measured at fair value through profit or loss	**152 581**	**152 581**	**-**	**152 581**	**-**
Derivative financial liabilities	129 944	129 944	-	129 944	-
Financial liabilities from short positions	22 637	22 637	-	22 637	-
Hedging derivative liabilities	**17 018**	**17 018**	**-**	**17 018**	**-**
Financial liabilities measured at amortised cost	**9 789 825**	**9 910 921**	**-**	**4 182 549**	**5 728 372**
Amounts due to banks	2 027 667	2 027 667	-	-	2 027 667
Amounts due to customers	6 957 100	6 957 100	-	4 170 782	2 786 318
Sale and repurchase agreements	11 767	11 767	-	11 767	-
Issued debt securities	520 901	641 997	-	-	641 997
Subordinated debts	108 341	108 341	-	-	108 341
Other financial liabilities	164 049	164 049	-	-	164 049
Total financial liabilities	***9 959 424***	***10 080 520***	***-***	***4 352 148***	***5 728 372***

The Group measures fair values using the following measurement hierarchy:

- Level 1 (quoted prices available on the active market): Fair values of financial instruments traded in active markets are based on quoted market prices or dealers' price quotations. This category includes treasury bills, government bonds, other bonds, investment units, capital instruments and currency derivatives and stock futures transactions listed on a stock exchange or having an active market.

- Level 2 (valuation techniques - with observable parameters): this category includes instruments measured with the application of the following: quoted market prices in an active market of similar instruments; quoted prices of similar instruments in a market considered inactive; or other valuation techniques where every significant input originates from directly or indirectly observable market data. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments with observable market prices, and other valuation models. Assumptions and inputs applied in the valuation techniques include risk-free rates and benchmark rates, credit risk premiums and other premiums used to estimate discount rates, bond and share prices, foreign exchange rates, share indices, and the projected price volatilities. The majority of derivative transactions belong to this category, for example currency forwards and swaps, currency and interest rate swaps, and bonds whose market is active with limitations.

- Level 3 (valuation techniques - with significant non-observable parameters): valuation techniques applying a significant amount of unobservable inputs. This category contains all the instruments in the case of which the valuation techniques apply inputs that are based on unobservable data and where the unobservable inputs may have a significant impact on the valuation of the instrument. This category contains instruments which we value based on quoted prices of similar instruments, and in the case of which significant unobservable modifications or assumptions are necessary to reflect the differences between the instruments.

No reclassification was carried out between the levels of the fair value hierarchy in the fiscal year.

The methods and the assumptions applied in determining fair values of financial instruments when a valuation technique is used were as follows:

Cash and cash-equivalents

Due to the short-term nature, the carrying amount of Cash and cash-equivalents is a reasonable approximation of their fair value.

Derivative financial instruments

Fair values of derivative financial instruments are traded in active markets are based on quoted market prices or dealer price quotations. As part of its trading activities the Group enters into OTC (Over-the-counter) structured derivatives, primarily options indexed to equity prices, foreign exchange rates and interest rates, with customers and other banks. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different asset prices or foreign currency exchange rates. These inputs are estimated based on extrapolation from observable shorter-term volatilities, recent transaction prices, quotes from other market participants and historical data.

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Securities

The fair values of instruments grouped into securities are based on quoted market prices, when available. If quoted market prices are not available, fair value is estimated using quoted market prices of similar securities. For further information, please refer to Note 4.11.2, 4.11.3, 4.13.1, 4.14.4.

The value of investment units held is determined based on the net asset value of the related investment funds. The net asset value of the investment funds is established by the Fund Manager, the calculated net asset value is checked by the Depositary. The net asset value of the funds is determined at least on a quarterly basis. The determined net asset value of the funds is the value of the assets minus all the liabilities of the investment funds. Investments must be measured at fair value based on market prices. When calculating the net asset value of the first three quarters of each financial year, the Fund Manager continuously monitoring the management of the investments, the development of market prospects and having the information at its disposal - which includes the latest available quarterly reports on the investments, financial information - updates the valuation of investments based on the valuation model, which is taken into account during the calculation of the net asset value for the relevant quarter.

The Fund Manager uses fair value valuation when calculating the year-end net asset value of the funds. After the end of the year, the Fund Manager prepares a business evaluation of all investments in a given fund based on the latest financial data and information available at the time of the evaluation, in which the fair value of the investments is determined. The evaluation is reviewed by a requested independent expert and a report containing the findings of the evaluation is issued. The value of the investments in the consolidated financial statements is determined based on the mentioned business valuations.

There is no active quotation of discount government bonds when they reach within 3-month maturity. For discount government bonds within the maturity of 3 months, the Group is using yield-curve valuation technique. The inputs of the yield-curve are the relevant active market prices, consequently it is considered as Level 2 valuation.

Loans to banks and customers

The fair value of loans and advances is based on observable market transactions, where available. In the absence of observable market transactions, fair value is estimated using discounted cash flow models. For the valuation of the loans to banks and customers, please refer to Note 4.11.1.

Sensitivity test results for loans measured at fair value:

Interest rate risk

Interest rate risk arises from the fact that changes in interest rates affect the fair value of loans. Stress tests are used to monitor how the fair value of loans may change in the case of extreme interest rate changes (+/-200 basis points).

Interest rate change	Effect on Fair value 31.12.2024
+200 bp increase	(14 058)
-200 bp decrease	11 574

The baby loan portfolio represents the largest exposure (nearly 80%) among total loan portfolio measured at fair value, the effect of interest rate change on this portfolio’s fair value would be HUF -10,548 million in case of +200 bp increase and HUF 8,528 million in case of -200 bp decrease.

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Credit spread

Credit risk and its changes arise from the fact that a change in the customer rating or credit classification affects the fair value of the loan. Stress tests are used to monitor how the fair value of loans may change in the case of a change in the credit spread (+/-10%).

Credit spread change	**Effect on Fair value 31.12.2024**
+10% increase	(3 294)
-10% decrease	4 081

The baby loan portfolio represents the largest exposure (nearly 80%) among total loan portfolio measured at fair value, the effect of credit spread change on this portfolio's fair value would be HUF -2,651 million in case of +10% increase and HUF 3,234 million in case of -10% decrease.

Amounts due to other banks and current and deposit accounts

For the purposes of estimating fair value, amounts due to banks, current and deposit accounts are grouped by residual maturity. Fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities plus Group's own credit risk. For determining own credit risk (DVA – Debit Value Adjustment) the Group uses the own PD and LGD used also for risk purposes which is also in line with the DVA calculation method for negative fair value derivatives. The fair value of a deposit repayable on demand is assumed to be the amount payable on demand at the end of the reporting period.

Issued debt securities and subordinated debts

Fair values are determined using quoted market prices at the end of the reporting period where available, or by reference to quoted market prices for similar instruments plus own credit risk.

4.27 Related party transactions

The Group identifies the related parties using the definition of IAS 24, therefore every enterprise that is directly or indirectly, through one or more intermediaries, controlled by the Group and key management personnel, including the members of the Board of Directors and the Supervisory Board, qualify as a related party.

All transactions with related companies were carried out in the ordinary course of business. Transactions include credit and deposit transactions and off-balance sheet transactions. All the transactions were carried out under ordinary commercial conditions and by applying market interest rates.

Key management personnel compensation for the period comprised:

	2024	**2023**
Short-term employee benefits	2 057	993
Other long-term benefits	254	36
Termination benefits	175	-
Share-based payment transactions	369	177
Total	**2 855**	**1 206**

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The Group's related party transactions are the followings during the period:

	Associates		Other investments		Key management personnel		Other related parties*	
	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Amounts due from banks	-	-	-	-	-	-	-	-
Loans and advances to customers	31 379	32 060	370	813	653	514	179 454	190 345
Derivative financial assets	-	-	-	-	-	-	-	16
Securities and equity instruments	119 148	87 797	9 658	8 617	-	-	58 336	54 078
Other assets	32 268	44 730	-	-	-	-	22 641	4
Liabilities								
Amounts due to banks	-	-	-		-	-	-	-
Current and deposit accounts	2 338	1 616	1 785	906	292	511	396 688	404 520
Derivative financial liabilities	-	-	-		-	-	723	-
Other liabilities	31 068	44 730	254	259	-	-	298	29
Profit or Loss								
Interest income	1 754	2 094	39	61	10	12	9 609	20 162
Interest expense	(65)	(33)	(14)	-	(5)	(3)	(18 543)	(27 207)
Net income from commissions and fees	92	480	-	-	212	4	1 633	124
Other income / (expense)	2 310	(356)	-	-	(2 877)	(1 209)	(1 023)	(297)
Contingencies and commitments								
Undrawn commitments to extend credit	747	405	544	377	13	4	77 148	52 530
Guarantees	-	-	-	-	-	-	42 016	95 785
Expected credit loss on on and off-balance items	11 085	9 986	3 270	4 359	3	2	18 518	17 859

** Balances to other related parties include exposures to owners and their groups.*

Significant part of the amount outstanding from key management personnel represents mortgages and secured loans granted and these loans are secured over property of the respective borrowers.

Other related parties include the interests of the key management personnel and other investments.

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4.28 Non-controlling interest

	Proportion of non-controlling interest	Proportion of votes on non-controlling interest	Primary place of activity	Total comprehensive income on non-controlling interest over the current period	Cumulative non-controlling interest
31.12.2024					
MITRA Informatikai Ltd.	3.53%	3.53%	1138 Budapest, Váci út 193.	70	315
MBH Mortgage Bank Co. Plc.	47.91%	47.91%	1117 Budapest, Magyar Tudósok körútja 9. G. ép.	3 028	40 495
MBH Vállalati Stabil Abszolút Hozamú Kötvény Investment Fund	3.86%	3.86%	1068 Budapest, Benczúr utca 11.	73	934
MBH Fund Management Ltd.	24.46%	24.46%	1068 Budapest, Benczúr utca 11.	4 212	5 382
Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd.	23.65%	23.65%	1123 Budapest, Alkotás utca 55-61.	645	22 252
MBH Duna Bank Ltd.	1.54%	1.54%	9022 Győr, Árpád út 93.	41	181
MBH Services Plc.*	0.00%	0.00%	1117 Budapest, Magyar Tudósok körútja 9. G. ép.	-	-
Takinfo Ltd.**	0.00%	0.00%	1125 Budapest, Fogaskerekű utca 4-6.	(6)	-
MKB Ingatlan Investment Fund**	0.00%	0.00%	1068 Budapest, Benczúr utca 11	264	-
Total				***8 327***	***69 559***
31.12.2023					
MBH Mortgage Bank Co. Plc.	47.91%	47.91%	1117 Budapest, Magyar Tudósok körútja 9. G. ép.	3 192	37 466
Takarékbank Ltd.	-	-	1117 Budapest, Magyar Tudósok körútja 9. G. ép.	375	-
MITRA Informatikai Ltd.	3.53%	3.53%	1138 Budapest, Váci út 193.	75	245
MBH Services Plc.	0.36%	0.36%	1134 Budapest, Kassák Lajos utca 18.	2	118
Takinfo Ltd.	47.62%	47.62%	1125 Budapest, Fogaskerekű utca 4-6.	(23)	562
MBH Fund Management Ltd.	24.46%	24.46%	1068 Budapest, Benczúr utca 11.	2 856	3 457
MBH Vállalati Stabil Abszolút Hozamú Kötvény Investment Fund	6.77%	6.77%	1068 Budapest, Benczúr utca 11.	32	995
MBH Duna Bank Ltd.	1.54%	1.54%	9022 Győr, Árpád út 93.	2	140
Total				***6 511***	***42 983***

* The Group purchased back it’s shares previously held by an external party in 2024
** Exclusion from consolidation in 2024

In subsidiaries not included in tables above, the Group has no minority interest.

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4.29 Financial data of subsidiaries

The 2024 year's preliminary and 2023 year's audited financial data of subsidiaries on the reporting date are summarized in the following table:

31.12.2024	Total assets	Total liabilities	Total equity	Net income from interest, fees and commissions	After-tax profit or loss	Total comprehensive income	Total cash flow (net)
MITRA Informatikai Ltd.	25 785	16 950	8 835	(480)	1 925	1 925	(4 128)
MBH Investment Bank Co. Ltd.	407 040	360 456	46 584	7 853	7 156	7 250	85 257
MBH Mortgage Bank Co. Plc.	892 311	807 783	84 528	12 733	6 597	6 323	(18 056)
Euroleasing Real Estate Ltd.	22 911	21 790	1 121	436	504	504	(1 356)
MBH Blue Sky Ltd.	16 183	308	15 875	20	(1 050)	(1 050)	23
MBH Services Plc.	36 445	1 633	34 812	272	1 827	1 827	(122)
MBH DOMO Llc.	36 230	1 980	34 250	250	(9)	(9)	(118)
Takarék Zártkörű Investment Fund	21 548	12	21 536	231	485	2 460	(9)
MBH Mezőgazdasági Befektetési és Fejlesztési Magántőkealap	47 014	65	46 949	1 107	308	308	587
OPUS TM-1 Investment Fund	3 562	5	3 557	13	125	326	-
MBH Vállalati Stabil Abszolút Hozamú Kötvény Investment Fund	15 716	10	15 706	1 031	743	1 182	(2 176)
MKB High-risk Investment Fund	4 723	9	4 714	163	33	(285)	3
MBH Real Estate Development Ltd.	40 120	944	39 176	663	1 622	1 622	131
Euroleasing Ltd.	515 919	509 159	6 760	11 716	1 500	1 500	(259)
MBH Bank MRP Szervezet	20 719	176	20 543	1 707	2 631	2 631	14
Budapest Equipment Finance Privately Held Share Company	4 884	2 636	2 248	(135)	403	403	30
Budapest Leasing Privately Held Share Company	42 331	31 978	10 353	2 139	1 889	1 889	(5 020)
MBH Fund Management Ltd.	22 676	3 004	19 672	21 470	17 280	17 286	(458)
Fundamenta Group	634 099	554 145	79 954	28 115	3 922	3 922	14 502
MBH Duna Bank Ltd.	141 837	130 063	11 774	8 017	2 714	2 642	(21 573)

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31.12.2023	Total assets	Total liabilities	Total equity	Net income from interest, fees and commissions	After-tax profit or loss	Total comprehensive income	Total cash flow (net)
MITRA Informatikai Ltd.	27 602	20 692	6 910	(1 029)	1 457	1 457	1 807
MBH Investment Bank Co. Ltd.	409 876	374 508	35 368	4 405	6 300	6 121	(164 607)
MBH Mortgage Bank Co.Plc.	906 587	828 382	78 205	8 376	6 663	7 168	18 963
Euroleasing Real Estate Ltd.	34 862	34 285	577	971	133	133	1 327
Takarék Ingatlan Ltd.	696	40	656	66	56	56	29
MBH Blue Sky Ltd.	16 303	265	16 038	61	(785)	(785)	8
MBH Services Plc.	35 215	2 230	32 985	548	359	359	(115)
MBH DOMO Llc.	20 444	1 186	19 258	619	498	498	274
Takarék Faktorház Ltd.	453	45	408	362	124	124	16
Takinfo Ltd.	1 184	4	1 180	8	(49)	(49)	(395)
Takarék Zártkörű Investment Fund	19 086	12	19 074	343	288	288	-
Takarék Mezőgazdasági és Fejlesztési Magántőkealap	37 170	31	37 139	1 354	(248)	(248)	194
OPUS TM-1 Investment Fund	2 550	5	2 545	15	(25)	(25)	(63)
MBH Vállalati Stabil Abszolút Hozamú Kötvény Investment Fund	14 715	8	14 707	803	1 674	1 674	2 550
MBH Real Estate Development Ltd.	40 091	2 537	37 554	1 341	1 610	1 610	(561)
Euroleasing Ltd.	405 589	401 475	4 114	9 612	(1 964)	(1 964)	123
MBH Bank MRP Szervezet	30 456	159	30 297	1 664	9 019	9 019	(25)
Retail Prod Ltd.	1 065	20	1 045	127	156	156	985
Budapest Equipment Finance Privately Held Share Company	3 924	2 079	1 845	111	809	809	3
Budapest Leasing Privately Held Share Company	80 566	69 901	10 665	3 575	5 269	5 269	6 296
MKB Fund Management Ltd.	16 130	2 027	14 103	15 525	11 648	11 573	(90)
MBH Duna Bank Ltd.	130 783	121 668	9 115	9 903	3 847	3 993	40 315

4.30 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Basic earnings per share as of 31 December 2024 was calculated based on the net income available to ordinary shareholders of HUF 197,390 million (2023: HUF 176,679 million) and the weighted average number of ordinary shares outstanding of 321,296 thousand pieces (2023: 322,257 thousand pieces).

31 December 2024

$$\text{Earnings per Ordinary Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{197{,}390}{321{,}296} = 614\ \text{Ft}$$

31 December 2023

$$\text{Earnings per Ordinary Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{176{,}679}{322{,}257} = 548\ \text{Ft}$$

The diluted earnings per share is calculated based on the net income available to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effect of all dilutive potential ordinary shares. There was no dilution factor in the periods presented.

31 December 2024

$$\text{Diluted Earnings per Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding taking into account the dilution factors}} = \frac{197{,}390}{321{,}296} = 614\ \text{Ft}$$

31 December 2023

$$\text{Diluted Earnings per Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding taking into account the dilution factors}} = \frac{176{,}679}{322{,}257} = 548\ \text{Ft}$$

4.31 Assets held for sale

	31.12.2024	31.12.2023
Loans for sales purposes	-	-
Other assets held for sale	270	1 369
Total	**270**	**1 369**

Other assets held for sale present properties on sale where a decision has already been made and the sale is expected to be concluded within 12 months.

4.32 Segment report

The following segment information has been prepared in accordance with IFRS 8, “Operating Segments”, which defines requirements for the disclosure of financial information of an entity’s operating segments. It follows the “management approach”, which requires presentation of the segments on the basis of the internal reports about components of the entity which are regularly reviewed by the chief operating decision-maker in order to allocate resources to a segment and to assess its performance. Management reporting for the Group is based following segments.

Segments identified by the Group represent the organizational structure as reflected in its internal management reporting systems. The Group is organized into four business lines, each with its own distinct market and products. Each business line has its own set of objectives and targets broken down by operating units, which are consistent with the Group's overall strategic direction.

As of 31 December 2024, the Group's segments and their main products were:

Corporate Banking and Institutions

The Group provides trade finance, a wide array of credit, account and deposit products, forfaiting and factoring, letters of credit, guarantees, international payments, project and structured finance, investment and financial advisory services to large entities through branches and electronic delivery channels.

The Group serves financial institutions, financial service companies and other entities with financial services, as well as international and domestic payments, the Treasury department deals with investments in securities, hedging transactions and correspondent banking services, the Group participates in bank-to-bank finance.

Leasing

The scope of activities has been extended to include the financing of agricultural machinery, large commercial vehicles, buses and general machinery. Leasing activities are provided by Euroleasing Real Estate Ltd., Euroleasing Ltd. and Budapest Leasing Plc.

Retail and Private Banking

The Group provides a wide range of deposit and savings instruments, credit and debit cards, portfolio management and a limited number of loan products to high-net-worth individuals and entrepreneurs through more than 500 full-service branches and sub-branches ATM, telephone and electronic channels.

Other

Residual items which cannot be directly allocated to segments (mainly general administration expense) are included in the “Other” category.

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31.12.2024	Corporate Banking and Institutions	Retail and Private Banking	Leasing	Consolidation effect	Other	Total
Assets						
Cash and cash-equivalents	**1 250 642**	**-**	**1 517**	**(175 175)**	**-**	**1 076 984**
Financial assets measured at fair value through profit or loss	**251 467**	**565 731**	**-**	**(16 408)**	**-**	**800 790**
Loans and advances to customers mandatorily at fair value through profit or loss	-	565 731	-	-	-	**565 731**
Securities held for trading	20 693	-	-	(3 457)	-	**17 236**
Securities mandatorily at fair value through profit or loss	52 316	-	-	-	-	**52 316**
Derivative financial assets	178 458	-	-	(12 951)	-	**165 507**
Hedging derivative assets	**82 504**	**-**	**-**	**(871)**	**-**	**81 633**
Financial assets measured at fair value through other comprehensive income	**1 324 880**	**-**	**-**	**(120 826)**	**-**	**1 204 054**
Debt and equity securities	1 324 880	-	-	(120 826)	-	**1 204 054**
Financial assets measured at amortised cost	**8 046 145**	**1 791 487**	**575 224**	**(1 648 962)**	**179 792**	**8 943 686**
Loans and advances to banks	1 105 920	-	-	(969 320)	-	**136 600**
Loans and advances to customers	3 359 870	1 791 487	572 819	(522 295)	43 193	**5 245 074**
Reverse sale and repurchase agreements	113 753	-	-	(108 929)	-	**4 824**
Debt securities	3 466 602	-	-	(41 758)	-	**3 424 844**
Other financial assets	-	-	2 405	(6 660)	136 599	**132 344**
Fair value change of hedged items in portfolio hedge of interest rate risk	**-**	**-**	**-**	**-**	**(5 316)**	**(5 316)**
Associates and other investments	**-**	**-**	**1 647**	**(438 924)**	**520 168**	**82 891**
Property and equipment	**29 339**	**7 119**	**1 369**	**(6 096)**	**119 328**	**151 059**
Intangible assets	**-**	**-**	**61**	**424**	**94 485**	**94 970**
Goodwill	-	-	-	-	3 340	3 340
Income tax assets	**-**	**-**	**475**	**597**	**8 069**	**9 141**
Current income tax assets	-	-	121	-	532	653
Deferred income tax assets	-	-	354	597	7 537	8 488
Other assets	**-**	**-**	**1 774**	**(9 502)**	**72 257**	**64 529**
Assets held for sale	**-**	**-**	**-**	**-**	**270**	**270**
Total assets	**10 984 977**	**2 364 337**	**582 067**	**(2 415 743)**	**989 053**	**12 504 691**

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31.12.2024	Corporate Banking and Institutions	Retail and Private Banking	Leasing	Consolidation effect	Other	Total
Liabilities						
Financial liabilities measured at fair value through profit or loss	**126 046**	**-**	**-**	**(4 962)**	**-**	**121 084**
Derivative financial liabilities	96 860	-	-	(4 962)	-	**91 898**
Financial liabilities from short positions	29 186	-	-	-	-	**29 186**
Financial liabilities measured at amortised cost	**8 832 330**	**3 304 215**	**560 595**	**(1 985 025)**	**397 053**	**11 109 168**
Amounts due to banks	2 965 509	-	554 659	(1 589 839)	-	**1 930 329**
Amounts due to customers	4 672 138	3 197 846	-	(42 756)	225 242	**8 052 470**
Sale and repurchase agreements	459 445	-	-	(124 148)	-	**335 297**
Issued debt securities	605 532	106 369	-	(177 273)	-	**534 628**
Subordinated debts	129 706	-	-	(35 044)	-	**94 662**
Other financial liabilities	-	-	5 936	(15 965)	171 811	**161 782**
Hedging derivative liabilities	**20 849**	**-**	**-**	**(3 569)**	**-**	**17 280**
Provisions for liabilities and charges	**23 060**	**8 958**	**23**	**(143)**	**(592)**	**31 306**
Income tax liabilities	**-**	**-**	**249**	**613**	**8 500**	**9 362**
Current income tax liabilities	-	-	239	-	7 913	**8 152**
Deferred income tax liabilities	-	-	10	613	587	**1 210**
Other liabilities	**-**	**-**	**2 966**	**(6 319)**	**80 388**	**77 035**
Total liabilities	**9 002 285**	**3 313 173**	**563 833**	**(1 999 405)**	**485 349**	**11 365 235**
Equity						
Share capital	**-**	**-**	**1 044**	**(163 155)**	**484 641**	**322 530**
Treasury shares	**-**	**-**	**-**	**8 209**	**(63 649)**	**(55 440)**
Share premium	**-**	**-**	**12 762**	**(129 304)**	**465 436**	**348 894**
Retained earnings	**-**	**-**	**448**	**(174 745)**	**343 529**	**169 232**
Other reserves	**-**	**-**	**90**	**(14 062)**	**89 661**	**75 689**
Profit for the year	**-**	**-**	**3 891**	**(8 071)**	**201 570**	**197 390**
Accumulated other comprehensive income	**-**	**-**	**-**	**12 694**	**(1 092)**	**11 602**
Non-controlling interest	**-**	**-**	**-**	**69 559**	**-**	**69 559**
Total equity	**-**	**-**	**18 235**	**(398 875)**	**1 520 096**	**1 139 456**
Total liabilities and equity	**9 002 285**	**3 313 173**	**582 068**	**(2 398 280)**	**2 005 445**	**12 504 691**

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31.12.2024	Corporate Banking and Institutions	Retail and Private Banking	Leasing	Consolidation effect	Other	Total
Interest and similar to interest income	955 615	155 209	41 470	(139 087)	21 357	**1 034 564**
Interest and similar to interest expense	(632 558)	(12 997)	(27 535)	163 247	(16 515)	**(526 358)**
Net interest income	**323 057**	**142 212**	**13 935**	**24 160**	**4 842**	**508 206**
Net income from fees and commissions*	**66 448**	**99 210**	**356**	**6 272**	**(4 158)**	**168 128**
Result from remeasurement and derecognition of financial instruments	**36 719**	**7 718**	**(224)**	**(10 418)**	**-**	**33 795**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	47 314	-	-	(2 607)	-	**44 707**
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	12 313	-	-	1 214	-	**13 527**
Results from derecognition of loans and debt securities measured at amortised cost	(1 231)	-	(82)	(5 796)	-	**(7 109)**
Results from hedge accounting	(4 107)	-	-	(3 229)	-	**(7 336)**
Foreign exchange gains less losses	(17 570)	7 718	(142)	-	-	**(9 994)**
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**(44 085)**	**(704)**	**345**	**(6 271)**	**13 168**	**(37 547)**
Expected credit loss on financial assets, financial guarantees and loan commitments	(42 378)	2 733	513	1 157	2 107	**(35 868)**
Provisions for litigation, restructuring and similar charges						
(Loss) / gain on modification of financial instruments that did not lead to derecognition	-	-	-	14	3 389	**3 403**
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(1 707)	(3 437)	-	-	(637)	**(5 781)**
(Impairment) / Reversal on associates and other investments	-	-	(349)	(7 442)	7 200	**(591)**
(Impairment) / reversal of impairment on other financial and non-financial assets	-	-	181	-	1 109	**1 290**
Dividend income	**-**	**-**	**-**	**(13 137)**	**14 220**	**1 083**
Administrative and other operating expenses	**(185 636)**	**(209 420)**	**(10 467)**	**37 613**	**(66 859)**	**(434 769)**
Depreciation and amortisation	(16 106)	(26 183)	(392)	2 486	82 844	**42 649**
Other income	**-**	**-**	**2 759**	**(45 683)**	**58 261**	**15 337**
Other expense	**-**	**-**	**(2 008)**	**998**	**(14 078)**	**(15 088)**
Share of profit or loss of associates	**-**	**-**	**-**	**4 798**	**-**	**4 798**
Profit before taxation	**196 503**	**39 016**	**4 696**	**(1 668)**	**5 396**	**243 943**
Income tax income / (expense)	-	-	**(805)**	**(197)**	**(37 019)**	**(38 021)**
Profit for the year	**196 503**	**39 016**	**3 891**	**(1 865)**	**(31 623)**	**205 922**

** Income from commissions and fees are evaluated by the management of the Group on a net basis.*

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31.12.2023	Corporate Banking and Institutions	Retail and Private Banking	Leasing	Consolidation effect	Other	Total
Assets						
Cash and cash-equivalents	**1 478 990**	**-**	**8 153**	**(139 254)**	**-**	**1 347 889**
Financial assets measured at fair value through profit or loss	**266 479**	**511 038**	**-**	**(21 209)**	**-**	**756 308**
Loans and advances to customers mandatorily at fair value through profit or loss	-	511 038	-	(50)	-	**510 988**
Securities held for trading	3 118	-	-	(497)	-	**2 621**
Securities mandatorily at fair value through profit or loss	47 516	-	-	-	-	**47 516**
Derivative financial assets	215 845	-	-	(20 662)	-	**195 183**
Hedging derivative assets	**73 652**	-	-	-	-	**73 652**
Financial assets measured at fair value through other comprehensive income	**962 583**	**-**	**-**	**(50 045)**	**-**	**912 538**
Debt and equity securities	962 583	-	-	(50 045)	-	**912 538**
Financial assets measured at amortised cost	**7 424 693**	**1 151 427**	**505 013**	**(1 570 429)**	**178 758**	**7 689 462**
Loans and advances to banks	1 130 137	-	(22)	(1 023 571)	-	**106 544**
Loans and advances to customers	3 174 962	1 151 427	504 025	(444 801)	4 815	**4 390 428**
Reverse sale and repurchase agreements	91 518	-	-	(73 600)	-	**17 918**
Debt securities	3 028 076	-	-	(17 212)	-	**3 010 864**
Other financial assets	-	-	1 010	(11 245)	173 943	**163 708**
Fair value change of hedged items in portfolio hedge of interest rate risk	**-**	**-**	**-**	**-**	**3 159**	**3 159**
Associates and other investments	**-**	**-**	**904**	**(320 759)**	**375 024**	**55 169**
Property and equipment	**23 906**	**484**	**1 378**	**(715)**	**95 448**	**120 501**
Intangible assets	**-**	**-**	**95**	**-**	**70 999**	**71 094**
Income tax assets	**-**	**-**	**712**	**(10)**	**12 838**	**13 540**
Current income tax assets	-	-	223	(10)	63	**276**
Deferred income tax assets	-	-	489	-	12 775	**13 264**
Other assets	**-**	**-**	**5 136**	**(18 771)**	**76 002**	**62 367**
Assets held for sale	**-**	**-**	**-**	**-**	**1 369**	**1 369**
Total assets	**10 230 303**	**1 662 949**	**521 391**	**(2 121 192)**	**813 597**	**11 107 048**

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31.12.2023	Corporate Banking and Institutions	Retail and Private Banking	Leasing	Consolidation effect	Other	Total
Liabilities						
Financial liabilities measured at fair value through profit or loss	**165 234**	**-**	**-**	**(12 653)**	**-**	**152 581**
Derivative financial liabilities	142 597	-	-	(12 653)	-	**129 944**
Financial liabilities from short positions	22 637	-	-	-	-	**22 637**
Financial liabilities measured at amortised cost	**7 777 027**	**2 698 714**	**501 270**	**(1 772 151)**	**584 965**	**9 789 825**
Amounts due to banks	3 044 948	-	496 150	(1 513 431)	-	**2 027 667**
Amounts due to customers	3 983 154	2 610 862	-	(50 926)	414 010	**6 957 100**
Sale and repurchase agreements	85 367	-	-	(73 600)	-	**11 767**
Issued debt securities	540 863	87 852	-	(107 814)	-	**520 901**
Subordinated debts	122 695	-	-	(14 354)	-	**108 341**
Other financial liabilities	-	-	5 120	(12 026)	170 955	**164 049**
Hedging derivative liabilities	**22 232**	**-**	**-**	**(5 214)**	**-**	**17 018**
Provisions for liabilities and charges	**19 534**	**7 041**	**28**	**(130)**	**4 767**	**31 240**
Income tax liabilities	**-**	**-**	**548**	**1 095**	**15 342**	**16 985**
Current income tax liabilities	-	-	548	(16)	14 822	**15 354**
Deferred income tax liabilities	-	-	-	1 111	520	**1 631**
Other liabilities	**-**	**-**	**4 188**	**(18 250)**	**90 090**	**76 028**
Total liabilities	**7 984 027**	**2 705 755**	**506 034**	**(1 807 303)**	**695 164**	**10 083 677**
Equity						
Share capital	**-**	**-**	**1 044**	**(141 391)**	**462 877**	**322 530**
Share premium	**-**	**-**	**11 112**	**(110 794)**	**448 576**	**348 894**
Retained earnings	**-**	**-**	**(415)**	**(151 826)**	**196 995**	**44 754**
Other reserves	**-**	**-**	**176**	**(2 162)**	**53 052**	**51 066**
Profit for the year	**-**	**-**	**3 440**	**35 226**	**138 013**	**176 679**
Accumulated other comprehensive income	**-**	**-**	**-**	**14 075**	**22 390**	**36 465**
Non-controlling interest	**-**	**-**	**-**	**42 983**	**-**	**42 983**
Total equity	**-**	**-**	**15 357**	**(313 889)**	**1 321 903**	**1 023 371**
Total liabilities and equity	**7 984 027**	**2 705 755**	**521 391**	**(2 121 192)**	**2 017 067**	**11 107 048**

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31.12.2023	Corporate Banking and Institutions	Retail and Private Banking	Leasing	Consolidation effect	Other	Total
Interest and similar to interest income	1 272 097	141 639	38 069	(258 008)	10 913	**1 204 710**
Interest and similar to interest expense	(841 362)	(19 171)	(24 841)	273 453	(27 232)	**(639 153)**
Net interest income	**430 735**	**122 468**	**13 228**	**15 445**	**(16 319)**	**565 557**
Net income from fees and commissions*	**55 423**	**86 646**	**812**	**3 695**	**(7 135)**	**139 441**
Result from remeasurement and derecognition of financial instruments	**53**	**6 167**	**(713)**	**(2 853)**	**-**	**2 654**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	(39 236)	-	-	(32 869)	-	**(72 105)**
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	2 867	-	-	(83)	-	**2 784**
Results from derecognition of loans and debt securities measured at amortised cost	(2 302)	-	17	(129)	-	**(2 414)**
Results from hedge accounting	(5 980)	-	-	30 228	-	**24 248**
Foreign exchange gains less losses	44 704	6 167	(730)	-	-	**50 141**
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**(67 504)**	**(5 599)**	**(126)**	**(7 143)**	**4 911**	**(75 461)**
Expected credit loss on financial assets, financial guarantees and loan commitments	(62 371)	3 655	1 077	(2 941)	1 962	**(58 618)**
Provisions for litigation, restructuring and similar charges						
(Loss) / gain on modification of financial instruments that did not lead to derecognition	-	-	(187)	-	(170)	**(357)**
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(5 133)	(9 254)	(51)	-	(11)	**(14 449)**
(Impairment) / Reversal on associates and other investments	-	-	(907)	(4 202)	3 429	**(1 680)**
(Impairment) / reversal of impairment on other financial and non-financial assets	-	-	(58)	-	(299)	**(357)**
Dividend income	**-**	**-**	**-**	**(6 058)**	**7 686**	**1 628**
Administrative and other operating expenses	**(159 277)**	**(172 194)**	**(10 331)**	**36 746**	**(114 013)**	**(419 069)**
Depreciation and amortisation	(15 713)	(16 293)	(333)	1 004	(4 037)	**(35 372)**
Other income	**-**	**-**	**11 241**	**(44 650)**	**59 185**	**25 776**
Other expense	**-**	**-**	**(10 047)**	**7 963**	**(19 131)**	**(21 215)**
Gain on negative goodwill	**-**	**-**	**-**	**4 821**	**-**	**4 821**
Share of profit or loss of associates	**-**	**-**	**-**	**1 799**	**(4 055)**	**(2 256)**
Profit before taxation	**259 430**	**37 488**	**4 064**	**9 765**	**(88 871)**	**221 876**
Income tax income / (expense)	-	-	(625)	443	(38 504)	**(38 686)**
Result from discontinued operation	12 992	-	-	(12 992)	-	**-**
Profit for the year	**272 422**	**37 488**	**3 439**	**(2 784)**	**(127 375)**	**183 190**

** Income from commissions and fees are evaluated by the management of the Group on net a basis.*

Measurement of segment profit or loss

Segment reporting under IFRS 8 requires a presentation of the segment results based on management reporting methods with reconciliation between the results of segments and the consolidated financial statements. The information provided about each segment is based on the internal reports about segment profit or loss, assets and other information which are regularly reviewed by the management.

Calculation of intersegment revenue

Intersegment revenues and expenses are calculated on market interest method. In the case of refinanced loans, as well as those linked to a deposit, are evaluated against the connected transaction. Revenues and expenses on refinanced loans and loans linked to deposit are calculated with reference to the interest of the underlying transaction.

Since the Group's business activities are diverse in nature and its operations are integrated, certain estimates and judgments have been made to apportion revenue and expense items among the segments.

Both revenues and non-current assets can be connected to domestic activities based on geographical location.

4.33 Information on employee share system

With the modification of the ESOP Act, which came into effect on 28 November 2015, a new type of Employee Share Ownership Programme could be launched. MKB Bank as the former member of MBH Group was one of the first to use this opportunity to establish its own ESOP Organisation on 30 May 2016.

In 2017 the MBH Group launched its ESOP's Remuneration Policy, which is operated by the ESOP Organisation. The operation of the Bank's remuneration policy is regulated by the CRD/Hpt. (Capital Requirements Directive) based remuneration framework of the Bank and the ESOP Act. Eligible employees submit a participation declaration, to become participants of the ESOP and subject to the regulations of the Remuneration Policy.

In order to settle the variable cash settled share-based payments, the ESOP exercises subordinated MBH's bonds and buys financial settlement type purchase-rights for ordinary shares. These transactions are financed by MBH as the founder's financial contribution. The amount and quantity purchased are in line with the employees' bonuses assessed. The MBH as the founder has to ensure the financial contribution 2 years before the employee settlement, due to an obligation regulated by the ESOP Act.

The purchase options are financial settled, therefore there are no actual share movements. The beneficiary of the purchase options is the ESOP Organisation, so the employees are not beneficiaries. The participants of the ESOP will not become owners of shares. However, the financial assets managed by the ESOP Organisation are the bases of the participants' membership. Participants will be entitled for the financial settlement of cash settled share-based payments, as it is regulated by the ESOP Remuneration Policy. The Policy determines the market price calculation method of the shares belongings to the purchase options. In addition to cancellation of the participant's membership, the payments of the cash settled share-based payments will be managed by the ESOP Organisation and performed after the recognition of the bonds and the purchase options in line with the deferral periods.

The share-based payments of the purchase options are accounted based on the principles of IFRS 2 standard, while the benefit relating to the bonds are accounted as of IAS 19 standard.

Consolidated Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

Changes in purchase options	Number of related shares	Option fee (HUF/share)
2024		
Outstanding at the beginning of the period	***9 296 799***	***10***
Granted during the period	3 797 767	10
Exercised during the period	(683 101)	10
Derecognition (expired)	(2 724 540)	10
Outstanding at the end of the period	***9 686 925***	***10***
2023		
Outstanding at the beginning of the period	***7 399 972***	***10***
Granted during the period	3 266 767	10
Exercised during the period	(373 795)	10
Derecognition (expired)	(996 145)	10
Outstanding at the end of the period	***9 296 799***	***10***

4.34 Events after the reporting period

Purchase the 14.88% of Fundamenta

On 11 November 2024 the Bank has signed a share purchase agreement with Generali Biztosító Ltd. in order to purchase a total of 14.88% stake of Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd. The closing of the transaction is expected in first half of 2025, subject to obtaining the necessary regulatory approvals.

Issue of an aggregate nominal value of EUR 750 million (HUF 306 billion) credit rating and listing of the Senior Preferred Notes

MBH Bank has issued Senior Preferred Notes with an aggregate nominal value of EUR 750 million (HUF 306 billion) - ISIN: XS2978001324 - for a 5-year maturity non-callable for the first 4 years, unsecured claims with the value date of 29 January 2025. The maturity date of the notes is 29 January 2030, the use of proceeds is general corporate purposes. The fixed interest rate of 5.250% per annum will be paid up to the optional redemption date of 29 January 2029. Moody's Investors Service Cyprus Ltd. has assigned a 'Ba2' rating to the notes. The notes were listed on the Luxembourg Stock Exchange on 29 January 2025.

Supervisory Board chairmanship

The Supervisory Board of the Bank elected Mr. Miklós Vaszily as Chairman of the Supervisory Board by Resolution No. 54/2024(12.11.)-MBHB-FB for the period from the date of issuance of the approval of National Bank of Hungary required for the position until the expiration of his membership on the Supervisory Board. The election of Mr. Miklós Vaszily as Chairman of the Supervisory Board was approved by the National Bank of Hungary by Resolution No. H-EN-I-112/2025 dated 11 March 2025, he as Chairman of the Supervisory Board accepted his election in writing on 12 March 2025. In accordance with the above, the mandate of Mr. Miklós Vaszily as Chairman of the Supervisory Board entered into force on 12 March 2025.

M B H B a n k Plc.

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statistic code

Consolidated
Management Report

31 December 2024

MANAGEMENT REVIEW AND ANALYSIS[1]

1. HISTORY OF MBH BANK PLC.

MBH Bank's stability is based on the combined knowledge and experience of three Hungarian financial institutions with a long history, Budapest Bank, MKB Bank and Takarékbank.

On May 15, 2020, MTB Magyar Takarékszövetkezeti Bank and MKB Bank signed a Memorandum of Understanding to establish a joint financial holding company – Magyar Bankholding – in which the two financial institutions entered with equal ownership. On 26 May, 2020, Budapest Bank also joined the strategic cooperation.

Magyar Bankholding was established to carry out the merger and transformation of Budapest Bank, MKB Bank and Takarék Group as a domestically owned financial holding company. The company started its effective operations on 15 December 2020, after the major shareholders of the three banks transferred their bank shares to the joint holding company with the approval of the National Bank of Hungary (hereinafter referred as 'NBH'), thus creating Hungary's second largest banking group.

On 15 December 2021, the General Meeting of MKB Bank and the highest decision-making bodies of Budapest Bank and Magyar Takarék Bankholding, which owns the Takarék Group, approved the merger timetable for the merger of Budapest Bank, MKB Bank and Magyar Takarék Bankholding. As a first step, on 31 March 2022, the two member banks of the banking group, Budapest Bank and MKB Bank merged with Budapest Bank being merged into MKB Bank.

The merged bank continued to operate under the name of MKB Bank until 30 April 2023, when Takarékbank joined, and since 1 May 2023 it has continued to operate under the name of MBH Bank, with a single brand name and image. The Banking Group aims to implement customer-centred, competitively priced, internationally leading digital solutions, products and services, building on the combined strengths, values and best practices of the three strong domestic commercial banks. The integration of the three member banks is unique not only in Hungary, but also in the financial market of the region, mainly due to its complexity and size.

MBH Banking Group is stable and core market participant in the Hungarian financial sector. Currently, it is the second largest Banking Group in Hungary in terms of total assets and also has the largest branch and ATM network. The Banking Group is a market leader in number of areas, including lending to corporate customers and the micro, small and medium-sized enterprise sector, which has key importance to the national economy, serving agricultural and private banking clients, and in the leasing market.

[1] In the next chapter of the management review and analysis, we assess and analyze the financial situation of the Group and the results of the activities in order to give the reader an overview of the consolidated financial situation and the results for 2024. The following analyses are based on the consolidated financial statements of MBH Group prepared in accordance with the International Financial Reporting Standards ("IFRS") for 2024 to the accounting date of 31 December 2024, audited by the registered auditors of the PwC Auditing Ltd. Accordingly, the following analysis focuses on the performance of the Group. Individual financial statements prepared in accordance with the IFRS requirements will be presented separately.

2. OPERATIONAL ENVIRONMENT

In the developed economics, inflation rates have been further reduced in 2024, but inflation has not yet stably reached the desired targets. The growth figures for 2024 were positive, with the US economy expanding at a steady pace above 2.5%, while growth in the euro area was rather lagging behind last year. Central Banks in the developed countries started their rate cutting cycles in 2024, but with different dynamics. The European Central Bank started its rate-cutting cycle in June and, after a pause in July, maintained it until the end of 2024, bringing the deposit rate down to 3.00% by the end of the year. The Fed cut rates later but by a larger 50 basis points, first in September 2024 and then in the last quarter of 2024, with two 25 basis point rate cuts, to 4.25-4.50% by the end of 2024 overseas.

Although the euro area economy avoided a technical recession in 2024, the weak growth dynamics (and the weakness of our main trading partner, Germany) were also a significant drag on the Hungarian economy. In both the second and third quarters of 2024, domestic GDP declined on a quarterly basis, pushing the Hungarian economy back into a technical recession. Subsequently, however, the Hungarian economy emerged from the technical recession in the fourth quarter of 2024, with economic output expanding by 0.5% in the fourth quarter of 2024 compared to the previous quarter. The growth rate was thus slightly better than expected.

In 2024, prices rose by 3.7% on average compared with the previous year, in line with expectations. The inflation indicator moved out of the central bank's tolerance band in May and July. The moderation in inflation has been supported by a fall in fuel prices, while price increases for services have remained high for a long time. Inflation reached its lowest level in September 2024, when the annual average price increase fell to the 3% target for the first time since January 2021. Inflation in December was 4.6%, higher than the annual average. The main reason for the year-end increase was the base effect. In addition, by the end of 2024, the weakening of the forint was also visible in the rise in the price of consumer durables. Core inflation was 4.7% in December 2024. The price index for services remained high at well above 5% throughout the year, while the price of household energy fell year-on-year and, with the exception of December, the price of consumer durables also fell in 2024.

The MNB continued its cycle of interest rate cuts in 2024, with the base rate falling to 6.50% in September from 10.75% at the beginning of 2024. In the fourth quarter, the MNB paused the rate cuts, leaving the policy rate at 6.50% until the end of 2024. The MNB's room for manoeuvre was also narrowed by the expected upward revision of the Fed's interest rate path and the sharply weakening forint. In addition, inflationary pressures have also increased, which also prevented a rate cut.

According to the Ministry of National Economy's January release, the central sub-system of the general government finances closed with a deficit of HUF 4,095.8 billion in 2024, below the increased deficit target of HUF 4,790 billion. According to the NGM, the accrual-based deficit as a share of GDP could be 4.8% of GDP (final data will be released on 1 April 2025). Expenditure on pensions and pension-like benefits, baby grants and preventive medical care exceeded the amounts spent a year earlier. Tax and contribution revenues of the central subsystem were 8.7% higher than in the previous year. 2024 saw no reduction in the ratio of public debt to the size of the economy. The debt-to-GDP ratio rose from 73.4% at the end of 2023 to 73.6% at the end of last year.

The external financing capacity for 2024 (only preliminary data is available for the fourth quarter) was €6.8 billion (equivalent to 3.3% of GDP), consisting of a surplus of €6.1 billion on the current account and €730 million on the capital account. The trade in goods balance improved by €2.6 billion last year compared to a year earlier, with a surplus of €11.6 billion.

After 2023, the credit institutions sector also had an outstanding year in 2024 in terms of profit after tax: based on unaudited data, domestic banks achieved a profit of HUF 1,632 billion in 2024, which is HUF 153 billion higher than in 2023, and a return on equity of at least 20%. In numerical terms, the improvement over 2023 was driven by an increase in dividend income of nearly HUF 140 billion and an improvement in non-interest income from financial and investment services of more than HUF 90 billion. However, these are not sustainable trends in the long term in terms of volume. Interest income was around HUF 100 billion lower than in 2023, which is better than expected, given that the sector realised significantly lower interest income on its deposit assets held with the MNB due to the decline in central bank interest rates, and in addition, the interest rate limits previously introduced on specific mortgage loans remained largely effective during 2024. This deterioration in interest income was offset by a roughly HUF 55 billion improvement in fee and commission income, although transaction fees increased by more than HUF 100 billion in expenses, and the sector was unable to pass on part of this increase to its clients. Operating costs increased by HUF 150 billion from 2023 to 2024, well above the rate of inflation and slightly above the rate of revenue growth, so the cost-to-revenue ratio increased marginally from its 2023 level but remained below 40%. After a near-neutral impact on profit in 2023, risk costs in 2024 amounted to HUF 108 billion, mainly due to accelerating net impairment charges in the second half of the year. At the same time, the sector's tax payments decreased by around HUF 50 billion (HUF 70 billion taking into account the evolution of the contribution to resolution and deposit insurance funds) compared to 2023, mostly due to the possibility of a reduction in the extra profit tax. Overall, therefore, the banking sector continued to show an outstanding performance in 2024. However, the resulting trends are partly unsustainable in the longer term and, coupled with a moderately continued decline in yields, a meaningful correction in the equity ratio is therefore expected.

3. THE CONSOLIDATED PERFORMANCE OF MBH GROUP IN 2024

The consolidated total assets of the Group increased by 12.6% to HUF 12,504.7 billion by the end of 2024. The stock of customer loans measured at amortised cost amounted to HUF 5,245.1 billion, while the stock of customer deposits reached HUF 8,052.5 billion. Profit after tax increased by HUF 22.7 billion to HUF 205.9 billion.

The Group's financial and business fundamentals were strengthened further, including capitalization, liquidity, funding structure, balance sheet structure and the performance of its business lines.

Key figures (HUF million, %)	**31.12.2024**	**31.12.2023**	**change (%)**	**change**
Total assets	12 504 691	11 107 048	12.6%	1 397 643
Financial assets measured at amortised cost	8 943 686	7 689 462	16.3%	1 254 224
o/w Loans and advances to customers	5 245 074	4 390 428	19.5%	854 646
Financial liabilities measured at amortised cost	11 109 168	9 789 825	13.5%	1 319 343
o/w Amounts due to customers	8 052 470	6 957 100	15.7%	1 095 370
Equity	1 139 456	1 023 371	11.3%	116 085
Profit before taxation	243 943	221 876	9.9%	22 067
Profit for the year	205 922	183 190	12.4%	22 732
Total comprehensive income	180 854	241 103	(25.0%)	(60 249)

4. PERFORMANCE OF THE INDIVIDUAL BUSINESS LINES[2]

Retail clients

Daily banking and related credit products

In retail account products, the Banking Group's product modernisation project has been going strong, with the aim of making the product portfolio more consistent and simpler, which also supports the digital transformation of the Banking Group.

Several successful marketing campaigns, modernised pricing and products supported the Banking Group's customer acquisition and financial plans. The Banking Group has strengthened its partnership channels and entered into an important cooperation with the Hungarian Olympic Committee and thanks to this, besides supporting the Hungarian Olimpians, the Banking Group issued an exclusive product which is unique in the banking sector.

As part of a joint campaign with the Hungarian Olympic Committee and Visa, the Banking Group issued Visa Sustainable card with Olympic card design and introduced Visa Signature premium card, the first Visa metal card issued in Hungary. The MOB Visa Signature Metal cards is eligible for Hungarian Olympians having top eight places during the summer and winter Olympic games. The launch of this card product brought to the Banking Group the 'Product launch of the Year' award of Visa Awards 2024.

The Banking Group increased the number of actively used debit cards and following market trends the usage of mobile payment solutions is increasing.

The mobile Post sales network was expanded during the year, and 17 Media Markt stores started credit card sales instead of the previous sales finance activity with the aim to accelerate and to simplify the service for the returning clients.

In the last quarter of 2024, the Banking Group's retail partners saw a pick-up in demand for trade credit, resulting in a significant increase in trade credit originations. The increase in purchase volumes also supported partner credit card issuance.

Savings

In retail savings, investment funds remained the most popular in 2024. The Banking Group primarily offered to its clients the wide range of product of MBH Fund Manager. Bonds and mixed investment funds were particularly popular, which highly contributed to the 33% increase in the total volume of retail customer's funds managed within the Banking Group compared to 2023. Beside deposits, investment funds and government bonds, MBH Banking Group own bonds were also eligible for retail customers in 2024.

The Banking Group started the simplification of its deposit portfolio in the framework of product modernisation project.

Covered and uncovered loans

In 2024, the banking sector set a record for housing lending. New housing loans in the sector amounted to more than 1,300 billion HUF, with MBH Banking Group's disbursements multiplied year-on-year. The increase in average loan amounts from 11-12 million HUF to 20 million HUF played a significant role in the growth of 2024. Subsidised programmes (e. g. CSOK Plusz, Babaváró loan) also help to further increase both the number of housing transactions and the amount of housing loans.

MBH Banking Group voluntarily supported the institution of APR cap between 1 January and 30 June. The Banking Group set by keeping the interest rate of home loans with market conditions below the defined cap and further decreased the interest of these loans according to the cap modification from January 2024.

[2] The source of individual market data: NBH (National Bank of Hungary), KAVOSZ, BAMOSZ (Association of Hungarian Investment Funds and Asset Management Companies), Exim Bank, MFB (Hungarian Development Bank), MBH's own calculation

The maximization of credit interest rates by the government still supported clients with payment difficulty in 2024. The government decree of 2nd December 2024 prolonged the validity of the interest rate freeze until 30 June 2025; thus, mortgage loan clients pay their instalments under favourable conditions.

The Banking Group was prepared for the transformation of the Home Support Programme, from 1 January 2024, the new CSOK Plusz, the Falusi CSOK with modified conditions and the Baby Loan constructions are available in its loan portfolio. MBH Banking Group aims to serve its customers by providing the full range of state subsidized loans.

To strengthen its market position, the Banking Group announced Baby loan promotion all year long and sold its mortgage loan products with competitive interest rate even after the expiration of the voluntary APR cap.

The volume of new mortgage loans declined from the third quarter to the fourth quarter of the year. The market was partly waiting for the clarification of the 5% APR cap's application rules and partly awaiting news of possible government subsidy/rebate announcements. However, the very close relationship with credit intermediaries established during the year was able to offset these effects in the last quarter, and the volume of mortgages intermediated by credit intermediaries to MBH Banking Group continued to increase. MBH Banking Group continued strengthening its market share in 4Q.

Personal loan sales showed continued strength in 2024, supported by several factors volume boosting effect of marketing campaigns, the well-timed CRM campaigns, and the improving market environment. In November-December 2024 both MBH Banking Group sales and the personal loan market showed a slight fall-back compared to the record volumes in the previous period of the year.

Demand for MBH personal loans was also buoyant in 4Q at the expanded Posta outlets.

Globally, new volumes increased to 126.6 billion HUF, representing a major boost compared to 2023, making MBH Banking Group a more important player on the personal loan market.

Insurances

Our insurance partner, CIG Pannónia, in cooperation with the Banking Group, has restructured its group life insurance products, ensuring that the sums insured provide real security in the event of a claim, so that the so-called Extra insurance for accident, life, income and banking and digital protection has also been upgraded from 1 March 2024.

In the national home insurance campaign launched by the Hungarian Government in March 2024, the Banking Group participated with the sales of home insurance products of CIG Pannónia. The Banking Group offered to its clients to book their home insurance online.

CIG Pannónia Biztosító introduced CIG360 Life-, Accident- and Illness insurance in June 2024, instead of the previous Pannónia Bárka Life-, Accident- and Illness insurance. The new product is more adapted to client's expectations, coverage elements are expanded, thus a wider range of client demand can be satisfied.

MBH SZÉP card

The number of MBH SZÉP card holders exceeded 269 thousand by the end of 4Q. Nearly HUF 35.3 billion employer contributions were transferred to them in 2024 with 868 thousand transactions. The MBH SZÉP Card holders spent nearly HUF 32.8 billion in 2024 with 5.3 million transactions.

Premium segment

In the premium segment, the focus was on enhancing premium value and service, as well as introducing digital solutions and simplified portfolio offerings. As a result, the premium segment continued to grow in Q4, while the portfolio streamlining is ongoing.

In terms of number of clients, the Banking Group expects strong growth also in 2025, as it has made premium services available to clients who meet the income criteria. Assets under management grew to 985 billion HUF, an annual growth of 25%.

The investment penetration of the portfolio is 82.5%. Thanks to the very good cooperation with the Investment Bank and MBH Fund Manager, the product diversification of investment portfolios has continued; with 53.3% of the portfolio in investment funds, the Banking Group maximized the return on savings with optimal risk.

One of the most important pillars of the Premium Value proposition is full financial advice, i. e. in addition to managing savings, the Banking Group also offers solutions to meet the financial needs of its customer. In this respect, the Banking Group has made great strides in both home savings and individual insurance but is far from realising the potential of the Premium portfolio.

Micro and small business segment

In the last quarter of 2024, the Banking Group launched BUPA, a platform of beyond banking services for the SME segment, helping businesses at all stages of their lifecycle. It is able to offer mass services and will also be able to offer personalised services in the short term.

In 2024, the demand for government-subsidised loans to boost the economy among micro and small enterprise customers remained unbroken. The MAX+ scheme of the Széchenyi Card programme was the most popular in that segment. Most of the loans extended to businesses through these schemes were the driving force behind lending in that segment throughout the year. MAX+ contruction of the Széchenyi Card program was the most popular.

The MAX+ program has seen an increase in demand for liquidity loans, which is expected to continue into 2025.

In addition to subsidised loan constructions, the competitiveness of own-bank loans has weakened further in a rising interest rate environment, further widening the cost difference between fixed subsidized and variable-rate market loans.

In 2024, the Banking Group has continued to focus on improving its loan servicing processes.

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MFB Points

The Banking Group has 154 corporate and 155 retail MFB Point Plus units.

In MBH Banking Group, the first retail MFB Pont Plus product, the Home Renovation Program, debuted in Q1 2024. The new product provides interest-free loans and non-refundable grants for residential energy efficiency investments.

MBH Banking Group has expanded its MFB Pont Plus product range with the introduction of three new corporate loan programmes in the last quarter of 2024.

At the beginning of the last quarter of 2024, the SME Technology Plus Budapest Loan Programme was launched, which supports the investments of businesses in Budapest in the form of interest-free loans. The aim of loan scheme is to support SMEs in building and improving their capacity to develop advanced products and services, enabling the use of renewable energy technologies and related energy efficiency investments. MBH Banking Group is the most important participant of the program with a market share of 90%.

In the fourth quarter of 2024, two new products were launched to support the digitalisation of businesses. One of them, the *Digitalisation Support for Micro, small and medium enterprises*, is a one-stop combined loan product offering both an interest-free investment loan and a non-repayable grant to increase digital intensity. The other, the Support for the *Digitalisation of Small and medium enterprises* loan programme, provides an interest-free investment loan with a higher loan amount, also to promote digital upgrading.

The Banking Group is actively participating in the DIMOP loan programme, which aims to improve the competitiveness of SMEs with low digital intensity, to support the implementation and operation of digital transformation, including basic and advanced digital solutions available on the market.

Branch network

MBH Banking Group has the largest branch network in the Hungarian market, 397 branches are serving the clients countrywide.

Following the merger assignments in the previous year, MBH Banking Group implemented several infrastructure upgrades and technological improvements in 2024. Physical renovations to create modern spaces continued in 4Q, and new branch locations and new types of service points were added to the accessibility of Banking Group's services.

In line with the needs of the young generation, our Digital Kiosks offer customers a safe, fast and convenient way to open a bank account without the need for a personal presence in person, using modern video banking technology.

In 4Q 2024 continuing the planned ATM network development and upgrading, new machines were installed in several branch and non-branch locations. With nearly 1,000 ATM machines operating across the country, Banking Group confirmed its second place on the market.

Digital transformation is a key strategic objective of the Banking Group. In line with this objective, a unified customer call system and application has been implemented across the entire branch network, with technological capabilities that allow customers to book appointments online and queue remotely. In line with ESG guidelines, the customer call system ensures paperless number generation.

In 2024, the acquisition process of the Fundamenta Group was completed. MBH Banking Group's extensive branch network and the Fundamenta Personal Banker network together represent the dominant sales force in the domestic savings and mortgage market. By combining product ranges, combining banking, home savings and insurance products, and increasing the efficiency of administration, our customers can manage their finances more conveniently, faster and with more compatible solutions.

Thanks to the well-prepared and well-scheduled expansion of the Sales Efficiency Improvement Programme, which was running throughout the year and received strong organisational attention, sales capability and efficiency improved significantly across the Banking Group's branch network in the last quarter in all the indicators assessed. This complex training and support, which is unique in the sector, is helping to deliver successful, quality customer service in a sustainable was over a long term.

In addition, in 4Q the Training Programme, which has expanded to a nationwide coverage, has contributed to the acquisition of professional competencies and organisational integration of new branch staff through on-site mentoring.

Corporate and institutional customers

Relying on its traditional strengths, MBH Banking Group’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.

In 2024, the Banking Group is committed to providing innovative banking solutions that make it easier for businesses to operate, increase their competitiveness and support their investment plans.

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

In line with its strategy, MBH Banking Group 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 Banking Group remained an active participant in the continually renewed Széchenyi Card Programme. In the SZKP MAX+ programme which has been launched in January 2023 and is still running, MBH Banking Group's market share of the Corporate business, including micro and small enterprises, in terms of the number of loan applications originated, is 34%, and 29%[3] in terms of the number of applications originated.

In 2024, there was strong demand for subsidised loan products compared to market-rate loans thanks to surging demand, as opposed to market-rate loans, given that these products offer a much lower interest burden for companies, thus significantly improving the domestic and international competitiveness of domestic businesses.

MBH Banking Group has traditionally maintained close ties with Eximbank to enable customers to benefit from EXIM financing sources. In order to provide flexible and comprehensive services to its customers, the Banking Group continues to actively participate in all subsidized loan programs announced by Eximbank, including the Baross Gábor Reindustrialisation Investment Loan Programme Plus, which is scheduled to continue in 2024, where a total of 160 billion forints out of the 200 billion forint budget became available for commercial banks for investment loans with a fixed low interest rate in forints and euros until the end of the maturity period. The Banking Group's clients have requested these products in significant amounts, including for green investment purposes.

At the Exim Awards Gala held on 20 March 2024, the Banking Group was honoured in three categories:

- Bank of the Year 2023 (MBH Bank)
- Green Funding Partner of the Year 2023 (MBH Bank)
- Most Active Leasing Company (Euroleasing)

In 2024, the Banking Group continued to show a strong commitment to the corporate sector, with small and medium-sized enterprises (SMEs) as a key segment, with a focus on increasing product penetration. The Banking Group has made significant efforts to support its clients' growth and success in the market. Through innovative solutions and personalised services, the Banking Group has further strengthened its market position.

State administration relations, Municipal clients, Churches

One of the key elements of MBH Banking Group 's market share growth and national strategy is to provide high quality financial services to state, municipal and church customers and related institutions. To this end, the relevant client base is served by a dedicated area with specialised operational expertise in public administration, municipalities and churches, in addition to banking experience.

MBH Banking Group gives priority to providing high quality services to higher education institutions, foundations, public foundations, associations and other public benefit organisations, and has an independent team of experts to provide unique financial solutions to its public administration, public

[3] Source: KAVOSZ

service and priority social clients. MBH Bank currently serves more than 100 university and foundation clients in Budapest and the countryside.

MBH Banking Group aims to become a market leader in the entire municipal segment and continued to successfully implement its municipal strategy in 2024. It is already the number one player in eight counties (Baranya, Borsod-Abaúj-Zemplén, Csongrád-Csanád, Győr-Moson-Sopron, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok, Komárom-Esztergom) in terms of the number of local governments with accounts. In the Hungarian market, the Bank has maintained its second position. Among the most significant municipalities, MBH Bank became the exclusive account manager of the cities of Csorna, Kisvárda, Szerencs, Mezőcsát and the county town of Veszprém through successful acquisitions in 4Q 2024.

MBH Banking Group currently manages the accounts of 1,300 municipalities and their institutions (primary education institutions, kindergartens, nurseries, etc.). The aim of this area is to give greater emphasis within the portfolio to the full range of services provided to customers with municipal and county status.

MBH Banking Group's Municipal Area is focused on broadening its involvement in local communities and local economic and social ecosystems, supported by a dedicated and expanded management and reference team with specific municipal and banking experience.

In 2024, the specialised area of MBH Bank dedicated to serving church clients continued the strategy, deepening its active cooperation with the highest level of all three historic churches.

MBH Banking Group currently manages nearly 2,000 church clients. The priority of the church sector is to reach out to the network of educational, social and health institutions run by churches and to further expand its existing business relationships. In 4Q, the Bank continued to reach out to church employees through its employer partner programme.

In addition to financial service, MBH Banking Group is actively involved in the daily life of church organisations through social responsibility initiatives, financial awareness programmes and sponsorship of various events.

Agricultural clients

Market environment:

Factors shaping the market environment have had mixed, overall, moderately negative effects on agricultural and food finance, but it remains the case that the trends visible suggest a subsequent improvement:

- The year 2024 was characterised by early spring precipitation deficit, record warm weather in late March - early April, followed by high precipitation and then a summer drought lasting nearly 2.5 months. Overall, the total production of the five main arable crops in our country was below average, but not abnormally poor, with maize being the main crop below the multi-year average.
- Farmers' income from arable crops was generally average, with loss-making production in maize and mainly in the south-eastern region, which was hardest hit by the drought. The livestock sectors had a very good year overall, with the pig and poultry sectors being the most notable.
- Domestic demand for food products partially starts to recover towards the end of the year, which is also reflected in food production.
- 2024 was a transition year for the food economy, with price levels remaining similar to last year and no surplus working capital needs at certain levels of the product chain. In addition, there was little investment, as the sector is holding off on investment until the CAP Strategic Plan tenders are dumped.
- We expect the HUF 1,300 bn of CAP Strategic Plan investments starting in 2024 to drive the agricultural credit market significantly, with meaningful growth expected from 4Q 2025.

Business results:

- The on-balance-sheet loan portfolio of the clientele managed by the business unit engaged in agricultural, food and related agribusiness activities increased further during the year. Within this, the growth in the food and other agribusiness sectors is notable.
- In terms of deposits, due to the very strong seasonality, the year-on-year comparison is relevant, where the business achieved a moderate (low single digit) growth in 2024.
- Factoring-based financing activity continued to expand in 2024, with products such as the multiannual pre-financing of normative agricultural subsidies. Overall, the factoring portfolio related to this business line increased significantly (several times).
- MBH Banking Group continues to be the clear market leader in the Agricultural Széchenyi Programme, financing almost four out of every five transactions for Agricultural Széchenyi Cards and almost 70% of the number of transactions for Agricultural Széchenyi Investment loans.

5. INVESTMENT SERVICES, TREASURY, PRIVATE BANKING

Treasury Trading

The Treasury took advantage of the market opportunities provided by the main exchange rate movements during the year and achieved a good year of business results, while keeping risk exposures low.
The Treasury trading area effectively managed short-term foreign exchange and interest rate positions arising from client positions, outperformed its own account trading activities and made good use of the business opportunities arising from money and capital market conditions during the year.
The Banking Group was an active participant in the bond market, with a significant share in the auctions of the ÁKK (Government Debt Management Agency) as primary dealer.

ALM & Liquidity service

In terms of operational liquidity management, the business unit continuously adapted to the changing monetary environment and fully executed the money market transactions necessary for the smooth functioning of the Banking Group's payment flows.

Treasury Sales

In 2024, Treasury Sales made the biggest step forward in the merger process by introducing a new sales and service model at the beginning of the year. The harmonisation of systems and processes has enabled the development of a model based purely on business efficiency, with the key element of alignment with the banking corporate segmentation. Small and medium enterprise, large enterprise and agri treasury sales teams have successfully established collaboration with corporate units and strengthened relationships with clients in their own portfolios. The last quarter saw a renewed focus on expanding and developing the product range alongside the business focus, and preparations for this have started.

Corporate Finance

In addition to the renewal of MBH Banking Group's domestic and international bond issuance framework, the area completed more than 30 domestic bond issues.
During 2024, the Banking Group announced several subscription periods for the placement of senior bonds denominated in HUF and EUR, mainly sold to retail customers, and successfully completed the

issuances. These issues took place in the framework of the Banking Group's domestic issuance programme with a total volume of HUF 400 billion.
To maintain its international issuance capacity, MBH Banking Group also renewed its EMTN Programme in October 2024 with a total volume of EUR 1.5 billion.

Investment services - sales

In 2024, both the government bonds and foreign bond series turnover declined along with a general drop in yields. By the end of the year, secondary market activity in retail government bonds also declined, mainly due to the expected repricing of the Premium securities in 2025. The retail bond programme remained a key priority for the Banking Group, with customers subscribing to the Banking Group 's papers in large volumes.

In 2024, foreign equity turnover increased substantially and structured products, such as certificates, showed a significant volume increase. The Banking Group introduced new structures, such as the annual coupon product, which generated particularly high customer interest. MBH Group continued to strengthen in certificate issuance, issuing a total of 23 certificates denominated in three currencies in 2024, with a volume of HUF 15.1 billion.

During the year under review, a new service provider was added to the MBH Group's partner network: the distribution of certificates produced under an agreement with the French NATIXIS group (France's second largest banking group BPCE) started in the last quarter of 2024. With this cooperation, the MBH Group has developed new certificate structures with the NATIXIS Group, and the so-called TWIN-WIN, SPLIT PAYMENT and FIX coupon schemes are now available at the MBH Group.

FX, forward, futures and option derivatives trading continued to expand both in volume and activity.

Investment Products and Services Management

During the year, MBH Banking Group successfully maintained its position as one of the largest securities distribution networks in the country. On 6 November 2023, MBH Investment Bank Zrt. was established and commenced effective operations as a member of the MBH Banking Group, but now operates in the market as a separate bank specialised in investment products and services.

As of the end of 2024, in addition to its network of intermediaries, the MBH Banking Group provides investment services at 410 points of sales, operated by companies and banks. The MBH Banking Group maintained its sub-distribution agreements for the distribution of retail government securities, which are used by a number of Investment Service Providers such as SPB Investment Ltd, HOLD Fund Management Ltd, Granit Bank Plc, Equilor Fund Management Ltd and Concorde Security Ltd. In line with the investment services strategy, several major projects and tasks have been implemented in the Banking Group:

- It strengthened the MBH Banking Group's supply of investment funds. The Group has more than 15 Fund Managers and over 400 investment funds available to its clients in the most popular asset classes, ensuring that specific investment options are always available, in line with the current market and economic environment, and a diversified portfolio. In Q4 2024, the MBH Banking Group introduced 35 investment funds for and made them available for its customers.
- During the year, MBH Banking Group issued 25 own bonds denominated in forints and 2 in euros, while 2 tap issues were made in forints and 10 tap issues in euros, for a total of HUF 57 billion and EUR 15 million respectively.
- In line with MBH Banking Group's commitment to digital development, MBH Banking Group is developing the MBH Netbroker and MBH Mobilbroker platforms, which were nominated by the Budapest Stock Exchange for the Online Hungarian Stock Trading Platform of the Year

Award in 2024. As of the last quarter of 2024, our customers are able to use the application and the web interface in both English and Hungarian via a language selector.

- In Q4 2024, MBH Investment Bank launched the MBH Flexible Savings Program, providing automatic and regular savings opportunities for those who wish to invest their savings in investment funds, even on a monthly basis, without any special administration.

Customers can build an investment portfolio tailored to their individual preferences with the Program, selecting from the more than 90 investment funds managed by MBH Fund Manager Ltd. In addition, within this service the Banking Group created 8 sample portfolios, which provide customers with specific investment ideas and a ready-made product portfolio. The portfolios of 2 to 5 investment funds are structured according to different themes, covering ESG, foreign equity markets, USD and EUR based investments, low, medium and high-risk investment funds.

Institutional custody sales

The institutional depository portfolio increased by more than a third in 2024, exceeding HUF 3,000 billion. At the same time, income figures were significantly higher than in the previous year. A number of acquisitions were made during the year, with MBH Banking Group now providing custody services to nearly 200 portfolios - with nearly 150,000 transactions per year – covering the entire institutional portfolio spectrum.

Private banking

MBH Private Banking is one of the most experienced player of the domestic market. In addition to private individuals with significant savings, Private Banking services are also available to actively investing companies, through the services of MBH Investment Bank.

Continuing the trend from previous years, MBH Bank Private Banking managed to increase the volume of the AUM. Taking advantage of market conditions, continuously developing the skills of private banker colleagues, and increasing the number of services and products available to clients, the client assets managed in the business branch exceed HUF 1,500 billion, making it the second largest private bank by asset under management in the domestic market.

Banking Group's private banking and wealth management activities were awarded 1st place in two categories at the Euromoney's Private Banking Awards 2024 in London. MBH Private Banking received the prestigious awards in the category "Hungarian Private Bank of the Year for High Net Worth Clients" for serving high net worth clients and in the category "Hungarian Private Bank of the Year for Discretionary Portfolio Management" for building a wealth management service.

In addition to the core activity of MBH Private Banking, it is a gold-level supporting member of the Social Impact Investing Association; strongly committed to the support of family wealth planning, and the increasingly important topic of succession planning and inheritance.

6. ACQUISITION ACTIVITY

Fundamenta-Lakáskassza

In 10 November 2023 MBH Bank Plc. signed a share purchase agreement with Bausparkasse Schwäbisch Hall AG (Germany), Bausparkasse Wüstenrot AG (Austria) and Wüstenrot & Württembergische AG (Germany) in order to purchase a total of 76,35% stake of Fundamenta-Lakáskassza Lakás-takarékpénztár Plc. (registered office: 1123 Budapest, 55-61., Alkotás Street, Hungary). The prior authorization of the transaction by the competition and the supervisory authorities was successfully completed, after which the Sellers and the Purchaser carried out the transaction on 27 March 2024.

The acquisition represents a significant growth, adding 480,000 customers, HUF 530 billion in loans and HUF 570 billion in deposits, and significantly increasing the Group's share of the retail savings and housing lending markets. In addition, Fundamenta's strong distribution network will make MBH Group's products available through new channels and to an even wider extent.

On 11 November 2024, MBH Bank Plc. signed a share purchase agreement with Generali Biztosító Ltd. in order to purchase a total of 14,88% stake of Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd. After obtaining the necessary regulatory approvals, MBH Bank Plc. will hold 91.23% of the company. The newly completed acquisition will further strengthen the Group's market position and its role in the areas of housing savings, real estate brokerage, housing lending and green energy. Fundamenta will continue to operate as a consolidated subsidiary of MBH Bank, but as a separate entity.

7. MAIN MEMBERS OF MBH GROUP[4]

In addition to its own range of banking products and services, MBH provides the services of its subsidiaries and partners too. The objective of the Group is to preserve, increase the market position of its subsidiaries, to deepen cooperation within the group, and to continually strengthen ancillary financial services.

Euroleasing

The MBH Banking Group includes the dominant operators of the domestic leasing market, Euroleasing Ltd., Budapest Leasing Ltd. and Euroleasing Real Estate Ltd. The Leasing Group has national network and market share of more than 25 percent[5] based on the newly placed, aggregated leasing stock, and is the leading member of the leasing market.

Car financing activity

The further growth of the financing market was also supported in the first half of 2024 by a turnaround in interest rates and significant sales support from importers and dealers, mainly in the form of interest rate subsidies in addition to price support.

The volume of new car sales increased in the first half of 2024 compared to the same period in 2023, there was a decrease in 3Q. Narrower application or the end of importer and dealer promotions immediately had an impact on sales numbers and, presumably, on the financing market as well.

Vehicle sales improved significantly in the last quarter, driven by importers' pressure to register vehicles due to the changing emissions rules from 2025. In 2024 car prices and the average financing amount also decreased slightly compared to 2023, but the volume of the financing market grew by over 20%.

Euroleasing Ltd. market role is also supported by partnership agreements with numerous importers and significant dealer networks. In 2024 new agreements were also concluded. The company will also cooperates with Magyar Posta Ltd. and MBH Duna Bank Ltd. in order to sell its products as widely as possible. The Group maintained and increased the previously high market share in the segment in 2024.

Asset financing activity

The Leasing Group has a dominant market position in the asset financing leasing market and achieved leading position with significant market share in its two most significant segments, the financing of

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[4] Source: Hungarian Leasing Association, BAMOSZ - Association of Hungarian Investment Fund and Asset Management Companies
[5] Hungarian Leasing Association

agricultural equipment and commercial vehicles. In both segments, the Group was able to significantly increase its market share compared to the previous year.

Every third investment in agricultural equipment financed through leasing and almost every fourth purchase of commercial vehicles financed through leasing was carried out with the support of Euroleasing in 2024. Excellent partnerships with the largest agricultural machinery dealers, limit-oriented service to returning customers and efficient cross-selling within the banking group have contributed significantly to increasing market share and maintaining market leadership.

State support programs (EXIM, Széchenyi Leasing MAX+) had a significant impact on the asset financing market segment, and the Euroleasing group remains clearly the most important player in the leasing market in terms of the intermediation of subsidised transactions.

The deterioration in the economic environment was transmitted to the asset finance market through contraction in investment appetite and demand from the second half of 2023. The termination of the EXIM BGH program in July 2024 also had a negative effect on demand from the second half of the year. This decrease in demand is expected to be adequately mitigated in the future by the state economic stimulus programs and the sales promotion solutions of manufacturers/distributors.

Changes in the economic environment affecting the Leasing Group

The Group has devoted considerable attention to monitoring and tracking its customer portfolios to reduce potential losses.

The considerable diversification of the Group's financing portfolio played an important role in countervailing the negative external effects, the development of which is an important pillar of the company's strategy.

Adapting to changing customer habits, the Group has devoted significant resources to further improving service quality and diversifying its sources of business, including the development of online availability and service.

MBH Fund Management Ltd.

The consolidation of the Fund Management's product portfolio continued in 2024. In addition to mergers and restructurings, one new fund was launched during the year.

As of 31 December 2024, the Fund Management managed a total of HUF 2,601 billion in net assets under management, representing a market share[6] of 11.10%. Within this, it invests HUF 1,790 billion in 66 investment funds and manages assets totalling HUF 811 billion for 9 funds, 3 insurance companies and 6 other customers in the context of portfolio management. MBH Fund Management is ranked second among pension fund asset managers (in terms of assets under management)[7].

MBH Fintechlab

For MBH Fintechlab, the year 2024 was all about adapting to a changing environment and evolving - until the end of the year, when the Bank reorganised its innovation competence. Until 2024, the brand name stood for both the MBH Inkubátor Llc. and the Business Innovation area of the Standard Servicing business line.

The MBH Fintechlab made a major contribution to the establishment of digital capabilities in banking, the conscious development of innovation maturity and the exploitation of its business potential. The

[6] Source: BAMOSZ - Association of Hungarian Investment Fund and Asset Management Companies (market share)
[7] Source: BAMOSZ - Association of Hungarian Investment Fund and Asset Management Companies (market share)

venture capital investment and the innovation management capability are the pillars of MBH Fintechlab's strategy.

During the year, MBH Fintechlab made a new investment, investing in a new round of an existing portfolio company, providing around 7% of the total amount raised in the new round. This company was Péntech Solutions Ltd (PastPay), which was the largest fintech investment by volume in Hungary in 2024. The Incubator also provided member loans to two of its existing portfolio companies. Fintechlab's portfolio companies recorded a number of growth successes. MBH Fintechlab successfully closed one full and one partial exit during the year, and another exit will close at the end of 2025 as the company will pay the exit amount to the Incubator in monthly instalments. With its exit numbers and portfolio value, MBH Incubator Ltd. is one of the two most successful of the 18 startup incubators in the country. In 2023, the company still had a debt of around HUF 2 billion to the bank, which - mainly thanks to the exits – reduced to zero by the end of 2024, its liquidity and its operations are stable.

Last year, the innovation management activity was launched in the Business Innovation area, where a total of 9 external fintech solutions were validated along the banking business needs, including the Péntech B2B BNPL solution from one of the start-up companies in our investment portfolio, with which MBH Fintechlab closed a successful test project, and the Book-keepie bookkeeper selecting platform, which was integrated into the BUPA SME ecosystem.

Solus Capital Venture Capital Fund Management Ltd.

Solus Capital Venture Capital Fund Management Ltd. could only carry out its investment activities in 2024 to a limited extent, exclusively from the realised and received exit proceeds, given that the primary investment period for both funds, as defined in the Intermediary Agreement for the Funds, ended at the end of 2023. During the year, disbursements were granted for both funds in order to implement investment decisions taken in 2023.

The Solus I Venture Capital Fund is a fund jointly financed by the Specialization Venture Capital Program (GINOP 8.1.3/B-17) and MBH Group and its strategic partners as private investors. The investment portfolio of Fund consisted of 26 companies at the end of 2024 one less than last year due to the liquidation of StyleHub Ltd. in the middle of the year.

Solus II Venture Capital Fund is a fund operating within the framework of the Digital Venture Capital Programme (GINOP 8.2.7-18), co-financed by MBH Group as a private market investor. By the end of 2023, Fund invested close to HUF 7 billion in micro-, small- and mid-sized enterprises that focus on digitalization. Thereafter, no new investment decision was taken during the year 2024. The portfolio consisted of 21 companies at the end of 2024.

The Fund Management will focus its attention on increasing the value of the portfolio elements, stabilising their liquidity where necessary, and on successful exits during the remaining life of the Funds.

On the growth side, the biggest challenges for portfolio companies were entering domestic and foreign markets, product validation and finding the next round of capital. In the latter case, there has still not been any expansion of funds in the venture capital market, which creates difficulties both in raising funds and in valuing firms. On the resource side, the challenge was rising labour costs due to increased inflationary pressures.

The Fund Management’s has recognised of impairments on several occasions during the year by revising the carrying value of less successful companies. Despite industry difficulties, the past year has seen the emergence of a financially sound and have growth potential portfolio of companies and which the Fund Management intends to continue to support in every way possible in the hope of achieving significant returns.

MBH Investment Bank Ltd.

The Banking Group's highly diversified investment product portfolio is marketed through MBH Investment Bank. The new investment-focused financial institution offers customers all the benefits of the merger of the three predecessors: investment expertise across a wide range of sectors and asset categories, a branch network accessible from anywhere in the country and a broad range of securities available through a single service.

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. Thanks to innovative service paths and methods based on web and mobile technology, MBH Investment Bank enables its clients to manage their finances anytime and anywhere, without constraints and limitations.

MBH Mortgage Bank Plc.

MBH Mortgage Bank Co. Plc. as FHB Land Credit started its operation in 1998. The first specialized mortgage credit institution created the basis of the mortgage lending business operating with mortgage bank background in the Hungarian banking market, actively participated in the establishing the legal environment of mortgage banking operations, developed its strategy and built up its customer base, and made mortgage-based financing available with mortgage bonds available in the country. On both the asset and liability side, the Bank has developed a gradually refining product range, in line with the changing market environment, which is well adapted to both capital market conditions and client needs.

The Mortgage Bank's profile has been clarified since 2018, which is in line with the long-term goals of MBH Banking Group, it operates as a refinancing mortgage bank, consequently its main activities are refinancing mortgage loans for members of MBH Banking Group and third-party partner banks outside the Group, as well as issuing mortgage bonds.

As a member of the Banking Group, the Mortgage Bank's new name was changed to MBH Mortgage Bank Co. Plc. effective from 1 May 2023.

The Mortgage Bank actively participates in the statistical, legal and capital market groups of the Hungarian Banking Association and the European Mortgage Federation/European Mortgage Bond Council (EMF – ECBC).

The main owner of the Mortgage Bank is MBH Investment Bank Ltd.

MBH Duna Bank Ltd.

On 1 October 2013, the Győr-based Duna Savings Cooperative, founded in 1960 in Halászi (which was established in 2008 by the merger of the Halászi and Esztergom Savings Cooperatives), was transformed into a private limited company and its name was Duna Takarék Bank Ltd. after the transformation. From 1.December 2023, the Bank will continue its activities under the name MBH Duna Bank, with a renewed image, as a member of the MBH Banking Group, but operating independently.

The Bank provides its retail and corporate clients with modern financial services and a continuously expanding range of products.

The credit institution serves its customers in 14 branches in four counties (Győr-Moson-Sopron, Komárom-Esztergom, Fejér and Pest).

Takarék Faktorház Ltd.

Takarék Faktorház Ltd. is a fully owned subsidiary of MBH Investment Bank, its primary activity was business factoring until 2022, transferred its business portfolios to MBH Bank in 2023. Negotiations were held with several potential buyers in order to sell the Company, but these were not successful, and the Company surrendered its operating licence and went into liquidation on 16.12.2024.

Takinfo Llc.

Takinfo Llc. is a subsidiary of MBH Investment Bank, in which it holds 52.38% of shares, its primary activities were the development and management of information technology systems, the trade of information technology assets and software and service activity. The Company transferred its activities and clients to MITRA Ltd. (formerly: Takarékinfo), its assets consist of real estate property, which sale is in progress.

MITRA Informatikai Ltd.

MITRA Informatikai Ltd. (formerly: Takarékinfo Központi Adatfeldolgozó Ltd.) is a company majority owned by MBH Bank Plc., in which MBH Investment Bank Ltd. holds a direct 2.45% stake, the main activity of which is the provision of IT services (primarily to the Banking Group and the members of the Integration) and the operation and development of systems. The Company was established on 1 September 2022 by the merger of Takarékinfo Ltd., MKB Digital Ltd. and Euro-Immat Llc.

Takarék Ingatlan Ltd.

Takarék Ingatlan Ltd. is a wholly-owned direct subsidiary of MBH Investment Bank, whose main task is to develop and continuously provide real estate valuation, real estate brokerage, real estate marketing and real estate management activities, as well as real estate energy certification and real estate services in line with the strategy and business interests of the MBH Investment Banking Group and the former Takarékbank, which is no longer part of the Group. In the context of the consolidation of the collateral management activities, the management of the valuation activities of the collateralised real estate assets has been insourced to MBH Bank Plc., and the Company is no longer performing its related activities, and is therefore in the process of being fully deconsolidated.

MBH Services Ltd.

Takarékbank established TIHASZ Takarék Ingatlanhasznosító Ltd. on 4 October 2019 with a share capital of HUF 50 million with the purpose of allocating the real estate properties of the cooperative integration related to banking into this company, which, as its core function, would manage these real properties and lease them to Takarékbank Ltd.

As a result of multiple capital increases by way of transfers (of real estate), the share capital of TIHASZ Takarék Ltd. reached approximately HUF 25.8 billion during 2020, while by the end of 2022 it reached HUF 26.1 billion.

On 25 September 2020, MBH Investment Bank Ltd. (before 1 May 2023: MTB Ltd.) purchased from Takarékbank 23,419 pieces of series “A” ordinary shares in TIHASZ Takarék Ingatlanforgalmazó Ltd. (for a total bidding price of HUF 23,419 million) from Takarekbank.

During 2022, the liquidation of the former property management company Hajdú-Rent Llc. (under dissolution), fully owned by Takarékbank (acquired after the merger of the savings cooperatives), was completed, as a result of which the ownership share Takarékbank Ltd. in the company stands at 9.21%.

TIFOR Ltd. was merged with TIHASZ Ltd. on 31 December 2022, along with two other MKB subsidiaries with real estate profiles - into TIHASZ Ltd., which took the name MBH Services Ltd. as of 1 May 2023.

In July 2024, MBH Investment Bank sold 87.425% MBH Services Ltd.'s stake to MBH Bank Plc., as a result of which the MBH Bank Plc. became 100% ownership of the Company.

MBH DOMO Llc.

MBH DOMO Llc. was established in May 2023 as a subsidiary of MBH Bank. On 28 June 2023, a sale and purchase agreement were signed for the development of a significant real estate development, which allowed the construction of new headquarters for the Company and the MBH Bank Banking Group to begin.

The sale and purchase process of the new headquarters project has been completed and the visual plans for the new MBH Bank headquarters have been finalised. In line with the Group's objectives, the new headquarters will meet all social, employee and ESG requirements, and will be designed as a building complex that will integrate into the urban landscape and provide community functions.

MBH Real Estate Development Ltd.

MBH Real Estate Development Ltd. is a strategic subsidiary of the MBH Group, which provides services related to the provision of operating conditions (property management and maintenance). The Company is one of the owners of the MBH Group's real estate assets, and is responsible for the operation, maintenance and development of office space. MBH Property Development Ltd. provides services mainly to MBH Bank and the Group's members.

MRP

Established in 2016, the objective of the MRP Organisation was initially to buy, hold and then sell the Bank's shares for the benefit of employees and senior managers. The MRP Organisation has successfully fulfilled this task, with the sale of the last tranche of the share package taking place in 2020. In 2017, the MRP Performance Remuneration Policy was launched and its implementation is currently the sole objective of the MRP Organisation. Payment through the MRP Organisation is conditional on the Group's effective and efficient risk management for the year.

MBH Magántőkealap

MBH Bank Plc. and MBH Investment Bank Ltd. together as private investors hold a 30% stake in MBH Private Equity Fund, whose main investor is MFB Hungarian Development Bank Ltd. In December 2024, the management of the Fund was transferred by MBH Investment Fund Management to Solus Capital Venture Capital Fund Management Ltd.

MBH Mezőgazdasági és Fejlesztési Magántőkealap

MBH Bank Plc. and MBH Investment Bank Ltd. together hold 100% of the registered capital of the MBH Mezőgazdasági és Fejlesztési Magántőkealap, which exceeds HUF 46 billion. The Fund's objective is to provide capital to companies with growth potential and to ensure above-average returns for its investors in the agricultural and food sector over the long term. The management of the Fund was transferred from MBH Investment Fund Management to Solus Capital Venture Capital Fund Management Ltd. in November 2024.

8. STRATEGIC COOPERATION AND PARTNERS[8]

MBH Gondoskodás Pension Fund

MBH Gondoskodás Pension Fund is one of Hungary's leading pension funds, closed the year 2024 with an asset of HUF 177.5 billion. The Fund offers a decades-long, efficient savings instrument to more than 67,000 customers within the MBH Banking Group's comprehensive investment solutions. Owing to the continuous communication and financial awareness education in recent years, the individual's willingness to save is increasingly outweighed by the employer's commitment.

The uninterrupted, stable and prudent operation of the Fund for more than 28 years has been facilitated by a well-prepared fund and asset management professional support and the desire for continual development.

The voluntary pension fund is a simple, interest tax-free product, which can be used in many ways even in the active years. Members can receive a tax reduction of 20% on the amount contributed individually and by their employer, up to a certain level, thus increasing their pension savings.

The MBH Provident Pension Fund offers its members a range of solutions, giving them the flexibility to manage their pension savings and make decisions according to their financial needs and risk profile.

To fully satisfy the needs more of the members, the fund continuously expands its services portfolio to allow product benefits to be used. The organisational goal of the fund is to offer members tailor-made products that take into account the risk tolerance and time horizon of each member.

The five optional portfolios are designed with different risk levels and return enhancement options, and customers can split their pension savings between two optional portfolios in any proportion to ensure that each member finds the most optimal solution for wealth accumulation. Customers investing in their future can benefit more from the combined advantages of balanced returns and low costs over an impressive 10 and 15-year time horizon thanks to expert asset management. Use is ensured by a flexible range of services.

In 2024, the MBH Gondoskodás Pension Fund introduced an on-line access platform to support member organisation and customer acquisition as digital innovation and in order to maintain its competitiveness. It has also prepared the development of a Member Portal supporting customer service and electronic administration, in line with its web presence, which has been continuously modernised in recent years. It is expected that the new, streamlined and more transparent interface will be available to members to manage their savings as early as 2025. In addition to digital development, the focus of business development has been on continuous activation, reaching out to customers, and the search for new and innovative solutions and their integration into daily operations to increase customer satisfaction.

At the end of 2024, the Pension Fund prepared the necessary improvements and administration for the provision of the housing payment service in accordance with the NGM decree and will provide the housing payment service to Pension Fund members in compliance with the legal requirements in 2025.

For 2025, the Fund plans to further develop paperless processes, further expand digital services, and simplify and reduce member administration to improve the customer experience. The Fund aims to offer members increasingly convenient and innovative tools to manage their pension savings.

MBH Gondoskodás Health Fund

MBH Gondoskodás Health Fund is a market leading health fund in Hungary, which provides a wide range of services to more than 197 thousand members and had HUF 18.3 billion in assets as of 31 December, 2024. For nearly 27 years, the name of the Fund has been synonymous for its customers with

[8] Source: National Association of Voluntary Funds

the widest possible range of health-supporting and cost-reducing services available. The assets of the health fund, which can be spent on the needs of the whole family in almost every life situation and can be supplemented with a 20% tax allowance, can be widely used, from maternity through private health care expenses to supporting elderly care. In the case of preventive expenses and a two-year fixed-term deposit, the state provides an additional 10% tax allowance to customers, which can be used for a wide variety of products and services at its more than 20,100 partners using conventional payment methods or at nearly 9,900 contracted card acceptance service providers.

The MBH Gondoskodás Health Fund aims not only to provide alternatives to reduce costs, but also to promote prevention and health awareness. It is constantly improving its services and using new technological solutions such as digital platforms and mobile apps to help members access the services they need more easily and quickly.

The Fund has developed and launched a modernised version of the Member Portal and mobile application as a complex process over the last few years, in line with the look and feel of its relaunched website. One of the important results of the Portal redesign is that the previously outdated interface is now accessible from any device, such as a mobile phone or tablet, with full functionality and a high user experience. In addition, easier registration management for electronic administration has been implemented through the Member Portal, while the modernisation of the invoice processing process and the development of online invoice submission has continued, which significantly contributes to a smoother invoicing process for health insurance. In response to the growing health consciousness, the Fund, in partnership with its external partner CIG Pannónia Insurance, offers its members a full range of health insurance products, from diagnostic tests to hospitalisation cover. In the field of health insurance, the Fund can serve not only individual clients but also employers as a tax-efficient corporate benefit option, financed through the Fund.

In 2024, online benefit management became available to members for health insurance through the Fund, making it easier and faster to start enrolling for insurance services through the Member Portal. In 2024, the Fund introduced an on-line access platform to support member organisation and customer acquisition, making the process of joining the Fund and administration simpler, faster and smoother.

It is a positive result of 2024 that the Fund ended the year with an increasingly dynamic level of Member contributions, thanks to its strengthened business approach.

In 2025, the further development of credit card payments and the expansion of paperless document management are planned. In addition to predictable and stable operations, the Fund aims to increase efficiency and improve customer service in line with member needs and market trends. In the field of digitalisation, the focus is on maintaining and strengthening competitiveness through the scheduled integration of improvements. The Pension Fund intends to increase the use of private healthcare in the provision of services with new methods and a wider range of services, and to simplify and reduce the administrative burden for members by increasing the use of digitalisation and electronic tools and systems, in order to ensure customer satisfaction.

Budapest Voluntary Pension Fund

The Budapest Voluntary Pension Fund manages the pension savings of nearly 20 thousand members, amounting to HUF 54 billion. While the Fund's contributions exceeded the previous year's level, its investment performance was also outstanding, with Active portfolio achieving returns of over 22%. The web-based customer service system facilitates efficient information for members, while the online login interface provides a fast and convenient service for new customers. The low-cost investment, backed by tax relief and interest tax exemption, offers flexible savings for which MBH Fund Manager provides the investor expertise as a professional asset manager.

Budapest Private Pension Fund

The Budapest Private Pension Fund has a membership of 9,454 people and assets under management amounted to HUF 75 billion on 31 December 2024. In the year 2024, the MBH Gondoskodás Private Pension Fund was merged into the Pension Fund. Members' savings increased significantly during the year thanks to excellent investment performance. The “Growth” portfolios achieved returns above 21%. The Fund now operates on a voluntary basis, with the aim of significantly increasing its members' pension savings in the long term at a low cost.

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9. FINANCIAL PERFORMANCE

Consolidated statement of financial position

	31.12.2024.	31.12.2023.	Change (%)*	Change
Assets				
Cash and cash-equivalents	1 076 984	1 347 889	(20.1%)	(270 905)
Financial assets measured at fair value through profit or loss	800 790	756 308	5.9%	44 482
Loans and advances to customers mandatorily at fair value through profit or loss	565 731	510 988	10.7%	54 743
Securities held for trading	17 236	2 621	-	14 615
Securities mandatorily at fair value through profit or loss	52 316	47 516	10.1%	4 800
Derivative financial assets	165 507	195 183	(15.2%)	(29 676)
Hedging derivative assets	**81 633**	**73 652**	**10.8%**	**7 981**
Financial assets measured at fair value through other comprehensive income	**1 204 054**	**912 538**	**31.9%**	**291 516**
Debt and equity securities	1 204 054	912 538	31.9%	291 516
Financial assets measured at amortised cost	**8 943 686**	**7 689 462**	**16.3%**	**1 254 224**
Loans and advances to banks	136 600	106 544	28.2%	30 056
Loans and advances to customers	5 245 074	4 390 428	19.5%	854 646
Reverse sale and repurchase agreements	4 824	17 918	(73.1%)	(13 094)
Debt securities	3 424 844	3 010 864	13.7%	413 980
Other financial assets	132 344	163 708	(19.2%)	(31 364)
Fair value change of hedged items in portfolio hedge of interest rate risk	**(5 316)**	**3 159**	**(268.3%)**	**(8 475)**
Associates and other investments	**82 891**	**55 169**	**50.2%**	**27 722**
Property and equipment	**151 059**	**120 501**	**25.4%**	**30 558**
Intangible assets	**94 970**	**71 094**	**33.6%**	**23 876**
from which: goodwill	3 340	-	-	3 340
Income tax assets	**9 141**	**13 540**	**(32.5%)**	**(4 399)**
Current income tax assets	653	276	136.6%	377
Deferred income tax assets	8 488	13 264	(36.0%)	(4 776)
Other assets	**64 529**	**62 367**	**3.5%**	**2 162**
Assets held for sale	**270**	**1 369**	**(80.3%)**	**(1 099)**
Total assets	**12 504 691**	**11 107 048**	**12.6%**	**1 397 643**
Liabilities				
Financial liabilities measured at fair value through profit or loss	**121 084**	**152 581**	**(20.6%)**	**(31 497)**
Derivative financial liabilities	91 898	129 944	(29.3%)	(38 046)
Financial liabilities from short positions	29 186	22 637	28.9%	6 549
Hedging derivative liabilities	**17 280**	**17 018**	**1.5%**	**262**
Financial liabilities measured at amortised cost	**11 109 168**	**9 789 825**	**13.5%**	**1 319 343**
Amounts due to banks	1 930 329	2 027 667	(4.8%)	(97 338)
Amounts due to customers	8 052 470	6 957 100	15.7%	1 095 370
Sale and repurchase agreements	335 297	11 767	-	323 530
Issued debt securities	534 628	520 901	2.6%	13 727
Subordinated debts	94 662	108 341	(12.6%)	(13 679)
Other financial liabilities	161 782	164 049	(1.4%)	(2 267)
Provisions for liabilities and charges	**31 306**	**31 240**	**0.2%**	**66**
Income tax liabilities	**9 362**	**16 985**	**(44.9%)**	**(7 623)**
Current income tax liabilities	8 152	15 354	(46.9%)	(7 202)
Deferred income tax liabilities	1 210	1 631	(25.8%)	(421)
Other liabilities	**77 035**	**76 028**	**1.3%**	**1 007**
Total liabilities	**11 365 235**	**10 083 677**	**12.7%**	**1 281 558**
Equity				
Share capital	322 530	322 530	-	-
Treasury shares	(55 440)	-	-	(55 440)
Share premium	348 894	348 894	-	-
Retained earnings	169 232	44 754	278.1%	124 478
Other reserves	75 689	51 066	48.2%	24 623
Profit for the year	197 390	176 679	11.7%	20 711

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Accumulated other comprehensive income	11 602	36 465	(68.2%)	(24 863)
Equity attributable to the owners of the parent company	**1 069 897**	**980 388**	**9.1%**	**89 509**
Non-controlling interest	**69 559**	**42 983**	**61.8%**	**26 576**
Total equity	**1 139 456**	**1 023 371**	**11.3%**	**116 085**
Total liabilities and equity	**12 504 691**	**11 107 048**	**12.6%**	**1 397 643**

*A change of more than +/- 300% compared to the previous year cannot be interpreted, marked with "-".

Based on 2024 year-end data, the total assets of the Banking Group increased by HUF 1,397.6 billion compared to 2023 year-end and amounted to HUF 12,504.7 billion as of December 31, 2024. This growth, in parallel to organic growth, is due to the acquisition of Fundamenta-Lakáskassza Zrt.

Cash and cash-equivalent assets amounted to HUF 1,077.0 billion, showing a decrease of HUF 270.9 billion compared to the end of the previous year. The decline is due to a fall in claims on central banks (-24.0%).

The financial assets at fair value through profit or loss increased by 5.9% to HUF 800.8 billion at the end of the period.

Financial assets at fair value through other comprehensive income increased by 31.9% to HUF 1,204.1 billion at the end of 2024.

Loans and advances to banks increased by HUF 30.1 billion compared to the end of the previous year, to HUF 136.6 billion.

By the end of 2024, the loans and advances to customers amounted to HUF 5,245.1 billion at the end of the period, which represents an increase of 19.5% partly due to the acquisition of Fundamenta.

The debt securities measured at amortised cost increased by HUF 414.0 billion compared to the end of the preceding year, reaching HUF 3,424.8 billion. The growth was driven by government bonds, which grew by 17.9% in 2024.

Compared to the end of 2023, associates and other investments increased to HUF 82.9 billion.

Other assets are 3.5% higher at the end of 2024 compared to the end of the previous year.

The amount of assets held for sale decreased by HUF 1.1 billion compared to end the of 2023.

Derivative financial liabilities decreased by 29.3% basically thanks to kamatswaps, it amounted HUF 91.9 billion at the end of 2024.

During the reporting period, amounts due to banks decreased by HUF 97.3 billion, reached HUF 1,930.3 billion.

The aggregate sum of customer deposits and current accounts were HUF 8,052.5 billion, increased by HUF 1,095.4 billion compared to the end of the previous year. The growth is due to organic growth on the one hand and the acquisition of Fundamenta on the other.

Other liabilities increased by HUF 1.0 billion and provisions for liabilities and charges also increased by HUF 0.1 billion during the year.

At the end of 2024, the Group's equity amounted to HUF 1,139.5 billion, while the repurchase of treasury shares during the year reduced equity by HUF 55.4 billion.

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Consolidated statement of profit or loss and other comprehensive income

	01.01.2024-31.12.2024	01.01.2023-31.12.2023	Change (%)*	Change
Interest income	**1 034 564**	**1 204 710**	**(14.1%)**	**(170 146)**
Interest income calculated using effective interest rate method	671 971	780 138	(13.9%)	(108 167)
Other income similar to interest	362 593	424 572	(14.6%)	(61 979)
Interest expense	**(526 358)**	**(639 153)**	**(17.6%)**	**112 795**
Interest expense calculated using effective interest rate method	(294 715)	(388 040)	(24.1%)	93 325
Other expense similar to interest	(231 643)	(251 113)	(7.8%)	19 470
Net interest income	**508 206**	**565 557**	**(10.1%)**	**(57 351)**
Fee and commission income	**218 447**	**188 872**	**15.7%**	**29 575**
Fee and commission expenses	**(50 319)**	**(49 431)**	**1.8%**	**(888)**
Net income from fees and commissions	**168 128**	**139 441**	**20.1%**	**28 687**
Result from remeasurement and derecognition of financial instruments	**33 795**	**2 654**	**-**	**31 141**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	44 707	(72 105)	(162.0%)	116 812
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	13 527	2 784	-	10 743
Results from derecognition of loans and debt securities measured at amortised cost	(7 109)	(2 414)	194.5%	(4 695)
Results from hedge accounting	(7 336)	24 248	(130.3%)	(31 584)
Foreign exchange gains less losses	(9 994)	50 141	(119.9%)	(60 135)
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**(37 547)**	**(75 461)**	**(50.2%)**	**37 914**
Expected credit loss on financial assets, financial guarantees and loan commitments	(35 868)	(58 618)	(38.8%)	22 750
Provisions for litigation, restructuring and similar charges	3 403	(357)	-	3 760
Loss) / gain on modification of financial instruments that did not lead to derecognition	(5 781)	(14 449)	(60.0%)	8 668
(Impairment) / reversal of impairment on other investments	(591)	(1 680)	(64.8%)	1 089
(Impairment) / reversal of impairment on other financial and non-financial assets	1 290	(357)	-	1 647
Dividend income	**1 083**	**1 628**	**(33.5%)**	**(545)**
Administrative and other operating expenses	**(434 769)**	**(419 069)**	**3.7%**	**(15 700)**
Other income	**15 337**	**25 776**	**(40.5%)**	**(10 439)**
Other expense	**(15 088)**	**(21 215)**	**(28.9%)**	**6 127**
Bargain purchase gain on a business combination	**-**	**4 821**	**(100.0%)**	**(4 821)**
Share of profit or loss of associates	**4 798**	**(2 256)**	**-**	**7 054**
Profit before taxation	**243 943**	**221 876**	**9.9%**	**22 067**
Income tax income / (expense)	**(38 021)**	**(38 686)**	**(1.7%)**	**665**
Profit for the year	**205 922**	**183 190**	**12.4%**	**22 732**

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	01.01.2024-31.12.2024	01.01.2023-31.12.2023	Change (%)	Change
Items that may be reclassified to profit or loss	**(27 699)**	**53 202**	**(152.1%)**	**(80 901)**
Hedging instruments	(241)	(333)	(27.6%)	92
Debt instruments at fair value through other comprehensive income	(29 922)	58 303	(151.3%)	(88 225)
Income tax relating to items that may be reclassified subsequently	2 464	(4 768)	(151.7%)	7 232
Items that may not be reclassified to profit or loss	**2 631**	**4 711**	**(44.2%)**	**(2 080)**
Fair value changes of equity instruments measured at fair value through other comprehensive income	2 631	4 711	(44.2%)	(2 080)
Other comprehensive income for the year net of tax	**(25 068)**	**57 913**	**(143.3%)**	**(82 981)**
Total comprehensive income	**180 854**	**241 103**	**(25.0%)**	**(60 249)**

*A change of more than +/- 300% compared to the previous year cannot be interpreted, marked with "-".

The net interest income of the Banking Group showed a HUF 57.4 billion decrease compared to the previous year mainly due to an unfavorable change in the market interest rate environment. The net interest income amounted to HUF 508.2 billion in 2024.

Net income from fees and commissions increased by HUF 28.7 billion in 2024 compared to the previous year and reached HUF 168.1 billion. The increase is explained by higher payment services and credit card related fees,

The result from remeasurement and derecognition of financial instruments was significantly higher compared to the previous year, reached HUF 33.8 billion in 2024. (2023: HUF 2.7 billion)

Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets showed a total of HUF 37.5 billion in the relevant period, decreased by HUF 37.9 billion in the financial year compared to the previous year. The largest part of this is Expected credit loss on financial assets, financial guarantees and loan commitments.

Administrative and other operating expenses increased by HUF 15.7 billion to HUF 434.8 billion in 2024. The increase is due to higher wage and salaries payments in an inflationary environment, as well as higher levels of transaction taxes. The amount of extra profit tax paid was HUF 14.0 billion in 2024.

Group's consolidated profit before tax amounted to HUF 243.9 billion and its profit for the year to HUF 205.9 billion in 2024, significantly exceeding the previous year's performance.

The Group's Return on Equity (ROE)[9] was 19.0% in 2024, down 1.0%-pts on the previous year. The Group's Return on assets (ROA)[10] reached 1.7% in 2024 (2023: 1.7%). The Liquidity Coverage Ratio (LCR) was 144.2% in 2024, significantly above the regulatory minimum.

10. THE RISK POSITION OF MBH BANKING GROUP

MBH's risk management is governed by the Hungarian and EU legislation in force and additional supervisory regulations. MBH Bank Plc. performs the governance functions of the MBH Banking Group and defines for its members the mandatory internal rules and guidelines related to prudent risk taking and risk management.

[9] ROE: calculated as the ratio between the profit for the year and the average equity at the end of 2023 and 2024
[10] ROE: calculated as the ratio between the profit for the year and the average total assets at the end of 2023 and 2024

The Group considers prudent risk-taking to be a core value, and its risk management and risk control activities are performed in accordance with the principles laid down in the Risk Strategy. The Bank's risk management is subject to several levels of control, the most important of which are ultimate control at the level of the Board of Directors (some specific and identified risk decisions require the approval of the Supervisory Board), independent control separate from the risk-taking areas, and appropriate measurement, diversification, monitoring and reporting of risks. The Group continued to comply with the regulatory requirements throughout 2024.

The Group's risk position in 2024 was significantly impacted by the merger processes in the Banking Group. As a result of the Fundamenta-Lakáskassza Zrt. acquisition in April 2024, the Group's risk exposure increased during the year in line with the change in business volumes.

Risk Strategy

MBH's Banking Group level Risk Strategy defines the scope of risks that can be taken consideration and the risk management and measurement tools to be applied, as well as the general risk-taking principles and rules to be followed by the Bank.

In its operations, Banking Group strives to maintain a risk culture that ensures the identification, measurement and management of emerging risks in accordance with the risk appetite. Internal policies, strategies, regulations and guidelines, communication and employee training are the primary means of ensuring a corresponding risk culture.

The primary objectives of the Banking Group's risk management activities are to protect the Banking Group's financial strength and reputation and to contribute to the use of capital for competitive business activities that enhance shareholder value.

The Banking Group's risk appetite should be consistent with the financial resources available to cover potential losses. In order to ensure this, the Banking Group calculates on standalone and group level the current and future economic capital requirements for the quantifiable types of risk, as well as the capital requirements under Pillar 1.

The Group is primarily exposed to credit, liquidity, market and operational risks.

Credit risk

In 2024, the main drivers of credit risk changes remained the Russian-Ukrainian war, the geopolitical and economic situation, increased risk in the construction sector, and the end of the payment moratorium, as well as changes in the methodologies applied to both the corporate and retail portfolios.

The impact of moratoria and interest cap on credit risk management:

In line with the NBH's expectations, the staging logic for customers participating in the general credit moratorium and the agricultural moratorium has been standardised at MBH Banking Group level by adding the following to the normal processes. After the end of the payment and agricultural moratoria, from 1 January 2024, the fulfilment of the conditions for recovery from the previously established stage risk categories and grace period has been monitored as follows:

- Transactions that have been included in the general moratorium and have been classified as restructured are subject to the default recovery rules based on the default status in force, and to a 6-month probationary period for retail clients and 24 months for corporate clients. During the probationary period, restructured transactions shall not be assigned a rating higher than Stage 2.

- As a general rule, customers entering an agricultural moratorium are classified as Stage 2 or above, but if the client has previously been in moratorium for at least 9 months and had a stage 2 classification before entering the agricultural moratorium, they are classified as Stage 3. They can only be placed in Stage 1 on the basis of individual monitoring after a declaration has been made and taken into account. Transactions classified as restructured due to participation in the agricultural moratorium are subject to the terms of the general 24-month probation period. Individual derogations from the application of Stage 3 and Stage 2 classification are possible and must in all cases be supported by detailed objective evidence.

For customers with a retail interest rate cap, the Group examined the monthly repayment increases without the cap and applied a minimum Stage 2 rating for changes deemed to be significant.

The Group has updated the macro parameters for the entire portfolio, the updated risk parameters have also been implemented in the lifetime ECL calculation.

Environmental, social and governance (ESG) aspects have not been taken into account in the Bank's risk management models until the reporting date. The way in which ESG relevant information is collected and stored has been developed, so it can be analysed and used at a later stage. An ESG data taxonomy has also been established. In line with an analysis of the composition of the ESG index and the NBH Recommendation 9/2024 (24 September), the information made available through the ESG data collection, which will be gradually implemented from 1 July 2025, will be incorporated in the longer term in the stress tests to be carried out and in the estimation of lifetime PD and LGD parameters.

In exceptional economic situations, the Banking Group can adjust the models on an expert basis. The portfolio level management adjustment calculated in this context is a lump-sum expected loss value that the Bank's models are not able to capture at all or fully, but the level of risk is assumed to be significant (e.g. increases in credit losses due to default events after the end of the moratorium).

In determining the management overlay, the Group has considered the following aspects:

- For customers entering an agrarian moratorium, the risk models are not aware of the agrarian moratorium and therefore the willingness and ability to pay may contain a hidden high probability of default.
- During 2024, several warning signs emerged suggesting that the construction sector in Hungary could easily face a crisis in the coming period. In recent years, the sector has been successful despite the rising cost of raw materials, thanks to increased public investment and government support programmes, reaching levels above and prior to the COVID period. These results have been achieved despite both high inflation and a shortage of skilled and labour in the sector.

However, in the case of one of the drivers of the sector - public investment - the negative economic outlook and less than successful macroeconomic performance has already led to the postponement of investments, which has now clearly caused a noticeable drop in the number of available large construction contractors. For this reason, the Bank has implemented a construction overlay on a prudent basis, taking into account the requirements of IFRS 9, in order to prudently cover the increased credit risks and probabilities of default.

The Bank regularly reviews the management overlay values determined on the basis of the assessment criteria and maintains its accounting. The components of the management overlay are subject to change at the discretion of the Methodology Committee, ensuring compliance with the requirements of the respective Management Circular issued by the National Bank of Hungary.

In summary, the Group's current modelling and impairment methodology, using the credit risk management methods and process additions detailed above, provides the opportunity to develop risk profiles that are well-defined from a customer management perspective and to establish adequate risk provisions to cover expected future credit losses.

Market risk

Market risks include interest rate risk, share price risk and foreign exchange risk arising from all banking activities. Banking Group keeps its market risks low by means of an appropriate limit system and in-process controls.

Interest rate risk:

Interest rate risk arises from the fact that changes in interest rates affect the value of a financial instrument. A credit institution is also exposed to interest rate risk if the amounts of its maturing or repricing assets, liabilities and off-balance sheet instruments are not consistent with each other in a given period. Banking Group measures interest rate risk by performing sensitivity tests on an ongoing basis. In addition, the impact of adverse interest rate scenarios is continuously measured and limited through the application of stress tests. Interest rate risks are managed through an appropriate composition of the securities and derivatives portfolio and through the consistency of other assets and liabilities in the bank's books.

Share price risk:

Share price risk means the risk of having the profit or the capital of the Group decreasing or being totally lost due to changes in the levels and proportions of the stock prices in the market.

Management of currency risk:

The Group aims to keep its exposure to foreign exchange risk low by maintaining open foreign exchange positions up to the limit set in the banking book.

Foreign exchange risk arising in the course of core banking activities is managed by the Bank in the course of its operations, depending on market conditions. The Bank also performs VAR calculations and stress tests to measure foreign exchange risk.

Liquidity and solvency risks

The Group analyses liquidity risks with a number of indicators and mitigates them with limits, the most important of which are based on regulatory indicators (LCR, NSFR, required reserve ratio) and stress tests relevant to liquidity. In addition, the Group operates an early warning system for the timely detection of liquidity disturbances, which is presented to the Asset and Liability Committee and to management without delay in the case of an alert and on a regular basis during normal operations.

Operational risk

The Group continues to manage operational risk primarily through internal policies, rules of procedure and the operation of built-in control mechanisms in line with defined supervisory requirements. MBH's Group Level Operational Risk Management Policy and Operational Risk Management Rules set out the methodology for the operational risk management framework tools used by the Banking Group.

The operational risk loss data collection is based on uniform definitions and limits. The Bank promotes the recognition and identification of operational risks with internal training.

The adequacy of key risk indicators (KRIs) is reviewed by the Banking Group every year, several KRIs were modified in 2024 and new group level KRIs defined by MBH were implemented.

The Group conducts operational risk self-assessments for its key activities and uses scenario analysis to assess the impact of events that occur infrequently but could result in severe losses if they were to occur.

The Group's operational risk events and the results of operational risk monitoring are reported on a quarterly basis.

With regard to operational risk, the Banking Group's management attaches great importance to feedback. An essential aspect is the implementation and monitoring of the effectiveness of the measures taken to eliminate operational risks.

11. DEVELOPMENT PROSPECTS, EXPECTATIONS AND PLANS FOR 2025

2024 was clearly a year of construction, during which the Bank identified and implemented 7 key objectives. 2025 will continue with a similar approach, but with new goals. The 2025 strategy focuses on value creation and sustainable growth, which determine day-to-day activities and long-term plans.

The vision has not changed: The strategy of a national champion, achieving market leading position by serving all customer segments is built on the following 3 pillars:

- The first pillar of the vision is to ensure sustainable value creation, increasing shareholder value, which is strongly correlated with the bank's size, growth and profitability, and actively increasing its stock market presence.
- The second pillar aims to create a fully integrated bank, supporting the realisation of synergies, accelerating delivery capacity and quality customer service, with migration and related retail and corporate product consolidation playing a key role.
- The third strategic pillar is attracting and retaining the best colleagues, for which it is crucial to harmonise the banking organisation, establish clear and unambiguous lines of responsibility and authority, and create a future-proof and efficient operational framework that provides transparency and appreciates areas of excellence.

The Group's strategic objectives for 2025:

1. Implementation of migration and product consolidation

By radically reducing the number of retail and corporate product schemes and harmonising the systems supporting branch customer service, the Group aims to make its operations simpler and more transparent and to greatly improve the quality of customer service.

2. Achieving an active stock exchange presence

In line with previously published, the Management is considering strategic options to increase MBH Bank's free float on the stock exchange within the next 18 months' time period.

3. Improving the efficiency of branch network operations

The Group will ensure the dynamics of branch network efficiency by methodologically improving the toolkits that define the branch network operations and by implementing data-driven operations.

4. Developing a future-proof and efficient banking organisation and operations

The harmonisation of the Group's organisation and functions will create a streamlined and clear operation that will support the Group in achieving its strategic objectives, provide the necessary flexibility to meet the challenges of the day and make the Group an attractive place to work in the sector.

5. Accelerating corporate lending processes

By streamlining the sales and lending processes for corporate customers, the Group will significantly increase the speed and quality of customer service.

6. Becoming the number one bank for retail customers

By increasing income accounts, making personal loans and home loans more dynamic, and activating the SME customer base, the Group is strengthening its standard customer service and retention capabilities in a continuous and sustainable manner.

7. Stabilisation and development of the MBH Bank App

The Group will channel all customers into a robust application that provides professional online solutions and simplifies everyday banking.

12. THE ECONOMIC ENVIRONMENT AND THE FINANCIAL SECTOR

Despite these uncertainties, we expect a remarkable recovery in the Hungarian economy in the coming quarters, with real GDP growth of around 4% per annum in real terms by the second half of 2025. However, an annual overall average growth rate of around 2.6% seems reasonable in 2025. Consumption will also be supported by rising real wages and, from the second half of 2025, by an increase in the family tax credit, the extension of the personal income tax exemption, the VAT credit for pensioners, and interest payments and payments after maturities of government bonds, as well as the tax-free use of voluntary pension funds and the workers' credit scheme, which will also contribute to domestic demand growth. At the same time, surging inflation figures, which have in the meantime surprised on the downside, may temporarily dampen consumer sentiment.

In Hungary, while consumption continues to pick up, it is important that investment also stabilises. This could be helped by the loan, leasing and equity programmes announced under the Demján Sándor Programme in 2025, while a pick-up in external economic activity would also be important for investment, as without sufficient demand it is difficult to imagine a significant pick-up in investment given the currently low level of capacity utilisation. The recovery of domestic industry could be supported by the fact that a number of major manufacturing developments are scheduled to be put into operation this year, including BMW and the first CATL factory - and the construction and possible trial run of BYD will also support growth - partly underpinning a slight acceleration in growth in 2025 compared to last year.

The expected improvement in economic performance in 2025 may be followed by the labour market with a slight delay, but the decline in the average unemployment rate for the year as a whole will not be significant.

The external market situation continues to improve only slowly. In terms of business confidence, euro area companies have become slightly more optimistic about output growth by early 2025, with optimism in the manufacturing sector rising to a seven-month high, while the services sector's confidence index has declined. Economic agents remain confident that the new German government’s stimulus measures will speed up the recovery of the economy. However, the impact of these measures is more likely to have a meaningful positive impact on growth in 2026 rather than in 2025. While the deeper structural problems of the German economy cannot be solved by fiscal easing, such a turnaround could be positive for the Hungarian growth outlook. The European Central Bank may also take a temporary pause in its rate cutting cycle following its interest rate cuts in January and March 2025 amid an uncertain economic environment. We expect the ECB deposit rate to reach 2.00% by the end of the summer, in line with market pricing.

There is also much uncertainty about the new US economic policy measures. Tariffs imposed by the US (which, in the absence of other measures, will obviously hurt Hungary's export prospects) may also raise inflation in the US, while recession fears overseas have intensified in early March. The Fed has indicated that it will wait for the impact of the tariffs before taking a firmer stance on the likely monetary policy path following its rate hikes in January and March 2025. By the end of 2025, we expect the Fed funds rate to be between 3.75% and 4.00%, with markets in mid-March 2025 already pricing in lower rates by the end of the year.

An important development in the first few months of 2025 was the increase in the chances of a conclusion to the Russia-Ukraine war. This could also have a positive impact on economic growth through lower energy prices, improved investor sentiment and, through this, a stabilisation of the forint exchange rate.

After January 2025, another negative surprise for inflation came in February. The structure of inflation is unfavourable, with year-on-year increases in food and services prices accelerating further. The February data confirm that inflation could remain high and outside the central bank's target range for some time. On the downside, following much faster-than-expected price increases in January, the pace of monthly inflation slowed less than expected in February, mainly due to continued significant increases in services' prices. Economic agents are continuing to implement sharp increases, driven by the cost of wage increases and higher household inflation expectations. Although the base effect is expected to moderate annual price dynamics in the coming months, disinflation could start in the spring from a much higher level than previously expected. Overall, we expect the domestic currency is unlikely to weaken further, which could still support disinflation. The downward impact of the measures announced by the government in March to keep price levels in check is still uncertain. We expect domestic inflation to average 5.1% per year for 2025. Wage growth dynamics are likely to remain relatively high in the coming years, under the 3-year wage agreement, which could put downward pressure on inflation. Achieving a stable sustainable inflation target of 3% at the central bank will also be postponed and is more likely to be reached only in the second half of 2027.

With inflation accelerating, the MNB is unlikely to rush ahead with interest rate cuts, which could keep the forint at significantly stronger levels than seen in early January. We expect the MNB to hold interest rates for longer, and we do not expect it to cut rates before the end of this year - and only if the Fed is able to ease overseas. We expect a base rate of 6.25% by the end of 2025 and 5.25% by the end of 2026.

In a yield environment that continues to decline at a slower pace than previously expected, the banking system is expected to generate significantly lower net interest income than in 2024, but as lending continues to pick up (again, as last year, we expect a strong boost in new contract volumes, mainly in the retail segment), net fee and commission income is expected to improve. However, the strong improvement in other operating results in 2024 is unlikely to be repeated, and a slight deterioration is not inconceivable. Operating costs are expected to continue to rise at a slightly slower pace than last year, while risk costs are expected to reach at least the same level as last year. Overall, we therefore expect a correction in the banking system's profit after tax in the 12-15% range in 2025, following two consecutive years of around 20% of ROE (above in 2023). However, banks are still more than adequately capitalised, without liquidity concerns, and their lending capacity remains strong, i.e. they are in a good financial position to support stronger economic growth from a funding perspective.

13. ENVIRONMENTAL PROTECTION

Although the Group does not pursue business or non-profit activities related to environmental protection, it strives to ensure an environmentally conscious workplace, maintains and cares for the natural vegetation and ornamental plants in its direct environment. It pursues to apply energy-saving solutions during its operation. In its internal trainings it emphasises the importance of energy and environmentally conscious corporate and employee behaviour.

MBH Bank is committed to sustainability, therefore, it has integrated all three – environmental, social and corporate governance – pillars of ESG into its operations and strives for continuous improvement. Details are available in the Sustainability Report of the Banking Group.

14. HUMAN RESOURCES POLICY

The average statistical employee number of MBH Bank Group at the end of 2024 reached 9.553 (2023: 8.838).

Talent management at MBH Group:

The MBH Banking Group places great emphasis on training employees and nurturing talent, supporting the development of professional knowledge and skills through a wide range of educational programmes. The following programmes were launched for colleagues:

Digitised and gamified pre-boarding programme

The programme focuses on colleagues who are in the pre-entry period after accepting offer of the Group. The solution, available online, supports new talent engagement in the pre-joining period; we not only accompany prospective employees on their journey until their onboarding day, but also maintain a positive experience while providing them with ongoing engagement.

Start program:

The first element of the Generation Diversity programme, the award-winning Start programme, was a milestone in the MBH Banking Group's talent retention activities. Start is one of the largest internship programmes in the country, with more than 400 talented students aged 19-25 from across the country currently working for MBH Banking Group. For the trainees, the Group represents the first milestone in the start of their careers in the labour market. During the programme, they gain relevant work experience, which provides a solid supply base for the Bank. The internship programme is designed to give the MBH Banking Group more than just professional experience: through its own onboarding processes, dedicated HR colleagues accompany the students' professional work and development. In 2024, 100 Startos colleagues have been recruited to full-time positions in the MBH Banking Group.

Start+ program:

The next element of the Generational Diversity programme, the MBH Banking Group's programme for young people, was the awards received Start+ programme.

In 2024, the Bank launched the second phase of the Start+ programme, within the framework 12 talented young people start their careers in the banking sector. During the year-long programme, they rotate through a specific field, learning about the beauty of banking and practicing their profession. One of the key elements of the programme is a presentation to the bank's senior management in the final quarter, when they solve a critical strategic problem for the bank. Of the first class of 2023, 92% remain with the bank after one year.

Baby+ programme:

The Generational Diversity programme's focus on colleagues about to start a family: Baby+ programme. Through this programme, the bank offers financial, professional, and personal support to help prospective parents in their changing life situation. An important factor is that the Bank thinks not only about mothers but also about fathers-to-be and offers them individual solutions. The programme is very popular, with 340 cases paid and over 500 colleagues answered questions.

MMM+ program:

The latest element of the Generational Diversity programme is the MBH Banking Group's programme for people with disabilities. In 2024, the Bank identified 62 people and helped them with their living situation: they are eligible for tax relief and the programme's elements also provide them with a range of support.

Ambassador Academy:

The MBH Banking Group's Ambassador Academy is an innovative tool to introduce new values and associated behaviours and leadership tools, a new culture roadmap and an innovative tool to retain talent and sustain engagement, with around 100 participants. With high-profile online and offline sessions focusing on different change-related topics, the initiative has been very enthusiastically received. They work together on some elements of the culture programme in joint workshops, for example they created the questions for the organisation-wide heart rate measurement, which was relevant and customised so it was really about colleagues.

Leadership Academy:

Leadership Academy is an integral part of preparing managers for the transition to the new way of banking. The leadership training programme is modular and supports the continuous development of talented leaders through a variety of solutions and topics (inspiring leadership, heterogeneous cross-generational teams, transparent leadership, motivating leadership, etc.). A specific programme supports the training of newly appointed managers.

Extensive fringe benefits:

MBH Banking Group, as one of the largest banks in Hungary, has the ambition to become a market leader in the sector. All our employees have a key role to play in achieving this goal. As an employer, our main objective is to maintain a performance-based culture, but we also strengthen the commitment of our employees through our outstanding benefits system.

In addition to the Cafeteria, our fringe benefits include school and camping allowances and social assistance.

Our generational diversity programme provides support for the specific life situations of our employees. Within the framework of this programme, we offer colourful programmes and varied benefits for people starting out in their careers (Start+), colleagues to start a family (Baby+), employees with reduced working capacity (MMM+) and colleagues preparing for retirement (Active+).

MBH Banking ***Group and health:***

Health promotion and health maintenance is an important area for MBH Banking Group, which is emphasised in various sports and health campaigns. Providing sporting opportunities for employees in a variety of ways and promoting healthy lifestyles is being implemented on multiple fronts.

Employees have access to extended occupational health services within the Bank, seven days a week.

MBH Banking Group also offers hobby and recreation rooms in its buildings. Fitness menus and other special dietary meals are available in the canteens at the workplace.

MBH Banking ***Group and sports:***

MBH provides significant support to its Sports Association (hereinafter: SA) where effective professional and recreational sports work is carried out. In 2024, the association has a membership of between 600 and 650 people, including 900-950 members in the various sports sections, a significant increase of more than 40% compared to the previous year.

Our sports sections: squash, volleyball, fishing, go-kart, dragon boat, cycling, running, table tennis, men’s and women’s football, hiking, bowling, boxing, basketball, throwing sports, swimming, wall climbing, spartan/crossfit, kayak-canoe and SUP, target shooting, triathlon, thai boxing. In 2024, we organised several sports club in-house championships in 20 sports. 300 certificates were awarded.

The Sports Association prepares our competitors in 11 sports for the annual Hungarian Banks Sports Tournament, where the MBH Banking Group team achieved third place in Győr in 2024. /13 banks competed/

The runners regularly take part in large numbers in races such as the Wizzair Half Marathon and the SPAR Marathon. In team sports, the men’s football, basketball and bowling teams are top finishers in the Business Leagues. Dragon boaters have won medals in several national competitions, anglers also regularly place well, the table tennis team is supported by the training methods of two excellent NB/1 colleagues, and go-kart teams always have successful monthly meets.

SA members in rural areas receive a recreational sports grant, which they could spend on sports facilities near their workplace or home. In 2024, 250 colleagues in 40 cities received a sports grant.

The SA considers it important that SA members can exercise regularly near all work bases, which is why we have a gym near our priority sites. (Kassák Lajos u. Headquarters, Tüskecsarnok/ At the Kassák gym, our members could participate in several group classes led by 13 trainers. / zumba, yoga, TRX, spinning, crossfit, pilates, body shaping)

The SA has also improved in communication. In 2024, it ran a months-long campaign to raise awareness among colleagues about the importance of recreational sports and the priority of a preventive, physically active lifestyle (posters, lockscreen page, Horizon, MBH SE faces videos, sports news, dedicated sub-page on the main Horizon website) Facebook group (MBHSE) now has 677 members.

Safe working environment:

MBH Bank complies with its legal obligations by carrying out a workplace risk assessment of its headquarters and premises, including all bank branches. As the Bank is an office working environment, the risk of accidents is fortunately low. The incidence of accidents at work is therefore low and on a downward trend.

Every year, employees are required to attend mandatory training on health and safety and fire prevention. Special training material has been prepared for bank branch staff on what to do in the event of an attack on the branch. The personnel, material and organisational conditions for safe work are laid down in the Bank’s Health and Safety at Work Manual in accordance with the legal requirements.

The Bank also employs a safety and health representative on behalf of the Works Council, who is entitled to check that the requirements for safe and healthy working conditions are met. Elections for the Works Council and the Labour Representative are currently underway.

15. SERVICES OF THE AUDITING COMPANY

The fee for the auditing company as stipulated by the relevant 2024 auditing contract is HUF 733 million (excluding VAT). The other services provided by the auditor amounted to HUF 615 million (excluding VAT) in 2024.

16. CAPITAL MANAGEMENT

The Capital situation of Group was sufficient at the end of 2024, with capital adequacy ratios reliably exceeding the required levels. As a result of the 2024YE profit (and therefore core capital accumulation) the regulatory capital increased significantly. The owners of the MBH Bank are committed to maintain the bank's capital adequacy and implement all the necessary measures.

Domestic and international guidelines require the Bank to maintain certain minimum capital-to-asset ratios. These risk-based ratios are determined by allocating assets and specified off-balance sheet instruments into different weighted categories, with higher levels of capital being required for categories perceived as representing higher risk. Regulatory capital is divided into Tier 1 Capital and Tier 2 Capital. In addition to retained earnings, the Bank may raise regulatory capital by issuing several types of financial instruments to the public and by raising subordinated debt. These financial instruments are then classified as either Tier 1 or Tier 2, depending on the types of conditions or covenants they place upon the issuer.

As at 31 December 2024, the Group's regulatory capital amounted to HUF 1,084 billion, an increase of HUF 37 billion compared to the end of 2023. The change in regulatory capital was mainly driven by the following factors during the year:

- the profit for the year increased own funds
- the overall level of reserves (capital reserve, profit and loss reserve, other reserves) increased
- the value of accumulated other comprehensive income decreased
- the IFRS9 capital allowance rate decreased
- an increase in the amount of deductions from core Tier 1 capital, mainly due to an increase in intangible assets
- the purchase of own shares in December 2024 reduced own funds
- additional paid-in capital decreased during the year due to an increase in amortisation

The risk-weighted assets (RWA) - including operational and market risk - was HUF 5,524 billion at the end of 2024, an increase of HUF 795 billion compared to the value at the end of 2023. The increase in RWA was mainly driven by an increase in business portfolios and an increase in the operational risk capital requirement. The market risk capital requirement increased only slightly compared to year-end 2023.

The Group's capital adequacy ratio was 19.62% at the end of 2024, an decrease of 2.5%pts compared to the end of 2023.

By application of capital management as a tool, the appropriate capital safety is a first priority decision making factor; therefore the Group monitors the changes of the capital elements continuously.

Legal limits defined by the Regulation (EU) No 575/2013 OF THE EUROPEAN PARLIAMENT on prudential requirements for credit institutions and investment firms and amending Regulation (CRR) and Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Banking Act) - CRR 395-400.§,

- Banking Act 302.§ large loan limit -> no excess
- Banking Act 101-102.§ total investment limit -> no excess

17. POST BALANCE SHEET DATE EVENTS

Purchase the 14,88% of Fundamenta

On November 11, 2024 the Bank has signed a share purchase agreement with Generali Biztosító Zrt. in order to purchase a total of 14,88% stake of FundamentaLakáskassza Lakás-takarékpénztár Zrt. The closing of the transaction is expected in first half of 2025, subject to obtaining the necessary regulatory approvals.

Issue of an aggregate nominal value of EUR 750 million (HUF 306 billion) credit rating and listing of the Senior Preferred Notes

MBH Bank Plc. issued Senior Preferred Notes with an aggregate nominal value of EUR 750 million (HUF 306 billion) (ISIN: XS2978001324) for a 5-year maturity non-callable for the first 4 years, unsecured claims (hereinafter: “Notes”) with the value date of 29 January 2025.

The maturity date of the Notes is 29 January 2030, the use of proceeds is general corporate purposes. The fixed interest rate of 5.250% per annum will be paid up to the optional redemption date of 29 January 2029. Moody’s Investors Service Cyprus Ltd. has assigned a ‘Ba2’ rating to the Notes.

The Notes were listed on the Luxembourg Stock Exchange on 29 January 2025.

18. ADDITIONAL INFORMATION

Research and development

In 2023 and 2024 the Group had no own research and development and did not participate in the financing of any research projects.

Hedging policy

The Group offsets the fluctuating net income effects of the fair value and the cash flow changes of certain financial instruments through hedge transactions and related hedge accounting. The Group prepares hedging documentation containing the purpose of the hedge relationship, the ID codes, the terms and conditions of the hedged and hedge transactions, the risk intended to be hedged and the method for measuring hedging efficiency. Details are available in the Annual Report of the Banking Group.

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Presentation of branches

31.12.2024		
Region	**Branch name**	**Address**
	Budapest Region	
Budapest Region	Árkád	Örs Vezér tere 25
Budapest Region	Bosnyák	XIV. Nagy L. 146.
Budapest Region	Fogarasi út	XIV. Fogarasi út 13.
Budapest Region	Nyírpalota út	Nyírpalota u. 2.
Budapest Region	Budapest, Báthory Fiók	Báthory utca 1.
Budapest Region	Budapest, Flórián Fiók	Flórián tér 4-5.
Budapest Region	Budapest, Üllői48 Fiók	Üllői út 48.
Budapest Region	Budapest, Váci6 Fiók	Váci út 6.
Budapest Region	Budapest, Villányi Fiók	Villányi út 20.
Budapest Region	Budapest, Árpád45 Fiók	Árpád út 45.
Budapest Region	Budapest, Czuczor Fiók	Czuczor utca 2-10
Budapest Region	Budapest, Kolozsvár Fiók	Kolozsvár utca 2/b
Budapest Region	Budapest, Infopark	Magyar Tudósok körútja 9
Budapest Region	Thököly út	Thököly út 100/a
Budapest Region	Eurocenter	Bécsi út 154
Budapest Region	Nyugati tér	Nyugati tér 5
Budapest Region	Bartók Béla út	Bartók Béla út. 41. Fszt.
Budapest Region	Békásmegyer	Heltai J. tér 15.
Budapest Region	Belváros	Bajcsy-Zsilinszky út 5.
Budapest Region	Boráros tér (Duna-ház)	Soroksári út 3/C
Budapest Region	Budagyöngye	II. Pázsit u. 2.
Budapest Region	Campona	XXII. Nagytétényi út
Budapest Region	Csepel	XXI. Kossuth 47-49
Budapest Region	Csepel Plaza	II. Rákóczi Ferenc út 154-170.
Budapest Region	Délbuda	XI. Etele út 57.
Budapest Region	Duna Plaza	Váci út 178-182.
Budapest Region	Emke	VII. Rákóczi út. 42.
Budapest Region	Északpest	XIII. Váci u. 193.
Budapest Region	Fehérvári út	Fehérvári út 95
Budapest Region	Gazdagrét	XI. Rétköz u. 7. (Eleven Center)
Budapest Region	Kispest	XIX. Ker. Fő u. 7.
Budapest Region	Kőbánya	X. Kőrösi Csoma sétány 4.
Budapest Region	Mammut	Széna tér 4
Budapest Region	MOM Park	Alkotás utca 53
Budapest Region	Óbuda	II. Lajos u. 30.
Budapest Region	Pesterzsébet	XX. Török Flóris u. 70.
Budapest Region	Pestszentimre	Dózsa György u. 2.
Budapest Region	Pestszentlőrinc	XVIII. Üllői út 396.
Budapest Region	Rákoskeresztúr	XVII. Pesti út 159-163.

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Budapest Region	Rákosszentmihály	XVI. Rákosi út 128.
Budapest Region	Székház	Váci utca 38
Budapest Region	Szent István tér	Hercegprímás utca 10
Budapest Region	Újpest	Árpád út 57-59. fsz. 1.
Budapest Region	Váci Greens	Váci út 117-119. A épület
Dél-Keleti Region		
Dél-Keleti Region	Békéscsaba	Andrássy út 18.
Dél-Keleti Region	Kiskőrös	Petőfi tér 18
Dél-Kelet Region	Karcag	Horváth Ferenc u. 3. fsz. 1
Dél-Kelet Region	Nagykőrösi, Rákóczi Fiók	Rákóczi utca 1
Dél-Kelet Region	Heves, Hunyadi Fiók	Hunyadi utca 11-13
Dél-Kelet Region	Békés, Szarvasi Fiók	Szarvasi utca 1
Dél-Kelet Region	Békéscsaba, Mednyánszky Fiók	Mednyánszky utca 8
Dél-Kelet Region	Csorvás, Rákóczi Fiók	Rákóczi utca 1
Dél-Kelet Region	Dévaványa, Árpád Fiók	Árpád utca 1
Dél-Kelet Region	Füzesgyarmat, Mátyás FIók	Mátyás utca 2
Dél-Kelet Region	Gyomaendrőd, Kossuth Fiók	Kossuth utca 20
Dél-Kelet Region	Gyula, Városház Fiók	Városház utca 23
Dél-Kelet Region	Kevermes, Templom Fiók	Templom utca 2/a
Dél-Kelet Region	Kondoros, Csabai Fiók	Csabai út 14
Dél-Kelet Region	Mezőberény, Békési Fiók	Békési út 6
Dél-Kelet Region	Mezőkovácsháza, Árpád Fiók	Árpád utca 188-192
Dél-Kelet Region	Orosháza, Thököly Fiók	Thököly utca 15
Dél-Kelet Region	Sarkad, Kossuth Fiók	Kossuth utca 14-16
Dél-Kelet Region	Szarvas, Szabadság	Szabadság út 30
Dél-Kelet Region	Szeghalom, Tildy Fiók	Tildy Zoltán utca 20-24
Dél-Kelet Region	Tótkomlós, Kossuth Fiók	Kossuth utca 1
Dél-Kelet Region	Újkígyós, Gyulai Fiók	Gyulai út 25
Dél-Kelet Region	Vésztő, Kossuth Fiók	Kossuth Lajos utca 53/a
Dél-Kelet Region	Zsadány, Béke Fiók	Béke utca 92
Dél-Kelet Region	Békéscsaba, Hunyadi Fiók	Szabadság tér 2
Dél-Kelet Region	Csongrád, Fő Fiók	Fő utca 28
Dél-Kelet Region	Domaszék, Köztársaság Fiók	Köztársaság tér 4
Dél-Kelet Region	Hódmezővásárhely, Andrássy Fiók	Andrássy út 50
Dél-Kelet Region	Kistelek, SzentLászló Fiók	Szent László tér 2
Dél-Kelet Region	Makó, Úri Fiók	Úri utca 1
Dél-Kelet Region	Mindszenti, Csokonai Fiók	Csokonai Vitéz Mihály utca 28
Dél-Kelet Region	Mórahalom, Millenniumi Fiók	Millenniumi sétány 1
Dél-Kelet Region	Sándorfalva, Alkotmány Fiók	Alkotmány krt. 21/A
Dél-Kelet Region	Szeged, Mikszáth Fiók	Mikszáth Kálmán utca 15
Dél-Kelet Region	Szeged, Szőregi Fiók	Szőregi út 80
Dél-Kelet Region	Szentes, Szabadság Fiók	Szabadság tér 2
Dél-Kelet Region	Üllés, Fogarasi Fiók	Fogarasi utca 1
Dél-Kelet Region	Szeged, Széchenyi Fiók	Széchenyi tér 3.

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Dél-Kelet Region	Abádszalók, István Fiók	István király utca 8
Dél-Kelet Region	Kunhegyes, Szabadság Fiók	Szabadság tér 11
Dél-Kelet Region	Kunszentmárton, Mátyás Fiók	Mátyás Király utca 1
Dél-Kelet Region	Mezőtúr, Dózsa Fiók	Dózsa György utca 24
Dél-Kelet Region	Tiszaföldvár, Kossuth Fiók	Kossuth Lajos út 139
Dél-Kelet Region	Tiszafüred, Kossuth Fiók	Kossuth tér 17
Dél-Kelet Region	Törökszentmiklós, Kossuth Fiók	Kossuth Lajos utca 142-146
Dél-Kelet Region	Túrkeve, Petőfi Fiók	Petőfi tér 3-5
Dél-Kelet Region	Újszász Erkel Fiók	Erkel Ferenc út 2/A
Dél-Kelet Region	Kisújszállás, Szabadságutca8	Szabadság utca 8
Dél-Kelet Region	Jászapáti, István Fiók	István Király út 3
Dél-Kelet Region	Jászárokszállás, Árpád Fiók	Árpád tér 2
Dél-Kelet Region	Szolnok, Nagy Fiók	Nagy Imre körút 10/A
Dél-Kelet Region	Bócsa, Kecskeméti Fiók	Kecskeméti út 20
Dél-Kelet Region	Kalocsa, Hunyadi Fiók	Hunyadi utca 47-49
Dél-Kelet Region	Kiskunmajsa, Fő Fiók	Fő utca 57. fszt.3.
Dél-Kelet Region	Kecskemét, Dobó Fiók	Dobó körút 15
Dél-Kelet Region	Csengőd, Dózsa Fiók	Dózsa György utca 69
Dél-Kelet Region	Izsák, Szabadság Fiók	Szabadság tér 10
Dél-Kelet Region	Kecskemét, Szabadság Fiók	Szabadság tér 3
Dél-Kelet Region	Kerekegyháza, Fő Fiók	Fő utca 82/a
Dél-Kelet Region	Kiskunfélegyháza, Fekete Pál Fiók	Fekete Pál sétány 2
Dél-Kelet Region	Kunszentmiklós, Kálvin Fiók	Kálvin tér 11
Dél-Kelet Region	Lakitelek, Liget Fiók	Liget utca 2
Dél-Kelet Region	Solt, Posta Fiók	Posta utca 14
Dél-Kelet Region	Szabadszállás, Kálvin Fiók	Kálvin tér 2
Dél-Kelet Region	Tiszakécske, SzentImre Fiók	Szent Imre tér 3
Dél-Kelet Region	Lajosmizse, Szabadság Fiók	Szabadság tér 10
Dél-Kelet Region	Akasztó, Fő Fiók	Fő utca 53
Dél-Kelet Region	Harta, Kossuth Fiók	Kossuth Lajos utca 31
Dél-Kelet Region	Bácsalmás, GrófTeleki Fiók	Gróf Teleki József utca 2
Dél-Kelet Region	Bácsbokod, GrófSzéchenyi Fiók	Gróf Széchenyi István utca 85
Dél-Kelet Region	Hercegszántó, Albert Fiók	Albert Flórián tér 2
Dél-Kelet Region	Jánoshalma, Dózsa Fiók	Dózsa György utca 82
Dél-Kelet Region	Kecel, Fő Fiók	Fő tér 8
Dél-Kelet Region	Mélykút, Petőfi Fiók	Petőfi tér 3
Dél-Kelet Region	Vaskút, Alkotmány Fiók	Alkotmány utca 3/A
Dél-Kelet Region	Szeged	Kölcsey utca 8
Dél-Kelet Region	Hódmezővásárhely	Kossuth tér 2
Dél-Kelet Region	Baja	Tóth Kálmán tér 1
Dél-Kelet Region	Jászberény	Lehel vezér tér 32-33
Dél-Kelet Region	Kecskemét	Nagykőrösi utca 2.
Dél-Kelet Region	Kecskemét	Katona József tér 1
Dél-Kelet Region	Kiskunhalas	Kossuth u. 10.
Dél-Kelet Region	Szolnok	Hősök tere 1.

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Dél-Nyugat Region		
Dél-Nyugat Region	Bátaszék, Budai Fiók	Budai utca 24
Dél-Nyugat Region	Bonyhád, Szabadság9 Fiók	Szabadság tér 9
Dél-Nyugat Region	Dombóvár, Hunyadi Fiók	Hunyadi tér 42
Dél-Nyugat Region	Dunaföldvár, Fehérvári Fiók	Fehérvári utca 4
Dél-Nyugat Region	Hőgyész, Fő Fiók	Fő utca 14
Dél-Nyugat Region	Nagydorog, Kossuth Fiók	Kossuth utca 52
Dél-Nyugat Region	Németkér, Széchenyi Fiók	Széchenyi utca 43
Dél-Nyugat Region	Tamási, Szabadság Fiók	Szabadság utca 41/b
Dél-Nyugat Region	Tolna, Deák Fiók	Deák Ferenc utca 4.
Dél-Nyugat Region	Zomba, Fő Fiók	Fő tér 5
Dél-Nyugat Region	Harkány, Kossuth Fiók	Kossuth Lajos utca 16
Dél-Nyugat Region	Komló, Városház Fiók	Városház tér 5
Dél-Nyugat Region	Kozármisleny, Orgona Fiók	Orgona utca 2
Dél-Nyugat Region	Mecseknádasd, Rákóczi Fiók	Rákóczi Ferenc utca 40
Dél-Nyugat Region	Pécs, Bajcsy Fiók	Bajcsy-Zsilinszky Endre utca 7
Dél-Nyugat Region	Sellye, Mátyás Fiók	Mátyás Király utca 73
Dél-Nyugat Region	Szentlőrinc, Munkácsy Fiók	Munkácsy utca 19
Dél-Nyugat Region	Szigetvár, József Fiók	József Attila utca 19
Dél-Nyugat Region	Vajszló, Kodolányi Fiók	Kodolányi tér 2
Dél-Nyugat Region	Mágocs, Szabadság Fiók	Szabadság utca 23
Dél-Nyugat Region	Pécsvárad, Kossuth30 Fiók	Kossuth Lajos utca 30
Dél-Nyugat Region	Sásd, Rákóczi Fiók	Rákóczi utca 26
Dél-Nyugat Region	Bóly, Hősök Fiók	Hősök tere 8/c
Dél-Nyugat Region	Dunaszekcső, Kossuth Fiók	Kossuth Lajos utca 37
Dél-Nyugat Region	Himesháza, Kossuth Fiók	Kossuth Lajos utca 62
Dél-Nyugat Region	Mohács, Dózsa Fiók	Dózsa György utca 31
Dél-Nyugat Region	Pécs, Páfrány Fiók	Páfrány utca 2/A
Dél-Nyugat Region	Balatonföldvár, Balatonszentgyörgyi Fiók	Balatonszentgyörgyi út 1
Dél-Nyugat Region	Barcs, Bajcsy Fiók	Bajcsy-Zsilinszky utca 83
Dél-Nyugat Region	Csurgó, Csokonai Fiók	Csokonai utca 10-12.
Dél-Nyugat Region	Tab, Kossuth Fiók	Kossuth Lajos utca 84/b
Dél-Nyugat Region	Bak, Széchenyi Fiók	Széchenyi tér 2
Dél-Nyugat Region	Balatonmáriafürdő, GrófSzéchenyi Fiók	Gróf Széchenyi Imre tér 10
Dél-Nyugat Region	Hévíz, Széchenyi Fiók	Széchenyi utca 66
Dél-Nyugat Region	Lenti, Kossuth Fiók	Kossuth út 4
Dél-Nyugat Region	Letenye, Kossuth Fiók	Kossuth utca 15
Dél-Nyugat Region	Marcali, Rákóczi Fiók	Rákóczi utca 16
Dél-Nyugat Region	Nagyatád, Kossuth Fiók	Kossuth Lajos utca 16
Dél-Nyugat Region	Pacsa, József Fiók	József Attila utca 3
Dél-Nyugat Region	Zalakaros, Petőfi Fiók	Petőfi utca 48
Dél-Nyugat Region	Zalaszentgrót, Nefelejcs Fiók	Nefelejcs utca 1
Dél-Nyugat Region	Nagykanizsa	Erzsébet tér 19.

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Dél-Nyugat Region	Pécs	Rákóczi út 60.
Dél-Nyugat Region	Szekszárd	Arany János u. 23-25.
Dél-Nyugat Region	Kaposvár	Fő u. 3.
Dél-Nyugat Region	Balatonboglár	Sétáló u. 3.
Dél-Nyugat Region	Keszthely	Kossuth Lajos u. 103. Fszt.
Dél-Nyugat Region	Paks	Dózsa György út 75
Dél-Nyugat Region	Siófok	Sió utca 2
Dél-Nyugat Region	Zalaegerszeg	Kossuth utca 2.
Észak-Keleti Régió		
Észak-Kelet Region	Debrecen	Vár u. 6/a
Észak-Kelet Region	Miskolc	Széchenyi u. 46.
Észak-Kelet Region	Tiszaújváros	Kazinczy u. 12.
Észak-Kelet Region	Ózd	Gyújtó tér 1.
Észak-Kelet Region	Besenyőtelek, Fő Fiók	Fő út 112
Észak-Kelet Region	Füzesabony, Rákóczi Fiók	Rákóczi út 58
Észak-Kelet Region	Hatvan, Kossuth Fiók	Kossuth tér 23
Észak-Kelet Region	Bélapátfalva, Május1 Fiók	Május 1. út 2/A
Észak-Kelet Region	Pétervására, Szabadság Fiók	Szabadság tér 21
Észak-Kelet Region	Verpelét, Szabadság Fiók	Szabadság tér 8/a
Észak-Kelet Region	Abaújszántó, Béke Fiók	Béke út 32
Észak-Kelet Region	Bükkábrány, Mátyás Fiók	Mátyás király utca 15
Észak-Kelet Region	Cigánd, Fő Fiók	Fő út 75
Észak-Kelet Region	Edelény, Tóth Fiók	Tóth Árpád út 5
Észak-Kelet Region	Encs, Petőfi Fiók	Petőfi út 31.
Észak-Kelet Region	Felsőzsolca, Kassai Fiók	Kassai utca 28
Észak-Kelet Region	Gönc, Kossuth Fiók	Kossuth Lajos utca 42
Észak-Kelet Region	Halmaj, Fő Fiók	Fő út 14
Észak-Kelet Region	Mezőcsát, Kossuth Fiók	Kossuth út 7
Észak-Kelet Region	Mezőkeresztes, Dózsa Fiók	Dózsa György út 37
Észak-Kelet Region	Mezőkövesd, Mátyás Fiók	Mátyás király út 70
Észak-Kelet Region	Miskolc, Gutenberg Fiók	Gutenberg utca 1
Észak-Kelet Region	Miskolc, Vasgyári Fiók	Vasgyári út 3
Észak-Kelet Region	Pálháza, Dózsa Fiók	Dózsa György út 119
Észak-Kelet Region	Putnok, Mohos Fiók	Mohos sétány 2.
Észak-Kelet Region	Sajószentpéter, Kossuth Fiók	Kossuth Lajos út 179
Észak-Kelet Region	Sárospatak, Eötvös Fiók	Eötvös utca 3
Észak-Kelet Region	Sátoraljaújhely, Széchenyi Fiók	Széchenyi tér 8
Észak-Kelet Region	Szendrő, Hősök Fiók	Hősök tere 2
Észak-Kelet Region	Szerencs, Rákóczi Fiók	Rákóczi út 105
Észak-Kelet Region	Szikszó, Bolt Fiók	Bolt utca 11
Észak-Kelet Region	Tarcal, Fő Fiók	Fő út 66
Észak-Kelet Region	Miskolc, Ady Fiók	Ady Endre utca 16.
Észak-Kelet Region	Tokaj, Bajcsy Fiók	Bajcsy-Zsilinszky Endre út 18
Észak-Kelet Region	Nyíregyháza, Dózsa Fiók	Dózsa György út 11.
Észak-Kelet Region	Baktalórántháza, Köztársaság Fiók	Köztársaság tér 7.

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Észak-Kelet Region	Balkány, Fő Fiók	Fő utca 31
Észak-Kelet Region	Bököny, Dózsa Fiók	Dózsa György utca 5
Észak-Kelet Region	Csenger, Ady Fiók	Ady utca 5
Észak-Kelet Region	Fehérgyarmat, Móricz fiók	Móricz Zsigmond utca 19
Észak-Kelet Region	Gávavencsellő, Petőfi Fiók	Petőfi utca 3
Észak-Kelet Region	Hodász, Széchenyi Fiók	Széchenyi út 8
Észak-Kelet Region	Ibrány, Lehel Fiók	Lehel út 3
Észak-Kelet Region	Jánkmajtis, Kossuth Fiók	Kossuth utca 12
Észak-Kelet Region	Kisvárda, SzentLászló Fiók	Szent László utca 68
Észak-Kelet Region	Levelek, Rákóczi Fiók	Rákóczi utca 4
Észak-Kelet Region	Mátészalka, Szalkay Fiók	Szalkay László utca 2
Észak-Kelet Region	Nagyecsed, Rákóczi fiók	Rákóczi út 16
Észak-Kelet Region	Nagykálló, Zrínyi Fiók	Zrínyi Miklós utca 22
Észak-Kelet Region	Nyírbátor, Szabadság Fiók	Szabadság tér 5
Észak-Kelet Region	Nyíregyháza, Kossuth Fiók	Kossuth utca 66/A.
Észak-Kelet Region	Nyírtelek, Arany Fiók	Arany János utca 1
Észak-Kelet Region	Rakamaz, SzentIstván Fiók	Szent István utca 25
Észak-Kelet Region	Tiszaeszlár, Rákóczi Fiók	Rákóczi utca 79
Észak-Kelet Region	Tiszalök, Kossuth Fiók	Kossuth utca 79/b
Észak-Kelet Region	Tiszavasvári, Kossuth Fiók	Kossuth Lajos utca 1
Észak-Kelet Region	Újfehértó, Béke Fiók	Béke tér 4
Észak-Kelet Region	Vaja, Damjanich Fiók	Damjanich utca 70
Észak-Kelet Region	Vásárosnamény, Rákóczi Fiók	Rákóczi utca 1
Észak-Kelet Region	Záhony, Alkotmány Fiók	Alkotmány út 2
Észak-Kelet Region	Balmazújváros, Veres Fiók	Veres Péter utca 3
Észak-Kelet Region	Berettyóújfalu, Dózsa Fiók	Dózsa György utca 3-5
Észak-Kelet Region	Biharkeresztes, Hősök Fiók	Hősök tere 10
Észak-Kelet Region	Debrecen, Bethlen Fiók	Bethlen G. utca 6-8
Észak-Kelet Region	Debrecen, Mátyás Fiók	Mátyás Király utca 29
Észak-Kelet Region	Debrecen, Szentgyörgyfalvi Fiók	Szentgyörgyfalvi utca 9
Észak-Kelet Region	Derecske, Rákóczi Fiók	Rákóczi út 2
Észak-Kelet Region	Hajdúböszörmény, Kossuth Fiók	Kossuth Lajos utca 5
Észak-Kelet Region	Hajdúdorog, Tokaji Fiók	Tokaji út 6
Észak-Kelet Region	Hajdúhadház, Bocskai Fiók	Bocskai tér 2/a
Észak-Kelet Region	Hajdúnánás, Kossuth Fiók	Kossuth Lajos út 17
Észak-Kelet Region	Hajdúsámson, Rákóczi Fiók	Rákóczi utca 6
Észak-Kelet Region	Hajdúszoboszló, Hősök Fiók	Hősök tere 15
Észak-Kelet Region	Hosszúpályi, Bagosi Fiók	Bagosi utca 2
Észak-Kelet Region	Kaba, Rákóczi Fiók	Rákóczi Ferenc út 120
Észak-Kelet Region	Létavértes, Baross Fiók	Baross utca 1
Észak-Kelet Region	Nyíradony, Árpád Fiók	Árpád tér 12
Észak-Kelet Region	Püspökladány, Gagarin Fiók	Gagarin utca 1
Észak-Kelet Region	Vámospércs, Nagy Fiók	Nagy utca 9
Észak-Kelet Region	Kazincbarcika	Egressy Béni utca 39.

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Észak-Kelet Region	Nyíregyháza	Szarvas utca 11
Észak-Kelet Region	Eger	Almagyar utca 5
Észak-Kelet Region	Eger	Érsek utca 6
Észak-Kelet Region	Gyöngyös	Fő tér 19
Észak-Nyugati Régió		
Észak-Nyugat Region	Bábolna, Béke Fiók	Béke út 1
Észak-Nyugat Region	Bokod, Fő Fiók	Fő utca 50/a
Észak-Nyugat Region	Dorog, Bécsi	Bécsi út 33
Észak-Nyugat Region	Kisbér, Kossuth Fiók	Kossuth Lajos utca 14
Észak-Nyugat Region	Komárom, Igmándi Fiók	Igmándi út 45
Észak-Nyugat Region	Lábatlan, Rákóczi Fiók	Rákóczi út 138-140
Észak-Nyugat Region	Nagyigmánd, Kossuth Fiók	Kossuth Lajos utca 2
Észak-Nyugat Region	Oroszlány, Rákóczi Fiók	Rákóczi Ferenc utca 7/a
Észak-Nyugat Region	Tarján, Rákóczi Fiók	Rákóczi utca 8
Észak-Nyugat Region	Tata, Ady Fiók	Ady Endre út 17
Észak-Nyugat Region	Celldömölk, Kossuth Fiók	Kossuth Lajos utca 18
Észak-Nyugat Region	Csepreg, Széchenyi Fiók	Széchenyi tér 4
Észak-Nyugat Region	Körmend, Thököly Fiók	Thököly utca 1
Észak-Nyugat Region	Kőszeg, Rákóczi Fiók	Rákóczi utca 12
Észak-Nyugat Region	Őriszentpéter, Városszer Fiók	Városszer utca 106
Észak-Nyugat Region	Répcelak, Petőfi Fiók	Petőfi Sándor utca 50.
Észak-Nyugat Region	Sárvár, Batthyány Fiók	Batthyány utca 42/C
Észak-Nyugat Region	Szentgotthárd, Hunyadi Fiók	Hunyadi utca 5.
Észak-Nyugat Region	Vasvár, Főszolgabíró Fiók	Főszolgabíró tér 1
Észak-Nyugat Region	Szombathelyi, Petőfi16 Fiók	Petőfi Sándor utca 16.
Észak-Nyugat Region	Badacsonytomaj, Kert Fiók	Kert utca 12
Észak-Nyugat Region	Balatonalmádi, Baross Fiók	Baross Gábor út 11
Észak-Nyugat Region	Balatonfüred, Kossuth Fiók	Kossuth Lajos utca 20
Észak-Nyugat Region	Balatonkenese, Fő Fiók	Fő utca 23
Észak-Nyugat Region	Berhida, Szabadság Fiók	Szabadság tér 6
Észak-Nyugat Region	Devecser, Kossuth Fiók	Kossuth út 2
Észak-Nyugat Region	Nagyvázsony, Kinizsi Fiók	Kinizsi utca 82
Észak-Nyugat Region	Sümeg, Kossuth Fiók	Kossuth utca 17
Észak-Nyugat Region	Herend, Kossuth Fiók	Kossuth Lajos utca 140
Észak-Nyugat Region	Tapolca, Fő Fiók	Fő tér 4
Észak-Nyugat Region	Várpalota, Posta Fiók	Posta út 8
Észak-Nyugat Region	Zirc, József Fiók	József Attila utca 4
Észak-Nyugat Region	Beled, Rákóczi Fiók	Rákóczi utca 131
Észak-Nyugat Region	Csorna, SzentIstván Fiók	Szent Istvén tér 23
Észak-Nyugat Region	Dunakiliti, Kossuth Fiók	Kossuth utca 88
Észak-Nyugat Region	Fertőd, Fő Fiók	Fő utca 62
Észak-Nyugat Region	Győr, Riesz Fiók	Riesz F. utca 11/a
Észak-Nyugat Region	Hegyeshalom, Fő Fiók	Fő utca 135
Észak-Nyugat Region	Kapuvár, Gesztenye Fiók	Gesztenye sor 5
Észak-Nyugat Region	Mosonmagyaróvár, Palánk Fiók	Palánk utca 8

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Észak-Nyugat Region	Nagycenk, Iskola Fiók	Iskola utca 2
Észak-Nyugat Region	Pannonhalma, Petőfi Fiók	Petőfi utca 20
Észak-Nyugat Region	Tét, Fő Fiók	Fő utca 86
Észak-Nyugat Region	Gönyű, Bajcsy Fiók	Bajcsy-Zsilinszky utca 13
Észak-Nyugat Region	Győr, Lehel Fiók	Lehel utca 27
Észak-Nyugat Region	Lébény, Fő Fiók	Fő út 85
Észak-Nyugat Region	Ajka	Szabadság tér 8.
Észak-Nyugat Region	Esztergom	Kossuth Lajos u. 14-18.
Észak-Nyugat Region	Győr	Bajcsy Zs. Utca 36.
Észak-Nyugat Region	Győr	Nagysándor József utca 31
Észak-Nyugat Region	Győr - Árkád	Budai út 1
Észak-Nyugat Region	Pápa	Szent László utca 1.
Észak-Nyugat Region	Sopron	Várkerület 16
Észak-Nyugat Region	Szombathely	Szent Márton utca 4
Észak-Nyugat Region	Tatabánya	Szent Borbála tér 6.
Észak-Nyugat Region	Tatabánya	Fő tér 6
Észak-Nyugat Region	Veszprém	Mindszenty József u. 7.
Észak-Nyugat Region	Veszprém	Óváros tér 3
Közép-Magyarország region		
Közép-Magyarország Region	Gyál, Kőrösi Fiók	Kőrösi utca 116
Közép-Magyarország Region	Dunakeszi	Fő út 16-18
Közép-Magyarország Region	Székesfehérvár	Budai út 36.
Közép-Magyarország Region	Balassagyarmat	Rákóczi u. 14.
Közép-Magyarország Region	Bicske	Kossuth tér 7.
Közép-Magyarország Region	Budaörs	Szabadság út 45
Közép-Magyarország Region	Cegléd	Rákóczi u. 2.
Közép-Magyarország Region	Dabas	Falu Tamás u. 4.
Közép-Magyarország Region	Dunaújváros	Dózsa Gy. út 4/b
Közép-Magyarország Region	Érd	Budai út 11.
Közép-Magyarország Region	Gödöllő	Kossuth út 13.
Közép-Magyarország Region	Monor	Kossuth u. 73.
Közép-Magyarország Region	Nagykáta	Szabadság tér 12.
Közép-Magyarország Region	Ráckeve	Kossuth u. 47.
Közép-Magyarország Region	Salgótarján	Losonci utca 2
Közép-Magyarország Region	Székesfehérvár	Bástya u. 10.
Közép-Magyarország Region	Szentendre	Dunakorzó 18
Közép-Magyarország Region	Vác	Köztársaság u. 10.
Közép-Magyarország Region	Székesfehérvár, Koronázó Fiók	Koronázó tér 2.
Közép-Magyarország Region	Alcsútdoboz, Béke Fiók	Béke utca 1
Közép-Magyarország Region	Enying, Deák Fiók	Deák Ferenc út 1
Közép-Magyarország Region	Ercsi, SzentIstván Fiók	Szent István út 3
Közép-Magyarország Region	Gárdonyi fiók	Szabadság út 24
Közép-Magyarország Region	Káloz, Bajcsy Fiók	Bajcsy-Zsilinszky utca 3
Közép-Magyarország Region	Kápolnásnyék, Fő Fiók	Fő út 29

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Közép-Magyarország Region	Martonvásár, Brunszvik Fiók	Brunszvik út 1/B
Közép-Magyarország Region	Mór, Deák Fiók	Deák Ferenc utca 28
Közép-Magyarország Region	Sárbogárd, Ady Fiók	Ady Endre utca 107
Közép-Magyarország Region	Simontornya, Mátyás Fiók	Mátyás király utca 2-3
Közép-Magyarország Region	Dunavarsány, Kossuth Fiók	Kossuth Lajos utca 38 B fszt 1
Közép-Magyarország Region	Inárcs, Széchenyi Fiók	Széchenyi út 4
Közép-Magyarország Region	Kakucs, Sas Fiók	Sas telep 1
Közép-Magyarország Region	Örkény, Kossuth Fiók	Kossuth Lajos út 34/a
Közép-Magyarország Region	Tököl, József Fiók	József Attila utca 24
Közép-Magyarország Region	Újhartyán, Újsor Fiók	Újsor utca 1
Közép-Magyarország Region	Alsónémedi, Fő Fiók	Fő út 66/A
Közép-Magyarország Region	Budakalász, Petőfi Fiók	Petőfi tér 11
Közép-Magyarország Region	Budakeszi, Fő Fiók	Fő utca 126
Közép-Magyarország Region	Diósd, SzentIstván Fiók	Szent István tér 12
Közép-Magyarország Region	Dunabogdány, Hajó Fiók	Hajó utca 3
Közép-Magyarország Region	Dunaharaszti, Baktay Fiók	BAKTAY TÉR 5
Közép-Magyarország Region	Érd, Hegesztő Fiók	Hegesztő utca 10
Közép-Magyarország Region	Herceghalom, Zsámbéki Fiók	Zsámbéki út 16
Közép-Magyarország Region	Leányfalu, Móricz Fiók	Móricz Zsigmond utca 128 A ép.
Közép-Magyarország Region	Nagykovácsi, Kossuth Fiók	Kossuth Lajos utca 67
Közép-Magyarország Region	Pilisvörösvár, Fő Fiók	Fő út 69
Közép-Magyarország Region	Pomáz, Kossuth Fiók	Kossuth Lajos utca 5
Közép-Magyarország Region	Solymár, Mátyás Fiók	Mátyás Király utca 14
Közép-Magyarország Region	Százhalombatta, Damjanich Fiók	Damjanich utca 23
Közép-Magyarország Region	Tahitótfalu, Petőfi Fiók	Petőfi Sándor utca 27
Közép-Magyarország Region	Tárnok, Rákóczi Fiók	Rákóczi út 91
Közép-Magyarország Region	Törökbálint, Munkácsy Fiók	Munkácsy Mihály utca 11
Közép-Magyarország Region	Üröm, Fő Fiók	Fő tér 1
Közép-Magyarország Region	Abony, Kossuth Fiók	Kossuth tér 3-4
Közép-Magyarország Region	Aszód, Kossuth Fiók	Kossuth Lajos utca 1
Közép-Magyarország Region	Fót, Dózsa Fiók	Dózsa György út 54
Közép-Magyarország Region	Tápiószele	Rákóczi út 2
Közép-Magyarország Region	Tura, Bartók Fiók	Bartók tér 21
Közép-Magyarország Region	Veresegyház, Fő Fiók	Fő út 53
Közép-Magyarország Region	Albertirsa, Pesti Fiók	Pesti út 28
Közép-Magyarország Region	Gyömrő, Táncsics Fiók	Táncsics utca 82
Közép-Magyarország Region	Isaszeg, Kossuth Fiók	Kossuth Lajos utca 15/a
Közép-Magyarország Region	Kistarcsa, Széchenyi Fiók	Széchenyi út 67
Közép-Magyarország Region	Maglód, Fő Fiók	Fő utca 13
Közép-Magyarország Region	Pécel, Ráday Fiók	Ráday Gedeon tér 10
Közép-Magyarország Region	Pilis, Rákóczi Fiók	Rákóczi utca 34
Közép-Magyarország Region	Sülysáp, Malom Fiók	Malom utca 1/A
Közép-Magyarország Region	Tápiószentmárton, Kossuth Fiók	Kossuth Lajos utca 17/A
Közép-Magyarország Region	Üllő, Pesti Fiók	Pesti út 71

Közép-Magyarország Region	Vecsés, Telepi Fiók	Telepi út 50/a
Közép-Magyarország Region	Göd, Pesti Fiók	Pesti út 93
Közép-Magyarország Region	Érsekvadkert, Rákóczi Fiók	Rákóczi út 122
Közép-Magyarország Region	Gyöngyöspata, Dózsa Fiók	Dózsa György út 1-3
Közép-Magyarország Region	Pásztó, Fő Fiók	Fő út 64
Közép-Magyarország Region	Petőfibánya, Mária Fiók	Mária utca 4
Közép-Magyarország Region	Rétság, Korányi Fiók	Korányi út 2
Közép-Magyarország Region	Szécsény, Rákóczi Fiók	Rákóczi út 71
Közép-Magyarország Region	Bátonyterenye, Ózdi Fiók	Ózdi út 47
Közép-Magyarország Region	Szigetszentmiklós	Losonczi u. 1.

19.INFORMATION PURSUANT TO SECTIONS 95/A AND 95/B OF THE ACCOUNTING ACT

INFORMATION RELATED TO SHARES AND OWNERS

The shares of MBH Bank Plc. (hereinafter: “Bank”) – under the name of MKB Bank - were added to the product list of the Budapest Stock Exchange (hereinafter: “**BSE**”) on 30 May 2019, whereby the shares got listed on the BSE. The first trading date of the Bank’s ordinary shares listed on the BSE - in the BSE shares section's Standard category - was 17 June 2019

On 30 October 2020, the Bank sold all its shares representing 33.33% ownership in Magyar Bankholding Zrt. to its shareholders.

Magyar Bankholding Zrt. (hereinafter: “**Hungarian Bankholding**”) commenced its effective operation as a financial bankholding on 15 December 2020, after the bank shares of the key owners of Budapest Bank Zrt. (hereinafter: “**Budapest Bank**”), the Bank and MTB Zrt. (hereinafter: “**MTB**”) were transferred to the joint holding company in possession of the approval of National Bank of Hungary (hereinafter: “**NBH**”). The owners transferred their shares to Hungarian Bankholding as a result the second largest banking group in Hungary has been established, in which the Hungarian State owned 30.35% of the shares through Corvinus Nemzetközi Befektetési Zrt., the former direct owners of the Bank acquired 31.96% of the shares and the former direct owners of MTB acquired 37.69% of the shares. Magyar Bankholding obtained all the necessary permits to operate as a financial holding company.

On 15 December 2021, the supreme bodies of the Bank, Budapest Bank and Magyar Takarék Bankholding Zrt., which owned MTB, approved the first step of the merger timetable of Budapest Bank, the Bank and MTB. The merger of two member banks, Budapest Bank and the Bank, as well as Magyar Takarék Bankholding Zrt. took place on 31 March 2022 in accordance with the fusion schedule, based on the relevant decisions adopted by the supreme decision-making body and in possession of the necessary official permits and authorisations. From 1 April 2022 the merged credit institution operated temporarily under the name of MKB Bank Nyrt.

On 9 December 2022 the supreme bodies of the Bank and Takarékbank Zrt. adopted – as part of the execution of the second step Hungarian Bankholding’s fusion schedule – the proposed decisions regarding the merger of the two member banks. Under the decisions of the respective general meetings and in possession of the necessary official permits and authorisations the two member banks – the Bank and Takarékbank Zrt. – merged with effect from 30 April 2023 and have continued operating under the name of MBH Bank Nyrt., with a single uniform brand name and image. Thereby Hungary's second largest universal major bank was established in terms of balance sheet total, a leader in digitalisation.

The merger did not imply any change in the ownership structure of the banking group, the dominant shareholder of the banks involved in the merger process remained Magyar Bankholding until its division.

As a result of the merger of Takarékbank Plc. into MKB Bank, the subscribed capital of MBH Bank as the acquiring company increased to HUF 322,529,625,000. The Bank's share capital consists entirely of Series „A” ordinary shares, each of which carries the same rights.

The 830,667 pieces of Series “A” ordinary shares with a nominal value of HUF 1,000 each newly issued within the framework of the merger have been originated by KELER, registered in the share register of the Bank and listed to the “Standard” category of BSE as of 1 August 2023. Since the holders of the new shares issued as a result of the merger were the shareholders of Takarékbank as the merging company, the shareholding and voting rights of Magyar Bankholding in MBH Bank decreased from

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99.12% to 98.87% as a result of the merger and the shareholding and voting rights of the other shareholders of the Bank increased proportionately from 0.88% to 1.13%.

MBH Bank's ownership structure and the shareholders' ownership was as the followings as at 31 December 2023:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Magyar Bankholding Zrt	318 883 966	318 883 966 000	98,87%
The free float ratio:	3 645 659	3 645 659 000	1,13%
Total	**322 529 625**	**322 529 625 000**	**100,00%**

On 14 August 2024, the Company's main shareholder, Magyar Bankholding, decided to split into new legal successor companies, as a result of which Magyar Bankholding was dissolved and split into new legal successor companies and its assets were transferred to the legal successor companies (hereinafter: Transformation). The transformation date was 30 November, and the 10 new legal successor companies were established on 1 December 2024.

As a result of the transformation of Magyar Bankholding, which took effect on 30 November 2024, MBH Bank had the following shareholder structure on 1 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Corvinus BHG Ltd.	91 131 330	91 131 330 000	28.26%
Zenith Asset Management Ltd.	83 189 017	83 189 017 000	25.79%
CEE Horizon Capital Ltd.	38 110 645	38 110 645 000	11.82%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10.70%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6.21%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6.21%
Total owners individually above 5%	**286 996 205**	**286 996 205 000**	**88.98%**
Other domestic companies*	31 887 761	31 887 761 000	9.89%
Free float before the transformation	3 645 659	3 645 659 000	1.13%
Total free float after transformation	**35 533 420**	**35 533 420 000**	**11.02%**
Total	**322 529 625**	**322 529 625 000**	**100%****

** Total new legal successor companies with less than 5% ownership share each after the Transformation*
*** Rounded value with an accuracy of 0.01%*

With its decision H-EN-I-524/2024, issued on 28 November 2024, Magyar Nemzeti Bank authorised the Company to repurchase, on an individual and consolidated basis, common equity tier 1 capital instruments (treasury shares) with an aggregate nominal value of HUF 22,577,074,000. In accordance with the legislation, the total amount specified in the authorisation is immediately deducted from the own funds. On 11 December 2024, MBH Bank purchased a total of 22,577,074 Series A ordinary own shares issued with a nominal value of HUF 1,000 each, in OTC transactions. As a result of the transactions, the number of treasury shares held by the Company changed to 22,580,867 shares, and the ratio of treasury shares held by the Company changed from 0% to 7%.

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As a result of the above treasury share purchase transaction, MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 31 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)	Voting rights (%)
Zenith Asset Management Ltd.	80 123 046	80 123 046 000	24,84%	26,71%
Corvinus BHG Ltd.	64 524 163	64 524 163 000	20,01%	21,51%
CEE Horizon Capital Ltd.	36 706 059	36 706 059 000	11,38%	12,24%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10,70%	11,50%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6,21%	6,68%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6,21%	6,68%
Repurchased treasury shares	22 580 867	22 580 867 000	7,00%	0,00%
Free float*	44 030 277	44 030 277 000	13,65%	14,68%
Total	**322 529 625**	**322 529 625 000**	**100,00%**	**100,00%**

** Including successor companies with less than 5%.*

The Group has no ultimate controlling party.

The parties having more than 10% indirect influence in the Bank are presented below, in line with the decisions of the National Bank of Hungary H-EN-I-15/2020., H-EN-I-704/2020., H-EN-I-705/2020., H-EN-I-295/2021., H-EN-I-423/2021, H-EN-I-441/2023 and H-EN-I-490/2024.

The following organisations have more than 10% indirect influence in MBH Bank:

- Corvinus Nemzetközi Befektetési Zrt., Hungarian State
- Magyar Takarék Befektetési és Vagyongazdálkodási Zrt., GLOBAL ALFA Magántőkealap
- Magyar Takarék Holding Zrt., Aurum Magántőkealap
- METIS Magántőkealap, Opus Global Befektetési Alapkezelő Zrt.
- Shihon Magántőkealap, Citadel Alapkezelő, QUARTZ Alapkezelő Zrt., Dry Immo Zrt., FELIS Magántőkealap

The Articles of Association of the Bank do not restrict the transfer of shares representing the subscribed capital of MBH Bank. The Company has no issued shares representing special controlling rights. Voting rights are not restricted at MBH Bank.

Rights and obligations of the shareholders

Rights of the shareholders at the General Meeting

a) The shareholder is entitled to attend the General Meeting. The Bank's General Meeting may be attended by the shareholder or the shareholder's proxy specified in Sections 151-155 of the Capital Market Act, who was registered in the Register of Shares at the Closing of the Register of Shares (on the second working day preceding the day of the General Meeting at 6:00 p.m. Budapest time) in accordance with the result of the shareholder matching. The day of closing the Register of Shares is the second business day preceding the starting day of the General Meeting. The Company shall not be liable for the failure of shareholders to participate or to exercise their voting rights attached to their shares if the shareholder was not entered in the share register because

(i) the result of the shareholder verification was received by the Company after the closing of the share register for the General Meeting, or
(ii) the shares and voting rights held by the shareholder violate the provisions of the law or the Articles of Association.

b) The shareholder may also exercise his / her rights at the General Meeting by way of proxy. Member of the Board of Directors, member of the Supervisory Board and the auditor cannot be persons authorised by proxy. Shareholders may authorise an executive employee of the Bank as well to exercise their rights relating to the Shareholders' Meeting. The proxy authorisation of the authorised representative shall be valid for one Shareholders' Meeting or for the period of time defined therein, but in any case not more than 12 months. The proxy authorisation shall also be valid for the continuation of the suspended Shareholders' Meeting and for the repeated Shareholders' Meeting convoked due to the lack of quorum. The authorisation shall be issued in the form of a private document with full probative force and submitted to the Bank at the place and time indicated in the General Meeting announcement. The proxy shall be drawn up in the form of a public document or a private document providing full evidence and it shall be submitted to the Bank.

c) The shareholder has the right to be informed about cases on the agenda of the General Meeting. In line with which right, in reply to the written request of the shareholder submitted at least eight days before the day of the General Meeting the Board of Directors shall provide information necessary to discuss the agenda item of the General Meeting three days before the day of the General Meeting, the latest. The Board of Directors may make the exercise of the right to information as described above conditional on the submission of a written confidentiality statement by the shareholder requesting the information. The Board of Directors may refuse to disclose information and access to documents if it violated the Bank 's business, banking, securities or other similar secrets, if the person requesting the information abuses their right or fails to make a confidentiality statement even if requested. If the party requesting information considers the refusal of information unjustified, they may request the Court of Registration to order the Bank to provide the information.

d) The Bank ensures that the rights to be informed, to comment and to suggest at the General Meeting are granted to every shareholder attending the General Meeting, on the condition that the exercising of these rights shall not hinder the lawful and proper operation of the General Meeting. In the interest of exercising the shareholder's rights specified in this present point the Chairman of the General Meeting shall grant the right of speech to the shareholder at the General Meeting, on the condition that the Chairman of the General Meeting may specify the duration of the speech, may withdraw the right to speak, especially in case the shareholder is off the point, furthermore he / she can specify the sequence of the speeches, if there are several speeches at the same time, in order to ensure the lawful and proper operation of the General Meeting. The Chairman of the General Meeting may stop the recording of what has been said after the speaker has been cut off and may stop the technical conditions (sound system) for the intervention.

e) Voting rights attached to shares are determined by the nominal value of such shares. The shareholder cannot exercise his / her right to vote until he / she has performed his / her due cash contribution

Minority rights

a) Shareholders jointly representing at least 1% of the voting rights may request the convocation of the General Meeting at any time without specifying the reason or the purpose. If the Board of Directors fails to take action to convene the General Meeting for the earliest possible date within eight days after the receipt of the request, the registering court shall convene the meeting in reply to the application of the shareholders suggesting the meeting or the registering court shall authorise the suggesting shareholders to convene the meeting. The expected costs shall be advanced by the suggesting shareholders.

b) If shareholders jointly representing at least 1% of the votes communicate a proposal to the Board of Directors to supplement the agenda in line with the rules of the levels of detail or a draft resolution concerning an item on the agenda or an item to be added to the agenda within eight days after the announcement of the convocation of the General Meeting is published, the Board of Directors shall publish an announcement about the supplemented agenda, the draft resolutions proposed by the shareholders after the communication of the proposal pursuant to THE Articles of Association. The issue specified in the announcement shall be deemed added to the agenda.

c) If the General Meeting rejected or did not allow the submission to enforce a claim of the Bank from any member, managing officer, member of the Supervisory Board or the auditor for a resolution to be adopted, shareholders representing at least 1% of the voting rights may enforce the claim themselves for the benefit of the Bank and representing the Bank within a thirty-day limitation period.

d) If the General Meeting rejected or did not allow the submission to have the last report or an economic event or commitment related to the activity of the Board of Directors in the last two years audited by a specially commissioned auditor for a resolution, the registering court shall order the audit and appoint an auditor at the cost of the Bank in reply to the application of the shareholders jointly representing at least 1% of the voting rights submitted within the thirty-day limitation period following the General Meeting. The registering court shall reject the fulfilment of the application if the submitting shareholders abuse the minority rights.

Right to dividend

The shareholder shall be entitled to a dividend from the profit of the Bank, which can be shared and which was ordered to be shared by the General Meeting in the proportion of the nominal value of his / her share.

Obligations of the shareholders

a) The shareholder shall provide cash contribution to the Bank in amount corresponding to the nominal or issue value of the shares received or quoted by his / her person. The shareholder may not be validly exempted from his / her obligation - excepting the case of share capital decrease.

b) The shareholder with at least 5% share or the shareholder acquiring such share shall report his / her indirect share and its changes to the Bank providing his / her details suitable for identification at the same time. The National Bank of Hungary shall suspend the exercising of the voting right of a member failing to perform his / her reporting obligation.

MBH Bank is not aware of any agreement concluded between its owners that may result in restrictions on the transfer of issued securities and / or voting rights.

MBH Bank is not aware of any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is not obliged to disclose such information on the basis of other legal requirements.

Information on the Employee Share Ownership Programme (ESOP)

With the modification of the ESOP Act, which came into effect on 28 November 2015, a new type of Employee Share Ownership Programme could be launched. The Bank was one of the first to use this opportunity to establish its own Employee Stock Ownership Plan Organisation (hereinafter :"ESOP Organisation") on 30 May 2016. The launch of the ESOP was closely linked to the Bank's reorganisation efforts, as it created ownership interest among its employees.

The ESOP Performance Remuneration Policy was launched in 2017 and its implementation is currently the sole objective of the ESOP Organisation. In this context, the performance-based remuneration under the Performance Remuneration Policy defined in the Hpt of Identified Employees and the managers of the Bank and of the subsidiaries, who are not Identified MRP Participants but are subject to the ESOP Remuneration Policy takes place through the ESOP Organisation.

The employees concerned make a declaration of participation, with which they become members of the ESOP and fall within the scope of the above rules. The ESOP Organisation purchases and holds in its portfolio subordinated discount bonds of MBH Bank Nyrt and call options on the Bank's ordinary shares subject to financial settlement in order to fund the performance remuneration of the participants. The transaction does not make the participants the owners of the financial assets as they will be owned by the ESOP organisation, but the participants thus acquire a membership share in ESOP Organisation. Once the conditions and holding period set out in the ESOP Performance Remuneration Policy have been met, participants become eligible to receive a settlement from their membership share. Settlement and payment are made in proportion to the performance assessment, following the conversion of financial assets into cash, taking into account the deferral rules.

* * *

As a public limited company, in accordance with market practice and the BSE Corporate Governance Recommendations (Recommendations), the Bank prepares a Corporate Governance Report, which shall be published on the website of the Company (www.mbhbank.hu). In its Corporate Governance Report, the Bank presents its corporate governance practices for the financial year and, on the other hand, details its compliance with each section of the Recommendations.

SUPREME, EXECUTIVE AND MANAGEMENT BODIES, SUPERVISORY BODY, COMPOSITION AND OPERATION OF COMMITTEES

General Meeting

The supreme body of the Bank is the General Meeting. The General Meeting has, inter alia, the exclusive competence to approve and amend the Articles of Association, except for the modification of the Company's headquarters, premises, branches and, except for the core activity of the Company, the activities of the Company as the Board of Directors is entitled to amend the Articles of Association in that regard, make decisions on the Company's transformation, merger and demerger, termination without legal successor, on increasing or decreasing the share capital authorisation of the Board of

Directors to increase the share capital, appoint and remove the chair and members of the Board of Directors, appoint and remove the Supervisory Board and Audit Committee members, determine their remuneration, appoint the auditor, approve the annual report and make decisions on the utilisation of the profit after taxes and the payment of dividend advance. Members of the Board of Directors shall be elected by the General Meeting for a definite term of maximum five years. The members of the Board of Directors, the Supervisory Board and the Audit Committee may be re-elected and may be recalled at any time by the General Meeting without giving reasons, in accordance with the provisions of the Articles of Association.

Board of Directors:	Supervisory Board:	Audit Committee:
Chair person	**Chair person**	**Chair person**
dr. Zsolt Barna	Miklós Vaszily	Rita Feodor
Members:	**Members:**	**Members:**
István Sárváry	Zsigmond Járai	Miklós Vaszily
dr. Balázs Vinnai	Rita Feodor	Zsigmond Járai
Levente László Szabó	Kitti Dobi	
Ádám Egerszegi	dr. Ilona Török	
Marcell Tamás Takács		

(as of 31 December 2024)

Board of Directors

The Board of Directors is the executive body of the Bank. The members of the Board of Directors represent the Bank vis-a-vis third parties and before court and other authorities. The Board of Directors shall develop and manage the work organisation of the Bank.

The scope of authority of the Board of Directors is included in the Articles of Association of the Bank with the proviso that within the framework of effective laws and resolutions adopted by the General Meeting, the Board of Directors shall be entitled to take any actions and make any decisions that do not form part of the exclusive powers of the General Meeting or the Supervisory Board. The decision on the acquisition of own shares, as well as the increase of the registered capital through the issue of shares belongs to the competence of the General Meeting subject to the condition that the General Meeting may authorize the Board of Directors to make decisions. The tasks of the Board of Directors include working out and adopting the Bank's business policy, strategy and business plan. Moreover, the powers of the Board of Directors include decision making – with the Supervisory Board's prior approval – on the approval of the Bank's interim balance sheet and on the payment of dividend advance.

Supervisory Board

The Supervisory Board shall control the management of the Bank in order to protect the interests of the Bank. The powers of the Supervisory Board are laid down in the Articles of Association of the Bank. The board of directors makes sure, inter alia, that the Company has a comprehensive controlling system which is suitable for efficient and effective operation, manages the internal audit organisation, checks the Bank's annual and interim financial reports, makes proposals to the General Meeting for the auditor to be appointed, and for the auditor's remuneration, and performs other tasks assigned to it by the Bank's Articles of Association. The General Meeting may only adopt its resolutions on the report prepared in accordance with the Accounting Act and on the utilisation of the profit after taxes in possession of the

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Supervisory Board's written report. It may adopt its resolution on the payment of dividend advance only with the Supervisory Board's approval.

Audit Committee

The Audit Committee provides assistance to the Supervisory Board in supervising the financial report regime, in selecting an auditor, and in working with the auditor and, in that context, in particular, it gives its opinion on the annual accounts, makes a proposal for the auditor and their remuneration and prepares the contract to be concluded with the auditor. The powers of the Audit Committee are laid down in the Articles of Association of the Bank.

Personal changes in 2024:

- Dr. Péter Magyar resigned from his position as a member of the Supervisory Board of MBH Bank was of 10 February 2024. The Company received the statement of resignation on 13 February 2024.
- On 14 March 2024, the Extraordinary General Meeting of the Company elected Dr. Árpád Kovács as a member of the Supervisory Board and the Audit Committee until 31 December 2025. In accordance with the resolutions of the Extraordinary General Meeting of 14 March 2024, the membership of Dr. Árpád Kovács in the Supervisory Board took effect as of 26 March 2024.
- On 29 April 2024, the Annual General Meeting of the Company elected Ms Andrea Mager as a member of the Board of Directors for a definite term from 1 September 2024 to 31 August 2026.
- Furthermore, the Annual General Meeting of the Company elected Mr Zsigmond Járai as a member of the Audit Committee for a definite term from 29 April 2024 to 31 December 2025.
- Dr. Andor Nagy, Chairman of the Supervisory Board and Dr. Árpád Kovács, member of the Supervisory Board and the Audit Committee, and Andrea Mager, member of the Board of Directors, resigned from their positions as of 30 November 2024.
- Dr. Géza Károly Láng, member of the Supervisory Board and Balázs Bechtold, employee representative member of the Supervisory Board, resigned from their positions as of 12 December 2024. Following the resignation of Dr. Andor Nagy, the Supervisory Board elected Mr. Miklós Vaszily as the new Chairman of the Board, subject to the approval of the National Bank of Hungary.

Risk Assumption and Risk Management Committee	Remuneration Committee:	Nomination Committee:
Chair person	**Chair person**	**Chair person**
Marcell Tamás Takács	István Sárváry	Zsigmond Járai
Members:	**Members:**	**Members:**
dr. Balázs Vinnai	Marcell Tamás Takács	Rita Feodor
István Sárváry	dr. Balázs Vinnai	Miklós Vaszily

(as of 31 December 2024)

Risk Assumption and Risk Management Committee

As part of its ongoing monitoring of the Bank's risk-taking strategy and risk appetite, the Risk Assumption and Risk Management Committee reviews the risk strategy, remuneration policy and quarterly risk report in advance. It supports the Board of Directors in monitoring the implementation of the risk taking strategy.

Remuneration Committee

The Remuneration Committee is responsible for the preparation of decisions regarding remuneration, taking into account the long-term interests of shareholders, investors and other stakeholders in the company. Within such competence the Remuneration Committee prepares the performance evaluation and ex-post risk assessment of the Chairman and CEO, Deputy CEOs and other board members, it evaluates the achievement of performance goals. The committee ensures the implementation of the remuneration policy. The Remuneration Committee furthermore oversees the remuneration of the senior officers in the risk management and compliance functions, including the employees carrying out internal control functions.

Nomination Committee

The Nomination Committee is responsible for nominating and recommending nominees to the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory Board representing the employees. It is furthermore responsible for determining the skills and tasks required for membership of the management bodies, evaluating the composition and performance of the management bodies and its members. Determining the ratios of the sexes within the managing bodies and the strategy for achieving it. It is also in charge of the regular revision of the Bank's policy concerning selection and appointment of its executive director.

The Committees operate in accordance with the rules laid down in their rules of procedure. Bodies shall meet as often as necessary to carry out their functions and shall take their decisions in the form of a meeting or in writing and without a meeting. The work of the bodies is organized and controlled by the chairman of the body.

In accordance with the Nomination Policy applicable to the selection, members of the management boards of the members of the Bank Group, individuals with different professional skills, versatile regional and industry experience are elected into the managing bodies of the Bank Group and they also take advantage of these differences in their operations in the operation of those bodies, which the members of the Bank Group consider as a key consideration in determining the optimal composition of their bodies. Board appointments are based on the pool of expertise, experience, independence and knowledge represented by the candidates, taking into account what the body as a whole needs to function effectively. The members of the Bank Group pay particular attention to the representation of both genders in executive bodies which is why they strive to reach 15% female members in executive bodies. To this end, they commit themselves to favouring the member of the under-represented gender of the same management body among two candidates of the same capacity who are otherwise suitable, unless otherwise justified by professional judgement.

There is no agreement with an executive officer or an employee that provides for compensation in the event of a manager's resignation or termination by the employee or unlawful termination of the executive officer's or employee's relationship, or termination of the relationship due to a public takeover bid.

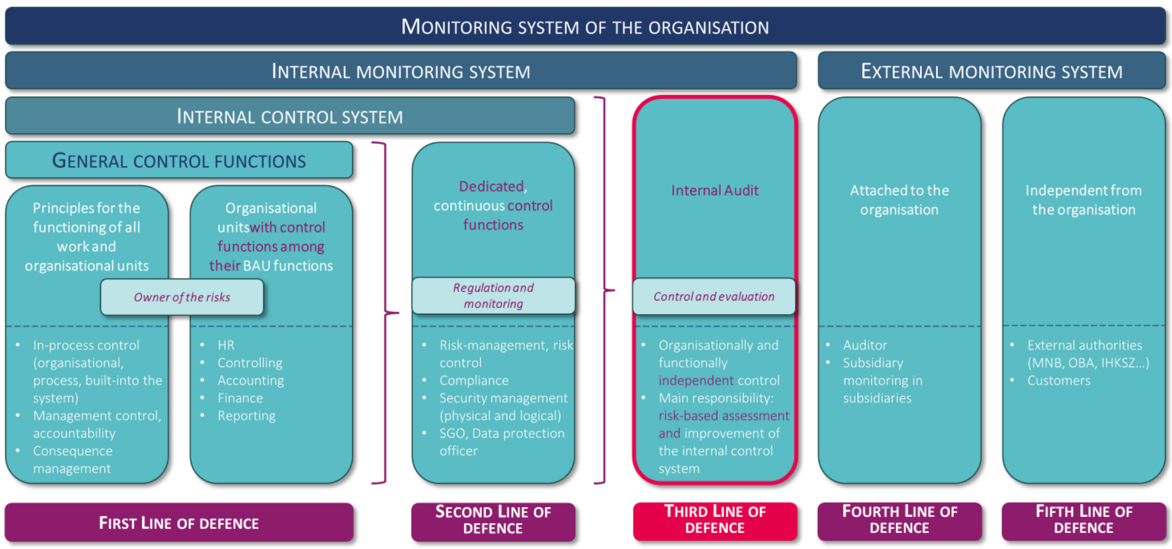
MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM OF THE COMPANY

The provisions regarding the operation, management and functions of the internal control system of the Company are set out in the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: Hpt.), the provisions of the Civil Code (Act V of 2013, hereinafter referred to as "the Civil Code") on business companies, Act CXX of 2001 on the Capital Markets; the applicable recommendations of the NBH (primarily Recommendation NBH 12/2022. (11 July) on the establishment and operation of internal lines of defence, the management and control functions of financial organisations), the Bank's Memorandum of Association and the Bank's effective rules of organisation and operation, and the Global Internal Control Standards also fall in this category[11].

While the respective provisions of the Hpt, the NBH's Recommendation on internal lines of defence and the Global Internal Control Standards use different definitions of internal control in the heading, it is important that when interpreting all regulatory contexts, the internal control system and the independent internal control function are properly distinguished at the level of definitions and their content.

Section 154 (4) of the Hpt sets out the rules for the internal control system and for the operation of internal control, pursuant to which the Credit institutions "*shall set up the internal control system consistent with the characteristics, magnitude, complexity, and risks of the services they provide*", and "*shall operate an independent internal control function under the direct supervision of the management body with supervisory powers"*.

Also in view of the NBH recommendation 12/2022. (11 July) referred to above, the system of internal lines of defence is interpreted in the Bank's monitoring framework system, also in line with the Global Internal Control Standards, as illustrated in the figure below.



The Bank's monitoring system consists of an internal and an external part. The external monitoring system includes an external monitoring (5th line of defence), independent of the Bank (e.g. customers, NBH other authorities) and an external monitoring (4th line of defence linked to the Bank) (e.g. auditor), while the internalmonitoring system includes the internal control system (lines of defence 1 and 2) and the organisationally and functionally independent internal audit function (line of defence 3).

[11]Published: The Institute of Internal Auditors (IIA), ©2024

Within the Bank's internal control system, we can distinguish between general principles (for example: consistent responsibility management), practices, organisational solutions (for example: in-process controls or management control[12]), and areas with a control function in addition to their business as usual (BAU) activities (for example: Controlling) and activities (for example: management information system[13]), which together form the first line of defence of the Bank's internal monitoring system. In fact, this line of defence includes all employees and managers who, through their prudent work, protect the Bank's interests and values.

Another element of the Bank's internal control system is all those organisational units, activities and persons responsible for performing dedicated operational functions, activities and control functions (for example: Risk Control, Compliance, Bank Security, Data Protection Officer), which together constitute the Bank's second line of defence.

The function of the second line of defence can also be formulated by overseeing and supporting the activities of the first line of defence, while the main task of the third line of defence (independent internal audit function) is to assess and improve the internal control system, i.e. the first and second lines of defence, on a risk basis.

The organisational and functional independence of internal audit means that (1) the internal audit function is directly managed by the Supervisory Board, i.e. the area is organisationally independent of the other departments, and (2) internal audits must be carried out by persons who are not involved in the Bank's operational work and who are therefore independent of the department or process being audited.[14] According to the definition, internal audit is an independent, objective assurance tool and consulting activity that adds value to the Bank's operations and improves its quality. It is responsible for examining the Bank's risk management, governance processes and the internal control system (or the Bank's first and second lines of defence) in a systematic and regulatory manner, evaluating and improving its operation, thereby contributing to the achievement of organisational goals.

BRIEF DESCRIPTION OF THE COMPANY'S RISK MANAGEMENT SYSTEM AND PRINCIPLES APPLIED IN RISK MANAGEMENT

MBH Bank's Risk Control reviews the risk strategy of the Bank Group every year with the involvement of the relevant areas. In line with the current economic environment and in accordance with the Bank's business strategy and capital plan, the Risk Strategy sets out the risk strategy principles and objectives of the Bank Group for each risk type and risk appetite. The approval of the risk strategy falls within the scope of competence of the Board of Directors.

In line with the basic regulatory requirements, a concept for the Bank Group's comprehensive risk-taking processes has been developed and is constantly being fine-tuned.

<u>The main elements of the concept are:</u>

- Group-wide application of risk management principles;
- Applying the Unified Segmentation to the entire clientele of the group;
- A decision-making system that depends on customer quality and risk-taking;

[12] *<u>In-process and management controls</u>* are forms of control directly or indirectly integrated into business processes. These controls are performed by persons who are functionally involved in the processes or by those responsible for the final outcome of the audited activities.

[13] *<u>The concept of a management information system</u>* encompasses all information technology based or manual systems that transform data into useful information for decision-makers. Its main tasks are to produce ad hoc and regular reports and to support (in general) decision making.

[14] Based on the above, it is clear that, due to the conflict of interest, i.e. not to control itself, internal audit cannot be understood as part of the internal control system, and the conceptual distinction is therefore justified.

- The use of Basel conform rating tools, in compliance with IRBF (Internal Rating Based Foundation) and analytical and behavioural scorecards, as well as a corresponding client rating regime, which adequately supports the decision-making activities of the bank management;
- Internal, group-level model validation methodology with annual frequency (rating and scoring tools, validation of related processes);
- Monitoring activities with IT support;
- Establishment of a comprehensive system of criteria that includes and takes into account relevant indicators enabling the detection of loans at risk as quickly as possible and, based on this, to determine the various types of customer / exposure management, the related tasks and order of procedure.
- IFRS 9 provisioning system;
- Pillar 1 and pillar 2 capital accounting systems based on IFRS;
- Regular group level management reports, backtesting measurements (Risk Reports, Capital Management Reports, Rating Quality, Rating Monitoring Reports, etc.);
- Definition of a revised recovery plan and its evaluation on a monthly basis.

The key risk management principles include ultimate control at board level, independent control separate from risk areas, and appropriate measurement, diversification, monitoring and reporting of risks.

The effective risk management function of the Bank Group is ensured by the effective communication of risks and the willingness to assume risks within the organisation, continuous development for recognising, measuring, monitoring and managing risks, turning the key risk management processes and procedures up-to-date and user friendly and improving their efficiency, as well as employing adequately trained workforce.

MBH Bank Nyrt.

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statistical number

Consolidated sustainability statement

31 December 2024.

CONTENT

I. GENERAL INFORMATION

1. Basis of preparation of the accounts

Purpose and scope of the statement

MBH Bank Nyrt. (hereinafter referred to as MBH Bank or the Bank) publishes the Consolidated Sustainability Statement of the MBH Group (hereinafter referred to as MBH Group, the Group or the Group) (hereinafter referred to as the Sustainability Statement or the Statement), which aims to present the Group's environmental, social and governance (ESG) developments, achievements and short/long-term targets for the year 2024. Several of the Group's subsidiaries[1] have had a separate sustainability reporting exercise for many years, which they have done on a voluntary basis. The scope of this Sustainability Statemet applies to the full scope of accounting consolidation as required by the EU Corporate Sustainability Reporting Directive (CSRD)[2] and the Hungarian Accounting Act[3] , as well as the Financial Statements.

The Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS[4]). The statement also draws on industry-specific standards to present the sustainability performance of the Group's credit institution activities. As part of this, the Sustainability Accounting Standards Board (SASB) standards for commercial banks and the Global Reporting Initiative (GRI) G4 standards for financial services providers have been used as a reference in the preparation of the statement, including in defining the criteria for the double materiality analysis (DMA). Although these standards have not been fully applied, some specific data points and metrics are included in the statement.

Reporting organisation	MBH Bank Nyrt. Registered office: 1056 Budapest, Vácu u. 38.
Scope of the report	The scope of the statement is the accounting consolidation scope, which is the same as the accounting consolidation scope presented in the financial report. Of the subsidiaries included in the scope of consolidation for the reporting period, only Fundamenta Lakáskassza Zrt. was required to report on its own sustainability, but is exempted from this requirement in accordance with the Accounting Act as it is consolidated in this sustainability statement. [5]
Reporting period	1 January 2024 - 31 December 2024.
Reporting cycle	Annual
Date of publication	The Sustainability Statement was approved by the MBH Bank Board of Directors on 3 April 2025.

[1] Fundamenta-Lakáskassza Zrt., MBH Jelzálogbank Nyrt.
[2] Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate reporting on sustainability
[3] Act C of 2000 on Accounting, Chapter III/A (Sustainability Reporting) and § 134/I-K,L.
[4] Commission Delegated Regulation (EU) No 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards
[5] Act C of 2000 on Accounting, Chapter III/A (Sustainability Reporting) and § 95/F

Disclosures relating to specific circumstances

- **Time horizons**: to fully understand the sustainability performance of the MBH Group, it may be appropriate to disclose information outside the reporting period. However, as the Group is reporting for the first time under ESRS standards, data from earlier periods are not available or are limited. Thus, a time horizon analysis is only possible in the next reporting cycle. For forward-looking disclosures, we use the time horizons defined by ESRS, referring to periods of less than 1 year as short term, 1-5 years as medium term and more than 5 years as long term. Any deviation from this will be indicated with a justification in the disclosure.
- **Value chain:** in addition to the activities of the Group's members, we also report on the sustainability impacts, risks and opportunities in the value chains. We have endeavoured to ensure that our analysis of the value chain is comprehensive and that the relevant links are not overlooked. While there are several actors on the upstream side of the value chain that have been taken into account in the statement, energy and digitalisation have been given particular attention, as they are the areas where the most relevant sustainability aspects have been identified. With regard to the downstream value chain, the statement focuses mainly on the retail and corporate banking products of MBH Bank Nyrt and its credit institution subsidiaries, as the impact on people and the environment along these activities is the most significant
- **Measurement and estimation:** the Group strives to establish the most accurate metrics possible, however, some sustainability topics are by their nature only measurable through estimation. In all disclosures where the Group uses estimates or assumptions, the Group will draw attention to this in a transparent manner and, where available, indicate the levels of accuracy. Information on measurement estimates and estimation uncertainties can be found in the related tables in the chapters of this statement. In all relevant cases, the data collection process and the sources, techniques and methodologies used to calculate or estimate the data are also described. In order to improve the accuracy of our ESG data in the future, we have launched the ESG Data Marketplace project, which is presented in section 3.2 ESG Governance Structure.
- **Incorporation by reference:** certain disclosure requirements in the ESRS, such as the presentation of the business model, overlap with other disclosure requirements of the MBH Group. As these disclosures are presented in other relevant sections of the annual report, they may not be disclosed or may not be disclosed in detail in the sustainability statement, taking into account the overall coherence of the information presented and the readability of the statement. A list of incorporations by reference can be found in Annex 1 of this statement ("List of ESRS disclosure requirements met").
- **Intellectual property disclosures:** the MBH Group has not taken the opportunity offered by the ESRS to refrain from disclosing certain specific information related to intellectual property, know-how or innovation results. The Group has disclosed all relevant information to ensure the transparency and completeness of its sustainability reporting.
- **Transitional provision:** for certain data points, the MBH Group has made use of the opportunity of phased disclosure, a list of which is provided in Annex 1.
- **Disclosure of reporting errors and changes:** the Group is disclosing its sustainability statement under ESRS for the first time, so the presentation of reporting errors and changes relating to the previous reporting period will be relevant in the next reporting period.
- **Electronic reporting format:** Article 134/J of the Accounting Act requires the Group to prepare the statement in the electronic reporting format (XHTML) defined in Article 3 of the Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) and to mark it up in accordance with the electronic reporting format. Given that the ESEF taxonomy for sustainability reporting has not yet been adopted, the Group has not been able to complete the flagging of disclosures.

2. About the MBH Group

2.1 About MBH Bank

MBH Bank Nyrt. is a major player in the Hungarian banking sector. It operates exclusively in Hungary, where it is the second largest in terms of total assets and the largest in terms of branch and ATM network. The creation of the Bank was the result of a two-stage integration process: on 31 March 2022, Budapest Bank was merged into MKB Bank, creating the basis for operational and organisational coherence, and on 1 May 2023, MBH Bank was created by the accession of Takarékbank and the creation of a new, unified brand name and image. The integration combined the knowledge and experience of the former member banks, which greatly contributes to the successful operation of the Bank.

While respecting banking traditions, MBH Bank places a strong emphasis on innovation, which ensures high quality and secure banking services for its customers. Our constantly expanding product range serves both retail and corporate-institutional customers, offering affordable digital solutions. Our services include banking, financial and operational leasing, financial and investment services and other lending. The banking group is a market leader in a number of areas, including lending to corporate clients and the micro, small and medium-sized enterprise sector, which is of high importance to the national economy, serving agricultural and private banking clients, and in the leasing market. In 2024, MBH Bank continued to provide a full range of financial services in Hungary, supported by the diverse activities of its subsidiaries, which are described in Chapter 2.2 Subsidiaries of this statement.

2.2 Subsidiaries

The purpose of the sustainability statement is to present the group-wide ESG performance of the accounting consolidation scope in a transparent and understandable way, which requires a description of the activities of each subsidiary. However, as sustainability topics vary in importance from one subsidiary to another, only those companies for which the topic is relevant are highlighted in the relevant chapters of the statement. In this, non-relevant subsidiaries are either not presented or are grouped together, always keeping in mind the principles of accurate and credible information.

Budapest Eszközfinanszírozó Zrt.

Budapest Eszközfinanszírozó Zrt.'s registered core business is the lending of machinery and equipment, with a significant cash flow business. The flagship product of this business is the BUPA digital financial assistant and online invoicing, which includes all the functions needed to start and run a business. It helps clients with all the steps of setting up a business, including legal advice and choosing the right accountant. Calculators and free materials make it easy to plan and open your first cash account. BUPA also provides invoicing services, financial overview and transaction facilities, and gives accountants access to an invoicing system to facilitate the accounting and tax return processes. The programme thus reduces both the administrative burden and the use of paper for businesses.

Euroleasing (Euroleasing Zrt., Euroleasing Real Estate Zrt., Budapest Lízing Zrt.)

The leading players in the Hungarian leasing market, Euroleasing Zrt., Euroleasing Real Estate Zrt. and Budapest Lízing Zrt. will operate in an integrated manner under the same management structure from 2022, following the merger process of the banking group. The leasing group will have a nationwide network and a market share of more than 25 percent based on the newly outsourced, aggregated leasing portfolio. The Group's full range of services - passenger cars, commercial vehicles, agricultural machinery, industrial equipment, ships - covers the entire leasing market.

Fundamenta (Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt. and Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft., Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Kft.; hereinafter collectively Fundamenta)

The share purchase agreement signed in November 2023 to acquire a majority stake in Fundamenta closed on 27 March 2024, adding 480,000 customers, HUF 530 billion in loans and HUF 570 billion in deposits to MBH Group. Fundamenta will then continue to operate as a consolidated subsidiary of the Group, but as a separate entity with its own brand name and management. However, the extensive branch network of MBH Bank and the Fundamenta Personal Banker network together represent a sales force in the domestic market on which the Bank has built a comprehensive savings and real estate lending ecosystem. In this Sustainability Statement, Fundamenta's figures are presented after 31 March 2024, which is the end of the month following the date of acquisition of control in accordance with the IFRS acquisition accounting method.

MBH Alapkezelő Zrt.

In accordance with the merger schedule of the Group, the merger of MKB-Pannónia Fund Management and Budapest Fund Management was completed on 31 August 2022. The merged company continued its activities under the name MKB Alapkezelő Zrt. and from 1 May 2023 it will continue to operate under the name MBH Alapkezelő Zrt. The Company publishes on its website information on sustainability risks, a sustainability policy, a code of ethics, an engagement policy and a statement on the main adverse impatcs of investment decisions on sustainability factors, in accordance with the EU Regulation 2019/2088 on Sustainability Disclosures in the Financial Services Sector (SFDR). In addition, it reports on the sustainability performance of financial products that promote environmental or social features or a combination of these under Article 8 of the Regulation (MBH ESG New Energy Equity Fund, MBH Greening Companies Equity Fund, MBH ESG Global Equity Fund).

MBH Bank ESOP (MRP) Organisation

The former member bank of MBH Group, MKB Bank, was among the first to launch its Employee Ownership Programme and set up its associated MRP Organisation on 30 May 2016. It is also through the MRP Organisation that the Group the MRP Performance Remuneration Policy, which was launched in 2017.

MBH Befektetési Bank Zrt.

MBH Befektetési Bank Zrt. operates as a member of the MBH Group, but as a separate bank specialising in investment products and services. Group's highly diversified portfolio of investment products is sold principally through MBH Investment Bank, enabling clients to benefit from a broad range of investment expertise across a number of sectors and asset classes, a network of branches in many parts of the country and a wide range of securities available through a single service. The Company's main objective is to create state-of-the-art service paths based on web and mobile technology to ensure a superior customer experience.

MBH Domo Kft.

MBH Domo Kft. was established in May 2023 to develop the new headquarters of the MBH Group. The building complex, consisting of several towers, is scheduled to by the end of 2027 on an area of almost 13,000 square metres at the corner of Róbert Károly körút and Váci út in Budapest. The aim of the project is to provide a modern and pleasant working environment for the Group's employees, while increasing operational and organisational efficiency, as currently employees in Budapest are scattered across the city in four older office buildings. The energy-efficient solutions of the modern office building are expected to result not only in cost savings but also in a reduction of the carbon footprint. To underpin sustainable operations, a key objective is for the new headquarters to obtain the most important green building certifications (LEED, BREEAM).

MBH Duna Bank Zrt.

Following the acquisition of the direct majority stake of Duna Takarék Bank Zrt., the Company will continue its activities from 1 December 2023 under the name MBH Duna Bank, with a renewed image, as a member of the MBH Group, but operating independently. The credit institution will serve its retail and corporate customers in 14 branches in four counties (Győr-Moson-Sopron, Komárom-Esztergom, Fejér and Pest).

MBH Mortgage Bank Nyrt.

MBH Jelzálogbank started its operations in 1998 under the name FHB Jelzálogbank Nyrt., later under the name Takarék Jelzálogbank Nyrt. and since 2023 under the name MBH Jelzálogbank (MBH Mortgage Bank Nyrt.). Since its establishment, the Company has been a key player in the Hungarian mortgage banking sector and is committed to the continuous and sustainable development of the domestic mortgage lending, mortgage refinancing and mortgage bond market. Through its activities, MBH Mortgage Bank enables partner banks to refinance mortgage bonds, which are typically long-term borrowings, helps to meet the requirements of the Mortgage Finance Compliance Indicator (JMM-Indicator) set by the MNB and supports the spread of green real estate financing. Of the mortgage bonds issued, HUF 14.5 billion, or more than 24.3% of the first half of the year, were green mortgage bonds. The Company will regularly publish the MNB Transparency Report, the Green Mortgage Bond Allocation Report and the Green Loan Portfolio Report required by the Energy Efficient Mortgage Label, as well as disclose its ESG performance in an annual sustainability statement, in relation to its environmental impact from Q1 2022. The subsidiary bank is subject to specific CSRD reporting for fiscal year 2025, which will be published in 2026.

MBH Szolgáltatások Zrt..

After TIFOR Zrt. was merged with TIHASZ Zrt. on 31 December 2022, together with two other former MKB subsidiaries with real estate profiles, it took the name MBH Services on 1 May 2023. The main task of the Company is to manage the Group's real estate and lease it to Group members.

MITRA Informatikai Zrt.

The main activity of MITRA Informatikai Zrt. is the provision of IT services (mainly to the members of the MBH Group), operation and development of systems. The Company was established on 1 September 2022 by the merger of Takarékinfo Zrt., MKB Digital Zrt. and Euro-Immat Kft.

Takarék Faktorház Zrt.

Takarék Faktorház Zrt. is a 100%-owned company of MBH Befektetési Bank, whose main activity was business factoring until 2022, and in 2023 it transferred its business portfolios to MBH Bank

Takarék Ingatlan Zrt.

Takarék Ingatlan Zrt., which is wholly owned by MBH Befektetési Bank, was active in the field of real estate valuation, brokerage, marketing and management, as well as other real estate related services. In the framework of the consolidation of the collateral management activities, the management of the valuation activities of the collateralised real estate assets was transferred to MBH Bank Nyrt.

Takinfo Kft.

The main activities of Takinfo Kft. included the development and operation of computer systems, the sale of computer tools and software, and service activities. The Company's activities and customers were transferred to MITRA Informatikai Zrt (formerly Takarékinfo), and its assets consisted of real estate.

Other related entities (Magyar Strat-Alfa Befektetési Zrt. (associate), MBH Ingatlanfejlesztő Kft., MBH Blue Sky Kft.)

The other entities included in the scope of consolidation are engaged in the sale of real estate, the rental and operation of owned and leased real estate and the rental of aircraft.

Financially consolidated funds

Subsidiaries

- MBH Corporate Stable Absolute Return Bond Investment Fund
- MBH Private Equity Fund for Agricultur and Development

- OPUS TM-1 Fund (former TB, from Q2 MBH Bank)
- Takarék Closed-end Investment Fund
- MKB High-Risk Investment Fund

Associates

- Takarék Venture Capital Fund I.
- MKB Real Estate Investment Fund
- MBH Private Equity Fund (formerly Equilor II Private Equity Fund)
- BÉTA Private Equity Fund

2.3 Strategic objectives and business model

The Group's overall strategy and business model play a crucial role in identifying and understanding the sustainability issues relevant to the MBH Group. While 2023 was all about the merger process, 2024 saw the start of the implementation of a four-year strategic plan focused on internal efficiency gains and strong expansion. In the 2024-2028 plan, the focus will be on simplifying the heterogeneous IT architecture and streamlining business processes to increase efficiency. Expansion will be supported by, among other things, strengthening the universal banking presence, increasing sales efficiency, aligning revenue potential with customer share, developing personal loan products and making service more customer-centric. It will also contribute to the implementation of the strategy through the effective use of analytical methods to examine the Group's vast amount of data in order to identify business opportunities (e.g. margin expansion, cross-selling, reactivation of inactive customers).

The Group's main business objective is to create the most modern banking group in Hungary, offering a value proposition that is beneficial to all Hungarian citizens and businesses. We aim to actively contribute to the development of the Hungarian economy by supporting segments of national economic importance, such as SMEs, the agricultural sector, and young people, while setting the Group on a growing financial path with significant earnings power, an efficient capital trajectory and high cost reduction. The Group also aims to maintain the largest branch and ATM network in the country and provide high quality customer service through 29 employees, which it aims to facilitate by developing an innovative organisation and a modern corporate culture.

2.4 ESG strategy

A dedicated ESG strategy that is closely aligned with the business strategy is critical for the MBH Group, as these factors increasingly determine the long-term success and sustainability of companies. Through an ESG strategy, in line with national and international expectations, the Group can proactively address environmental and social challenges and improve its corporate governance practices. The ESG strategy is translated into practice by the ESG Policy, whose subject scope currently covers the MBH Bank Prudential Group (the scope defined by the regulator as including the group members relevant for risk management, capital adequacy and liquidity, as distinct from the scope of financial consolidation).

The extension of the Code to the scope of accounting consolidation, thus aligning it with the scope of the Sustainability Statement, will be considered by the Group in 2025, taking into account that certain elements of the Code may not be applicable or may be of limited applicability to the Group's noncredit institution subsidiaries. Our ESG Strategy is built around five pillars, which together support the Group's goal of becoming a leading player in the domestic banking market in terms of sustainability. The ESG Strategy aims to provide a framework for achieving these objectives through detailed guidelines, an action plan aligned with the ESRS reporting timelines, key performance metrics and clear roles and responsibilities. Our main achievements to date and our main objectives for the next programming period (2024-2028) are summarised in the table below.

MBH Group ESG results and strategic objectives along the ESG strategic pillars

ESG strategic pillar	Our key ESG results until 2024	Key ESG strategic
1. Sustainability as a business opportunity and sustainability education	• Green Bond and Green Lending Framework (MBH Bank) • Continuous increase in the share of green assets[6] . By the end of 2024, green assets reached 3.49% (MBH Bank) • Green mortgage bonds issued increased by HUF 14.5 billion to HUF 48.6 billion (MBH Jelzálogbank) • Establishing investment funds promoting environmental factors (MBH Alapkezelő)	• Active implementation of the Green Bond and Green Lending Framework (MBH Bank) • Increasing the share of green assets by expanding the green product range, reaching 15% by 2028 (MBH Bank)Creating carbon calculators for households and businesses (MBH Bank) • Developing a green incentive scheme (MBH Bank) • Access to corporate loan schemes (MBH Bank) • Launch of a loan programme to finance new and green home purchases (MBH Bank, MBH Mortgage Bank) • Launch of additional SFDR Article 8 funds and an Article 9 ESG fund by 2030 at the latest (MBH Alapkezelő) • Social bond issue until 2028 at the latest (MBH Bank)
2. Taking ESG risks into account in risk management decisions	• Methodological underpinning of the measurement and management of ESG risks and improvement of related prudential disclosures (MBH Bank)	• Continuous development of risk policy according to ESG criteria, setting risk appetite, setting limits (MBH Bank) • Data warehouse, Risk Data Marketplace, ESG development (MBH Bank)
3. Decarbonisation efforts	• Launch of the "Bank for a Sustainable Future" programme (MBH Bank) • Preparation of a full carbon inventory for 2022 with Scope 3 financed emissions based on PCAF methodology (MBH Bank, MBH Mortgage Bank, Euroleasing) • Establishment of MBH Forest with around 36 000 saplings (MBH Group)	• Joining the Science Based Target initiative and the Net Zero Banking Alliance, preparing and publishing the related Net Zero target (MBH Group) • Developing a green supply chain assessment (MBH Group)
4. Corporate governance and transparency	• LSEG (formerly Refinitiv) 'B', CDP 'C', MSCI '(p)A' ratings (MBH Bank) CDP rating upgraded to 'C' (MBH Mortgage Bank) • ESG training for senior management and directors (MBH Bank, MBH Mortgage Bank) • Extension of the Terms of Reference to include ESG-related tasks in specific areas (MBH Bank)	• Continuous development of ESG ratings (MBH Bank, MBH Jelzálogbank) • Integration of sustainability KPIs[7] into remuneration policy (MBH Bank)
5. Employees well-being and attitudinal change	• Mandatory ESG e-learning for employees (MBH Bank) • Team with the most waste collection at the PET Cup 2024 (MBH Bank)	• Increase the proportion of women in senior management positions to 50% (MBH Bank)

[6] Green loans and bonds, the financing of which supports green objectives. This includes items included in the capital rebate program and on- and off-balance sheet exposures.
[7] Key Performance Indicator

2.5 Value chain

In addition to our own activities, we also seek to monitor and manage sustainability impacts and risks in our value chains as far as possible. To provide additional value chain information in the Sustainability Statement, we disclose below the key characteristics of the Group's key upstream and downstream value chains and the positions of the Group's members in these value chains

Upstream	Own activities	Downstream
Suppliers	**MBH Group**	**Customers**
• Capital providers • Fund managers • Companies issuing bonds or shares • Software providers • Office supplies suppliers	**MBH Bank Nyrt. and its financial services member companies** Account management Loans Funding Insurance Bank cards Investments	• RetailRetail customers • Corporate clients
• Building materials suppliers • Suppliers of equipment and machinery • Property developers and service providers	**Member companies with real estate profile**	• Buyers and tenants • Property managers • Estate agents and brokers
• External software providers	**IT service provider member company** *Intra-group service provision*	• Corporate clients

Upstream

Due to its size, the MBH Group continued to work with a large number of suppliers during 2024. MBH Bank alone had more than 1,000 suppliers in the year under review. As a result of the Bank's conscious supplier policy, more than 90% of its suppliers were Hungarian this year. Domestic suppliers are preferred due to the ease of contact, the same economic environment, business culture and legal conditions, while the share of foreign suppliers is significant only for cloud services. During 2024, purchases of more than HUF 1 million were made from around 592 suppliers.

As a result of the MBH Group's activities, the Company's most important upstream business partners are capital and liquidity providers, and its main suppliers are service providers. Within the bank, IT, property management and marketing are the largest value sourcing areas. In addition to their legal obligations, suppliers must also comply with internal ethical requirements when working together, which are set out in the Group's Procurement and Commitment Policy and the Code of Ethics referred to therein. The Code was revised in 2023 in the context of the integration and was supplemented in June 2024 by a specific description of the current processes and the specific business conduct in force. The objective of objectivity, transparency, fair and efficient tendering and legal compliance in procurement remains. In order to ensure this, in the vast majority of cases, we use our own model contracts for agreements with suppliers, which include the acceptance of the Code of Ethics by the supplier.

According to the Policy, the procurement area is responsible for achieving the right balance between quality, price and reliability in procurement, and for assessing the risks associated with the supplier during the selection process and coordinating their mitigation where appropriate. A supplier risk assessment is carried out for each new engagement in order to guarantee the security of customers and their data with regard to suppliers. The risk assessment is typically carried out at the final stage of contracting, with suppliers being categorised as low, medium or high risk in terms of financial, operational and transactional risk. If any of the risk dimensions is high, the supplier is automatically placed in a high risk category. For a high-risk partner, security elements are built into the contract, depending on the task performed by the supplier. The contract of a high-risk partner is automatically subject to a mandatory annual review and requires senior management approval to continue with the supplier, accompanied by risk mitigation actions where appropriate.

Own activities

The main value-creating sub-processes of our value chain are the activities of MBH Bank and its subsidiaries, as described in sections 2.1 and 2.2, which ensure high quality, full-service financial services in Hungary. As described in these chapters, the majority of the Group's members are credit institutions or other financial or ancillary businesses, whose primary activity is to provide ancillary business activities for credit institutions, in particular property management, data processing, cash delivery, security and communication services. The Group's objective is to continuously expand its range of products that promote sustainability in line with its ESG strategy, for which a product development process has been initiated in 2024. The Group's product offering, as well as the main customer groups and sales channels, is presented in the following Downstream paragraph.

Downstream

The Group's downstream value chain segment primarily represents the part of our credit institutions' financial services that is directly linked to customers. This includes the sale of services, the management of customer relationships, and customer follow-up and support, as well as the maintenance and development of the sales channels that support these processes. The Group's customers are very diverse, including retail customers, micro and small business customers, corporate and institutional customers and other financial institutions. The Group aims to provide products and services that are appropriate for each client group, taking into account the specific needs and financial objectives of each client.

MBH Group's main services for retail customers

Service category	Service
Account management	• Account management products, online account opening • Retail debit card service • MBH SZÉP Card for employees, mobile app • Safe deposit box • Customized account packages (Private Banking customers) • MBH Premium Account Package (Premium customers) • Mastercard Platinum Metal debit card (Premium customers) • Mastercard Platinum, Platinum Metal, World Elite, Elite Metal (Private Banking customers) • Premium Mastercard benefits *(Flight Delay Pass, Budapest Airport Fast Lane, Mastercard Airport Lounge)* (Premium customers)
Loans	• Housing loans • Personal loan • Baby Expecting loan • Commodity loans • Car leasing • Overdraft facility • Credit cards • Retail MFB Point Plus
Savings	• Fundamenta housing fund • MBH Regular Savings Scheme • MBH Bank bonds • Term deposits • Investment funds *(money market funds, short-term bond, long-term bond, open-ended bond, equity, commodity, absolute return and mixed funds)* • Government securities • Prize deposit • Portfolio Management (Private Banking clients)
Insurance[8]	• Travel insurance • Individouble life and pension insurance • Home insurance • Life insurance • PPI insurance
Digital services	• Apple Pay, Google Pay • Online banking *(MBH Netbank, Digital account)* • Banking from mobile (*MBH Bank App*) • Telebank, Videobank

[8] The Group sells the insurance as an intermediary and therefore does not assume any risk in respect of it.

MBH Group's main services for corporate and institutional clients

Service category	Service
Account management	• HUF and foreign currency account • MBH SZÉP Card for employer • SEPA credit transfer order • EFER (Electronic Payment and Clearing System) • Capital markets and transaction advice • Green flat monthly fee • National Tax and Customs Administration electronic information service (NAV EBÜK) • Safe deposit box • Balance, Scale, META, Global account packages (Micro and small business clients) • MBH Small Business Agricultural Bank Account (Agricultural Business) • Municipal HUF and foreign currency accounts (Local government clients • Cuztomized account management options for churches in HUF and foreign currency (Churches)
Bank cards	• MBH corporate cards *(Mastercard Gold, Silver, Unembossed, Visa Business, Business Unembossed)* • MBH business cards *(Business, Business, Fruity)* • MBH Small Business Business Card (Micro and Small Business customers) • Corporate Visa Business Agricultural Bank Card (Agribusiness) • Corporate Visa Business Unembossed Agricultural Debit Card (Agribusiness)
Funding	• Széchenyi Card Programme MAX+ • MNB NHP Programmes • Export financing • Exim Competitiveness Improvement Loan Programme • Corporate MFB Point Plus • Car and equipment leasing • Agricultural Széchenyi Card MAX+ (Agricultural Enterprises) • Agricultural Széchenyi Investment Loan MAX+ (Agricultural Enterprises) • MBH Agricultural subsidies pre-financing loan (Agricultural enterprises) • MBH Agricultural Subsidies Factoring (Agribusiness) • MBH VP Agro Product Range (Agribusiness) • MBH Farmland Purchase Loan (Agricultural Business) • Treasury operations (Municipal clients and churches) • Pre-financing loan for grants (Municipal customers • Bank guarantee (Municipal customers) • Mortgage-based refinancing loan (Partner commercial banks)
Savings and investments	• Term deposits • Government securities • Investment funds • Prize deposit • (Green) Mortgage bonds
Digital banking services	• Apple Pay, Google Pay • Online banking *(MBH Corporate Netbank, MBH Netbank)* • Direct Bank • Bank card POS/VPOS acceptance • Telebank, Videobank • ViCA authentication application

Sales channels

MBH Group uses a variety of sales channels to make its services available to as many customers as possible. In 2024, the Group still had more than 500 branches, making it one of the largest branch and ATM networks in Hungary. As a result of the merger in 2023, the range of loans and services sold in the branches was standardised, making banking easier and more transparent for customers. The introduction of an unified customer call system and online branch appointment booking reduced customer waiting times, while training for branch staff increased the efficiency of advice-based sales. To keep pace with changing customer needs, we have restructured branches to provide more space for discretionary advice, and created separate areas for premium banking and mortgage advice in larger branches. MBH Bank also operated mobile branches to make financial services available to customers in small communities.

In the spirit of digital transformation, the MBH Group is paying special attention to the expansion and development of digital channels. At the end of 2023, the new unified retail mobile application, available to all customers, was successfully launched to serve their daily banking needs. For corporate customers, digital banking is also a priority, and we aim to achieve high electronic channel penetration, whether through a deployed or cloud-based internet bank or a dedicated corporate mobile app. For remote banking, our TeleBank telephone helpline is available on weekends and public holidays, while our Videobank live video helpline provides face-to-face contact for customers between 9 am and 5 pm on weekdays.

As a result of its efforts to target key customer groups, MBH Group has introduced innovative solutions. We made it easier for young people to open a bank account by creating MBH Digital Zones and installing smart capsules, which have been continuously expanded in 2024, for example at the University of Dunaújváros.

To support agricultural businesses, MBH Bank is the only bank in the Hungarian banking sector to operate a separate Agri-Food Business Unit. Our more than 30,000 agricultural clients are directly served by our agricultural experts, who are experienced in structured agri-food investments, in our 38 MBH Agricultural Centres.

In addition to providing a full customer service, we aim to ensure that our services support our sustainability targets. Examples of such services include modern housing loan schemes designed for retail customers to achieve energy-efficient housing (e.g. installing solar panels, heating modernisation support), and the operation of MFB Point Plus branches to increase access to sustainability-related thematic loans (energy efficiency, business development, digital infrastructure development). The expansion of our digitalisation activities (MBH Netbank, Digital Account, MBH Bank App, Telebank, Videobank, online account opening) will contribute to reducing our greenhouse gas emissions, and on behalf of our client who benefits from the Green Monthly Flat Fee, we are installing kestrel nesting place in cooperation with the Hungarian Ornithological and Nature Conservation Association. The MBH Regular Savings Programme promotes financial awareness, and the MBH Alapkezelő 's renewed MBH ESG Fund Family provides favourable opportunities for clients who wish to invest in shares of companies committed to sustainability. To fully implement our ESG Strategy, we aim to continue to expand our product range towards sustainability.

The Group provided support through the establishment of the MFB Pont Plus corporate network to those interested in EU-sourced repayable financial instruments, i.e. repayable grants in the form of loans, available through the Hungarian Development Bank (MFB). In some of the sites the full lending and sales process of the products is available, while in some sites the role is limited to information and referral of customer enquiries.

- **MFB Point**
  The aim was to mediate loan transactions under the 2014-2020 EU-funded loan programmes for both retail and corporate customers. In 2024, we operated 474 MFB Points, of which 284

were lending and 190 were non-lending, information-only locations. Since this programme period ended on 31 December 2023, no new products could be sold here in 2024, and the task was to fully manage and monitor the existing stock.

- **Retail MFB Point Plus**
  The aim is to broker loan transactions under EU-funded retail lending programmes for the period 2021-2027. 155 retail MFB Pont Plus opened in May 2024, the first loan programme was launched in July 2024.
- **Corporate MFB Point Plus**
  The aim is to broker loan transactions under EU-funded corporate lending programmes for the period 2021-2027. In the period December 2023 - January 2024, 154 MFB Pont Plus companies have been opened, with the first loan programmes started in April 2024.

The total number of MFB Point Pluses to be operated in 2024 is 158, as there is an overlap between retail and corporate points. In addition, non-MFB Pont Plus branches were also allowed to apply for product training to ensure that incoming customers can be referred to MFB Pont Plus branches with minimal information.

In Fundamenta-Lakáskassza Kft., in addition to the core business of housing pre-savings, a significant role is played by intermediated financial products related to housing (housing subsidies, housing loans, banking products, insurance) and real estate brokerage. Fundamenta-Lakáskassena Ltd. plays a major role in this area by acting as an intermediary acting as a trustee for the intermediary of housing pre-savings deposit and loan contracts, insurance and government securities contracts towards customers (hereinafter referred to as "Personal Banker or Financial Intermediary or Intermediary Subcontractor"), which is one of the largest financial intermediary networks in the country.

At Fundamentas, sales are not made through a network of branches, but in the vast majority of cases in the client's home, as a result of a personalised, life situation-based discussion. Our Personal Banker network has a nationwide coverage, which means that customers in both urban and low-density districts can find out what options are available to help them achieve their housing targets.

To make the work of Personal Bankers easier, we operate centrally located offices in 11 cities across the country, where they can receive professional support from our colleagues and organise meetings and client meetings at these locations. In addition to these offices, our Personal Bankers have the option of opening a stand-alone Personal Banker office, provided they meet the prerequisites. Currently, 30 such offices are maintained by members of the sales network. The data of Fundamenta-Lakáskassza Ltd. and its intermediary subcontractors are registered with the MNB and can be consulted on the MNB website.[9]

Business segments

Close alignment between the MBH Group's sales channels and business segments ensures that the Group can provide the highest quality of service to all its customers. A description of the operating segments and the related financial information is provided in the "Segment report" section of the Consolidated Financial Statements[10] , which has been prepared in accordance with IFRS 8.

[9] https://alk.mnb.hu/bal_menu/piaci_szereplok/penz_kozv_lekerdezo
[10] MBH Bank Nyrt does not prepare a separate segment report, its consolidated financial statements include segment information for the Group.

3. The role of management in addressing sustainability issues

In order to ensure that this Sustainability Statement is prepared and published in accordance with the legal requirements, the MBH Group's main governing body, executive body and supervisory board have been jointly responsible for the preparation and publication of this Sustainability Statement in accordance with the CSRD and the Hungarian Accounting Act. The following section describes the governance and control procedures of these bodies of the MBH Group that are used to monitor, manage and oversee sustainability issues. In addition, further corporate governance and ethical disclosures are provided in chapter "IV. Governance information".

The MBH Group's commitment to transparency, in addition to regulatory compliance, is to ensure that customers, investors and the wider community are provided with appropriate information about the MBH Group's decision-making processes and business practices, including its management of sustainability issues. The Group operates a multi-level, integrated corporate governance system, with pre-defined work plans governing the activities of the management bodies. The work plans prescribe the frequency and topics of meetings, so that sustainability issues are included as a specific topic on the agenda of meetings and are discussed in this way. In 2024, the efficiency of the corporate governance system was greatly enhanced by the gradouble introduction of a workflow system, in which governance processes, workflows and policies were standardised. The main advantage of the system in the area of governance is transparency, with minutes, decisions and other documents being recorded, together with amendments, comments, approvals and signature dates.

3.1 Corporate governance structure

The organisational structure, responsibilities and powers, the rights and obligations of employees and the working arrangements are summarised in our Code of Organisational and Operation. The Code covers all organisational units, officers and employees of MBH Bank and summarises the system and operation of internal control functions commensurate with the nature, scale and complexity of the business model employed by the Bank, its corporate governance and risk management functions, and the Bank's role as Group Controller. It also addresses the relevant issues of "Transparent Ownership, Management and Organisational Structure, Operations" and "Corporate Culture", as presented in Chapter 10 on Corporate Governance. The Board of Directors is responsible for approving the Code.

Board of Directors

The managing body of MBH Bank. The members of the Board of Directors represent the Bank in dealings with third parties, courts and other authorities. The Board of Directors establishes and manages the Bank's work organisation. The powers of the Board of Directors are set out in the Bank's Articles of Association, with the proviso that the Board of Directors is authorised to take any action or decision not falling within the exclusive competence of the General Meeting or the Supervisory Board, within the limits of the legislation in force and the resolutions of the General Meeting. The Board of Directors is responsible for defining and adopting the Bank's business policy, strategy and business plan. The Board of Directors is also responsible, subject to the prior approval of the Supervisory Board, for deciding on the approval of the Bank's interim balance sheet and for deciding on the payment of dividend advances, as authorised by the General Meeting.

The composition of the Board of Directors follows the principles of effective and responsible corporate governance, so that it is composed of at least three and no more than nine natural persons, at least two of whom must be employed by the company. The members shall be elected by the General Meeting for a fixed term of office of up to five years. The Board of Directors currently has six members who play an active role in setting the strategic direction of the company and in day-to-day operational decisions. The Board of Directors is composed of a majority of independent, non-employee members.

General Meeting

The General Meeting is the supreme body of MBH Bank. The General Meeting has the exclusive competence to adopt and amend, inter alia, the Articles of Association, except for the amendment of the registered office, the locations of the Company's branches and subsidiaries, and, except for the Company's core business, the scope of the Company's activities, which is the responsibility of the Board of Directors. It also has the power to decide on the transformation, merger, division, dissolution without legal succession, increase or reduction of the share capital and to authorise the Board of Directors to increase the share capital. The General Meeting shall elect the Chairman and members of the Board of Directors and the members of the Supervisory Board and the Audit Committee and shall decide on their remuneration and, where appropriate, their recall. The members of the Board of Directors shall be elected by the General Meeting for a fixed term of office not exceeding five years. The members of the Board of Directors may be re-elected and may be removed at any time by the General Meeting without justification in accordance with the provisions of the Statutes. The General Meeting shall also be responsible for electing the auditor, approving the annual accounts and deciding on the appropriation of the profit after tax and the payment of dividends.

Supervisory Board

The Supervisory Board supervises the management of the Bank with a view to safeguarding the Bank's interests. The Supervisory Board shall, inter alia, ensure that the Bank has a comprehensive system of controls suitable for effective operation, manage the internal audit organisation, audit the Bank's annual and interim financial reports, propose to the General Meeting the appointment and remuneration of the auditors to be elected, and perform such other duties as are assigned to it by the Bank's Statutes. The General Meeting may decide on the accounts and the appropriation of the profit after tax in accordance with the Accounting Act only after receiving a written report from the Supervisory Board, and on the payment of an advance dividend only with the approval of the Supervisory Board.

The Supervisory Board shall be composed of at least three but not more than nine natural persons, also elected by the General Meeting for a fixed term of office of not more than five years. The Supervisory Board currently has five members, of which three are independent (60%), which ensures its independence and transparency. At least one third of the members of the Supervisory Board are employee representatives nominated by the Works Council, taking into account the opinion of the trade unions in the Company. The General Meeting shall elect these candidates as members of the Supervisory Board, unless there are statutory grounds for disqualification of the candidates. If the nomination is not made, the employee delegates cannot be filled, thus ensuring that employee interests are represented in the management of the company.

Audit Committee

The members of the Audit Committee are selected from among the independent members of the Supervisory Board. The Audit Committee supports the Supervisory Board in the audit of the financial reporting system and in the selection of and cooperation with the auditor. The Audit Committee currently has three members.

Other committees

The Risk Committee supports the Board of Directors in overseeing the implementation of the risk strategy by giving its prior opinion on the risk strategy, the remuneration policy and the quarterly risk report. The Remuneration Committee is responsible for the preparation of decisions on remuneration, including the preparation of the performance appraisal and ex-post risk assessment of the CEO, Deputy CEOs and other Board members, and the assessment of the achievement of performance targets. The Nominating Committee is responsible for nominating and recommending candidates for the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory Board representing the employees, for specifying the capabilities required for membership in management bodies as well as their task, along with the evalution of the composition and performance of the managing bodies and their members. It is also responsible for determining the gender balance within the management body and developing the strategy to achieve it, and for regularly reviewing the Bank's policy on the selection and appointment of the Executive Officer.

The committees shall carry out their work in accordance with the rules of procedure laid down in their rules of procedure. They shall meet at such intervals as are necessary for the smooth performance of their duties and shall take their decisions in meetings or may take positions and decisions in writing without a meeting. The work of the Boards shall be organised by the chairman of the body.

Composition of the governing bodies

The MBH Group is committed to ensuring that both genders are represented on its boards, and has strived to achieve a 50% representation of women on its boards. To this end, we are committed to giving preference to the under-represented gender on the board of two equally qualified candidates, unless other professional considerations indicate otherwise. In 2024, the proportion of female members was 27%. The gender breakdown of the governing bodies is therefore 38%, which presents the ratio of women to men.

Breakdown of boards by gender

Board	Number of members	Male members	Percentage of male members	Female members	Percentage of female members
Board of Directors	6	6	100%	0	0%
Supervisory Board	5	2	40%	3	60%
Total	11	8	73%	3	27%

In addition to gender diversity, MBH Bank also takes into account other diversity criteria in the composition of its management bodies, such as age, disability, educational and professional background, in line with the MNB recommendation[11] and the Accounting Act[12] . In addition, non-discrimination on the grounds of race, language, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, marital status, health, geographical location or sexual orientation is guaranteed in the selection of board members and key personnel.

3.2 ESG governance structure

ESG governance plays a key role in the MBH Group's corporate governance system, and the Group also operates prudent internal control procedures for the sustainability reporting process. The ESG strategy, setting out the main directions for progress, is defined by the Bank's highest governance body, the Board of Directors. The wide range of legal, economic, business and digital expertise of the Board members ensures that the Group is able to consider ESG strategic issues from multiple perspectives,[13] and that sustainability impacts, risks and opportunities are considered. This consideration is supported by decision support materials and documents written by the Group's ESG area. MBH Bank's Deputy CEO András Puskás is the appointed lead officer in the Management Committee responsible for sustainability aspects

The detailed tasks of the strategy will be developed by the dedicated ESG area, while its implementation will be coordinated by the ESG area, with the involvement of the relevant disciplines. The ESG area

[11]Recommendation No 1/2022 (I.17.) of the Magyar Nemzeti Bank on the assessment of the suitability of members of the governing bodies and key management personnel
[12] Act C of 2000 on Accounting 95/B § h
[13] CVs of the members of the Board of Directors are available on our website:
https://www.mbhbank.hu/befektetoi/befektetoknek/tarsasagiranyitas/igazgatosag

will also be responsible for carrying out the double materiality assessment described in detail in Chapter 4. The effectiveness of this area will be reported back to the Management Committee, which is the operational decision making and decision-making body for the overall operations of MBH Bank, in the form of an annual report in recent years and a semi-annual report from 2025 onwards. On the basis of the report, the Management Committee monitors and assesses the management of material sustainability-related impacts, risks and opportunities, monitors the achievement of sustainability objectives against a predefined set of metrics and may initiate changes to sustainability-related policies and actions where appropriate. The Management Committee, in collaboration with the ESG area, will also involve other internal functions in the process, as appropriate, along relevant themes and tasks. Reporting also provides a channel for the ESG area to communicate to management any acute, critical sustainability issues that may have arisen, which may include, where appropriate, the key sustainability risks identified and strategies to mitigate those risks. The practices and methodology for sustainability risk management are explained in detail in the related chapters, most notably in the sub-chapter 'Climate risks and strategy'.

Last but not least, in order to increase the accuracy of ESG data collection and in line with the requirements of the Green Recommendation of the Magyar Nemzeti Bank (MNB)[14] , we launched the ESG Data Marketplace project. Its aim is to provide the MBH Group with data systems capable of semi-automated, systematic collection, aggregation and channelling of sustainability data, such as ESG risk data, into reports. As an initial step of the project, the ESG area has developed a data structure with the basic objective of harmonising the different data sources and systems. The data sets that the ESG area is continuously developing are:

- Data included in the management reports defined in the Green Recommendation,
- ESG strategy performance metrics to measure the company's sustainability targets, Data required for sustainability reporting under the Global Reporting Initiative (GRI) G4 standards for financial services companies.

The MBH Group intends to further strengthen its commitment to sustainability by involving the ESG officers in the business areas. The primary objective of appointing ESG officers is to ensure that sustainability is effectively addressed in all areas of the Group. The inclusion of ESG officers in the Code of Conduct means that ESG-related tasks will become part of existing job functions, thus enhancing the ESG expertise of existing colleagues. The central ESG competence centre will continue to play a key role in coordinating the ESG strategy and supporting those responsible. The development of the related organisational model has already started following the decision foreseen in April 2023. And the amendment to the Code of Organisational and Operation, which entered into force on 11 November 2024, already includes the integration of an ESG approach into MBH Bank's operational processes in order to successfully meet sustainability requirements. The Deputy CEO and the Head of Subsidiaries are required to appoint ESG officers in their respective areas. The ESG officers shall, in the course of their duties:

- liaise and support the work of the ESG and sustainability area,
- provide data for regular and/or ad hoc reports to meet legal and regulatory compliance,
- participate in mandatory ESG training for ESG officers.

[14]Recommendation No 10/2022 (VIII.2.) of the Magyar Nemzeti Bank on climate change and environmental risks and the integration of environmental sustainability aspects in the activities of credit institutions

3.3 ESG education and awareness raising

ESG training courses

To ensure effective ESG governance, MBH Group places particular emphasis on sustainability training for the Board of Directors and senior management. . The aim of the training is to provide participants with a deeper understanding of current environmental, social and governance trends and to enable them to integrate these aspects into the Group's long-term strategy and day-to-day operations. The first phase of the training series took place in the autumn of 2023, during which the 107 participants were updated on the following topics:

- **ESG basics**: basic ESG concepts, UN Sustainable Development Goals (SDGs), Paris Climate Agreement, EU Green Deal;
- **Regulatory obligations and recommendations:** EU Taxonomy, SFRD, CSRD, MNB Green Recommendations, European Banking Authority draft regulations;
- **ESG reporting and ratings:** ESRS, GRI, SASB sustainability reporting frameworks, ESG ratings and their data requirements;
- **Double materiality:** the concept of double materiality under ESRS and how it is intended to be implemented;
- **Green finance**: green bond issuance, green credit product development, review options for Green Bond and Green Lending Framework schemes;
- **ESG strategy:** possible directions for further development of the MBH Group's ESG strategy.

In 2024, there was no further ESG training for senior management, but in October 2024, the ESG Academy, taught and coordinated by the ESG department, was launched, which aims to provide colleagues with a basic but broad ESG knowledge through 7 modules. Anyone can join the ESG Academy.

Sustainability aspects of management incentive schemes

An important tool for the effective implementation of the ESG strategy is to complement the remuneration system with sustainability elements. The principles and review of the remuneration policy are approved by the Supervisory Board, while the Board of Directors is responsible for its implementation, which is subject to at least annual reporting by the MBH Group's internal audit. In addition, in the event of significant changes to the policy, but at least every four years, they must be submitted to the General Meeting for an advisory vote, thus ensuring transparency of the remuneration policy and shareholder involvement.

The structure of the Board of Directors and the Supervisory Board is dominated by independent members who are not employees, which ensures the impartiality of the decision-making process and the primacy of the company's interests. The compensation of these members is in the form of fixed remuneration and does not include performance-related incentives, so that their remuneration does not directly affect the company's performance. For board members, however, the incentive system is different. Their targets are derived from the overall corporate strategic objectives and may therefore include ESG-related targets. Currently, 1 member of senior management has such a KPI. These targets ensure that all managers contribute directly to the long-term success of the company, giving them an interest in receiving variable rewards based on their performance during the annual performance review process. The targets will not be published , however, it is planned to more deeply integrate climate change and ESG performance of management into the compensation structure in 2025, further incentivising sustainable and ethical business practices.

4. Identifying the material topics

4.1 Involvement of stakeholders

In 2024, the MBH Group's operations continued to affect a number of stakeholders, who, to varying degrees, influenced the Group through their activities. We have maintained ongoing, structured, two-way contact with our stakeholders, reflecting their feedback and seeking their views on sustainability issues, among other things. Stakeholder feedback indirectly feeds back into the ongoing development of our strategy and business model, but the Group does not document changes and planned next steps specifically to take account of stakeholder groups and their views. Stakeholder groups can use this Sustainability Statement to inform progress on the sustainability issues they raise, so indirectly taking their views into account may result in improved engagement with them.

The Group's internal stakeholder groups include owners, managers and employees, while key external stakeholders include customers and other stakeholders as detailed in the table below.In 2024, we have continued to improve the quality of stakeholder dialogue and to further focus on sustainability issues by conducting the double materiality survey described in section 4.2. The table below describes the main issues raised by the stakeholder groups and the channels of communication with them.

Contact circle		Channels of contact communication	Key topics
Internal stakeholders	Owners	• General Meeting • annual, quarterly financial reports • reports, analyses • investor relations	• stability • corporate governance • financial performance • ESG
Internal stakeholders	Managers	• everyday work • internal reports	• financial performance • ESG
Internal stakeholders	Employees (including agency workers and trainees)	• representation of interests (Works Council) • intranet, email • management briefings • internal instructions, rules and regulations • internal events • training courses • workshops	• financial performance • ethical operation • responsible employment • volunteering • sustainability in everyday life
External stakeholders	Retail and corporate customers	• website, social media interfaces • newsletter • in person, by telephone and e-customer service • satisfaction measurement • complaint handling • business meetings • customer trainings • public reports • marketing and PR communication	• products and services • data and information protection • financial education • customer-oriented service • complaint handling • digitalisation improvements • sustainability
External stakeholders	Suppliers	• partner meetings • audits, inspections • official correspondence	• correct customer relations • corporate governance • quality control
External stakeholders	Competitors, professional organisations	• professional representation • organisational memberships • associations (e.g. banking associations)	• regulations affecting the industry • fair competition • sustainability
External stakeholders	Authorities, public bodies	• Website • reports, accounts • Checks • official correspondence	• transparency • corporate governance, compliance • pricing • consumer protection, complaints handling
External stakeholders	NGOs, local communities	• strategic partnerships • grants • events • expert opinions	• social engagement • Cooperation • sustainability

	Media	• Website • annual report • press releases • interviews • marketing and PR campaigns • events	• stability • financial performance • business ethics • responsible communication • social engagement • sustainability • innovation, digitalisation

4.2 Double materiality assessment

In addition to ongoing communication with stakeholder groups, the MBH Group conducted a double materiality assessment for the first time in 2024 to identify material impacts, risks and opportunities (IROs) related to sustainability. In practice, these are the areas where the Group's actual or potential impact on society and the environment is greatest *(materiality of impact)* and the impact of sustainability issues on the company's financial performance is most significant *(financial materiality)*. This double materiality approach helps us to use our resources in the most efficient way to achieve sustainability and the survey also identifies the topics to be presented in the sustainability statement, in addition to the mandatory disclosures required for all companies. The double materiality assessment has been prepared following a rigorous process set out by the ESRS and using the non-binding guidance of the European Financial Reporting Advisory Group (EFRAG), the European Commission's technical advisory association, by carrying out the following key steps without assumptions.

1. **Developing a list of themes**

   The sustainability issues assessed in the double materiality assessment were the sub-topics of the table of application requirement 16 of the ESRS 1 "General Requirements" standard. This list was supplemented with organisation-specific topics that are not fully covered by the sustainability topic list designated by the thematic ESRSs and may be relevant for the banking sector or specifically for the MBH Group.

2. **Identification of data subjects**

   The stakeholders included in the survey were identified on the basis of the Group's stakeholder map presented in chapter 4.1. To assess the materiality of the impact, we typically identified relevant stakeholders who are or may be affected by the Group through its own operations or value chain (internal and external stakeholders). To assess the financial materiality, we consulted stakeholders who may be the primary users of the financial statements and thus of this sustainability statement (typically internal stakeholders)

3. **Assessment of the materiality of the impact**

   To assess the materiality of the impact, we have identified the associated environmental and social impacts of the Group and its value chain for each element of the sustainability checklist set out in section 1. In the process, we considered not only the impacts we are experiencing now, but also the potential future impacts, as well as the negative impacts in addition to the positive ones, to get a complete picture of the sustainability aspects of our activities. A detailed description of the impacts was presented to the evaluators in the evaluation questionnaire, both in writing and verbally during a workshop to support completion. The questionnaire was conducted online, where respondents could comment on the relevance of an impact and its dominant pole (positive/negative), and if relevant, the extent, scope, irreversibility and likelihood of the impact were also assessed. The completions were averaged per assessment dimension and per sustainability question using the ESRS formula. Respondents were given the opportunity to provide additional qualitative comments on the impacts in text form.

4. **Financial materiality assessment**

   Financial materiality was assessed in the same process as impact materiality. In this, however, the aim was to assess the financial opportunities and risks associated with sustainability issues, along the ESRS assessment categories of magnitude and probability. Opportunities and risks were identified descriptively and presented in a workshop with stakeholders who completed the questionnaire. Completions of the online questionnaire were averaged per assessment dimension and per sustainability question according to the ESRS formula. The MBH Group does not currently use a specific ranking system to assess sustainability risks relative to other types of risks and does not use dedicated risk assessment tools for this purpose.

5. Summary of results, validation and approval

The evaluation of the online questionnaire started with a data cleaning process, which included filtering out incomplete responses, including the definition of a minimum number of respondent items. Thresholds were set for the resulting impact and financial materiality results using a combination of methods (e.g. trend breaking of score differences). The threshold for impact materiality is 2.5, where the threshold is the same for positive and negative impacts, while the threshold for financial materiality is 1.4, where the threshold is the same for risks and opportunities. A sustainability issue is considered material if it exceeds the threshold in terms of impacts or financial materiality.

The resulting list of themes was validated against internal and external sources. For example, it has been compared with benchmark research summarising typical sustainability issues in the banking sector to ensure that the Group's credit institutions do not fall behind current international expectations for the industry. We also compared the thematic list with the MBH Group's overall business and ESG strategy, which presented a high degree of overlap in the short, medium and long term. Addressing the discrepancies was a two-way exercise, i.e. key elements reflected in the strategies could have influenced the results of the double materiality survey and consideration could be given to upgrading high scoring themes identified in the survey to a more strategic level. As a final step in the validation process, the Group's central ESG area presented the survey results to the subsidiary representatives who completed the survey. The representatives had the opportunity to make suggestions for changes, thus ensuring the validity of the survey at Group level. The resulting list of themes was approved by the Board of Directors, informed by the ESG area. The integration of the results and future double materiality surveys into the overall risk management processes started after the survey.

List of topics material to the MBH Group in 2024

Material topic	Materiality basis	
	Impact materiality	Financial materiality
1. Sustainable portfolio and fundraising		x
2. Business stability and flexibility		x
3. Climate change adaption	x	x
4. Climate change mitigation	x	x
5. Energy		x
6. Developing a financial culture		x
7. Social inclusion of consumers and/or end users	x	
8. Creating value for customers, increasing customer satisfaction	x	x
9. Transparent and regular communication with stakeholders		x
10. Responsible employer and a balanced working environment	x	x
11. Human capital development		x
12. Access to finance		x
13. Digitisation	x	x
14. Corporate culture	x	x
15. Transparent ownership, management and organisational structure, operations		x
16. Regulatory compliance	x	x
17. Integrating ESG considerations into business strategy		x

List of material impacts, risks and opportunities (IRO) for the MBH Group in 2024

List of material impacts, risks and opportunities (IRO) for the MBH Bank in 2024	Type of IRO	Value chain			Timeframe		
		Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
E1 - Climate change							
Climate change adaption							
Climate change adaption: the lack of adequate resource allocations to adapt to climate change (e.g. more frequent heat waves, storms, extreme weather) can have negative environmental and social impacts. In addition, the lack of preparedness for the physical risks of climate change at the Group's own sites, which may result from the Group's low climate adaption capacity, may have a negative impact on the safety of workers at the sites.	Negative impact		x	x	x	x	x
Climate change adaption: the introduction of financial strategies, lending and investment practices that support climate change adaption can open up new markets, contributing to the Group's growth and strengthening its market position and the resilience of its asset portfolio.	Opportunity		x	x			x
Climate change mitigation							
Climate change mitigation: the Group can have a significant negative impact on climate change mitigation by financing carbon-intensive industries. In addition, the greenhouse gas emissions of its own physical assets, such as real estate and vehicles, may also contribute to climate change.	Negative impact		x	x		x	x
Climate change mitigation: through green finance strategies, the Group can not only support environmental sustainability, but also create new financial opportunities that can help the Group grow and strengthen its market position. Furthermore, consciously managing the Group's GHG emissions can achieve significant operational cost savings by improving energy efficiency and shifting to lower energy consumption technologies.	Opportunity		x	x	x	x	x
Energy							
Energy: Energy efficiency and renewable energy projects require significant upfront investment and, if not properly managed, can pose operational risks and increase maintenance and repair costs. The use of non-renewable energy sources carries reputational risk as it reflects a lack of commitment to sustainability.	Risk		x		x	x	x
Energy: by optimising energy use, the Group can reduce its operating costs and take advantage of financial incentives offered by government and utility companies. These actions can increase the value of owned real estate and improve the Group's perception of sustainability.	Opportunity		x		x	x	x
Entity-specific							
Sustainable portfolio and fundrasing: by creating a sustainable portfolio, the Group can diversify its product offering and differentiate its market position, thereby gaining a competitive advantage and attracting customers and investors seeking responsible financial services.	Opportunity		x			x	x
Business stability and flexibility: the lack of a stable and resilient banking system can lead to financial instability, including credit risk, operational risk and systemic risk, threatening economic growth.	Risk		x		x	x	x
Business stability and flexibility: a stable and resilient banking system increases customer and investor confidence and contributes to economic growth.	Opportunity		x		x	x	x
Integrating ESG considerations into business strategy: integrating ESG considerations into business strategy increases investor confidence and attracts investors committed to sustainability. The integration of ESG considerations can reduce operational risks in the long term and increase the Group's competitiveness.	Opportunity		x		x	x	x

List of material impacts, risks and opportunities (IRO) for the MBH Bank in 2024	Type of IRO	Value chain			Timeframe		
		Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
S1 - Own workforce							
Working conditions							
Responsible employers and a balanced working environment: inadequate employment practices, such as inadequate pay, can have a significant negative impact on workers' quality of life and attitudes to work. Insufficiently transparent remuneration practices, lack of work-life balance and the failure to create a safe working environment exacerbate workers' dissatisfaction.	Negative impact		x		x	x	x
Responsible employers and a balanced working environment: putting the well-being of employees first can stimulate creativity and innovation, which can lead to better customer service and the development of new financial products and services.	Opportunity		x		x	x	x
Training and skills development							
Human capital development: conscious investment in the professional and personal development of employees can contribute to increasing their effectiveness and their long-term commitment to the Group, thus helping to optimise operating and recruitment costs.	Opportunity		x			x	x
Entity-specific							
Corporate culture: improving corporate culture is essential for effective collaboration and long-term success, as an inadequate culture can reduce employee satisfaction and worsen performance. The integration of companies from different backgrounds can often be met with resistance and it can take time for employees to accept new norms. The uncertainties that arise in integrated banking operations can further complicate this process as different expectations clash.	Negative impact		x				x
Corporate culture: if employees feel valued and company values are aligned with individouble targets, this can lead to higher levels of engagement and productivity	Opportunity		x				x
S4 - Consumers and end users							
Social inclusion of consumers and/or end users							
Social inclusion of consumers and/or end-users: Promoting social inclusion will make banking services more accessible and available to a wider and wider range of people. The development of digital banking services and physical accessibility will both increase financial inclusion.	Positive impact			x		x	x
Creating value for customers, increasing customer satisfaction: inadequate customer service practices and poor complaint handling can have a significant negative impact on the customer experience. Due to the MBH Group's broad customer base and product portfolio, inadequate customer service can lead to frequent dissatisfaction. Employee attitudes, misaligned performance expectations, limited digital capabilities and inadequate information transfer can all contribute to customer dissatisfaction.	Negative impact			x	x	x	x
Creating value for customers, increasing customer satisfaction: a lack of customer satisfaction can create financial risks for the Group. Dissatisfied customers may leave the Group, reducing revenue and increasing	Risk			x	x	x	x

the cost of acquiring new customers. Negative feedback from customers can damage the Group's reputation, which in the long term can affect its market position and the confidence of potential customers.							
Creating value for customers, increasing customer satisfaction: creating value for customers and increasing customer satisfaction has significant financial potential. High customer satisfaction increases loyalty, reduces churn and lowers the cost of acquiring new customers. Satisfied customers are more likely to recommend the service, which generates organic marketing. In addition, they are more likely to choose additional products or services (upselling, cross-selling), which increases the company's revenues.	Opportunity			x	x	x	x
Entity-specific							
Access to financing: expanding access to finance may increase credit risks, especially if lending is to less creditworthy customers.	Risk			x			x
Access to financing: increasing access to finance provides the Group the opportunity to grow its business and expand market share. Involving people from different social and economic backgrounds in economic activities can open up new customer bases and revenue streams for the Group.	Opportunity			x			x
Developing a financial culture: informed customers are more likely to use different financial products and services, which can increase the Group's revenues. Financial awareness can help build long-term customer relationships and spread positive organic marketing.	Opportunity			x		x	x
Digitalisation: the proliferation of online and mobile banking services enables faster and more convenient transactions, increases customer satisfaction and reduces the need for traditional branches.	Positive impact		x	x	x	x	x
Digitalisation: digitalisation brings new challenges for banks, which can have a direct negative impact on customers. The growing risk of cyber-attacks and data breaches means that if the Group does not keep pace with the rapid pace of technological development, customers' data and financial assets may remain unprotected.	Negative impact		x	x	x	x	x
Digitalisation: digitalisation also brings new risks the Group, including the increasing risk of cyber-attacks and data breaches. The rapid pace of technological development requires the Group to continuously update its security protocols to protect its customers' data and financial assets.	Risk		x	x	x	x	x
Digitalisation: big data and analytics will help the Group to better understand its customers' needs and offer personalised products and services. Digital channels enable the Group to enter new markets and reach a global customer base. Innovative payment solutions such as mobile payments and instant transfers can create new revenue streams.	Opportunity		x	x	x	x	x

List of material impacts, risks and opportunities (IRO) for the MBH Bank in 2024	Type of IRO	Value chain			Timeframe		
		Upstream	Own operation	Downstream	Short-term	Medium-term	Long-term
G1 - Business conduct							
Whistleblower protection, Corruption and bribery							
Legal compliance: compliance awareness and legal compliance create an ethical working environment for employees, reinforcing responsible work. Customers benefit from transparent and reliable services, which increases loyalty and commitment to the Group. Regulatory compliance and ethical business practices promote stability in the financial sector, which has a positive impact on the economy as a whole. The fight against corruption and anti-competitive behaviour contributes to the promotion of fair market practices and compliance with the legal framework.	Positive impact		x		x	x	x
Regulatory compliance*:* good compliance practices can prevent legal and financial penalties that lead to fines and business restrictions. Non-compliance undermines the trust of customers and market participants, causing reputational damage.	Risk		x		x	x	x
Regulatory compliance*:* strict compliance and transparency strengthen the Group's reputation and make it attractive to customers and investors.	Opportunity		x		x	x	x
Entity-specific							
Transparent and regular communication with stakeholders: inadequate communication with stakeholders can pose a reputational risk, which can negatively affect the Group's financial performance. Stakeholder dissatisfaction and loss of trust can lead to long-term business losses.	Risk	x	x	x		x	x
Transparent and regular communication with stakeholders: appropriate and continuous communication with stakeholders can increase trust and satisfaction, which can have a positive impact on the Group's financial performance. Active stakeholder engagement and support can lead to long-term business benefits and sustainable growth.	Opportunity	x	x	x		x	x
Transparent ownership, management and organisational structure and operations: transparent structure and operations increase investor confidence, which can lead to a more stable financial situation in the long term. Transparency and good corporate governance improve the Group's image, which can lead to new business opportunities and partnerships.	Opportunity	x	x	x	x	x	x

In addition to the summary table above, a brief description of the significant impacts, risks and opportunities identified in the double materiality assessment is also provided at the beginning of the thematic chapters on the material issues (II. Environmental information, III. Social information, IV. Governance information). In the case of impacts, both negative and positive dimensions, as well as actual and potential impacts, are disclosed in the statement, in accordance with the principle of fair presentation as set out in the ESRS. Impacts arise from the Group's strategy and natural business operations but typically arise indirectly through its financing activities. Furthermore, it is important to note that although MBH Bank identified biodiversity as an impact area when reporting to the UN Principles for Responsible Banking, it has revised this in this double materiality assessment, so biodiversity has not been included as a material issue based on the stakeholder assessment.

The impacts, risks and opportunities identified provide us with an opportunity to review the Group's business model, business and ESG strategy and decision-making around sustainability issues. The need for such a review is determined by the Board of Directors, the final approver of the double materiality assessment, and may include, among other things, determining responses to address impacts or risks and exploit opportunities, such as investment and divestment plans (e.g. capital expenditures, significant acquisitions and divestments, joint ventures, business transformation, innovation, divestment of new businesses and assets) or the identification of funding sources to implement the strategy. The actual (quantified) financial implications of these possible actions in terms of current and future impacts, risks and opportunities have not yet been determined. Such an additional measure could be a resilience analysis to address material impacts and risks, which the Group has not prepared in 2024 and does not plan to implement until 2025 at the earliest. The MBH Group aims to integrate the findings of the risk assessment and internal control into the relevant internal functions and procedures; however, this process has not yet been implemented. As a consequence of the 2024 double materiality assessment, the corporate governance approach presented in section 3.2 ESG Governance Structure has not changed.

4.3 Mandatory subject-specific disclosures independent of double materiality

In addition to the impacts, risks and opportunities identified as material to the MBH Group, there are a number of sustainability issues that are widespread across many industries, and the ESRS sets out mandatory disclosure requirements in this regard, which our Group complies with in the following section.

The impacts, risks and opportunities associated with air, water and soil pollution were reviewed in the double materiality assessment, but due to the nature of our own sites and business activities, they were not specifically screened, nor were affected communities consulted in addition to the double materiality assessment. A similar approach was taken for the assessment of water and marine resources, resource inflows, resource outflows, waste and biodiversity and ecosystem issues. For the biodiversity theme, no identification and assessment of transition and physical risks and opportunities, consideration of systemic risks, or consultation with affected communities were undertaken. MBH Group does not have sites in or near biodiversity sensitive areas, therefore no mitigation actions have been identified for biodiversity.

4.4 Methodological note on the principles for the presentation of policies, actions, metrics and targets

The link between the corporate policies, targets, metrics and actions (ESRS MDR-P, -T, -M, -A) in the statement are not always direct or fully aligned. Some company policies cover several sustainability areas and the actions related to them are presented as part of these. Clear attribution of actions and targets to policies is not always possible, as the ESRS requirements do not fully cover the Group's internal processes and policies. The actions are nevertheless designed to address the risks, impacts and opportunities (IROs) associated with the issues and are therefore always presented in the statement in the appropriate context.

II. ENVIRONMENTAL INFORMATION

The MBH Group is committed to promoting sustainable business and environmental protection. Our sustainability strategy is closely linked to climate change and energy use and is committed to contributing to the achievement of global and European sustainability targets. From an environmental point of view, we pay particular attention to supporting and financing sustainable and climate-friendly investments. In the context of decarbonisation efforts, the Group aims to make a significant contribution to the Paris Agreement climate targets by reducing its financed carbon emissions as rapidly as possible. In addition, our Group is also striving to decarbonise its own operations and integrate ESG considerations at all levels, setting an example of responsible corporate behaviour. In the following chapters, we explain how we support sustainable and climate-friendly investments and how we reduce the environmental footprint of our own operations.

Chapter 5 (*Partner in Sustainable Finance*) describes the MBH Group's sustainability efforts and the actions taken to maintain its business stability. We describe how we develop our sustainable portfolio and our fundraising strategy. We discuss in detail our disclosures under the Taxonomy Regulation, as well as our investments and credit facilities that support green and social sustainability. The Group has joined the Green Széchenyi, MFB Corporate Energy Efficiency and Eximbank Baross Gábor Re-industrialisation Investment Loan Programmes, which are widely used to support clients' green investments and promote an environmentally conscious economic transition.

In Chapter 6 (*Partner in Green Finance*), we present how we are tackling the challenges of climate change and promoting sustainable banking. We describe the physical and transition risks identified by the MBH Group and the opportunities to gain a competitive advantage by growing the market for sustainable finance and green bonds. For MBH Group, physical risks, such as damage from extreme weather events, and transition risks associated with the shift away from a carbon-intensive economy are significant factors.

In Chapter 7 (*Reducing our environmental footprint*), we present how to reduce the environmental footprint of our own operations. We describe the steps we are taking to increase energy efficiency and use more renewable energy sources, and the benefits of digitising our operations. We also describe the MBH Group's energy use, the majority of which is accounted for by utility consumption in buildings and fuel consumption in the vehicle fleet. We discuss in detail the MBH Group's greenhouse gas emissions and the actions we are taking to contribute to the Paris Agreement targets.

5. Partner in sustainable finance

The MBH Group's sustainability efforts and the maintenance of business stability are key factors for the future success of the company. By developing a sustainable portfolio and leveraging resources, the Group supports the implementation of international and European sustainability efforts (e.g. UN Sustainable Development Goals (SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 13 - Climate Change)[15] , while creating business opportunities to meet growing market demand for sustainable products. Investments that support green and social sustainability, as well as the development of preferential credit facilities, will promote environmental and social progress while highlighting the Group's market position and making it attractive to customers and investors seeking responsible financial services.

At the same time, the tightening of sustainability regulations and expectations is challenging financial institutions, including the MBH Group. In order to comply with regulations and avoid greenwashing, the Group needs to ensure that its products make a real contribution to sustainability targets.

5.1 Disclosure under the Taxonomy Regulation

The Taxonomy Regulation[16] introduces new requirements and opportunities for banks. It necessitates updates in procedures, data management, and reporting, requiring technological developments and training, as well as the development of financial products in compliance with these regulations. Banks must conduct detailed analyses of their financing activities to ensure their alignment with the technical criteria of the Taxonomy Regulation. They must disclose the proportion of their activities that comply with the taxonomy requirements, which requires a thorough examination of how loans and investments contribute to environmental objectives.

The purpose of this Regulation is to establish a standardised classification system to determine whether an economic activity meets the criteria for environmental sustainability. This is vital for the financial sector, especially banks, as it provides clear guidelines for assessing and disclosing the sustainability of investments and lending. The Regulation identifies six environmental objectives: climate change mitigation; climate change adaption; sustainable use and protection of aquatic and marine resources; transition to a circular economy; prevention and reduction of pollution; and protection and restoration of biodiversity and ecosystems.

The regulation also ensures transparency, allowing investors and clients to make informed decisions based on the environmental sustainability of banking activities. Thus, MBH Bank Group can play a key role in directing capital towards sustainable purposes, supporting environmental targets and the transition to a green economy. This is not merely a compliance obligation but also a strategic tool for the Group to shift its portfolio towards sustainable assets, thereby reducing climate change-related risks and aligning its activities with the EU's 2050 carbon-neutral economic targets.

MBH Bank's green products focus on sustainability and environmental awareness. The Home Renovation Programme supports the financing of energy-efficient homes, with up to 0% interest, combined with a family home creation grant. Green Monthly Flat Rate offers corporate customers predictable banking costs. The MBH ESG Investment Funds (e.g. Greening Corporates, New Energy, Global Equity Fund) offer sustainable investment opportunities for environmentally conscious clients. In addition, MBH Bank supports climate-conscious innovations, for example in the .wave program, where it awards green startups, such as the 2024 winner Fishee's team.

[15] The UN Sustainable Development Goals (SDGs)
[16] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Mandatory disclosure

Regulation (EU) 2020/852 of the European Parliament and the Council, as well as Articles 19a and 29a of Directive 2013/34/EU, specify the information to be disclosed concerning environmentally sustainable economic activities undertaken by entities subject to their provisions.

The scope of the taxonomy regulation includes financial market participants providing financial products, as well as entities required to publish non-financial statements or consolidated (group) non-financial statements under Articles 19a and 29a of Directive 2013/34/EU ((EU) 2020/852 Chapter I, Article 1, points b and c). MBH Bank Nyrt. publishes its group-level report based on the prudential consolidation scope defined in Chapter II, Section 2 of Title II of Regulation (EU) No 575/2013.

The GAR is based on exposures and balance sheet items within the prudential consolidation scope as defined in Chapter II, Section 2 of Title II of Regulation (EU) No 575/2013, regarding asset types and accounting portfolios specified in Annex 1.1.2 of this regulation, including information on stocks and stock changes, transition and enabling activities, as well as specialized and general-purpose lending.

Based on the regulation, the following disclosures have been made:

a) the aggregate Green Asset Ratio (GAR) for covered assets on the balance sheet; GAR is the proportion of assets held by financial institutions that meet the environmental criteria set by the EU taxonomy.
b) and a breakdown by the following environmental objectives and counterparty types.

The EU taxonomy includes six environmental objectives, namely:

- climate change mitigation
- climate change adaption;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- preventing and reducing pollution; and
- protecting and restoring biodiversity and ecosystems.

Exposures were assessed along the following types of partners:

- financial corporates
- non-financial corporates
- retail customers (with additional subcategories: retail mortgages, home improvement loans and car loans)
- local municipalities
- collateral obtained by mortgage retail and commercial real estate

The definition of the KPI is based on the following elements:

a) the numerator, which includes loans and advances, debt securities, equity instruments, and collateral reserved for financing taxonomy-aligned economic activities based on the revenue and CAPEX KPIs of the underlying assets;
b) the denominator, which includes all loans and advances, all debt securities, all equity stakes, all reserved collateral, and all other covered balance sheet assets.

The KPI is calculated based on the following rules:

Loans and Advances (GAR L&A)

The total gross carrying amount of loans and advances provided to non-financial corporations, including items measured at amortized cost and fair value:

- Loans and advances with identified use are evaluated based on projects or activities. That is, loans and advances financing environmental objectives are calculated based on taxonomy-aligned economic activities.

- General-purpose loans are weighted according to the CAPEX and revenue KPIs provided by the counterparty.

Debt Securities (GAR DS)

Considering the total gross carrying amount of debt securities issued by non-financial corporations:

- Debt securities financing environmental objectives are calculated based on taxonomy-aligned economic activities. That is, securities with identified use are evaluated based on information provided by the issuer.
- General-purpose securities are weighted according to the CAPEX and revenue KPIs provided by the issuer.

Equity Instruments (GAR EH)

Considering the total gross carrying amount of equity instruments held in non-financial corporations:

- Equity instruments financing environmental objectives are calculated based on taxonomy-aligned economic activities. That is, securities with identified use are evaluated based on information provided by the issuer.
- General-purpose securities are weighted according to the CAPEX and revenue KPIs provided by the issuer.

For financial undertakings where the use of funds is known, the GAR numerator is determined by the gross carrying amount of loans, advances, and debt securities within the relevant accounting portfolios and is considered in proportion to the extent to which these exposures support taxonomy-aligned economic activities. For exposures with an unknown use case, the GAR numerator for financial undertakings is determined based on the key performance metrics calculated by counterparties.

Retail Exposures:

Alignment of exposures to retail property, housing renovation with Regulation (EU) 2020/852 can only be assessed following a simplified approach to the mitigation objective, with technical assessment criteria for buildings, namely the technical criteria set out in Annex I of Delegated Regulation (EU) 2021/2139. of Annex I to Regulation (EU) No 2021/202020, shall be assessed in accordance with points 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Annex I to Regulation (EU) No 2021/2020, on the basis of the energy performance of the underlying security.

The GAR for retail exposures shall be calculated as the ratio of retail mortgage loans and home improvement loans to households, based on the relevant technical assessment criteria.

Institutions shall also report motor vehicle loans as referred to in Annex V, Part 2, point 173(b)(ii) of Implementing Regulation (EU) 2021/451 and other loans for the purchase of motor vehicles. These credits shall be assessed according to the simplified approach to mitigating climate change in accordance with the technical assessment criteria in Section 6.5 of Annex I to Delegated Regulation (EU) 2021/2139 for the financing, rental and leasing of vehicles, based on the energy efficiency of the underlying vehicle.

Summary of published data and information

Credit institutions shall disclose in Table 1 the gross carrying amount of loans and advances, debt securities and equity instruments by counterparty type and the extent to which exposures to mitigation and adaption to climate change are taxonomy-adjustable and related to taxonomy-adjustable activities in relation to the environmental objectives referred to in Article 9(a) and (b) of Regulation (EU) 2020/852. These data shall be used to calculate and publish the green asset ratio referred to in Delegated Regulation (EU) 2021/2178. For loans where the use of the exposure is known (special lending, project finance loans), the Bank should indicate the extent to which the exposure is environmentally sustainable. For loans where the use is not known, the extent to which the exposure is environmentally sustainable shall be indicated on the basis of information on the ratio of revenue and CAPEX from products or services related to economic activities that are considered to be environmentally sustainable in accordance with Article 3 of Regulation (EU) No 2020/852 received from the counterparty in accordance with Article 8 of that Regulation.

In the table, the assets included in the calculation of the GAR are presented in three sections: assets included in both the numerator and denominator, assets excluded from the numerator used for the calculation (but included in the denominator), and other assets excluded from both the numerator and denominator. The total value of these assets is equal to the sum of the Bank's total prudential consolidated assets.

Financial corporations, non-financial corporations subject to the Accounting Act, loans to Households and Local Governments, debt securities held for non-trading purposes and equity instruments represent slightly more than one third of total assets.

The mitigation and adaption taxonomic targets and, within them, the sustainability alignment levels are based on the reporting of financial and non-financial reporting partners for the previous year 2023, so the gross book values are set taking into account the ratios they provide. Environmentally Sustainable and Taxonomy Aligned Activities for partners subject to the Accounting Act is 2.67%, which is derived either from the partner's revenue and CAPEX pro-rata reporting or from the Green Product financing detailed above. Where publicly available data on the counterparty concerned was not available or could not be obtained, the Bank did not include the counterparty's exposures in the Taxonomy KPI data for reporting purposes.

In the case of households, the reporting of Taxonomy targetable exposures was calculated on the basis of the energy rating of the financed properties. For households, the identification of Taxonomy targetable exposures was based on the last valid energy rating of the financed properties. The calculation was based on the energy performance of the property (kWh/m^2) and/or the Energy Performance Certificate (EPC) code, taking into account the technical assessment criteria for buildings. There was no identifiable housing finance loan target for local government financing.

As can be seen from the data in Table 1, the Bank has typically contributed to climate change mitigation among the Taxonomy Objectives.

The gross book value fields T-1 were completed using the same methodology. Exposures were determined using the Bank's databases, filtered down to the T-1 period. Information on taxonomy alignment has been filled in based on data from the 2023 report, where previously available.

In the additional tables (No 2), the report also covers the sectoral classification, where sectors and their exposures where Taxonomy Alignment Information is currently not available or cannot be established from the studies have not been included, so only reporting partners with Taxonomy KPI data have been included, with their sectoral classification broken down by 4-digit NACE code.

Tables 3 and 4 present the GAR KPI metrics for the Bank's loan portfolio. The metrics are calculated for the covered assets from the data reported in Table 1. The numerator is the exposure amount for the Taxonomy target and the denominator is the total exposure amount for the given line. In disclosing information on changes in stocks, the Bank has reported not only the exposures incurred in the current year, but also the change resulting from the data gap between the two periods.

In calculating the KPIs for off-balance sheet commitments (financial guarantees and assets under management), the Bank has used the formulas suggested in this table to calculate the covered assets based on the data provided in Table 1. The percentages are the ratio of the KPI values for the Taxonomy targets given in Table 1 divided by the amount of off-balance sheet exposures in the same row.

For Table 5, in the case of asset managers, the disclosure under the Taxonomy Regulation (in the tables in Annex IV of Regulation 2021/2178) for asset managers includes a subset of investment funds managed by MBH Fund Management Ltd. and additionally consolidated by the MBH Group (*for reference, which funds exactly*), as only for these funds KPI data are currently available.

As the main KPI (Green Asset Ratio (GAR)) is presented in Table 0 of Annex VI for the funding and investment assets (including the investment assets of the consolidated funds that are reported within the balance sheet) and KPI data are not available for the funds managed by MBH Fund Management Ltd. that are not on balance sheet from the point of view of the consolidated group, the KPI (AuM KPI) for assets under management is 0%.

For the off-balance sheet funds under management, the Company plans to extend the KPI data collection process in 2025 in order to fully present the ratios for assets under management in next year's sustainability statement.

Tables 1 to 5 published in Annex VI to Regulation 2021/2178, which credit institutions are required to publish under Article 8 of the Taxonomy Regulation, are described below.

Table 0 - Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green Asset Ratio (GAR) stock**	**22 594.20**	**0.29%**	**0.45%**	**61.77%**	**5.46%**	**38.23%**

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (stock change)*	**22 594.20**	0.48%	0.71%	68.08%		
	Trading book	-	0.00%	0.00%			
	Financial guarantees	-	0.00%	0.00%			
	Assets under management	-	0.00%	0.00%			
	*Fees and commission income***	-	0.00%	0.00%			

Annex VI - Explanatory notes to Table 0

* Value based on partner's revenue KPI
Value based on partner's CAPEX KPI: HUF 35 188.28 Million
** Fee and commission income from services other than lending and asset management.
*** Assets covered by KPI as % of total assets of the bank

Table 1 - Assets taken into account for the calculation of the GAR - Turnover

	Million HUF	T publication reference date - 2024.12.31.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**4 674 616.93**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**
2	**Financial undertakings**	**1 179 038.82**	**29 647.94**	**90.18**	**-**	**1.62**	**6.72**	**3.51**	**0.94**	**-**	**-**
3	Credit institutions	**673 969.71**	**29 647.94**	**90.18**	**-**	**1.62**	**6.72**	**3.51**	**0.94**	**-**	**-**
4	Loans and advances	137 282.91	178.90	4.10	-	0.79	1.84	0.05	0.05	-	-
5	Debt securities, including UoP	536 686.80	29 469.04	86.08	-	0.83	4.88	3.46	0.89	-	-
6	Equity instruments	-	-	-		-	-	-	-		-
7	Other financial corporations	**505 069.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	of which investment firms	**505 058.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	247 304.09	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	238 916.00	-	-	-	-	-	-	-	-	-
11	Equity instruments	18 838.42	-	-		-	-	-	-		-
12	of which management companies	**-**	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-
16	of which insurance undertakings	**10.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
17	Loans and advances	0.14	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**837 836.99**	**66 682.06**	**22 500.96**	**10 240.57**	**50.06**	**17.04**	**-**	**-**	**-**	**-**
21	Loans and advances	637 599.09	26 388.53	10 240.98	10 240.57	-	-	-	-	-	-
22	Debt securities, including UoP	200 125.25	40 271.72	12 253.14	-	45.74	14.69	-	-	-	-
23	Equity instruments	112.65	21.81	6.84		4.32	2.35	-			-
24	**Households**	**2 624 600.52**	**32 091.01**	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	1 303 856.12	32 091.01	-	-	-	-	-	-	-	-
26	of which building renovation loans	18 076.36	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	7 779.30	-	-							
28	**Local governments financing**	**33 140.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	33 140.60	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**193.87**	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4 674 810.80**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - Turnover - continuation of previous table

Million HUF		T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
33	**Financial and Non-financial undertakings**	**2 493 937.98**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**2 490 197.42**									
35	Loans and advances	2 441 118.95									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**3 740.56**									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	**-**									
45	**On demand interbank loans**	**-**									
46	**Cash and cash-related assets**	**99 917.70**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**595 759.22**									
48	**Total GAR assets**	**7 864 425.70**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**
49	**Assets not covered for GAR calculation**	4 867 173.76									
50	**Central governments and Supranational issuers**	3 969 316.24									
51	**Central banks exposure**	897 857.53									
52	**Trading book**	-									
53	**Total assets**	**12 731 599.47**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	-	-
Off-balance sheet exposures - A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR – Turnover - continuation of previous table

Million HUF		T Publication reference date - 31.12.2024.								
		Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**298.23**	**2.13**	**-**	**-**	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	**23.76**
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**29 651.45**	**91.11**	**-**	**1.62**	**6.72**
3	Credit institutions	**-**	**-**	**-**	**-**	**29 651.45**	**91.11**	**-**	**1.62**	**6.72**
4	Loans and advances	-	-	-	-	178.96	4.15	-	0.79	1.84
5	Debt securities, including UoP	-	-	-	-	29 472.50	86.96	-	0.83	4.88
6	Equity instruments	-	-		-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**298.23**	**2.13**	**-**	**-**	**66 980.29**	**22 503.09**	**10 240.57**	**50.06**	**17.04**
21	Loans and advances	-	-	-	-	26 388.53	10 240.98	10 240.57	-	-
22	Debt securities, including UoP	295.48	1.84	-	-	40 567.20	12 254.97	-	45.74	14.69
23	Equity instruments	2.75	0.29		-	24.55	7.13		4.32	2.35
24	**Households**	-	-	-	-	**32 091.01**	-	-	-	-
25	of which loans collateralised by residential immovable property	-	-	-	-	32 091.01	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local governments financing**	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**298.23**	**2.13**	**-**	**-**	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	**23.76**

Table 1 - Assets taken into account for the calculation of the GAR - Turnover - continuation of previous table

Million HUF		Total gross carrying amount	T Publication reference date - 31.12.2024.								
			Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	**2 493 937.98**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2 490 197.42									
35	Loans and advances	**2 441 118.95**									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**3 740.56**									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	-									
45	**On demand interbank loans**	-									
46	**Cash and cash-related assets**	**99 917.70**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**595 759.22**									
48	**Total GAR assets**	7 864 425.70	**298.23**	**2.13**	-	-	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	
49	**Assets not covered for GAR calculation**	**4 867 173.76**									
50	**Central governments and Supranational issuers**	3 969 316.24									
51	**Central banks exposure**	897 857.53									
52	**Trading book**	-									
53	**Total assets**	**12 731 599.47**	**298.23**	**2.13**	-	-	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	
Off-balance sheet exposures - A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - Turnover based - continuation of previous table

Million HUF		T-1 publication reference date - 31.12.2023.										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3 185 300.50**	**14 828.47**	-	-	-	-	**14 828.47**	-	-	-	-
2	**Financial undertakings**	**1 124 164.00**	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	**639 619.97**	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	116 865.35	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	522 754.62	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-						-	-		-	-
7	Other financial corporations	**484 544.03**	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	**484 533.56**	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	230 555.16	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	251 015.52	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	2 962.88	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	**10.47**	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	0.00	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-	-
20	**Non-financial undertakings**	**114 866.07**	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	24 203.30	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	90 601.93	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	60.83	-	-		-	-	-	-		-	-
24	**Households**	**1 916 797.98**	**14 828.47**	-	-	-	-	**14 828.47**	-	-	-	-
25	of which loans collateralised by residential immovable property	708 667.02	14 828	-	-	-	-	14 828.47	-	-	-	-
26	of which building renovation loans	18 221.69	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	14 115.24	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**29 472.45**	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	29 472.45	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**193.87**	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3 185 494.37**	**14 828.47**	-	-	-	-	**14 828.47**	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - Turnover based - continuation of previous table

Million HUF		T-1 publication reference date										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**											
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations											
35	Loans and advances											
36	of which loans collateralised by commercial immovable property											
37	of which building renovation loans											
38	Debt securities											
39	Equity instruments											
40	Non-EU country counterparties not subject to NFRD disclosure obligations											
41	Loans and advances											
42	Debt securities											
43	Equity instruments											
44	**Derivatives**											
45	**On demand interbank loans**											
46	**Cash and cash-related assets**											
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**											
48	**Total GAR assets**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**											
50	**Central governments and Supranational issuers**											
51	**Central banks exposure**											
52	**Trading book**											
53	**Total assets**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - A												
54	Financial guarantees	101 022.2	-	-	-	-	-	-	-	-	-	-
55	Assets under management	no data available	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX

	Million HUF	T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**4 674 616.93**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	**-**	**-**
2	**Financial undertakings**	**1 179 038.82**	**28 910.50**	**24.67**	**-**	**2.12**	**12.66**	**1.70**	**0.18**	**-**	**-**
3	Credit institutions	**673 969.71**	**28 910.50**	**24.67**	**-**	**2.12**	**12.66**	**1.70**	**0.18**	**-**	**-**
4	Loans and advances	137 282.91	184.03	-	-	1.11	6.81	0.26	0.18	-	-
5	Debt securities, including UoP	536 686.80	28 726.47	12.54	-	1.01	5.85	1.44	-	-	-
6	Equity instruments	-	-	12.12		-	-	-	-		-
7	Other financial corporations	**505 069.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	of which investment firms	**505 058.50**	-	-	-	-	-	-	-	-	-
9	Loans and advances	247 304.09	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	238 916.00	-	-	-	-	-	-	-	-	-
11	Equity instruments	18 838.42	-	-		-	-	-	-		-
12	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-		-
16	of which insurance undertakings	**10.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
17	Loans and advances	0.14	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**837 836.99**	**52 580.17**	**35 163.61**	**10 240.57**	**1 475.97**	**18.81**	**-**	**-**	**-**	**-**
21	Loans and advances	637 599.09	25 669.87	13 186.88	10 240.57	-	-	-	-	-	-
22	Debt securities, including UoP	200 125.25	26 870.25	21 946.60	-	1 446.16	18.81	-	-	-	-
23	Equity instruments	112.65	40.05	30.13		29.81	-	-	-		-
24	**Households**	**2 624 600.52**	**32 091.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1 303 856.12	32 091.01	-	-	-	-	-	-	-	-
26	of which building renovation loans	18 076.36	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	7 779.30	-	-	-	-	-				
28	**Local governments financing**	**33 140.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	33 140.60	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**193.87**	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4 674 810.80**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
33	**Financial and Non-financial undertakings**	**2 493 937.98**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**2 490 197.42**									
35	Loans and advances	2 441 118.95									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	**3 740.56**									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	**-**									
45	**On demand interbank loans**	**-**									
46	**Cash and cash-related assets**	**99 917.70**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**595 759.22**									
48	**Total GAR assets**	**7 864 425.70**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	**-**	**-**
49	**Assets not covered for GAR calculation**	**4 867 173.76**									
50	**Central governments and Supranational issuers**	**3 969 316.24**									
51	**Central banks exposure**	**897 857.53**									
52	**Trading book**	**-**									
53	**Total assets**	**12 731 599.47**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	-	-
Off-balance sheet exposures – A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

	Million HUF	T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**4 674 616.93**	**759.81**	**-**	**-**	**-**	**115 661.36**	**35 188.46**	**10 240.57**	**1 478.09**	**31.47**
2	**Financial undertakings**	**1 179 038.82**	**-**	**-**	**-**	**-**	**30 230.38**	**24.84**	**-**	**2.12**	**12.66**
3	Credit institutions	**673 969.71**	**-**	**-**	**-**	**-**	**30 230.38**	**24.84**	**-**	**2.12**	**12.66**
4	Loans and advances	137 282.91	-	-	-	-	**184.28**	**0.18**	**-**	**1.11**	**6.81**
5	Debt securities, including UoP	536 686.80	-	-	-	-	**30 046.09**	**12.54**	**-**	**1.01**	**5.85**
6	Equity instruments	-	-	-		-	-	**12.12**		-	-
7	Other financial corporations	**505 069.11**	-	-	-	-	-	-	-	-	-
8	of which investment firms	**505 058.50**	-	-	-	-	-	-	-	-	-
9	Loans and advances	247 304.09	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	238 916.00	-	-	-	-	-	-	-	-	-
11	Equity instruments	18 838.42	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-	-	-
16	of which insurance undertakings	**10.61**	-	-	-	-	-	-	-	-	-
17	Loans and advances	0.14	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-		-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**837 836.99**	**759.81**	**-**	**-**	**-**	**53 339.97**	**35 163.61**	**10 240.57**	**1 475.97**	**18.81**
21	Loans and advances	637 599.09	759.81	-	-	-	**25 669.87**	**13 186.88**	**10 240.57**	-	-
22	Debt securities, including UoP	200 125.25	-	-	-	-	**27 630.05**	**21 946.60**	-	**1 446.16**	**18.81**
23	Equity instruments	112.65	-	-		-	**40.05**	**30.13**		**29.81**	-
24	**Households**	**2 624 600.52**	-	-	-	-	**32 091.01**	-	-	-	-
25	of which loans collateralised by residential immovable property	1 303 856.12	-	-	-	-	**32 091.01**	-	-	-	-
26	of which building renovation loans	18 076.36	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	7 779.30					-	-	-	-	-
28	**Local governments financing**	**33 140.60**	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	33 140.60	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	193.87	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4 674 810.80**	**759.81**	**-**	**-**	**-**	**114 343.17**	**35 188.46**	**10 240.57**	**1 478.09**	**31.47**

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		Total gross carrying amount	T Publication reference date - 31.12.2024.								
			Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	**2 493 937.98**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2 490 197.42									
35	Loans and advances	2 441 118.95									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3 740.56									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	-									
45	**On demand interbank loans**	-									
46	**Cash and cash-related assets**	99 917.70									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	595 759.22									
48	**Total GAR assets**	**7 864 425.70**	**759.81**	**-**	**-**	**-**	**114 343.17**	**35 188.46**	**10 240.57**	**1 478.09**	**31.47**
49	**Assets not covered for GAR calculation**	4 867 173.76									
50	**Central governments and Supranational issuers**	3 969 316.24									
51	**Central banks exposure**	897 857.53									
52	**Trading book**	-									
53	**Total assets**	**12 731 599.47**	**759.81**	**-**	**-**	**-**					
Off-balance sheet exposures - A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		T-1 publication reference date - 31.12.2023.										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3 185 300.50**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
2	**Financial undertakings**	**1 124 164.00**	-	-	**-**	**-**	**-**	-	-	-	-	-
3	Credit institutions	**639 619.97**	-	-	**-**	**-**	**-**	-	-	-	-	-
4	Loans and advances	116 865.35	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	522 754.62	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-				-	-		-	-
7	Other financial corporations	**484 544.03**	-	-	**-**	**-**	**-**	-	-	-	-	-
8	of which investment firms	**484 533.56**	-	-	**-**	**-**	**-**	-	-	-	-	-
9	Loans and advances	230 555.16	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	251 015.52	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	2 962.88	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-	-	-	-
16	of which insurance undertakings	**10.47**	-	-	**-**	**-**	**-**	-	-	-	-	-
17	Loans and advances	0.00	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-	-
20	**Non-financial undertakings**	**114 866.07**	-	-	**-**	**-**	**-**	-	-	-	-	-
21	Loans and advances	24 203.30	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	90 601.93	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	60.83	-	-		-	-	-	-		-	-
24	**Households**	**1 916 797.98**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	-	-	-	-
25	of which loans collateralised by residential immovable property	708 667.02	14 828.47	-	-	-	-	14 828.47	-	-	-	-
26	of which building renovation loans	18 221.69	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	14 115.24	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**29 472.45**	-	-	**-**	**-**	**-**	-	-	-	-	-
29	Housing financing	**-**	-	-	**-**	**-**	**-**	-	-	-	-	-
30	Other local government financing	29 472.45	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	193.87	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		T-1 publication reference date - 31.12.2023.										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	[redacted]										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	[redacted]										
35	Loans and advances	[redacted]										
36	of which loans collateralised by commercial immovable property	[redacted]										
37	of which building renovation loans	[redacted]										
38	Debt securities	[redacted]										
39	Equity instruments	[redacted]										
40	Non-EU country counterparties not subject to NFRD disclosure obligations	[redacted]										
41	Loans and advances	[redacted]										
42	Debt securities	[redacted]										
43	Equity instruments	[redacted]										
44	**Derivatives**	[redacted]										
45	**On demand interbank loans**	[redacted]										
46	**Cash and cash-related assets**	[redacted]										
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	[redacted]										
48	**Total GAR assets**	**3 185 494.37**	**14 282.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**	[redacted]										-
50	**Central governments and Supranational issuers**	[redacted]										-
51	**Central banks exposure**	[redacted]										-
52	**Trading book**	[redacted]										
53	**Total assets**	**3 185 494.37**	**14 282.47**					**14 828.47**				
Off-balance sheet exposures - A		**Off-balance sheet exposures - A**										
54	Financial guarantees	101 220.2	-	-	-	-	-	-	-	-	-	-
55	Assets under management	no data available	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-

The KPI data in the tables are reported on the basis of revenue and CAPEX data.

Table 2 - GAR - Sector information – Turnover based

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CE)	Million HUF	Of which environmentally sustainable (CE))	Million HUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	MillionHUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Kőolaj-feldolgozás	18807.10	30.09							18 807.10	30.09		
2	3513 - Villamosenergia-elosztás	45312.28	10 240.58							45 312.28	10 240.58		
3	3514 - Villamosenergia-kereskedelem	710.18	48.29			710.18	2.13			710.18	50.42		
4	3523 - Gázkereskedelem	1.79	0.39							1.79	0.39		
5	6110 -Vezetékes távközlés	9117.39	9.12							9 117.39	9.12		
6	6420 - Vagyonkezelés (holding)	54288.80	12 172.49							54 288.80	12 172.49		

Table 2 - GAR - Sector information – CAPEX

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CE)	Million HUF	Of which environmentally sustainable (CE))	Million HUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Million HUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Kőolaj-feldolgozás	18807.10	1 623.05							18 807.10	1 623.05		
2	3513 - Villamosenergia-elosztás	45312.28	13 185.87							45 312.28	13 185.87		
3	3514 - Villamosenergia-kereskedelem	710.18	216.60							710.18	216.60		
4	3523 - Gázkereskedelem	1.79	1.00							1.79	1.00		
6	6420 - Vagyonkezelés (holding)	54288.80	20 137.08							54 288.80	20 137.08		

The KPI data in the tables are reported on the basis of revenue and CAPEX data and the NACE code classification of the partner.

Table 3 - GAR KPI stock - CAPEX

% (compared to total covered assets in the denominator)		T Publication reference date - 31.12.2024.														
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2.43%	0.75%	0.22%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	2.45%	0.75%	0.22%	0.03%	0.00%	2.45%
2	**Financial undertakings**	2.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.45%	0.00%	0.00%	0.00%	0.00%	2.45%
3	Credit institutions	4.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.29%	0.00%	0.00%	0.00%	0.00%	4.29%
4	Loans and advances	0.13%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.01%	0.00%	0.00%	0.00%	0.13%
5	Debt securities, including UoP	5.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.35%	0.00%	0.00%	0.00%	0.00%	5.35%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	6.28%	4.20%	1.22%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	6.37%	4.20%	1.22%	0.18%	0.00%	6.37%
21	Loans and advances	4.03%	2.07%	1.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.03%	2.07%	1.61%	0.00%	0.00%	4.03%
22	Debt securities, including UoP	13.43%	10.97%		0.72%	0.01%	0.00%	0.00%	0.00%	0.00%	13.81%	10.97%		0.72%	0.01%	13.81%
23	Equity instruments	35.56%	26.75%	0.00%	26.47%	0.00%	0.00%	0.00%	0.00%	0.00%	35.56%	26.75%	0.00%	26.47%	0.00%	35.56%
24	**Households**	1.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.22%	0.00%	0.00%	0.00%	0.00%	1.22%
25	of which loans collateralised by residential immovable property	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.46%	0.00%	0.00%	0.00%	0.00%	2.46%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%										0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	1.44%	0.45%	0.13%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	1.45%	0.45%	0.13%	0.02%	0.00%	1.45%

Table 3 - GAR KPI stock - CAPEX - continued

	% (compared to total covered assets in the denominator)	T-1 publication reference date -31.12.2023.										
		Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.47%	0.00%	0.00%	0.00%	0.00%	0.47%	0.00%	0.00%	0.00%	0.00%	25.02%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.83%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.02%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.92%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.11%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.81%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.81%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.81%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.97%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.02%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.90%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
22	Debt securities, including UoP	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.71%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.77%	0.00%	0.00%	0.00%	0.00%	0.77%	0.00%	0.00%	0.00%	0.00%	15.06%
25	of which loans collateralised by residential immovable property	2.09%	0.00%	0.00%	0.00%	0.00%	2.09%	0.00%	0.00%	0.00%	0.00%	5.57%
26	of which building renovation loans	0.00%					0.00%	0.00%	0.00%	0.00%	0.00%	0.14%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**											
32	**Total GAR assets**	0.47%	0.00%	0.00%	0.00%	0.00%	0.47%	0.00%	0.00%	0.00%	0.00%	25.02%

The figures in the tables are pro-rated to take account of turnover and CAPEX data.

Table 4 GAR KPIs flow - Turnover

	% (compared to flow of total eligible assets)	T Publication reference date -31.12.2024.														
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Percentage of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7.63%	1.52%	0.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.65%	1.52%	0.69%	0.00%	0.00%	31.83%
2	**Financial undertakings**	54.03%	0.16%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	54.03%	0.17%	0.00%	0.00%	0.01%	1.17%
3	Credit institutions	86.31%	0.26%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	86.32%	0.27%	0.00%	0.00%	0.02%	0.73%
4	Loans and advances	0.88%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.88%	0.02%	0.00%	0.00%	0.01%	0.44%
5	Debt securities, including UoP	211.52%	0.62%	0.00%	0.01%	0.04%	0.01%	0.00%	0.00%	0.00%	211.54%	0.62%	0.00%	0.01%	0.04%	0.30%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.26%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.34%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	9.22%	3.11%	1.42%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	9.26%	3.11%	1.42%	0.01%	0.00%	15.45%
21	Loans and advances	4.30%	1.67%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.30%	1.67%	1.67%	0.00%	0.00%	13.11%
22	Debt securities, including UoP	36.77%	11.19%		0.04%	0.01%	0.00%	0.00%		0.00%	37.04%	11.19%		0.04%	0.01%	2.34%
23	Equity instruments	42.08%	13.20%	0.00%	8.33%	4.54%	0.00%	0.00%	0.00%	0.00%	47.38%	13.77%	0.00%	8.33%	4.54%	0.00%
24	**Households**	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.44%	0.00%	0.00%	0.00%	0.00%	15.13%
25	of which loans collateralised by residential immovable property	2.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	0.00%	0.00%	0.00%	0.00%	12.72%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%										0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.14%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.43%	0.48%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.43%	0.48%	0.22%	0.00%	0.00%	68.08%

Table 4 GAR KPIs flow - CAPEX

	% (compared to flow of total eligible assets)	T Publication reference date 31.12.2024.														
		Climate Change Mitigation (CCM)					**Climate Change Adaption (CCA)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**					Percentage of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which Use of Proceeds / Of which transitional	Of which transitional / Of which enabling	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6.63%	2.36%	0.69%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	6.68%	2.36%	0.69%	0.10%	0.00%	31.83%
2	**Financial undertakings**	52.68%	0.04%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	52.69%	0.05%	0.00%	0.00%	0.02%	1.17%
3	Credit institutions	84.17%	0.07%	0.00%	0.01%	0.04%	0.00%	0.00%	0.00%	0.00%	84.17%	0.07%	0.00%	0.01%	0.04%	0.73%
4	Loans and advances	0.90%	0.06%	0.00%	0.01%	0.03%	0.00%	0.00%	0.00%	0.00%	0.90%	0.06%	0.00%	0.01%	0.03%	0.44%
5	Debt securities, including UoP	206.19%	0.09%	0.00%	0.01%	0.04%	0.01%	0.00%	0.00%	0.00%	206.20%	0.09%	0.00%	0.01%	0.04%	0.30%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.26%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.34%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	7.27%	4.86%	1.42%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	7.38%	4.86%	1.42%	0.20%	0.00%	15.45%
21	Loans and advances	4.18%	2.15%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.18%	2.15%	1.67%	0.00%	0.00%	13.11%
22	Debt securities, including UoP	24.53%	20.04%		1.32%	0.02%	0.00%	0.00%		0.00%	25.23%	20.04%		1.32%	0.02%	2.34%
23	Equity instruments	77.30%	58.15%	0.00%	57.54%	0.00%	0.00%	0.00%	0.00%	0.00%	77.30%	58.15%	0.00%	57.54%	0.00%	0.00%
24	**Households**	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.44%	0.00%	0.00%	0.00%	0.00%	15.13%
25	of which loans collateralised by residential immovable property	2.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	0.00%	0.00%	0.00%	0.00%	12.72%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%										0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.14%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.11%	0.75%	0.22%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	2.13%	0.75%	0.22%	0.03%	0.00%	68.08%

The data in the tables are reported on the basis of turnover and CAPEX data.

Table 5 KPI off-balance sheet exposures - Turnover

% (compared to total eligible off-balance sheet assets)		T disclosure reference - 31.12.2024.																	
		Climate Change Mitigation (CCM)					**Climate Change Adaption (CCA)**				**Circular economy (CE)**				**TOTAL (CCM + CCA + WTR + CE + PPC + BIO)**				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 5 KPI off-balance sheet exposures - CAPEX

% (compared to total eligible off-balance sheet assets)		T disclosure reference - 31.12.2024.																	
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			of which use of revenue	of which changeover	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The Bank has published this table on the basis of turnover and CAPEX.

The tables 1 to 5 to be published in Annex XII to Decree 2021/2178 are described below.

The Bank makes the following disclosures under Article 8(6) to (7) of Regulation 2021/2178, which we have prepared on the basis of the data published and taken into account by the stakeholders:

Table 1: Activities related to nuclear energy and fossil gases

Line	Activities related to nuclear energy	
1	The undertaking carries out, finances or has exposure to research, development, demonstration and practical implementation activities for innovative electricity generation facilities that produce energy from nuclear processes and in which a minimum amount of waste is generated in the nuclear fuel cycle.	YES
2	The undertaking carries out, finances or has exposures to the construction and safe operation of new nuclear installations using best available technologies or the upgrading of such installations from a safety point of view, for the purpose of generating electricity or process heat, including district heating and energy production for industrial processes such as hydrogen production.	YES
3	The undertaking carries out, finances or has exposures to the construction and safe operation of existing nuclear installations or the safety-related upgrading of such installations for the purpose of generating electricity or process heat from nuclear energy, including district heating and power generation for industrial processes such as hydrogen production.	YES
Line	Activities related to fossil gases	
4	The undertaking carries out, finances or has exposure to the construction or operation of electricity generating installations which produce electricity from fossil gaseous fuels.	YES
5	The undertaking carries out, finances or has exposures to the construction, conversion and operation of combined heat and power and cooling and electricity generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, finances or has exposure to the construction, conversion or operation of heat generating installations which produce heating or cooling energy from fossil gaseous fuels.	YES

Qualitative disclosure to disclose whether the Bank has exposure to nuclear and/or fossil gas activities.

Table 2: Taxonomy-adjusted economic activities (denominator)

Line	Economic activity (AB)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	**Sum and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI**	128 238	100%	128 238	100%	0	0%
8	**The total applicable KPI**	128 238	100%	128 238	100%	0	0%

Line	Economic activity (CAPEX)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	**Sum and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI**	119 120	100%	119 120	100%	0	0%
8	**The total applicable KPI**	119 120	100%	119 120	100%	0	0%

Examination of "taxonomy-adjusted lending" for nuclear, fossil-based gas and other activities relative to total taxonomy-adjusted covered assets (denominator). The Bank has published this table on a revenue and CAPEX basis.

Table 3: Economic activities adapted to taxonomy (numerator)

Line	Economic activity (AB)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the numerator of the applicable KPI	22 500	18%	22 500	18%	0	0%
8	Total amount and share of taxonomy-adjusted economic activities in the numerator of the applicable KPI	22 500	18%	22 500	18%	0	0%

Line	Economic activity (CAPEX)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the numerator of the applicable KPI	35 163	29%	35 163	29%	0	0%
8	Total amount and share of taxonomy-adjusted economic activities in the numerator of the applicable KPI	35 163	29%	35 163	29%	0	0%

Examination of "taxonomy-adjusted" lending for nuclear, fossil-based gas and other activities relative to the total taxonomy-adjusted covered assets (numerator). The Bank has published this table on a revenue and CAPEX basis.

Table 4: Economic activities that are taxonomy-adjustable but not taxonomy-adjustable

Line	Economic activity (AB)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjustable but non-taxonomy-adjustable economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI	71 603	36%	71 603	36%	0	0%
8	Total amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activities in the denominator of the applicable KPI	71 603	36%	71 603	36%	0	0%

Line	Economic activity (CAPEX)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjustable but non-taxonomy-adjustable economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI	31 771	16%	31 771	16%	0	0%
8	Total amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activities in the denominator of the applicable KPI	31 771	16%	31 771	16%	0	0%

Examination of 'taxonomy-adjustable but not taxonomy-adjustable' lending in relation to the taxonomy-adjustable covered assets for nuclear, fossil-based gas and other activities covered in the full report. The Bank has published this table on a revenue and CAPEX basis.

Table 5: Economic activities not adaptable to taxonomy

Line	Economic activity	Total	Percentage
1	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 1 of Table 1 but not adaptable to taxonomy according to Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
2	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 2 of Table 1, but which cannot be adjusted to a taxonomy according to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%
3	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 3 of Table 1, but which cannot be adjusted to taxonomy according to Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
4	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 4 of Table 1, but which cannot be adjusted to taxonomy according to Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
5	Amount and share of economic activity in the denominator of the applicable KPI defined in row 5 of Table 1, but which cannot be adjusted to taxonomy according to Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
6	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 6 of Table 1, but which cannot be adjusted to a taxonomy according to Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
7	**Amount and share of other non-taxonomic economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI**	637 996	76%
8	**Total amount and share of non-taxonomy-adjustable economic activities in the denominator of the applicable KPI**	637 996	76%

Examination of "non-taxonomy-adjustable" lending for nuclear, fossil gas and other activities as a percentage of total reporting obligated counterparty assets.

5.1.2 Disclosure under the Taxonomy Regulation for asset managers

The information to be published by asset managers in Annex IV of Regulation 2021/2178 is set out below.

MBH Bank Plc. publishes its group level report on the basis of its prudential consolidation scope defined in accordance with Section 2 of Chapter 2 of Title II of Regulation (EU) No 575/2013, and therefore this reporting is done at the subsidiary level. Reference date for the reporting: 31.12.2024.

The KPI considered covers the equity and bond assets in the consolidated funds and portfolios managed by the Fund Manager, and does not include collective investment schemes that may represent a significant proportion of the portfolios, due to the lack of available data.

Narrowing the coverage, the reporting obligation under Articles 19a and 29a of Directive 2013/34/EU covers only a limited number of target companies receiving the Manager's investments, so for a significant part of the investments the Manager does not have usable data. Furthermore, the background data supporting the qualitative metrics, including the range of assets and activities covered by the KPIs and the necessary data sources were limited.

Exposures to central governments, central banks and supranational issuers, including derivatives, are also excluded in the calculation of the numerator and denominator of the KPI.

The definition of the KPI is based on the following elements:

a) the numerator, which includes debt securities, equity instruments, underlying assets, based on the taxonomy of economic activities according to the taxonomy of the turnover and CAPEX KPIs of the investee;

b) the total holdings of the denominator, taking into account any exclusions, of the following three underlying shares or bonds included in the scope of consolidation.

Fund name
MBH Vállalati Stabil Abszolút Hozamú Kötvény Befektetési Alap (MBH Corporate Stable Absolute Return Bond Investment)
MKB Ingatlan Befektetési Alap (MKB Real Estate Investment Fund)
MBH High-Risk Származtatott Részvény Befektetési Alap (MBH High-Risk Derivative Equity Investment Fund)

Single disclosure table for Article 8 of Regulation (EU) 2020/852 (asset managers)

The weighted average value of the total of financial investments and investments related to taxonomy-adjusted economic activities **in relation to the value of total assets covered by the KPI**, with the following weights for investments in the following enterprises: Turnover-based: 1.32% CAPEX-based: 1.70%	The weighted average value of the total of investments for financing purposes and investments related to taxonomy-adjusted economic activities, with the following weights for investments in the following enterprises: Turnover-based: HUF 3 857 163 228 CAPEX-based: HUF 4 966 524 333
The percentage of assets covered by the KPI as a percentage of total investments (assets under management). Excluding investments related to sovereign entities, coverage ratio: 0.009 %	The monetary value of the assets covered by the KPI. Excluding investments related to sovereign entities. Coverage: 995 794 350 Ft
Further, additional disclosures: breakdown of **the denominator of the** KPI	
Derivatives as a percentage of total assets covered by the KPI 0 %	The monetary value of derivatives: - Ft
Exposures to EU financial and non-financial corporates not covered by Articles 19a and 29a of Directive 2013/34/EU as a percentage of total assets covered by the KPI: For non-financial businesses: 0% For financial companies: 0%	Value of **exposures to EU financial and non-financial corporates not covered by Articles 19a and 29a of Directive 2013/34/EU**: For non-financial enterprises: - Ft For financial companies: - Ft

Exposures to financial and non-financial non-EU entities not covered by Articles 19a and 29a of Directive 2013/34/EU as a percentage of total assets covered by the KPI: For non-financial businesses: 0% For financial companies: 0%	Value of **exposures to financial and non-financial non-EU entities not covered by Articles 19a and 29a of Directive 2013/34/EU**: For non-financial enterprises: - Ft For financial companies: - Ft
Exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU as a percentage of total assets covered by the KPI: For non-financial businesses: 8% For financial companies: 22%	Value of **exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU**: For non-financial undertakings: HUF 12 566 774 628 For financial undertakings: HUF 4 500 319 301
Exposures to other counterparties and assets as a percentage of total assets covered by the KPI:	**Exposures to other counterparties and assets**: - Ft
Value of total investments financing **economic activities not adaptable to taxonomy** in the value of total assets covered by the KPI: 83%	Total investments financing **economic activities not adaptable to taxonomy**: HUF 14 241 823 420
Value of total investments financing **taxonomy-adjustable but non-taxonomy-adjustable economic activities** as a share of total assets covered by the KPI: 11%	Total value of investments financing **taxonomy-adjustable but non-taxonomy-adjustable economic activities**: HUF 1 829 476 159
Further, additional disclosures: breakdown of **the** KPI **numerator**	
Proportion of **taxonomy-adjusted exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU** in the total assets covered by the KPI: For non-financial businesses: Turnover-based: 100% Capital expenditure-based: 100% For financial businesses Turnover-based: % Capital expenditure-based: %	Value of **taxonomy-adjusted exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU**: For non-financial businesses: Turnover-based: HUF 225 049 523 Capital expenditure-based: HUF 289 776 156 For financial businesses: Revenue-based: [amount of money] Capital expenditure-based: [amount of money]
Taxonomy-adjusted exposures to other counterparties and assets as a proportion of total assets covered by the KPI: Turnover-based: 0% Capital loss-based: 0%	Value of **taxonomy-adjusted exposures to other counterparties and assets**: Revenue-based: - Capital expenditure-based: -

Breakdown of the KPI counter by environmental objectives		
Activities adapted to taxonomy:		
1. Climate change mitigation	Turnover: 22,6 % CAPEX: 29.1%	Transitional activities: A% (Turnover; CAPEX) Enabling activities: B% (Turnover; CAPEX)
2. Climate change adaption	Turnover: 0% CAPEX: 0%	Enabling activities: B% (Turnover; CAPEX)
3. Sustainable use and protection of aquatic and marine resources	Turnover: 0% CAPEX: 0%	Enabling activities: B% (Turnover; CAPEX)
4. The transition to a circular economy	Turnover: 0% CAPEX: 0%	Enabling activities: B% (Turnover; CAPEX)
5. Pollution prevention and reduction	Turnover: 0% CAPEX: 0%	Enabling activities: B% (Turnover; CAPEX)
6. Protecting and restoring biodiversity and ecosystems	Turnover: 0% CAPEX: 0%	Enabling activities: B% (Turnover; CAPEX)

5.1.3 Disclosure under the Taxonomy Regulation for investment firms

The information to be disclosed by investment firms, as published in Annex VIII to Regulation 2021/2178, is set out below.

MBH Bank Plc. publishes its group level report on the basis of its prudential consolidation scope defined in accordance with Section 2 of Chapter 2 of Title II of Regulation (EU) No 575/2013, and therefore this reporting is done at the subsidiary level. Reference date for the reporting: 31.12.2024.

Background information supporting the quality metrics, including the range of instruments and activities covered by the KPIs, information on data sources and limitations.

The KPI considered covers a portion of the equity and bond assets in the portfolio managed by MBH Investment Bank. The Bank's current record keeping logic does not allow for detailed income data from the portfolios, and due to a lack of data and information, data on total collective investment schemes and investments in government securities are not yet complete. The audit of securities has not been complete this year, with the securities included in the audit weighted according to CAPEX and revenue KPIs provided by the issuer.

Annex VIII - 0. Summary of key performance metrics to be disclosed by investment firms under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets	KPI***	KPI****	% coverage (of total assets)
Main KPI (for own account trading)	Green asset ratio	64 631.78	0.01%	0.01%	1.34%
		Total revenue from environmentally sustainable services and activities	KPI	KPI	% coverage (of total revenue)
Key KPI (for services and activities other than trading on own account)	Revenue KPI*	-			

Annex VIII - Explanatory notes to Table 0

* fees, commissions and other cash benefits)
** Assets covered by KPI as a percentage of total assets
***based on the partner's turnover KPI
**** is based on the contractor's CapEx KPI.

KPI 1 IF - Sales of own-account services - Turnover

		Total (million HUF)	of which amount covered by KPI (HUF million)	Climate Change Mitigation (CCM)				Circular economy (CE)			TOTAL (CCM + CCA+WTR+CE+PPC+BIO)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
						of which transitional (%)	of which s enabling (%)			of which s enabling (%)			of which transitional (%)	of which s enabling (%)
1	**Total assets invested by investment firms in the context of their own account trading activity (as defined in Section A of Annex I to Directive 2014/65/EU)**	4 836 030.24												
2	Of which: on own behalf	146 608.86	42.94	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
3	Of which: on behalf of customers	4 689 421.38	64 588.84	1.02%	0.32%	0.02%	0.01%	1.39%	0.00%	0.00%	2.41%	0.32%	0.02%	0.01%

KPI IF 1 - Trading of own-account services - CAPEX

	Total (million HUF)	of which amount covered by KPI (HUF million)	Climate Change Mitigation (CCM)				Circular economy (CE)			TOTAL (CCM + CCA+WTR+CE+PPC+BIO)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
					of which transitional (%)	of which enabling (%)			of which enabling (%)			of which transitional (%)	of which enabling (%)
Total assets invested by investment firms in the context of their own account trading activity (as defined in Section A of Annex I to Directive 2014/65/EU)	4 836 030.24												
Of which: on own behalf	146 608.86	39.81	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
Of which: on behalf of customers	4 689 421.38	68 309.37	0.80%	0.51%	0.14%	0.00%	0.49%	0.00%	0.00%	1.30%	0.51%	0.14%	0.00%

KPI IF 1 - Trading of own account services

	Total (million HUF)	of which amount covered by KPI (HUF million)	Climate Change Mitigation (CCM)				Climate Change Adaption (CCA)			TOTAL (CCM + CCA+WTR+CE+PPC+BIO)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
					of which transitional (%)	of which s enabling (%)			of which s enabling (%)			of which transitional (%)	of which s enabling (%)
Revenue from activities other than trading on own account (e.g. fees, commissions and other monetary benefits) (as defined in Annex I, Section A of Directive 2014/65/EU)	24 547.19	64 588.84	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Recording and transmission of an order for a financial instrument	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Execute orders on behalf of the client	132.10	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Portfolio management	24 415.09	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investment advice	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Subscription and/or placement of a financial instrument on a firm commitment basis	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Subscription and/or placement of a financial instrument without a firm commitment	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operating multilateral trading systems	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operation of organised trading systems	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

In the MBH Investment Bank Plc's records, the assets covered by the Taxonomy KPIs related to the activities cannot currently be further broken down into the revenue lines defined in the table, so the data were only provided on the basis of the general ledger records for the existing rows.

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5.2 Sustainable portfolio and fundraising

Material topic	**Sustainable portfolio and fundraising**	
Standard used	**SASB FN-CB-410**	
Presentation	The chapter describes the growth of the MBH Group's green product range, including the Hungarian National Bank's Green Recommendation. It also describes the Group's Green Lending and Green Bond Framework, and how the Group integrates ESG considerations into its risk management processes to achieve sustainability targets.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	By creating a sustainable portfolio, the Group can diversify its product offering and differentiate its market position, thereby gaining a competitive advantage and attracting customers and investors who are looking for responsible financial services.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy • Putting sustainability guidelines into practice • Green Lending Framework, Green Bond Framework [17]
	Priority actions	• Green Bond Framework (MBH Bank) • Sustainable product development (Green Home Programme, ECO soft loans) • Access to corporate loan schemes (KAVOSZ, Exim, MFB) • Joining the Garantiqa InvestEU guarantee scheme • Obtaining ESG ratings (MBH Bank, MBH Jelzálogbank) • Launch of ESG investment funds under Article 8 of the SFDR (MBH Alapkezelő) • Green Mortgage Certificate Framework (MBH Mortgage Bank)
	Metrics	• Number of customers reached with green products and annual growth (number, %) • Number and total value of green products introduced last year (pcs, HUF billion) • Increase the share of green corporate portfolio in corporate debt (pcs/%) • ESG ratings
	Targets	• Increase the credit share (to 5%) contributing to climate change mitigation and transition processes, but not aligned with Taxonomy • Launch of additional SFDR Article 8 funds and an Article 9 ESG fund by 2030 at the latest (MBH Alapkezelő) • Social bond issue until 2028 at the latest (MBH Bank) • Continuous improvement of ESG ratings (MBH Bank, MBH Jelzálogbank)

[17] The Green Lending and Bond Framework does not currently operate at the corporate policy level, but these documents set out how IROs related to the Group's material issues are managed.

Increasing the green product range

The MBH Group is subject to both the European Union and Hungarian legislation, so the Group has paid particular attention to the application of the EU Taxonomy when formulating its ESG strategy. At the same time, it has also taken into account the Green Recommendation of the Hungarian National Bank, which provides guidance on sustainable banking practices and reporting. The Group has accordingly acted in accordance with international standards in establishing its own Green Lending and Bond Framework, in line with market expectations and regulations governing the selection and evaluation of projects, the management of funds and the preparation of reports.

The Group not only focuses on regulatory compliance but also pursues a number of other initiatives to support sustainability and the green economy: we have joined the Green Széchenyi, MFB Corporate Energy Efficiency and Eximbank Baross Gábor Re-industrialisation Investment Loan Programmes, which provide broad support for green investments by customers and promote an environmentally conscious economic transition.

In addition to the Taxonomy Statements presented in chapter 5.1, the data reported in the CRR disclosures are an important measure of our green lending activity. These include other sustainable financing actions not covered by the Taxonomy Regulation, which are detailed in the published Table 10[18] . This table includes exposures that do not qualify as taxonomy aligned items but contribute to climate change mitigation and transition processes. Examples include renewable energy, sustainable transport infrastructure, sustainable real estate and financing green innovations in agriculture. The Bank will support the transition to a low-carbon and sustainable economy by supporting these areas. According to this classification, MBH Bank's green loans amounted to HUF 223.5 billion in 2024, representing a green loan ratio of 3.49% of the Bank's total loan portfolio.

At MBH Alapkezelő Zrt., we are taking further steps to create ESG investment funds and expand our product range. We currently have three investment funds that meet the sustainability requirements of SFDR Article 8. Our long-term goal is to have at least one investment fund meeting the even higher sustainability criteria of Article 9 of the SFDR by 2030.

Increasing the share of green assests

In order to promote environmentally conscious investments and support the green economy, MBH Bank created its own Green Bond Framework last year. This framework allows MBH Bank to support the financing and refinancing of sustainable real estate, sustainable transport, renewable energy and sustainable agricultural investments through the issuance of green bonds. Established in 2023, the Framework aims to align the Bank's financing activities with the Sustainable Development Goals. By establishing the Framework, the Bank is committed to supporting projects that contribute to environmental sustainability and social well-being. By issuing Green Bonds under the Framework, we assure our clients that their financial resources are being used to finance projects that have a positive environmental impact.

In 2025, we will review our Green Bond Framework to bring it in line with the new EU bond regime and to include new funding targets. This move will ensure that our framework remains up to date and that we can make the most of the opportunities offered by green financing. The Bank aims to issue its first green bond in 2025. This will be a significant milestone in the Bank's history and will demonstrate our commitment to sustainable financing. A successful issue will further strengthen the Bank's market position and contribute to the development of the green economy.

The Bank's long-term strategy also includes the launch of a social bond, which we aim to implement by 2028 at the latest. These bonds will be aimed specifically at financing social projects such as education,

[18] Disclosure (under CRR and Credit Institutions Act)

health or housing. By issuing a social bond, the Bank can further expand its sustainable financing portfolio and contribute to increasing social welfare.

The establishment of the Green Bond Framework and the planning of future issuances are key steps in the Bank's sustainable development strategy. The continuous development of the framework and its adaption to market needs will allow us to facilitate the financing of green and social projects.

The Bank is committed to continuously improving its ESG performance and aims to maintain and further improve its ESG ratings. These steps not only strengthen the Bank's sustainability profile but also contribute to the overall development of the financial sector.

Our 'B+' LSEG (formerly Refinitiv) rating in 2023 was a significant recognition for the Bank, reflecting our progress on ESG criteria. Our LSEG rating for 2024 was upgraded to 'B'. We retained our 'C' rating for 2024 from the environment-focused CDP rating we obtained in 2023. Another important milestone in 2024 was the acquisition of the MSCI ESG rating. The rating assesses the management of ESG risks and opportunities relative to its industry peers and placed MBH Bank in a "(p)A"[19] category. MBH Bank's long-term goal is to obtain and continuously improve further ESG ratings. This ambition shows that the Bank is not only striving to maintain its current results, but also to continuously improve and expand its ESG performance. To this end, we are paying increased attention to our climate change strategy, reducing our emissions and managing climate risks. ESG ratings are not only a sign of progress in the Bank's ESG performance, but also a positive signal for our investors and customers.

Sustainable product development

In order to reduce the environmental footprint of the activities financed, our Group has developed green loan schemes and online loan products that support the sustainability targets of our retail and corporate customers. The "greening" of financial products is now an expectation, and at MBH we have launched a number of initiatives in this area.

The introduction of the Green Bond Framework was a key step in aligning MBH Bank's financing strategy and sustainability commitments. The framework provides an opportunity to communicate with investors and market participants and contributes to the diversification of green financing instruments.

MBH Bank aims to be a leader in corporate green lending, particularly in the areas of renewable energy production and green bond purchasing. The Bank's green bond portfolio exceeded HUF 101.2 billion by the end of 2024. The Bank also aims to increase the share of green lending, and experience has shown that clients with ESG considerations have lower credit risk. Corporate lending products include renewable energy lending, green real estate development support, paperless account management and other green corporate products.

The bank also offers a number of sustainability products and initiatives for retail customers, such as the Growth Loan Programme, Green Home Programme or ECO preferential home loans. The Bank's aim is to familiarise retail customers with green products and support them in creating a sustainable home.

The BUPA digital financial assistant and online invoicing, as well as the paperless account management packages, developed with the support of the MBH Group, also contribute to the sustainability objectives. The Bank's future objectives include the further development of digital services and the wider adoption of green products. MBH Bank will thus become a trusted partner for green finance, promoting social and environmental sustainability.

Climate change initiatives are also reflected in the subsidiaries, in particular through the active involvement of MBH Mortgage Bank and Fundamenta.

MBH Mortgage Bank's main objective is to become a leading player in the field of domestic mortgage refinancing, with a special focus on the issuance of green mortgage bonds. To this end, in 2021 it

[19] The MSCI Provisional Rating is a preliminary review of a company's sustainability performance and practices, without the company being included in the MSCI's standard universe of coverage.

established the Green Mortgage Bond Framework, which allows the issuance of green mortgage bonds against collateral certified as green. In this way, in addition to developing the green mortgage bond market, the Mortgage Bank will also support the development of "sustainable" mortgage lending products. In this way, MBH Mortgage Bank is playing an important role in promoting the development of a low-emission society, encouraging sustainable economic growth and contributing to the spread of environmentally sound financial solutions.

Fundamenta-Lakáskassza Zrt. is committed to sustainability, and as such, in its product development, it pays special attention to solutions that support customers' housing investments and contribute to improving the energy efficiency of properties. The deposit and loan products offered by Fundamenta, as well as the Fundamenta Discount Program, reinforce sustainability, as confirmed by our 2023 survey. The results present that customers are spending a significant part of their housing bills on modernisation and renovation, improving the energy efficiency of their properties and reducing future overheads.

Fundamenta prioritises the financing of retail property investments aimed at energy modernisation and is actively involved in the development of related products. The Group is closely cooperating with the Government and the Hungarian National Bank in all dialogues related to energy efficiency deposit taking and green mortgage lending.

Corporate policy

The MBH Group has a corporate policy to prevent, mitigate and correct actual and potential impacts, manage risks and take advantage of opportunities in the "Sustainable Portfolio and Fundraising" and other material topics in the statement (Climate Change Adaption, Climate Change Mitigation, Energy, Transparent and regular communication with stakeholders, Integration of ESG aspects into business strategy). The Sustainability Policy, also known as the Environmental, Social Responsibility and Governance (ESG) Policy, is managed by the ESG and Sustainability area, while the Board of Directors is responsible for approval at the highest level. The Corporate Policy covers all members of the MBH Bank Accounting Group

5.3 Business stability and flexibility

Material topic	**Business stability and flexibility**	
Standard used	**SASB FN-CB-000, SASB FN-CB-410, SASB FN-CB-550**	
Presentation	Demonstrate the Group's commitment to balancing economic activities with sustainability objectives - environmental, social and governance. The chapter details the Group's core policies and strategies for credit risk management, the risk self-assessment process, regular stress tests and risk limit reviews.	
Sustainable Development Goals (UN SDGs) supported	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and financial opportunity)*
	Impacts	The Group has not identified any material positive or negative related to this topic
	Financial risks	The lack of a stable and resilient banking system can lead to financial instability, including credit risk, operational risk and systemic risk, threatening economic growth.
	Financial opportunity	A stable and resilient banking system increases customer and investor confidence and contributes to economic growth and the integrity of the financial system.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Risk Strategy (MBH Bank Nyrt.), • Putting sustainability guidelines into practice
	Priority actions	• Adding ESG aspects to risk policy • Detailed ESG risk management roadmap
	Metrics	• Number and value of current and savings accounts (in HUF million) • Number and value of loans issued by segment (in HUF million)
	Targets	• Integrating ESG factors into bank risk management

Maintaining business stability and resilience is essential to the Group's ability to operate reliably in a volatile economic environment. Diversification is a key risk management tool that allows the MBH Group to reduce excessive exposure to any single market or investment vehicle. Investing in different economic sectors and asset classes helps to spread potential losses, thereby reducing financial risks

The diversified portfolio helps the Group to ensure a stable and continuous business flow, which is essential to meet customers' needs without interruption. In this way, the Group contributes to economic stability and growth, increasing the confidence of customers and investors.

Number and value of current and savings accounts in 2024 for MBH Group credit institutions
(Data in millions of HUF

Current and savings accounts	Retail	Small business	Corporate
Number	2 551 416	136 641	5 265
Value*	2 364 814 Ft	2 043 080 Ft	496 472 Ft

Number and value of loans issued by segment in 2024 for the MBH Group's member credit institutions
(Data in millions of HUF

Credits	Retail	Small business	Corporate
Number	791 712	69 036	8 270
Value*	2 346 696 Ft	1 983 310 Ft	1 011 474 Ft

* Gross *value. The gross value of loans measured at fair value includes the fair value of the loans.*

MBH Bank conducts a comprehensive self-assessment of its risks at least once a year as part of the ICAAP process, when reviewing its Risk Strategy. This assessment includes an analysis and update of the Group-wide risk matrix, which is performed based on analytical data and detailed analysis. The self-assessment is controlled, organised and evaluated by the group's credit institution and is an essential step in the annual review of the risk strategy. The purpose of the self-assessment is to identify, examine and, if necessary, modify the risks that are significant for the Group, the results of which are summarised in the Risk Strategy.

MBH Bank uses different stress scenarios in its risk analysis to assess the relevant risks. These include the following scenarios: institution-specific stress, which focuses specifically on reputational risks affecting the Group; market-level stress, which looks at factors affecting the banking sector in general; and combined stress, which combines elements of the previous two scenarios. The liquidity stress test framework and the assumptions used in the scenarios are reviewed annually to reflect the current market environment and the specific needs of the Group.

Based on the assessment of the risk categories, the Bank determines the risks that are considered material to it. The risk appetite for each risk type and the review of materiality are approved by the Group's Methodology Committee, the Management Board and the Supervisory Board. The review shall be carried out at least annually as part of the ICAAP process, during the review of the Risk Strategy.

Risk limits are regularly reviewed in coordination with the ICAAP and Validation area and with the involvement of limit holders, in line with the annual financial planning cycle. In the event of significant events, an extraordinary limit analysis may be carried out if the change has a material impact on the relevance of the limit levels. Currently, MBH Bank does not yet quantify ESG risks in the framework of the ICAAP and ILAAP. These risks do not currently have a direct impact on the Bank's solvency, regulatory capital requirements and liquidity risk profile, but may require further attention in the future to ensure deeper integration of sustainability considerations.

Integrating sustainability risks into bank financing

MBH Bank is committed to integrating ESG factors into its credit analysis processes to promote the achievement of sustainability targets. An annual ESG assessment of clients and transactions is essential for the ESG assessment and regular monitoring of the corporate portfolio. This has become part of the corporate underwriting process and plays an important role in project finance. The ESG risk level of both clients and individouble transactions is assessed in the submissions, so that the sustainability risk of the risk-taking process at client-transaction level can be determined together.

In the retail segment, MBH Bank focuses on environmental sustainability and sets several priorities. These include reducing the emissions associated with the activities of its retail clients, in line with the taxonomic targets of the Paris Climate Agreement, the European Union Green Deal and the Climate Bonds Initiative. We will strive to reduce lending for environmentally unsustainable retail activities and increase the share of green loans in new lending

The key objective of MBH Bank is to develop a consistent data taxonomy in both the retail and corporate segments, which will allow for a consistent consideration of ESG aspects in credit risk processes. This taxonomy will fundamentally support the standardised collection, analysis and assessment of ESG information, thus supporting a more accurate assessment of credit risk and a move towards sustainable financing.

In order to promote sustainability objectives, MBH Bank has developed an ESG assessment methodology over the past year. A policy for large corporate and specialised lending is already in place, and a policy for retail lending and for the micro, small and medium enterprise segment will be published in 2024. The main purpose of the ESG assessment of the corporate segment is to enable the Bank to demonstrate the sustainability performance of its portfolio and measure its compliance with domestic and international sustainability requirements, including the EU Taxonomy, the CBI Taxonomy and the MNB's Green Corporate and Municipal Capital Allowance Program.

Currently, ESG factors do not independently influence credit risk decisions, and the Bank does not take their impact into account when estimating losses. However, MBH Bank is committed to incorporating ESG principles in order to continue to provide sustainable solutions for its clients and to support the sustainability of the economy.

MBH Bank uses ESG data from the EBRD Heatmap and the OPTEN database to assess the ESG aspects of its corporate clients, which allows for a comprehensive ESG risk assessment of the clients' core business. The ESG risk assessment of the client and the transaction is supported by Excel-based data prompts, where clients provide data on their business, operations and the sustainability impact of the financing target along different ESG principles.

It is essential that a regular annual assessment is carried out as an integrated part of the retail lending process to assess and continuously monitor the ESG aspects of the portfolio. The assessment process includes an evaluation of the ESG risk of the property securing the mortgage loan based on its energy certification. For green credit products, this risk assessment plays an important role in the decision-making process, while for other transactions it is more informative, supporting transparency.

For the environmental component of the ESG assessment of corporate clients, MBH Bank uses 11 environmental metrics based on the OPTEN ESG Index. These metrics include factors such as emissions of pollutants (e.g. CO_2, particulate topic, hazardous waste), the level of environmental taxes, energy consumption in relation to sales and the environmental impact of the sector. The customer assessment can be corrected manually, if necessary, by the Risk Area staff, based on the data request. An automatic adjustment of the risk is also possible if the client meets certain criteria: for example, the taxonomic alignment of turnover exceeds 50%, the company's activities support sustainability objectives, it is ESG certified or at least 25% of its annual energy consumption comes from renewable sources.

No manual correction is possible in the context of the automatic ESG assessment, nor is it possible to make any adjustment during the transaction assessment. The Bank's Board of Directors oversees the Group's environmental risk management policies and procedures and is regularly informed about MBH Bank's environmental risks and the actions taken to address them. This activity is supported by the ESG department, ensuring a high professional standard of environmental risk management

In line with the MNB's Green Recommendation 10/2022 (VIII.2), the Group aims to ensure that its risk management committees have the expertise and resources to monitor and review environmental risks, including physical, transfer and liability risks. To this end, MBH Bank will expand its internal reporting system to include environmental risk metrics and metrics, including the type of data sources used and the frequency of reporting. The integration of environmental aspects into risk assessment and stress testing processes, as well as internal reporting systems to identify and measure environmental risk exposures, can all contribute to strengthening ESG risk management. The Bank has also set up an ESG Competence Centre and will continue to deepen the integration of sustainability principles by complementing the ESG framework

The risk assessment of clients and transactions and the ESG risk assessment are currently carried out independently. ESG risk assessment is not a decision driver in itself (except for retail lending), but an informative input to transparency. However, the OPTEN ESG Index and the EBRD Heatmap, used as part of the automatic ESG risk assessment in the corporate sector, take into account the ESG risk of the sectors of the national economy. And the OPTEN ESG Index also takes into account microeconomic factors such as operating profit, tax liability or revenue per headcount.

The Bank's long-term objective is to fully integrate ESG considerations into the calculation of internal capital requirements. This move will further our commitment to sustainable financing and support our risk management strategy.

Corporate policy

The internal documents guiding the credit risk management processes are the Risk Strategy and the practical application of the Sustainability Guidelines. The Risk Strategy contains the risk objectives common to the members of the MBH Bank Prudential Group and the objectives assigned to each risk category, as well as the main principles of risk management and the Group and member institution risk limits for each risk category. The Group's Risk Strategy is approved by the Board of Directors and is complemented by specific policies. The practical application of Sustainability Policy was required by the credit risk management requirements of the Recommendation of the National Bank of Hungary No. 10/2022 (VIII.2.) on climate change and environmental risks and the integration of environmental sustainability aspects in the activities of credit institutions. The subject of the regulation is the ESG assessment of transactions in the retail segment of the Retail Lending Manual and the ESG assessment of customers and transactions in the micro, small, medium and large corporate structured, real estate and special LTV financing, municipal and financial institution segments, in addition to the Individouble Lending Process Operating Rules, the Micro and Small Business Assessment Rules and the Retail Lending Manual Rules. The scope of the Codes covers the entities involved in the credit underwriting activities of the MBH Bank Prudential Group. The policies are managed by the Risk Methodology and Reporting area and approved at the highest level by the Deputy Chief Risk Officer.

6. Partner in green finance

Today, the global challenge of climate change has a significant impact on all economic actors, including the MBH Group. Through our role in creating sustainable banking and our "Partner in Sustainable Finance" initiative, the Group places a high priority on addressing climate change, as the associated risks and opportunities directly affect our operations and long-term stability.

For the MBH Group, physical risks, such as damage caused by extreme weather events, as well as the transition risks that arise in the shift away from a carbon-intensive economy, are serious factors. These risks can increase credit risk, reduce property values and affect the performance of companies, affecting the Groups financial performance.

With the growth of the sustainable finance and green bond markets, the Group can gain a competitive advantage if it recognises and exploits these opportunities in a timely manner. Sustainable financing and investment products that support climate change mitigation and adaption not only have a positive impact on society and the environment but also enhance the Group's reputation and brand value.

The MBH Group is committed to creating an infrastructure, a range of products and services, a risk framework and a customer education platform that support the achievement of sustainability targets, taking into account both retail and corporate customers. In addition to supporting sustainable social and economic transformation, the introduction and continuous development of ESG-oriented products and services to promote competitiveness is a priority.

We pay particular attention to environmental sustainability and the fight against climate change. We develop lending and investment policies that support environmentally friendly projects and exclude environmentally damaging business activities. Green finance aims to promote sustainable economic growth and minimise environmental damage.

In order to join the green financing scheme, the MBH Group is committed to moving towards well-defined values, setting measurable targets and continuously measuring its activities. In pursuing a shift towards a sustainable economy, the Group aims to ensure its long-term stability as a key player in the domestic financial market and to contribute to a more sustainable future.

6.1 Developing a business model for climate change mitigation and adaption

Material topic	**Climate change adaption, Climate change mitigation**	
Standard used	**ESRS E1, SASB FN-CB-410**	
Presentation	Describe the MBH Group's climate change risks and how they are integrated into the business model, in particular how physical and transition risks are identified, assessed and managed to achieve sustainability objectives, in line with the interests of stakeholders.	
Sustainable Development Goals (UN SDGs) supported	12 RESPONSIBLE CONSUMPTION AND PRODUCTION; 13 CLIMATE ACTION	
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	***Climate change adatption:*** the lack of adequate resource allocations to adapt to climate change (e.g. more frequent heat waves, storms, extreme weather) can have negative environmental and social impacts. In addition, the lack of preparedness for the physical risks of climate change at the Group's own sites, which may result from the Group's low climate adaption capacity, may have a negative impact on the safety of workers at the sites. ***Climate change mitigation***: the Group can have a significant negative impact on climate change mitigation by financing carbon-intensive industries. In addition, the greenhouse gas emissions of its own physical assets, such as real estate and vehicles, can also contribute to climate change.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial options	***Climate change adaption***: the introduction of financial strategies, lending and investment practices that support climate change adaption can open up new markets, contributing to the Group's growth and strengthening its market position and the resilience of its asset portfolio. ***Climate change mitigation***: through green finance strategies, the Group can not only support environmental sustainability, but also create new financial opportunities that can help the Group grow and strengthen its market position.
Addressing a material topic	Link to ESG strategy	Taking ESG risks into account in risk management
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) • Risk Policy (MBH Bank Nyrt.)
	Priority actions	• Identification of physical and transition risks based on Pillar 3 requirements • Join Science Based Target initiative (SBTi), join Net Zero Banking Alliance (NZBA) in 2025 • Script analysis • Bank for a Sustainable Future programme
	Metrics	• Share of green assets (%)
	Targets	• Developing a transition plan

Integrating climate change risks into the business model

The MBH Group is committed to engaging only in activities that do not violate legal prohibitions, ethical standards, environmental harm or threaten the Group's long-term sustainability objectives, and are consistent with the Group's business strategy and the interests of stakeholders, including owners and customers. The Group avoids taking risks with individoubles known to have caused losses to creditors in the past. In addition, the Group annually reviews and identifies sectors that it does not favour and seeks to progressively reduce the proportion of risk exposure in these sectors, with a particular focus on sustainability risks, and applies more rigorous risk management procedures in these sectors. Significant risks include credit risk, operational risk, market risk, liquidity risk and other risks, including ESG risks. Mitigation and adaption to climate change is supported by the Environmental, Social Responsibility and Governance (ESG) Policy and the Practical Application of Sustainability Guidelines and Risk Policy, respectively, the content, purpose, scope and the responsible department for implementation of which are detailed in chapters 5.2 Sustainable Portfolio and Fundraising and 5.3 Business Stability and *Resilience*

Scenario analysis

MBH Bank has performed scenario analyses to identify physical risks based on the Bank's Climate Scenario, in particular for the Zero Action and Deferred Action scenarios. These risks included negative impacts on agricultural production and risks related to food security, which are closely linked to the vulnerability of agricultural production. In addition, the results also highlighted the importance of taking into account labour market risks, which have an impact on human health, the reduction of agricultural employment and the decline in productivity. This analysis is currently not part of the current risk management and identification processes.

ESG risks are currently identified and managed in a decentralised and systematic manner through a risk taking process that includes the identification of non-preferred activities that are in conflict with environmental, social and governance principles, in line with and beyond the Risk Strategy, and the development of a methodology for the ESG assessment and analysis of customers and transactions.

No specific limits are set for ESG risk in the Group Risk Strategy, but their development is a medium-term objective for which preparations have started. However, sector-specific ESG trends are already qualitatively incorporated in the sector strategies.

The examination of the linkages between ESG risks and other risks has started, and the objective for 2025 is to develop an ESG risk heat map that reflects the extent of ESG risks in sufficient depth, according to a defined set of criteria and well-defined thresholds, to indicate the need for risk actions.

Transition risks are risks that affect credit institutions in the transition to a low-carbon and climate resilient economy. Within this category of risks, a distinction can be made between policy-regulatory risks, such as energy efficiency requirements, carbon pricing mechanisms that increase the price of fossil fuels, or the impact of policies that promote sustainable land use. They also include technological risks, which arise when a less climate-damaging technology replaces a more climate-damaging technology, and market risks, when consumers' and business customers' preferences shift towards less climate-damaging products and services

During 2022, MKB Bank prepared a climate scenario in accordance with Article 431(3) of Regulation (EU) No 575/2013 of the European Parliament and of the Council (hereinafter: CRR), based on which the transition risks were identified for the ambitious and deferred action scenarios. The transition is affected by a variety of regulations, rules, taxes and incentives, so that some raw materials or production processes, such as oil, utilities, automotive, logistics, steel and cement, may be subject to specific taxes. In addition, there are risks of switching to other products and raw materials, such as oil and batteries, and price developments of their raw materials, which will also affect manufacturing technologies

In its most recent comprehensive scenario analysis, MKB Bank used the IEA 450 (ambitious action), IPCC RCP4.5 (deferred action) and IEA Current Policies (zero action) scenarios. It is important to note that our approach is continuously evolving and through our prudential compliance, we plan to monitor the alignment of the most exposed sectors of our portfolio to transition risks using the IEA NZE 2050 scenario and extend the previous analysis to MBH Group level. In preparing the scenario analysis, the Group has not used climate-related scenario analysis (e.g. the IEA scenario) consistent with the Paris Agreement and the limitation of climate change to 1.5°C to identify transition events and assess exposure.

MBH Bank has prepared a questionnaire to assess which companies in its portfolio are excluded from the EU benchmarks aligned with the Paris Agreement. Within our exposure to sectors that contribute significantly to climate change, our exposure to these types of sectors is negligible, so almost all of our portfolio has the potential to transition to a climate neutral economy.

Climate risks and strategy

The Group also quantifies its physical and transition risks as part of its Pillar 3 disclosure requirements. Our adaption metrics and associated decarbonisation pathways have been defined for the most carbon-intensive industries. To assess the physical risks, we used the National Adaption Spatial Information System climate vulnerability assessment models, which represent the exposure of the building stock to climate impacts, such as projected temperature, precipitation and wind patterns, under different scenarios, for the time horizon 2021 to 2050. The Group has not identified explicit climate-related adaption and physical opportunity. Our analysis is not portfolio-based, but based on a territorial classification, so a portfolio-level risk assessment and classification has not yet been carried out in this form.

To examine chronic risks, taking into account their specificities, temporal extent and impact, we focused on two main risks - water scarcity and extreme heat - based on the Bank's available data, using GFDRR climate models. The identified risks were not categorized into physical and transition risks. The data were aggregated at NUTS3 level and disaggregated by region and national economy sector. resulting compiled data from multiple sources were qualified and interpreted for the Bank's portfolio.

The results present that 28% of our partners' sites or (in the absence of such sites) their headquarters are located in geographical areas (NUTS5 level) that are exposed to high acute or medium chronic climate risks. By industry, the mining, quarrying, construction and real estate sectors are more exposed to climate change risks. The wholesale and retail trade, manufacturing and construction sectors feature prominently in the portfolio vulnerable to acute risks

MBH Group is not excluded from the EU benchmarks aligned with the Paris Agreement. The Bank Group's operations and strategy are in line with the guidelines supporting the climate targets and is therefore not one of the companies excluded from these benchmarks due to its adverse environmental impact.

The part of our portfolio that is sensitive to the impacts of physical events caused by climate change will run out in more than half of the timeframe of 5 years, while about 25% of our portfolio is for a timeframe of 5-10 years. This means that nearly half of our portfolio will run out in the medium term, so that emerging climate risks do not pose an immediate threat to the Bank in the long term, as long as they are replaced by low climate risk assets. Currently, we have not made any climate critical assumptions in financial statements.

Our commitment to sustainability is not just a modern business trend, but a necessary response to the challenges of global climate change. For the year under review, the MBH Group does not yet have a climate change transition plan in place to meet European sustainability reporting standards , but our sustainability efforts and decarbonisation tools clearly reflect this commitment, and the integration of the Net Zero project results into our business strategy and financial planning is already partially in place. Our priorities include developing our current ambition and developing a group-wide transition plan in a phased approach, in line with NZBA and SBTi guidelines, up to 2027.

The integration of potential risks of climate change and the precise complementarity of the ESG strategy with decarbonisation efforts is also underway, with subtasks identified until the end of 2024. These include a green supply chain assessment and an assessment of decarbonisation projects. This year, the aim is to change the way we think about procurement and operations, based on baseline calculations to see through emissions.

Transition to sustainable operations

MBH Bank is actively engaged in the transition to sustainable operations, as evidenced by its comprehensive efforts to comply with the Green Recommendation of the Magyar Nemzeti Bank (MNB). The bank has launched an ESG data market project focusing on expanding the scope and improving the quality of ESG data with software support. The project is driven by the need for the Bank to have a data system capable of aggregating ESG risks as required by the MNB. The project will also provide the opportunity to identify concentrations of ESG risks (e.g. carbon-related assets, water scarcity regions, cyber security risks), a categorisation that was not yet available in 2024. In the initial phase, an ESG data structure has been created to harmonise different data sets and systems. This will include meeting the data requirements for management reporting as defined by the Green Recommendation, compliance with Global Reporting Initiative (GRI) standards and later the European Sustainability Reporting Standards (ESRS) and tracking the performance metrics of the ESG strategy. The Bank is also working on additional datasets, such as harmonisation of vehicle taxonomies and setting emission reduction targets. The data marketplace has been developed based on a CSRD-ready principle, with documented processes and defined roles (ESG Data Provider, Data Host Manager, Data Host Completer, Validator) to support validation through data path management.

The Bank has established a set of KPIs focusing on portfolio risk, including exposure to the MNB climate targets and exposure to the Green Lending Framework. The automated process for generating the KPIs is designed to minimise errors and ensure data integrity. The affected area provides the data, which is then validated and processed in an automated data preparation function, the solution supports ESG management reporting. Some reports in the ESG data marketplace are generated automatically while others are generated manually. However, a semi-automated data collection solution already exists to manage ESG risks at portfolio level.

The Bank's ESG data collection efforts also extend to the subsidiary level. Although the currently developed forms for data collection have not yet been extended to subsidiaries, they are a planned element of the project. The extension of ESG data collection to subsidiaries will be done in two steps: first to those for which the ESG strategy is in force and secondly to subsidiaries with mandatory reporting requirements (such as Pillar 3). This project also has a group-wide awareness-raising role.

Policies, actions and targets for climate change mitigation and adaption

As one of the leading financial players in the country, the MBH Group takes responsibility and implements a number of actions in its corporate policies to promote climate change adaption and mitigation.

Products and policies for climate change mitigation are being developed. The initial step is to continuously screen the portfolio and identify products that already meet sustainability criteria but are not registered as such. Categorizations resulting from reporting obligations are a high priority, so our goal is to align GHG emissions reductions with financial targets (e.g., capital expenditure plan) based on ESRS expectations.

MBH Bank has committed to increase the proportion of green loans by the end of 2024 as part of its "Bank for a Sustainable Future" programme. This commitment reflects the Group's commitment to green financing and contributes to climate change mitigation. Ongoing product development, portfolio redesign and the alignment of non-financial and financial objectives will all contribute to the Group's sustainability targets. In the coming years, the Group will continue to focus on increasing the proportion of green loans and achieving sustainability leadership in the financial sector.

7. Reducing our environmental footprint

Although the MBH Group has its greatest environmental impact indirectly through its portfolio of MBH Bank and other credit institution subsidiaries, it also pays attention to reducing its environmental footprint in its own operations. In its owned real estate and, where possible, in its leased real estate, it seeks to increase energy efficiency and the use of renewable energy sources, as well as to promote environmentally friendly mobility solutions. The digitisation of operations is another step towards reducing its environmental footprint by reducing paper use, making banking processes more efficient and potentially reducing operating costs by automating routine tasks. These actions also serve to reduce our greenhouse gas (GHG) emissions related to our own operations, which we aim to contribute to the achievement of the Paris Agreement targets. Reducing our environmental footprint not only protects the environment but also contributes to the long-term sustainability and competitiveness of the Bank.

7.1 Energy use

Material topic	**Energy**	
Standard used	**ESRS E1**	
Presentation	A presentation of the MBH Group's energy use, energy efficiency and renewable energy initiatives related to its own operations.	
Sustainable Development Goals (UN SDGs) supported	13 CLIMATE ACTION	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and financial opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	Energy efficiency and renewable energy projects require significant upfront investment and, if not properly managed, can pose operational risks and increase maintenance and repair costs. The use of non-renewable energy sources carries reputational risks as it reflects a lack of commitment to sustainability.
	Financial opportunity	By optimizing energy use, the Group can reduce its operating costs and take advantage of financial incentives offered by government and utility companies. These actions can increase value of owned real estate and improve the Group's perception of sustainability.
Addressing a material topic	Link to ESG strategy	Decarbonisation efforts
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy
	Priority actions	• Replacement of mechanical equipment • Energy efficiency renovation of 3 bank branches • Energy efficient design of MBH Bank's new headquarters
	Metrics	• Rate of own energy consumption (MWh) • Share of renewable energy sources in total energy consumption (%)
	Targets	• Energy efficiency renovation of 11 more bank branches in 2025

Characteristics of energy use

In 2024, the majority of the MBH Group's energy consumption continued to come from utility consumption in buildings, followed by fuel consumption in the car fleet. Energy consumption in MBH Bank Nyrt's headquarters, in all office buildings and in a significant number of branches is monitored and controlled by a building control department. In accordance with Act LVII of 2015 on Energy Efficiency, the Group's large companies have carried out energy audits in accordance with the timing specified in the Act, and in addition, energy specialist reports have been prepared on a monthly and annual basis for the purpose of analysing energy consumption.

The integration process has presented the Group with a number of challenges in managing energy consumption and collecting related data. In 2024, the Group's central operations department was responsible for the real estate and vehicle fleet of the five member companies with significant energy-related impacts, risks and opportunities (MBH Bank Nyrt., MBH Befektetési Bank Zrt., Euroleasing Zrt., MBH Real Estate Development Ltd. and MBH Services Zrt.), but the aim is to centrally monitor and efficiently manage the energy consumption of as many member companies as possible. We also aim to continuously increase the share of green energy in the MBH Group's energy mix.

Energy use is supported by the Environmental, Social and Governance (ESG) Policy, the content, purpose, scope and the department responsible for implementation of which are detailed in chapter 5.2 Sustainable portfolio and fundraising.

MBH Group's total energy consumption and energy mix (2024)

Total fossil energy consumption (MWh)	**61 744,64**
Share of fossil sources in total energy consumption (%)	*75%*
Consumption from nuclear sources (MWh)	**10 765,21**
Share of energy consumption from nuclear sources in total energy consumption (%)	*13%*
Fuel consumption from renewable sources, including biomass (MWh)*	0,00
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	8 968,38
Consumption of self-produced non-fuel renewable energy (MWh)	576,00
Total renewable energy consumption (MWh)	**9 544,38**
Share of renewable sources in total energy consumption (%)	*12%*
Total energy consumption (MWh)	**82 054,23**

**including biomass (which includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)*

Energy efficiency actions

Major energy efficiency investments within the Group in 2024 included the renovation of the mechanical and lighting systems in the branches. During the year, 3 branches were completely renovated and 5 branches moved to new, more modern locations. In 2025, we plan to renovate a further 11 branches and move 8 branches to more modern locations. In the case of office buildings, we plan to implement an energy saving project in 2025 by investing in heat pumps in the main building of the former Budapest

Bank. As part of the Group's ESG strategy to involve employees in sustainability efforts, energy efficiency was also part of the internal communication campaign, which included a number of eye-catching visual elements - elevator and stair stickers, posters - in MBH Bank's headquarters to encourage energy saving. We will also provide targeted energy efficiency training for all our employees from 2025. In the long term, the Group's energy consumption will be greatly affected by the new energy-efficient and modern headquarters of MBH Bank, which is described in detail in chapter 7.2.

Our Group fleet management aims to support efficiency improvements while reducing the environmental impact of vehicles. We take into account the EU CO_2 emission levels, and thus, taking into account the available annual fleet CAPEX budget, we will in the future aim to develop a fleet that allows the purchase of vehicles with lower fuel consumption and emissions, with internal combustion engines or hybrid powertrains. Furthermore, when purchasing a driver's car in a location with sufficient infrastructure (typically the Budapest conurbation), we will encourage drivers to opt for a pure electric car. In addition, we aim to eliminate the use of typically lightly used cars, which will further reduce emissions across the entire fleet. The Group also encourages environmentally responsible transport, with public transport being the recommended and encouraged mode of transport for its employees. In addition, electric car-sharing is available for employees and charging stations for plug-in hybrids and electric cars are available in the underground garages of MBH Bank's office buildings.

7.2. Greenhouse gas emissions

Material topic	**Mitigating climate change**	
Standard used	**ESRS E1**	
Presentation	A presentation of the MBH Group's direct and indirect greenhouse gas emissions (hereafter GHG emissions) and related emission reduction initiatives.	
Sustainable Development Goals (UN SDGs) supported	13 FELLÉPÉS AZ ÉGHAJLATVÁLTOZÁS ELLEN	
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	The Group can have a significant negative impact on climate change mitigation by financing carbon-intensive industries. In addition, the greenhouse gas emissions of its own physical assets, such as real estate and vehicles, may also contribute to climate change.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	Consciously managing the Group's GHG emissions can achieve significant operational cost savings by improving energy efficiency and switching to lower energy technologies
Addressing a material topic	Link to ESG strategy	Decarbonisation efforts
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy
	Priority actions	• Definition of Scope 3 funded emissions (category 15) • Join NZBA and SBTi initiatives in 2025 • Low emission design of MBH Bank's new headquarters
	Metrics	• Scope 1, 2 emission rate (t CO_2 equivalent) • Scope 3 financed emissions (category 15) (t CO_2 equivalent)
	Targets	• Setting science-based Scope 1, 2 and 3 (category 15) emission reduction targets • Definition of decarbonisation instruments

Climate change mitigation efforts are supported by commitments in the Environmental, Social and Governance (ESG) Policy, the content, purpose, scope and the responsible department for implementation of which are detailed in chapter 5.2 Sustainable portfolio and fundraising

Characteristics of our own GHG emissions

The primary metric used to measure and monitor the environmental impact of a group of companies is its greenhouse gas emissions, also known as its carbon footprint. This metric was first defined by the MBH Group at Group level in 2024, so no baseline for an earlier year is published. For the calculation, we used the methodology of the ESRS and the GHG Protocol[20] , whose terminology is used to calculate both direct (Scope 1) and own indirect (Scope 2) emissions. Scope 1 emissions typically came from natural gas use, fuel consumption by company vehicles, and refrigerant leaks from cooling equipment, while Scope 2 emissions include emissions associated with purchased electricity and district heating use. The Group does not have any contracted assets and therefore did not use them to calculate Scope 2 GHG emissions

In accordance with ESRS requirements, the calculation is wider than the scope of the sustainability statement, so the Group also calculates and assumes responsibility for GHG emissions that occur outside the scope of accounting consolidation companies, properties or vehicles under operational control.

The calculation is included in Annex V.2 of Regulation (EU) 2018/1999 of the European Parliament and of the Council (13). of Annex V to Regulation (EC) No .../2009 (EU) No .../2009, such as carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), sulphur hexafluoride (SF6), nitrogen trifluoride (NF3), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), expressed in tonnes of carbon dioxide equivalent for aggregation and comparability.

The MBH Group's GHG emissions in 2024 totalled 5 412 159.64 tCO2e, consisting of own (Scope 1-2, Scope 2 locally calculated) and financed (Scope 3) emissions. Scope 2 emissions include indirect emissions associated with the production of purchased electricity, heat and steam. Scope 2 electricity emissions were calculated in two ways.

- **Location-based calculation**: emissions based on average emission coefficients for Hungary, reflecting the national energy mix.
- **Market-based issues:** issues calculated on the basis of the issue coefficients specific to the MBH Group. No emission coefficients were requested from electricity suppliers in 2024, therefore the *residouble mix* was used to calculate the market-based emissions based on the GHG Protocol. This figure is by definition higher than the site-based emission coefficient and we will therefore seek to obtain emission coefficients from electricity suppliers in 2025, thus more credibly demonstrating the MBH Group's conscious choice of supplier. For district heating, a locality-based emission factor has been used, due to the unavailability of a market-based factor.

[20] Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard

MBH Group GHG emissions (2024, t CO2e)*

Scope 1 GHG emissions	
Scope 1 GHG emissions	12 359.75
Scope 1, GHG emissions from non-financially consolidated operationally controlled enterprises and assets	282.69
Scope 2 GHG emissions	
Scope 2, locally based GHG emissions	5 060.29
Scope 2, market-based GHG emissions	8 603.87
Scope 2, locally based GHG emissions from non-financially consolidated operationally controlled enterprises and assets	93.92
Scope 2, market-based GHG emissions from non-financially consolidated operationally controlled enterprises and assets	162.16
Scope 3 GHG emissions	
Scope 3, total GHG emissions	4 876 181.00
15. Investments	4 876 181.00
Total GHG emissions	
Total GHG emissions (for local Scope 2)	4 893 977.64
Total GHG emissions (for market-based Scope 2)	4 897 589.47

**In 2024, there were no GHG emissions from biogas emissions and installations covered by regulated emissions trading schemes (ETS).*

GHG emissions from non-financially consolidated operationally controlled enterprises and assets

The MBH Group has also been responsible for GHG emissions from investee companies, such as associates, joint ventures, or unconsolidated subsidiaries, that are not subject to full consolidation in the financial statements. In addition, for contractual arrangements that are not structured as joint arrangements through a legal entity (i.e. jointly controlled activities and assets) over which the Group has operational control. These total emissions in 2024 were 376.60 t CO_2e if calculated on a local basis and 444.85 t CO_2e if calculated on a market basis.

Non-financially consolidated enterprises under operational control
Kocsi.hu Informatikai Kft.
Central European Credit dd Zagreb
Euroleasing Kft.
I.C.E. Ltd.
MKB Real Estate Ltd. "v.a."
Erste Értékpapírosítási Tanácsadó Zrt. "v.a." (ELÉT Zrt.)
MBH Incubator Ltd.
Fintech Factory Zrt. "v.a."
Arete Zrt.
MBH Forrás Zrt.
Solus Capital Venture Capital Fund Management Ltd.
Central Organisation of Integrated Credit Institutions
ANTAK 2000 Ltd.
F HOUSE Real Estate Construction and Trade Ltd.

In addition to absolute emissions, the GHG intensity provides a guide to the extent to which the MBH Group contributes to climate change through its own Scope 1-2 GHG emissions. This indicator compares the total GHG emissions presented in the previous table with the total net revenue reported in the financial statements (1 298 188 M HUF) , thus providing a year-on-year comparison even when the size of the group changes. The MBH Group's local GHG intensity per net revenue in 2024 was 3.770 tonnes CO_2 equivalent/Mt, and its market-based GHG intensity per net revenue was 3.773 tonnes CO_2 equivalent/Mt. The GHG intensity was calculated using the net revenue reported in the Group's consolidated financial statements. The Group has not set specific emission reduction targets for 2024, either in absolute terms or in terms of intensity, which it plans to do in 2025.

The new MBH Bank headquarters

Another milestone in the MBH Group's decarbonisation efforts will be the construction of the MBH headquarters , which will be built in the XIII district, in the central location of Budapest. The new headquarters is expected to contribute to the reduction of our GHG emissions with its modern, energy-efficient solutions, while it is also important to that the new headquarters is built in line with the EU Taxonomy objectives and obtains the most important green building certificates (LEED, BREEAM). Accessibility was an important factor in the choice of the location, so the headquarters will be easily accessible by car and public transport from almost any point of the city.

Characteristics of financed GHG emissions

The environmental impact of our Group is not only reflected in our own operations, but also indirectly in our value chain, where we strive to monitor our GHG emissions as a responsible group. These so-called Scope 3 GHG emissions are the result of complex calculations, and it is therefore worth prioritising the calculation of the categories of emissions likely to have the greatest impact, based on the GHG Protocol's methodological recommendations. For the MBH Group, this highest impact focus area is the financed emissions of credit union member companies (Scope 3, category 15). Other Scope 3 emission categories and biogenic carbon emissions from biomass combustion or biodegradation the upstream and downstream value chains have not been quantified in 2024.

MBH Bank conducted its first survey of funded issuance in 2023 for the year 2022, among the first of the Hungarian banking system. The calculation was repeated at group level for the year 2024, following the methodological guidelines of the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Disclosure Standard. The PCAF is a global partnership of financial institutions that collaborate to develop and implement a harmonised approach to the assessment and disclosure of GHG emissions from their loans and investments. The harmonised carbon accounting approach provides financial institutions with the starting point needed to set science-based targets and align their portfolios with the Paris Agreement. The range of asset classes covered by the methodology is being expanded, and the standard has been extended to cover the seven asset classes that we have funded at the time of calculation

MBH Group financed issues (2024)

PCAF Asset Class	Exposure portfolio included in the calculation (billion HUF)	Scope 1+2 emissions financed (tCO_2e)	Scope 3 emissions financed (tCO_2e)	Total PCAF emissions by PCAF (tCO_2e)[21]	Emission intensity (tCO_2e PCAF-minimum/FtB)	PCAF data quality (weighted
Shares, bonds listed on the stock exchange	316	111 336	935 662	1 046 997	3 309	3.19
Corporate loans and capital not listed on the stock exchange[22]	1 751	591 728	415 852	1 007 581	575	4.16
Project finance	267	262 799	43 417	306 216	1 145	4.00
Commercial real estate finance[23]	577	464 292	-	464 292	805	4.21
Retail mortgage loans[24]	1 327	150 444	-	150 444	113	3.76
Vehicle loans (leasing)[25]	564	192 451	-	192 451	341	3,48
Sovereign debt	3 100	1 323 371	384 829	1 708 200	551	1,00
Total	**7 902**	**3 096 420**	**1 779 760**	**4 876 181**	**617.05**	**2.76**

Among the Group's aggregate funded issues, *Sovereign Debt, Corporate Debt and Listed Equities and Bonds* are the main asset classes, as they cover a significant share of the funded portfolio in terms of both exposure and issuance intensity. Following the identification of the emission hot-spots, the

[21] *Sectors to be covered under (EU) 2020/1818*
[22] 43.6 bn (2.5% of asset class; 0.5% of total exposure stock) non PCAF methodology compliant
[23] 162 billion (28% of asset class, 2% of total exposure stock) non PCAF methodology compliant
[24] 65 billion (5% of asset class; 0.8% of total exposure) not PCAF methodology compliant
[25] In the Vehicle loans asset class, 6.08%, approximately 34 billion HUF, was subject to a simplified methodology for calculating financed emissions. The calculation took into account the average emission intensity for the entire asset class.

decarbonisation tools have been identified for MBH Bank Nyrt. within the framework of the "*Net Zero*" project which will enable the Bank to make significant progress towards Net Zero in the coming years.

Methodological background

Due to the fact that in many cases the necessary factual data for the calculation were not available, the data were produced using average values, proxies. These were necessarily subject to a high degree of uncertainty, for which, in order to ensure adequate transparency, the PCAF defined a 5-item data quality scale to indicate the accuracy of the calculation. The scale is based on a score of 1 indicating the highest quality (e.g. published, externally verified GHG inventory) and a score of 5 indicating the lowest (e.g. emissions calculated from carbon intensity per industry revenue) The MBH Group has endeavoured to produce the highest possible data quality in all cases and will strive to improve the PCAF data quality score in the future.

For each asset category, our calculation mostly met at least the lowest (5) data quality accepted by the PCAF methodology. The exceptions to this are *Corporate Loans and Unquoted Equity*; *Commercial Real Estate; and Mortgage Loans*, where a portion of the exposure (exposure ratio figure is presented in footnote after the summary table) was not calculated in accordance with the PCAF methodology. In the case of corporate loans, in these cases the sectoral classification of the companies concerned was not known, so we had to use the average for the whole portfolio to calculate their financed issuance. In the case of asset classes linked to real estate, in many cases the database only contains data on another property serving as collateral for the loan, rather than the building directly financed by the Group. In these cases, we had to extrapolate the emission intensity of the financed properties, which also does not meet the data quality required by the PCAF.

Other assumptions were made in the calculation of financed emissions, but these did not affect the quality of the PCAF data. For corporate loans and unquoted shares, sectoral averages were used to estimate total assets and turnover in all cases where these data were not available. For emission factors, sectoral averages were also used to fill the data gap. For the project finance asset class, when the expected production of electricity (MWh) of a project was not known, the average HUF/MWh was used to calculate the electricity production for solar PV projects. If technology-specific data was not available, the average for all technologies was used. If the project phase was not clearly defined, the operational phase, i.e. the period when the technology is already operational, was used as default. For technologies other than solar PV projects, the EY EEIO 42 - Emission Factor for Engineering Construction Works was used to calculate the emissions of the construction phase, based on the total project cost (HUF).

For commercial properties and mortgages, where the property area was less than 10 m² or the baseline data was considered unreliable, emission factors for the entire property were applied as opposed to emissions per square metre to increase the accuracy of the estimated emissions. For attribution factors, a multiplier of 0.8 was used for values between 1 and 2, and the average attribution factor was used for values above 2. For car loans and leases, an attribution factor of 100% was used for values between 1 and 2. If the asset value was most likely incorrect, we corrected the data with external sources. If both the vehicle category and the asset value were missing or the attribution factor was still above 2 after correcting the asset values, we calculated the weighted average of the total attribution factor by vehicle category exposure. In the context of Commercial real estate finance, Retail mortgage loans, and Vehicle loans, no financed Scope 3 value was calculated.[26]

Decarbonisation targets

Currently, the Group does not have any policies in place that are specifically designed to mitigate climate change. However, in order to extend the targets across the Group and set annual progress targets, the MBH Group plans to join the Net Zero Banking Alliance (NZBA) in 2025, an initiative that encourages

[26] Financial leasing is reported as part of Scope 3 - 15., using Scope 3 - 15. methodology.

financial institutions to support the achievement of carbon neutrality in their business operations. Also in 2025, the Group plans to join the Science Based Target initiative (SBTi), which aims to ensure that companies' decarbonisation targets are science-based. The targets will be set no later than 2027, according to the timeline set by the initiative. Both accessions demonstrate the Group's commitment to significantly reduce its financed emissions, which will contribute to the fight against climate change

The planned objectives are intended to be in line with the expectations of the ESRS. Accordingly, will ensure consistency between these targets and the GHG inventory limits. For joint GHG emission reduction targets, we will specify which GHG emissions are covered by the target. GHG emission reduction targets are gross targets, which means that we will not consider GHG removals, carbon credits or avoided emissions as a means of achieving GHG emission reduction targets. The GHG emission reduction targets will build on the climate change scenarios presented in Chapter 6.1, , to ensure that they are scientifically sound and consistent with limiting global warming to 1.5°C. Our aim is to thereby describe the expected and achieved GHG emission reductions, as well as the decarbonisation instruments and their aggregate quantitative contribution to the GHG emission reduction targets. In line with the requirements of the ESRS 2 MDR-A, we want to examine whether and to what extent the ability to implement actions depends on the availability and allocation of resources. This will enable us to link the CapEx and OpEX significant funds required to implement the actions taken or planned to the relevant financial statement line items or notes; and the key performance metrics required by Article 8 of Commission Delegated Regulation (EU) 2021/2178. Also, until the decarbonisation targets are set, the MBH Group calculates its Scope 1-2 and Scope 3 financed emissions from year to year and monitors their annual change.

III. SOCIAL INFORMATION

Corporate social responsibility is a key priority for the MBH Group. The purpose of the Social Information chapter is to present the Group's actions and achievements in the area of social responsibility, with a particular focus on responsible employment (Chapter 8) and responsible service provision (Chapter 9.)

The MBH Group is committed to respecting the interests and rights of its employees and integrating them into its business model and strategies. In the context of responsible employment, the Group strives to increase positive impacts, create a safe working environment, promote work-life balance and provide competitive remuneration. By increasing employee satisfaction, the MBH Group strives to develop an innovative corporate culture that contributes to high levels of customer service and the development of new financial products and services. To support employee wellbeing, the Group offers a range of programmes and benefits designed to ensure occupational health and safety and the effective operation of grievance handling processes. The MBH Group pays particular attention to generational diversity and the specific needs of different life-cycles, such as trainees, early career, pregnant and returning mothers, and employees over 60. In the area of training and development, the MBH Group aims to provide its employees with the necessary professional knowledge and competencies to support their personal development and career progression. The Group has launched various programmes, such as the MBH Academy, the Talent Management Programme, the Leadership Academy and the Mentoring Programme, which aim to nurture talent and provide a pipeline of managers.

MBH Group is committed to providing high quality customer service, continuously improving customer satisfaction, creating value and promoting social inclusion. In the context of responsible service delivery, the Group aims to provide its customers from all social groups with different needs with a specific, personalised service that contributes to strengthening customer loyalty. The MBH Group regularly conducts customer satisfaction surveys to understand customer needs and ensure prompt responses. These surveys include the analysis of abandonment propensity, repurchase intention, overall satisfaction and Net Promoter Score (NPS) metrics. In order to improve social inclusion and financial literacy, the MBH Group has launched a number of initiatives aimed at ensuring equal access to financial services and raising financial awareness. The Group pays special attention to disadvantaged groups, such as people with disabilities, and offers targeted products for young people. These actions aim to ensure fair and equal access to financial services for all customers and contribute to social inclusion.

8. Responsible employment

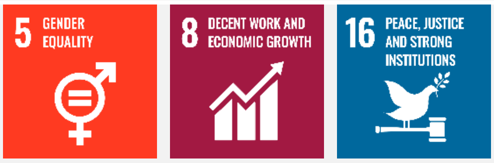
MBH Group, as one of the largest employers in Hungary, is committed to integrating the interests, views and rights of its employees, including respect for their human rights, into its business model and business and ESG strategies. The majority of our own employees work in branch or central back-office functions. Our Group's operations also have a significant impact on groups of employees who perform administrative tasks as temporary workers or trainees through student unions. Conversely, the identified impacts, risks and opportunities for our group's workforce do not apply to the members of the Fundamenta Personal Banker network described in section 2.5.

Our Group strives to increase its positive impact on its employees, create a safe working environment, promote work-life balance and offer competitive remuneration, in line with the principles of responsible employer. By enhancing employee satisfaction, we strive to create an innovative corporate culture that provides opportunities to deliver high levels of customer service and develop new financial products and services. The actual and expected positive effects of responsible employer practices are not limited to specific regions of Hungary, but can be felt by all our employees, regardless of their geographical location.

As with all employers, the efficiency and satisfaction of employees is at the heart of the MBH Group's reliability. Low quality work can result in the loss of customers, while high turnover due to employee dissatisfaction increases recruitment, training and therefore operating costs. Furthermore, a lack of responsible employment can lead to a poor reputation in the labour market.

As well as identifying general risks, we seek to identify why people with particular characteristics, those working in particular circumstances or those carrying out particular activities may be at greater risk. The identification of these risks is ensured by the direct participation of our own employees, rather than through representatives, in the double materiality survey presented in section 4.2, and by the MBH Bank Employee Satisfaction Survey (Pulzus), which includes a number of segmentation analyses for this purpose. The analyses present that the risk of high turbulence is more prevalent among young employees, which is addressed, among other things, through conscious career planning. Other groups at specific risk are employees over 60 and employees with families, for whom we offer a number of targeted programmes and benefits (e.g. the Generation Diversity programme and the MBH Baby+ programme.) Due to the geographical location and nature of the work, there are no more serious risks than this, such as forced or child labour. The Group has not prepared a transition plan for 2024 and has therefore not identified any significant impact on its own workforce. No specific resources have been allocated to address material impacts on employees beyond the amount required for the normal operation of the HR area.

8.1 Supporting employee well-being

Material topic	**Responsible employer and a balanced working environment**	
Standard used	**ESRS S1**	
Presentation	A description of the MBH Group's employees and the compensation, benefits and other programs that promote employee well-being, occupational health and safety, and grievance procedures.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	Inappropriate employment practices, such as the lack of adequate pay, can have a significant negative impact on workers' quality of life and attitudes to work. Insufficiently transparent remuneration practices, lack of work-life balance and the absence of a safe working environment exacerbate workers' dissatisfaction
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	Focusing on employee well-being can stimulate creativity and innovation, which can lead to higher levels of customer service and the development of new financial products and services
Addressing a material topic	Link to ESG strategy	Worker well-being and attitudinal change
	Corporate policies	• HR sub-strategy • Code of Ethics, • Remuneration Policy
	Priority actions	• Generational Diversity Programme • Employee recognition programme • #20minuteshealth
	Metrics	• Staff turnover (%) • Employee satisfaction (multiple actions, %) • Talent retention (%) • IT and network turnover (%) • Internal promotion rate (%)
	Targets	• Reducing staff turnover (continuous) • Increasing employee satisfaction (continuous) • Maintaining talent retention (above 90%) • Reduce IT and network turnover (below 15%) • Increase the internal promotion rate (to at least 20%)

One of the cornerstones of the MBH Group's ESG strategy is "Ensuring employee well-being and raising awareness". Particular attention is paid to creating a balanced work environment, which includes promoting work-life harmony and mental health, encouraging healthy lifestyles and developing a transparent benefits system. By completing the bank merger of the past few years, we are working to align employees from different organisations. This process aims not only to increase operational efficiency, but also to harness synergies between colleagues. Bringing together professionals with different backgrounds and expertise brings new perspectives and innovative solutions to the Group's operations. We believe that by pooling resources and pursuing common objectives, we can become even stronger and more competitive in the market. The new structure created by the merger will allow us to make better use of the knowledge and experience of our colleagues, while continuing to support their professional development and career development.

Introducing our employees

In 2024, the MBH Group employed 9629 people[27] , with no employment outside the country. The total number of employees is expressed in headcount as of the reporting period closing date (31.12.2024). Gender equality was also an important objective in 2024. This year, International Women's Day was another excellent opportunity to further strengthen the engagement of our female colleagues. During our full Women's Week in March, we sought to reach out and engage as many colleagues as possible through professional messages and content specifically for women, in person, online and in hybrid formats.

Number of MBH Group employees by gender[28]

Member company	Male	Female	Total number of employees
MBH Bank Nyrt.	2506	5533	8039
Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.	198	364	552
Euroleasing Zrt.	143	206	349
MBH Befektetési Bank Zrt.	99	101	200
MBH Duna Bank Zrt.	37	144	181
MITRA Informatikai Zrt.	98	32	130
MBH Services Ltd.	33	25	58
Other	57	63	117
Total	3171	6468	9629

[27] Information on the number of employees can be found in the financial statements in chapter 4.6, which presents the average statistical number of employees.
[28] In 2024, the number of employees in the ESRS designated category "Other" was 0.

Gender of senior management in the MBH Group

Member company	Male (pcs)	Male (%)	Female (pcs)	Female (%)
MBH Bank Nyrt.	51	76%	16	24%
Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.	28	55%	23	45%
Euroleasing Zrt.	19	79%	5	21%
MBH Befektetési Bank Zrt.	7	88%	1	12%
MBH Duna Bank Zrt.	11	65%	6	35%
MITRA Informatikai Zrt.	2	100%	0	0%
MBH Services Ltd.	4	100%	0	0%
Other	10	67%	5	33%
Total	132	70%	56	30%

In accordance with the requirements of ESRS, the Group defines senior management as positions one or two levels down in the management bodies. In the case of MBH Bank Nyrt, the group parent, senior management positions one level down includes directors (CXO level), including the CEO and Deputy CEO. Two levels down, this group includes executive officers and directors on boards of directors. The same logic applies to subsidiaries, taking into account the hierarchy of the organisation. In addition to ensuring women's equality and strengthening women's participation in society, our Group places particular emphasis on building long-term working relationships. Generational diversity Through the programmes introduced as part of our HR strategy, we aim to cover the whole spectrum of the employee life cycle, with a particular focus on the specific needs of each employee life cycle, such as trainees, early career, pregnant and returning mothers, small children and support for employees over 60. We work to create a healthy and non-discriminatory working environment for our employees, so that they can balance family life with work and professional development. We provide an extra day of parental leave for employees with children under the age of 14. They can also apply once a year at the start of the school year for a school enrolment grant, and we have tried to help them with a camping grant for the summer holidays.

Number of MBH Group employees by age

Member company	under 30 years old	30-50 years old	Over 50 years old
MBH Bank Nyrt.	1167	5060	1812
Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.	59	395	98
Euroleasing Zrt.	48	238	63
MBH Befektetési Bank Zrt.	23	115	62
MBH Duna Bank Zrt.	14	103	64
MITRA Informatikai Zrt.	7	84	39
MBH Services Ltd.	2	36	20
Other	8	75	37
Total	1328	6106	2195

The MBH Group is also committed to offering employment opportunities that are tailored to the needs of its employees. In this way, we aim to help those who may not have the capacity to work full-time due to childbirth or other reasons. The distribution of these workers is presented in the following table, with a gender breakdown

Number of MBH Group employees by gender and employment type

Employment type	Male	Female	Total number of employees
Number of employees	3165	6464	9629
Number of permanent staff	3150	6452	9602
Number of temporary staff	15	12	27
Number of staff employed under the availability obligation	0	0	0
Number of full-time employees	3071	6132	9203
Number of part-time employees	94	332	426

The total number of employees who left the Group by choice or voluntarily before the retirement date and the number of employees who left the Group involuntarily, i.e. due to retirement or death, was 1932 in the reporting year 2024. This number also includes terminations of employment resulting solely from a change of company within the Group. As a percentage of the total number of employees, the turnover rate is therefore 20.04%, which we are constantly striving to reduce in line with our long-term employment approach

Employee representation

91% of employees are covered by collective bargaining agreements, demonstrating the company's commitment to prioritising workers' rights. The only employees excluded from the scope of collective agreements are those who are considered as managerial employees under Article 208 of the Labour Code. The percentage of employees covered by employee representation is 88%, which indicates the company's efforts to strengthen employee representation. A significant number of employees without collective agreements and employee representation are employees of the newly joined Fundamenta-Lakáskassena Lakás-takarékpénktár (Fundamenta-Lakáskassen Housing Savings Bank). Currently, there is no agreement on employee representation within the European Works Council (EWC), the Works Council of a European Company (SE) or a European Cooperative Society (SCE). The company aims to continue to strengthen employee representation and to strive for continuous improvement of working conditions and employment conditions.

Creating ethical operations

As a leading employer in Hungary, we set an example by introducing best practices in the domestic labour market and by operating in a lawful, ethical and responsible business conduct. Respect for human rights and equal opportunities is one of our core principles, and our commitment to this is framed by the Group's Code of Ethics, which applies to all employees. The Code serves as a guide for our employees in their daily work. Its observance can contribute to the maintenance of the MBH Group's reputation and the achievement of corporate targets, while at the same time promoting the development and operation of fair business and working relationships based on mutuality. The scope of the Code of Ethics applies to all employees and other persons in employment of the MBH Group, as well as to all its specialties and all members of its governing and supervisory bodies.

In their day-to-day work, our colleagues must act in accordance with the principles and rules set out in the Code of Ethics in force. The Code of Ethics is in line with the main internationally recognised instruments, including the UN Guiding Principles on the Responsibility of Businesses with regard to Human Rights and accordingly excludes all forms of human trafficking, forced or compulsory labour and child labour.

The Board of Directors is responsible for the approval of the Code of Ethics. Board members and managers are responsible for the strict application and compliance with the Code of Ethics in their respective areas and for setting an example to the rest of the area, and compliance with the Code of Ethics is also the personal responsibility of each individouble employee. Within the Group, the Compliance area continued to monitor and control the implementation of the Code of Ethics in 2024. Internal rules, information materials, mandatory training and the employees in the Compliance area ensured that the principles of business ethics were applied in the day-to-day work. The mandatory training for all, which culminated in an examination, focused on honest business conduct, the fight against corruption, non-discrimination and respect for human rights, which all newcomers were required to master, and all employees were required to repeat as refresher training.

The Code of Ethics states that any discrimination against employees should be rejected, and diversity and inclusion should be promoted. It guarantees non-discrimination on grounds of race, language, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, marital status, health, geographical location or sexual orientation. However, the Group has not made a specific commitment on diversity in 2024.

Remuneration and allowances

At MBH Group, we believe that in a rapidly changing external environment and a difficult labour market, we need to develop a modern remuneration system that offers market-leading value to all members of our highly diverse employee groups. Following the completion of the second phase of the bank merger process, a new Remuneration Policy has been introduced and will be effective for all MBH Group subsidiaries from May 2023. The purpose of the policy is to recognise and incentivise the performance of MBH Bank Nyrt and its subsidiary managers in line with the risk profile and legal requirements of the MBH Bank Prudential Group. This policy sets out the principles for remuneration, taking into account the specificities of the company and applicable national and EU legislation. Taking into account the risk profile of the Group, the policy supports effective risk management, prevents the risk exposure limits from being exceeded and is in line with the recommendations of the Magyar Nemzeti Bank on the prohibition of excessive risk taking. In addition, the policy is consistent with MBH Bank's business strategy, objectives and long-term interests, facilitating their achievement. The Remuneration Policy of MBH Bank Nyrt. approves the Supervisory Board.

The Group's remuneration system is based on the principle of fair and performance-related remuneration. The continuous pursuit of the targets set is essential for the achievement of our ambitious targets and for our dynamic development. Our Group-wide unified performance management system covers all our employees and is designed to help set individouble objectives to be achieved during the year, so that we can assess their achievement at the end of the year by continuously monitoring them. The process includes goal setting, uniform performance appraisal, career management, training and development opportunities, and performance-based remuneration. In this performance-based remuneration, ESG aspects are only included at senior management level in 2024.

In line with the Group Remuneration Policy and Code of Ethics, we strive to ensure equal basic salary conditions for our male and female employees. We do not discriminate between full-time employees and temporary or part-time employees in terms of entitlement to benefits. Our Remuneration Policy states that all remuneration elements should be classified as either Basic Remuneration or Performance Remuneration. Base Remuneration includes basic salary, cafeteria and other fringe benefits. Under pay, various forms of bonuses, bonuses, entry bonuses, commissions, project bonuses, target bonuses and retention bonuses are available.

Our multi-component fringe benefits package not only includes monetary elements, but also promotes the improvement of the working environment, healthy lifestyles and employee well-being, thus fostering motivation and a sense of belonging to the community. Certain benefits, such as life insurance and parental leave, are available to all our employees, whether they are full-time, part-time or temporary. Cafeterias are available to most of our employees but are not available above a certain income level. The Group also provides employees with the opportunity to participate in an Employee Share Ownership Programme (ESOP), which is operated by the ESOP Organisation. The purpose of the scheme is to provide employees with a reward for performance. Importantly, employees do not become direct shareholders but are entitled to share ownership through the MRP Organisation. Remuneration will be paid in accordance with the holding period and deferral cycles set out in the MRP Act and in accordance with the rules of the Remuneration Policy.

In addition, extended accident and life insurance is available for the entire group. In addition to occupational health care, MBH Bank employees in 2024 also had access to the discounted health insurance that has been provided for many years, with diagnostic services and extended occupational medical services available at the bank seven days a week. In addition, social protection against loss of income due to major life events applies to all Group employees.

The Group is committed to ensuring that its employees at all levels receive appropriate remuneration. The Group conducts market research several times a year to establish benchmarks for appropriate pay. In 2024, no employees have been identified who earn below the applicable benchmark for appropriate pay. Closing the gender pay gap is a key objective of the Group and is reflected in the Group-wide remuneration policy. The Group's gender pay gap stands at 29.69%, indicating that, on average, female employees earn 29.69% less than their male counterparts. This figure is derived by comparing the average salaries of male and female employees, with the difference expressed as a percentage of the average male salary.The ratio of the total annual remuneration of the highest paid person in the Group to the median of the total annual remuneration of all employees (excluding the highest paid person) was 32.71.

Recognising our workers

Rewarding our employees for outstanding performance is part of the Employee Recognition Programme. The programme is a transparent recognition framework to reward commitment to the MBH Group and exemplary individouble and team performance that goes far beyond the job. In addition to moral recognition, employees who are rewarded at individouble or team level also receive significant financial recognition.

Our Employee Recognition programme is based on on-the-spot and formalised recognition elements. On-the-spot team-level rewards are designed to provide quick recognition of collective achievements based on a community experience. Under the formalised recognition scheme, the Employee of the Quarter is regularly rewarded based on the achievement of targets and performance, and the Employee of the Year and Team of the Year are also selected and awarded. Our Holiday Scheme also serves to recognise high performance - and at the same time to provide recreational opportunities for staff and their families - by providing recognition in the form of vouchers for accommodation and hospitality for staff who perform outstandingly. In addition to performance, we also offer a range of employee loyalty rewards for our 5, 10, 15, 20 (...) year anniversary celebrations in the form of accommodation and hospitality vouchers. Long-term commitment of employees is rewarded with a Retirement Bonus after 10 years of service.

Health and safety at work

The MBH Group pays particular attention to the health and safety of its employees. In compliance with legal requirements, we have laid down in our Health and Safety at Work Code the personal, material and organisational conditions for safe working conditions, which cover not only employees but also those working in the area concerned. In addition, the MBH Bank has an OHS representative appointed by the Works Council, who is entitled to verify that the requirements of safe and healthy working conditions are met in the workplace.

Our health and safety actions include regular training, health and safety inspections and a wide range of health promotion programmes. The Group's aim is to ensure that employees are aware of the rules of safe working practices and the precautions they need to take. The Group complies with the relevant legal requirements and does not operate a health and safety management system. The number of workplace accidents in 2024 remains typically low due to the nature of office work, the preparedness of colleagues and responsible behaviour. In the reporting period, there were a total of 12 work-related accidents, resulting in a work-related injury rate of 0.83.[29] There were no work-related fatalities. The total number of days lost due to work-related injuries and illnesses was 414 days. In order to maintain a low incidence of work-related accidents, employees are required to attend mandatory health and safety and fire training every year. Special training material has been prepared for bank branch staff on what to do in the event of an attack on the branch

Continuing the Year of Health programme launched in 2018, we organised screening tests to prevent workplace illnesses in 2024. There were no recordable work-related illnesses in the reporting year.

In addition, in order to support the health of our employees, hobby and recreation rooms are available in several Group buildings, and fitness menus and other special dietary meals are available in the canteens at the workplace. We promote the spirit of health promotion and health maintenance through various sports and health campaigns, such as the #20minuteshealth programme. We also support our employees' sporting activities with additional opportunities: the MBH Sports Club runs several sports clubs, which are tailored to the interests and activities of our employees.[30]

Supporting a new work-life balance

As part of the MBH Group's Generational Diversity programme, we support our employees in their different life-stage challenges. As a priority group, we support families and have created a complex benefits package for our employees who have children. MBH's Baby+ Maternity and Grandchildren programme provides financial and other benefits for families, and the Group contributes to the equipment of the baby room or, if necessary, to the development of mobility. In addition, we operate multiple digital communication channels that allow for close, seamless coordination and collaboration between maternity staff and HR in all situations. Currently, the entire Group's workforce can participate in this scheme without discrimination , as well as family leave, which includes maternity leave, paternity leave and parental leave.

The new MBH Bank headquarters

The design of the new MBH Bank headquarters, presented in chapter 7.2, was not only designed with environmental sustainability in mind, but also employee well-being. The planned design of the office space promotes the physical and mental health of employees, for example through the ample supply of natural light, ergonomically designed workstations and areas for relaxation and socialising. Our aim is for the new headquarters to achieve WELL's People Focus certification inaddition to the green building certification

[29] The injury rate is the ratio of the number of work-related injuries to the number of hours worked per million hours.
[30] Our departments are: squash, volleyball, fishing, go-karting, dragon boat, cycling, running, table tennis, men's and women's football, hiking, bowling, bowling, boxing, basketball, throwing sports, swimming, wall climbing, spartan/crossfit, kayak-kenu and SUP, shooting sports, dodgeball.

Employee information and consultation

The MBH Group maintains a number of channels to ensure that two-way communication with employees is effective. We believe that open and two-way communication is one of the foundations for smooth working. General guidance to employees is provided through internal policies and instructions, management briefings, circulars and the intranet platform, while operational information is provided through face-to-face and online meetings. addition, internal newsletters, magazines, leaflets, internal events, face-to-face training and webinars help to keep colleagues up-to-date and well-informed.

In order to address the impact on employees in a meaningful way, it is essential to listen to their views, which we also place great emphasis on. In 2024, the Works Council continued to be the primary representative forum, as required by the Labour Code. Through the Works Council, our employees were involved in issues and decisions affecting them and were informed of changes to these. In 2024, the Works Council met a total of 18 times, and the Council and its committees (Ethics and Conciliation Committee, Welfare Committee, Sport and Health Committee) met a total of 66 times, ensuring that the voice of employees is heard and that workplace issues are discussed in a constructive way. In addition, our colleagues were able to voice their comments, concerns and suggestions directly to their superiors or to HR staff. The HR area of MBH Bank, and therefore the area manager, is operationally responsible for the implementation of the cooperation. The effectiveness of the implementation is evaluated within the framework of the annual employee satisfaction survey and through the employee reporting lines.

Employee satisfaction

Employee satisfaction is a key indicator of the MBH Group's HR sub-strategy. The annual *Pulse* survey aims to understand the Group's employee satisfaction as accurately as possible. To achieve this objective, a high participation rate is needed to channel a broader insight from employees. Unlike the Sustainability Statement period, the survey completion period does not follow a calendar year, so the data aggregated in February 2024 will reflect results from 2023-2024. Pulse survey results for 2024-2025 will be published in the 2025 Sustainability Statement.

A total of 6068 responses were received during the survey completion period, which means that 75% of the Group's employees shared their opinion. The statement clearly reflects the high level of employee satisfaction, with 76% of Group employees engaged with the Group, an improvement of 16% on the previous year. The survey outlined three key areas that we will focus on to further improve employee satisfaction in the future:

1) timely decision making and information sharing - frequency, effective use of channels, further expansion, deepening
2) Efficient and lean operations - clear processes, increased collaboration, clear lines of responsibility and accountability, increased predictability and ability to execute
3) increasing customer focus - through programmes, training and management tools.

Employee reporting lines

The Group has established several channels for reporting any complaints that may arise, giving our employees the opportunity to make their complaints orally or in writing, in person or by proxy, within a strictly regulated framework. Written complaints can be sent by post or email to the designated departments (Compliance and Anti-Money Laundering, Banking and Business Security, Internal Audit), and employees can also lodge complaints in the Anonymous Box on the Bank's server. The reports are seen and handled only by the heads and dedicated staff of the designated departments. The Group will acknowledge receipt of the written report within 7 days of receipt. Oral reports shall be recorded in writing by the Group and a copy shall be given to the reporting party, with the opportunity for the reporting party to check, correct or accept it. Our internal whistleblowing system is designed in accordance with the framework of Act XXV of 2023 on Complaints, Public Interest Reports and Rules for Reporting Abuse (hereinafter referred to as the "Complaints Act"). In addition to employees, the system also allows former employees, job applicants, contractors, owners and members of supervisory boards, contractors and suppliers, trainees and volunteers, prospective employees and former contractors to report abuse.

	MBH Bank Nyrt.	Other
Number of discrimination cases	1	0
Number of complaints submitted and handled through the abuse reporting system (excluding discrimination cases)	23	0
Number of complaints to national contact points for the OECD Guidelines for Multinational Enterprises	0	0
Amount of fines imposed (HUF)	3,000,000 HUF	0

The total number of discrimination and harassment cases reported within the Group during the reporting period was 1. There were 23 complaints through the abuse reporting channels. There were 4 cases of ethical misconduct. There were no complaints reported to the national contact points under the OECD Guidelines beyond the above cases. The fines, sanctions and compensation imposed as a result of the above incidents and complaints were set at HUF 3 million. There were no serious labour-related human rights incidents during the reporting period, including cases of non-compliance with relevant international guidelines.

Corporate policy and objectives

The prevention, mitigation and remediation of actual and potential impacts, as well as the management of risks and the exploitation of opportunities, arising from the material themes of "Responsible employer and a balanced working environment" and "Human capital development" are integrated into corporate policies through the HR sub-strategy. The sub-strategy covers MBH Bank and the companies that will be merged in 2024. The MBH Bank-wide strategy is approved by the Management Committee.

The HR sub-strategy is based on a three-pillar vision, with the strategic objective of achieving a leading position in Hungary by serving all customer segments and maintaining local community interests. The three pillars are: sustainable value creation in line with ownership expectations by managing banking market risks; building an integrated bank to maximise synergies and reduce uncertainties; and a modern banking culture and workforce strategy to retain and develop the workforce. An HR strategy built to support the above objectives will take into account post-merger operational challenges such as enhancing execution capacity or operational security. External challenges include wage inflation, a tight labour market, brand recognition and the declining attractiveness of the banking sector. Internal factors that may affect operations include operational duplication, limited digital capabilities, a multi-generational organisation and the retention of top talent.

Increasing the automation and up-to-dateness of HR systems is a further objective for HR system innovation and the effective use of artificial intelligence; data-driven decision support is also a priority. The corporate culture is built on five core attitudes: partnership, credibility and professionalism, a desire to learn, value creation, and controlled and stable operations. The business strategy focuses on cost control and a transparent management approach and accountability.

The Bank's HR strategy is closely linked to the business objectives, ensuring that employee objectives are aligned with the organisational strategy. The quantified objectives of the HR area include maintaining talent retention above 90%, reducing IT and network turnover below 15% and developing the internal talent market with a target of 20% internal promotion rate. Employee involvement in the development of these targets is implemented at multiple levels, starting with the organisational strategy, which unfolds through area sub-strategies at management and employee levels. On the basis of the applicable group-wide incentive and performance management policies and management expectations, individouble targets are set by employees in their own target proposals, which are finalised by their managers. Targets are set and agreed in the HR Master system. Regular pulse surveys and other feedback mechanisms are used to take into account employee opinions and suggestions. The monitoring of the achievement of the objectives set is carried out at two levels: the control of the territorial objectives is carried out by the Controlling area, while the control of the objectives broken down to the employee level is the responsibility of the direct managers. The annual performance appraisal process and continuous management feedback ensure that the achievement of objectives is regularly reviewed.

8.2 Training and development

Material topic	**Human capital development**	
Standard used	**ESRS S1**	
Presentation	Presentation of MBH Group's training, talent and career management	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	Consciously investing in the professional and personal development of employees can contribute to increasing their effectiveness and long-term commitment to the Group, thereby helping to optimise operational and recruitment costs
Addressing a material topic	Link to ESG strategy	Worker well-being and attitudinal change
	Corporate policies	• HR sub-strategy
	Priority actions	• MBH Academy (of which the ESG Academy is part) • Talent Management Programme • Leadership Academy • Mentoring Programme
	Metrics	• Number of participants in vocational training (persons) • Percentage of employees participating in regular performance and career reviews (%)
	Targets	• Increasing the number of participants in vocational training

In 2024, the Group organised a total of more than 430 thousand hours of internal training. In addition to the mandatory training, we have sought to provide a wide range of professional training by inviting external experts to give lectures. We provided all our employees with the mandatory professional training required for their job role, as well as general mandatory training for legal compliance across the company, and soft skills and leadership development programmes to promote career awareness.

In line with our core values, the Group is committed to maintaining equal opportunities in its training, for employees of all gender identities and in all types of employment. To achieve this objective, we have established measurement points to provide a transparent view of the extent to which this objective is being met, including in terms of the average number of training hours completed by our employees.

Training average of MBH Group employees by gender

Gender	Average training hours
Male	45,90
Female	43,98
Total employees	44,61

The onboarding of new entrants was supported by a digital and gamified pre-boarding programme, focusing in particular on staff who had already accepted our offer but had not yet started work. This online solution not only supported the engagement of new talent, but also provided them with ongoing opportunities to connect, reinforcing the experience of being part of a team. The Change Management Academy, established in 2022, was further expanded during 2024, reinforcing the MBH Group's corporate culture. Within the Academy, we not only developed the skills needed to manage change, but also introduced an interactive approach to communicating corporate values, working with colleagues in workshops to understand and embrace them. Within the training opportunities listed, we have supported talent development through a number of programmes such as Mentoring and Leadership Development, our Key Talent Programme.

In addition to training and talent management, the Group strives to the performance of its employees to provide more accurate guidance to promote their development. In line with its principles, the Group also strives to ensure equal opportunities during these reviews. Employees, regardless of gender identity and employment type, are given the opportunity to participate in targeted and comprehensive career path incentives

MBH Group employees participating in regular performance and career reviews gender

Gender	Number of participants in performance reviews	Percentage of participants in performance reviews (%)
Male	2882	91%
Female	5965	92%
Total	8847	92%

Talent management

A key element of our organisational culture is to promote talent management and lifelong learning. Talent management is a way of ensuring that we continuously raise individouble performance and professional standards, developing and retaining internal talent, and identifying and preparing future leaders, ensuring succession in key positions within the Group. Properly implemented, talent management contributes to the implementation of our modern banking culture and workforce strategy along our values

Our Talent Management Programme (Leadership Succession and Key Talent Programme) is open to colleagues who are already in some level of management or expert position. The aim of the programme is both to identify key talent across the company and to develop a framework for leadership succession. Colleagues were recruited through a senior management nomination and a development centre-based selection process, supported by a specific training plan to prepare them for a broader and more diverse range of roles at the highest possible level in the future. The programme has not only promoted the development of a cohesive company culture but has also had an impact on the personal development of the individoubles who have received training.

Our Leadership Academies have been an integral part of preparing managers for the transition to the new way of banking. Our leadership training programme was modular, with different solutions and topics (inspiring leadership, heterogeneous generational teams, transparent leadership, motivating leadership, etc.) to support the continuous development of talented leaders. A specific programme helped to train newly appointed managers.

By introducing the **Mentoring Programme**, we aim to multiply high quality professional knowledge and further build a consistent knowledge base. The Mentoring Programme will be open to mentor colleagues who are outstanding professionals in a particular area of banking and who are willing to share this professional knowledge with other colleagues in a more formal mentor-mentee relationship. The programme was launched on a pilot basis in 2023 and continued to operate in 2024.

9. Responsible provision of services

MBH Group is committed to providing high quality customer service, continuously improving customer satisfaction, creating value and promoting social inclusion. This chapter describes the Group's strategies and actions that enable us to further this commitment. Customer centricity is fundamental to the Group's long-term success, and our aim is to provide a specific, personalised service to customers from all social groups with different needs, which will help to strengthen customer loyalty.

The Group's customer policies address sustainability issues and cover the entire customer base. These policies include the Complaints Handling Policy, the Code of Ethics, the CSR Strategy and the Privacy Policy. The Complaints Handling Policy ensures that customer feedback and concerns are handled effectively, while the Code of Ethics and CSR Strategy promote ethical, responsible operations that are consistent with sustainability considerations. The Privacy Policy is designed to protect the personal data of consumers, contributing to a safe and reliable user experience. These policies ensure that the company provides a transparent and sustainable experience for all customers.

The MBH Group's Data Protection area ensures compliance with data protection and ethics rules through regular and ad hoc training, annual policy reviews and targeted investigations. Process improvement recommendations are also made to mitigate risks, and area seeks continuous feedback to promote compliance Complaints Management continuously evaluates comments, defines issues that generate complaints, and makes recommendations for system improvements. If several complaints are received within a given period, a specific indication of the problem is given to the department concerned, thus preventing further complaints. Provide ad hoc feedback on negative customer feedback when new services are introduced.

9.1 Customer satisfaction

<table>
<tr><th>Material topic</th><th colspan="2">Creating value for customers, increasing customer satisfaction</th></tr>
<tr><th>Standard used</th><th colspan="2">ESRS S4</th></tr>
<tr><td>Presentation</td><td colspan="2">The MBH Group's relationship with its customers - customer satisfaction metrics, complaint handling mechanisms and a presentation of the assessment of the specific needs of different social groups.</td></tr>
<tr><td>Sustainable Development Goals (UN SDGs) supported</td><td colspan="2">8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION</td></tr>
<tr><td rowspan="4">Material topic link to MBH Group</td><td>The basis of materiality</td><td>Impact (negative effect) and financial materiality (financial risk and financial opportunity)</td></tr>
<tr><td>Impacts</td><td>Poor customer service practices and poor complaint handling can have a significant negative impact on the customer experience. Due to the MBH Group's broad customer base and product portfolio, inadequate customer service can lead to frequent dissatisfaction. Employee attitudes, misaligned performance expectations, limited digital capabilities and inadequate information transfer can all contribute to customer dissatisfaction.</td></tr>
<tr><td>Financial risks</td><td>A lack of customer satisfaction may pose financial risks to the Group. Dissatisfied customers may leave the Group, reducing revenue and increasing the cost of customer acquisition. Negative feedback from customers can damage the Group's reputation, which in the long term can affect its market position and the confidence of potential customers.</td></tr>
<tr><td>Financial opportunity</td><td>There are significant financial opportunities to create value for customers and increase customer satisfaction. High customer satisfaction increases loyalty, reduces churn and lowers the cost of acquiring new customers. Satisfied customers are more likely to recommend the service, which generates organic marketing. In addition, they are more likely to choose additional products or services (upselling, cross-selling), which increases the company's revenues.</td></tr>
<tr><td rowspan="5">Addressing a material topic</td><td>Link to ESG strategy</td><td>Sustainability as a business opportunity and sustainability education</td></tr>
<tr><td>Corporate policies</td><td>• Complaints Handling Policy
• Marketing strategy
• Sector-level business strategies</td></tr>
<tr><td>Priority actions</td><td>• Annual review of the Code of Ethics (MBH Bank)
• Trial purchases
• Integrating customer feedback into our service and service development processes</td></tr>
<tr><td>Metrics</td><td>• NPS (Net Promoter Score)
• Branch and customer service customer experience index
• Number of customer complaints</td></tr>
<tr><td>Targets</td><td>• Improving customer satisfaction metrics
• Reducing the number of customer complaints</td></tr>
</table>

MBH Group, one of the largest groups of companies in Hungary, serves millions of customers every day. In this chapter, we focus on our Group's customers, with a special focus on our retail and corporate customers, who are the most important stakeholders in our business. Our aim is to provide them with a consistently high quality and experiential service that enhances customer satisfaction. Transparent and responsible communication with our customers is a key priority for us, to meet their expectations and provide them with the best possible customer experience.

The Group pays particular attention to transparency in information, marketing and sales in all its activities. The Bank's products and services do not present any direct risk or adverse impact on customers. In complying with the disclosure requirements under ESRS 2, MBH Bank emphasises its commitment to providing security for its customers and those involved in the value chain arising from the Bank's operations, including transparency and privacy in its business relationships with third parties

MBH Bank also discloses that these services do not pose any risk of chronic disease or personal rights violation to its customers who use the financial products and services provided by the Group. In addition, the Bank shall ensure that all product and service information is accessible, accurate and easy for customers to understand, which contributes to ensuring that the proper use of financial products and services does not carry any risk

Our Group regularly conducts customer satisfaction surveys to understand and respond to customer needs. These surveys include the analysis of abandonment, repurchase intention, overall satisfaction and Net Promoter Score (NPS) metrics. The results present that our customer-centric approach has a positive impact on customer satisfaction and help identify opportunities for further improvement and continuously improve the customer experience.

Our team is constantly working to ensure that consumer feedback is effectively integrated into our decision-making processes. We regularly interact with our customers to understand their needs and expectations and take these into account in service development processes. This practice is central to ensuring that we continuously improve and tailor the services we provide to our customers. Operational responsibility for this process lies with the senior person responsible for maintaining and updating relevant policies such as the Complaints Handling Policy, Code of Ethics, CSR Strategy and Privacy Policy. He/she is responsible for ensuring that customer feedback and perspectives are properly reflected in the company's strategy and operations, thus ensuring sustainable and responsible customer relationships

In the event of a case where a customer or other data subject is harmed or negatively affected, the Group has specific mechanisms in place to address these. One of these mechanisms is the abuse reporting system for our customers, which provides the opportunity to report violations or other abuses, even anonymously. Through this, customers can report their concerns directly, which are promptly investigated and addressed. The Group's complaints handling processes also allow vulnerable customers, such as people with disabilities, to report their needs and concerns directly. We monitor the effectiveness of these systems on an ongoing basis and ensure that these customers receive appropriate support.

A detailed description of the complaint handling mechanisms, systems and methods described, as well as the related data management and documentation describing the process, can be found in the Group Complaints Handling Policy (The Group Complaints Handling Policy contains paragraphs and information on data management, but the detailed rules for data management are set out in a separate policy, the Privacy Policy, which sets out the precise framework for data management and compliance with applicable legislation.) The purpose of the Policy is to ensure that the Group handles customer complaints efficiently and transparently, ensuring prompt and mutually acceptable resolutions. The process of handling, investigating, recording and evaluating complaints is an integral part of the Group's operations, contributing to the continuous improvement of the dispute resolution process and to a higher level of service to our customers.

The complaints system provides several channels for customers to submit complaints, either orally, in writing, in person or by proxy. The policy also sets out a strict set of procedures for dealing with complaints received, ensuring transparency, effective investigation and appropriate feedback, and providing redress or redress where necessary to ensure customer satisfaction. In 2024, the Group received 75 900 customer complaints, of which not all were substantiated. The highest number of incoming complaints was received by MBH Bank Nyrt, mainly related to the termination of inactive accounts and product consolidation projects. Customer problems were mainly due to lack of information and inadequate handling of contractual status. Among the subsidiaries, MBH Befektetési Bank raised objections in relation to the securities accounts included in the inheritance procedure, in particular with regard to incomplete or incorrect data. In addition, a significant number of complaints were received about the personal service: several customers indicated that there was no colleague in the branch who could carry out the necessary transactions without authorisation. In addition, the failure to close securities accounts and delays in the execution of closure orders were recurrent problems. In the case of MBH Mortgage Bank, customers complained mainly about the amount of arrears and their origin. A frequent issue was the impact of the moratorium on the extension of the maturity period, which was also a recurring customer problem. Fundamentas also received a significant number of customer complaints, 24% of which were found to be justified, most often related to the verification of the housing objective, the cancellation of the deposit contract and lengthy administrative procedures. A dedicated working group led by the Back Office is working on simplifying and improving the efficiency of the process for the verification of housing target, and the errors reported in the complaints are fed back to the areas concerned on a monthly basis and concrete action plans are being prepared to address the problems. Complaints relating to the termination of a deposit contract are also regularly fed back to the areas concerned and action plans are requested to correct the errors. To address the problem of lengthy administration, several Lean initiatives have been launched at yearly level to optimise processes and increase administrative efficiency.

In order to deal effectively with customer complaints and reduce their number in the future, the subsidiaries and their territories concerned have implemented specific actions. MBH Bank Nyrt. is in weekly consultations with the Product Department in order to address the issues related to product consolidation. In all cases where a banking failure affected a larger customer base, it was decided to restore the contractual status of the customers as part of the grievance handling process. In the case of MBH Mortgage and Befektetési Bank, a significant number of legitimate complaints were attributable to individouble clerical error. In each of these cases, the head of the relevant department informed during the complaint handling process and could, if necessary, arrange for the education of the staff member concerned, thus helping to avoid similar errors in the future.

The Complaints Handling Policy covers the MBH Prudential Group. Exceptions are Prudential Group members who do not use MBH banking products and services. [31]It is approved by the Deputy CEO for Digitalisation and Operations. Our policies for clients are not explicitly aligned with the UN Guiding Principles on the Responsibility of Businesses for Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, but many elements are in line with them. In 2024, MBH Group was fined in one case as a result of a human rights incident. The Group continuously monitors potential risks so that it can take the necessary action in a timely manner.

In 58 cases, the MNB issued consumer and management warnings for inadequate information and labelling on products and services, of which 34 resulted in fines being imposed on the Group. Most of the fines were imposed by the MNB as a result of customer-initiated procedures related to complaint handling and customer service processes through various channels. There was only one case of non-

[31] Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt. MBH Duna Bank Zrt., MBH Ingatlanfejlesztő Kft., MBH DOMO Kft., MBH Blue Sky Kft., MBH Szolgáltatások Zrt., MITRA Informatikai Zrt., Takarék United Cooperative, Takarék Faktorház Zrt., Takarék Ingatlan Zrt., Takinfo Kft.

compliance with the Group's internal voluntary rules. The findings have been forwarded to the relevant departments, which have immediately started implementing corrective actions. In the case of individouble complaints, if a censure is received, Consumer Protection forwards it to the Complaints Handling area for information and to fulfil the obligations imposed, in particular with regard to educational actions. There were three cases of non-compliance with marketing communications that resulted in warnings, which did not entail any penalty.

In order to mitigate social impacts, our Group is continuously working to pay special attention in product development and marketing strategies to groups that are particularly vulnerable to negative impacts, such as young people or customers in financial difficulty. Throughout these processes, we will also take care to ensure that our own practices do not cause or exacerbate material negative impacts on our customers. For example, accessibility and fair marketing are prioritised in the design of products and services. Where there is a tension between business pressures and the prevention of negative impacts, the Bank will prioritise the protection of consumers' rights. To mitigate financial risks, the Group is continuously developing its digital security systems and customer financial awareness programmes to reduce the risks arising from a lack of financial literacy. Effectiveness is monitored by measuring customer satisfaction and by reducing fraud and erroneous transactions.

The MBH Group is also committed to identifying risks in its customer relationships and integrating them into its sustainability strategy. The Group has launched extensive financial awareness programmes aimed at promoting informed financial decision-making. These programmes focus primarily on disadvantaged groups and the younger generation, thus having a direct positive social impact on financial stability and promoting equal opportunities. As part of our corporate social responsibility, our Group regularly monitors and evaluates the effectiveness of initiatives in achieving positive impacts on consumers. The Group has introduced various actions to improve the accessibility of its services, particularly for people with limited financial literacy and people with disabilities. programmes and initiatives to support disadvantaged and marginalised social groups are also described in more detail in subsections 9.2 and 9.3.

The Group will set periodic targets to improve customer experience and satisfaction, ensuring continuous and traceable improvement of services. The targets include the extension of the branch test purchases to the entire branch network (for all former member banks). This will cover the entire branch network (over 500 branches) from the first quarter of 2024, with the results of the test purchases and identified gaps being monitored on a monthly basis, under the guidance of the Customer Experience and Process Management area. A related additional objective was to incorporate at least two-thirds of the findings from branch test purchases into regular management feedback. In this respect, the target was exceeded, and the commitment was met in 80% of cases.

Another key task of the Customer Experience and Process Management area was the development of the end-to-end (E2E) process host network for MBH Bank Nyrt., and the identification of high priority processes, which we successfully completed. The policy supporting this workflow and its annexes detail the customer impact assessment methodology and emphasise its importance in decision making. These methodologies are based primarily on indirect feedback from customers and disciplines, ensuring a customer-centric approach.

The strategic focus of the Group is closely linked to processes that have a high impact on customers. To this end, we place great emphasis on regularly gathering and analysing customer feedback so that this valuable feedback can be incorporated into our process improvement programmes, helping us to continuously improve our services. In line with this, also organised by the Customer Experience and Process Management area, we invited nearly thirty customers to management forums attended by managers directly involved in customer service. These events provided an opportunity for direct dialogue and provided an important basis for defining improvement directions for customer experience.

9.2 Social inclusion

Material topic	**Social inclusion of consumers and/or end users**	
Standard used	**ESRS S4**	
Presentation	This chapter describes the MBH Group's initiatives on social inclusion and equal financial access, with a particular focus on vulnerable, underrepresented and disadvantaged groups, and on accessibility.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Impact materialities (positive impact)*
	Impacts	Promoting social inclusion will make banking services more accessible and available to a wider and wider section of society. Both the development of digital banking services and physical accessibility will increase financial inclusion.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	The Group has not identified a material financial opportunity related to this topic.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Code of Ethics
	Priority actions	• Annual review of the Code of Ethics
	Metrics	• Touch Card cards issued (pcs) • Percentage of branches with accessibility (%)
	Targets	• Increasing financial access • Further developing physical and digital accessibility

In the feedback on customer satisfaction and other banking services presented in chapter 9.1, the MBH Group places a strong focus on socially vulnerable and marginalised communities and groups. Accordingly, it is important to ensure equal access to financial services for those who have found it difficult to connect to the traditional banking system. We pay particular attention to disadvantaged groups, such as people with disabilities (e.g. visual, hearing or mobility impairments), and offer targeted products for young people. These actions aim to ensure fair and equal access to financial services for all customers and contribute to social inclusion. For MBH Bank, a core value is responsible service delivery, ensuring that everyone has the opportunity to benefit from an accessible customer service, whether digital or in person. commitment to social inclusion is encapsulated in the principles set out in our Code of Ethics, the content, purpose, scope and the department responsible for its implementation are detailed in chapter *8.1 Supporting Employee Well-being.*

In August 2023, MBH Bank took a significant step in the field of accessibility of financial services when it was the first in Hungary to introduce the Mastercard Touch Card. This solution was developed for blind and partially sighted people, with the aim of facilitating everyday financial transactions. The cards have different sized notches for touch, so that visually impaired people can easily distinguish between debit, credit or prepaid cards without having to see the surface. The reception of the accessibility cards has been very positive, and the programme has continued in 2024, with 179,618 Mastercard Standard debit cards and 95,854 credit cards issued with this feature during the year, which has contributed significantly to the financial independence of the people concerned.

As part of the Group's accessibility efforts, we believe it is important to consider not only technological solutions, but also consumer feedback. For this reason, MBH Bank has started a cooperation with the National Association of the Hungarian Blind and Visually Impaired (MVGYOSZ) and we have conducted a comprehensive research on the banking habits of visually impaired people. The aim of the research was to better understand the specific needs of these customers and to make further improvements based on their feedback, ensuring that financial services are easily and safely accessible to all customers.

Digital accessibility is also a priority area for the MBH Group. Our websites are designed to comply with various accessibility regulations and standards. For visually impaired users, we have ensured that the site is fully compatible with screen reader software, which makes navigation much easier. We also made the content available in a high contrast view, so that our colour-blind and colour-defying customers can use the site without problems. The Bank is constantly working to improve its digital platforms and offer more effective solutions in all areas of accessibility.

In 2024, no significant changes have been made to the physical accessibility of our branches. The percentage of accessible branches was 100% in 2021, but due to the increase in the number of branches resulting from the merger, this percentage decreased to 88.56% in 2022 and 72% in 2023. Although further steps are needed to achieve full accessibility, the Group is committed to continue its efforts in this area, with a particular focus on the continuous improvement of accessibility and the creation of an inclusive financial environment. As a proof of this, since 2021, 11 branches have been certified Bronze thanks to an external expert audit by Access4you. To promote equal access, we have made available a Service Map on our website, which provides information on the administrative options available to people with disabilities. Appointments can be made in advance, and a separate meeting room is available in our branches. Visually impaired customers can access services with a guide dog, while hearing impaired customers can access services with a sign language interpreter. As part of the barrier-free information, we provide special communication tools for our disabled customers, such as reading documents or interpreting written information.

9.3 Developing a financial culture

<table>
<tr><th>Material topic</th><th colspan="2">Developing a financial culture</th></tr>
<tr><th>Standard used</th><th colspan="2">GRI G4 FS16, SASB FN-CB 240</th></tr>
<tr><td>Presentation</td><td colspan="2">To present the MBH Group's financial education programmes and initiatives, including opportunities specifically launched for different social groups. A description of the overall strategic level objectives of the Banking Group to develop financial culture and awareness.</td></tr>
<tr><td>Sustainable Development Goals (UN SDGs) supported</td><td colspan="2">
</td></tr>
<tr><td rowspan="4">Material topic link to MBH Group</td><td>The basis of materiality</td><td>Financial materiality (financial opportunity)</td></tr>
<tr><td>Impacts</td><td>The Group has not identified any material positive or negative impacts related to this topic.</td></tr>
<tr><td>Financial risks</td><td>The Group has not identified any material financial risks related to this topic.</td></tr>
<tr><td>Financial opportunity</td><td>Informed customers are more likely to use different financial products and services, which can increase the Group's revenues. Financial awareness can help build long-term customer relationships and spread positive organic marketing.</td></tr>
<tr><td rowspan="5">Addressing a material topic</td><td>Link to ESG strategy</td><td>Sustainability as a business opportunity and sustainability education</td></tr>
<tr><td>Corporate policies</td><td>• CSR strategy</td></tr>
<tr><td>Priority actions</td><td>• MBH Conscious Help Programme
• Big Student Banker Test
• European Finance Week</td></tr>
<tr><td>Metrics</td><td>• Number of financial education programmes (pcs)
• Number of participants in financial literacy initiatives (persons)</td></tr>
<tr><td>Targets</td><td>• Increasing the number of participants in financial education programmes
• Financial education for specific age groups (e.g. young people)</td></tr>
</table>

Developing financial awareness among young people

Group is also strategically developing financial and digital services to effectively reach young people. However, in addition to development, it is of paramount importance to provide them not only with the tools, but also with the knowledge to do so.

In May 2024, the cooperation between MBH Bank and Corvinus University of Budapest reached a one-year milestone. Our common goal is to provide students with in-depth yet practice-oriented knowledge during their university education, and to give them a taste of how theory translates into real work. MBH Bank supports them with various initiatives - Corvinus University students can apply for internships at the bank and the Start+ programme for recent graduates, allowing them to gain useful and concrete work experience at an early stage.

Strategic partnership with the Ecumenical Relief Organisation - MBH Aware Help Programme

The celebration of the one-year strategic partnership between MBH Bank and the Ecumenical Relief Organization in 2024 marks a significant milestone in the field of social responsibility and sustainability.Over the past year, more than 35,000 families in need have received assistance through the MBH Conscious Assistance Program, based on the three pillars of the bank's social responsibility strategy: energy and financial awareness, support for the sustainability of the Relief Organization, and assistance in crisis situations. In order to increase energy efficiency, 200 families have had their homes upgraded, while a further 5,022 people have received crisis assistance and 25,000 additional people in need have been helped under the programme.

We also help to raise financial awareness through a range of publications that provide disadvantaged people with targeted knowledge on how to manage their finances. Around 2,000 financial publications are available, covering a wide spectrum from personal finance to investments. In addition, a video podcast has been created to provide further information and guidance on developing financial awareness. The financial information will help to increase financial literacy among disadvantaged groups.

In the second year, MBH Bank and OED will develop additional programme elements, including assistance to reduce household costs, a financial awareness comic book and a financial family mentoring programme. These new elements will further strengthen sustainability and long-term social impact.

MBH Bank and the Biatorbágy Innovative Technical School and Secondary School, run by the Ecumenical Aid Organisation, have also entered into a strategic partnership to ensure that the students of the technical school acquire competitive skills recognised by economic operators.

Through the partnership, the Bank will support innovative education at the institution with HUF 20 million, in addition to its practical involvement in financial education and the development of students' financial literacy. In addition to the financial support, the partners will jointly develop a high-quality, innovative and practical financial education module for young people, which will provide the institution's students with a secure and competitive knowledge base. In this way, the company will make a significant contribution to the marketable skills of the students.

In 2024, a comprehensive series of digital literacy programmes run jointly by our Group and the Skool Foundation for Technology Education reached a total of 1,579 children and 317 disadvantaged young people through awareness sessions delivered by Bank experts. The programme aims to provide opportunities for young people from primary and secondary schools and disadvantaged youth to develop digital and financial literacy.

Big Student Banker Test

The DUE Media Network, with the support of MBH Bank, launched the 2024 Big Student Banker Test, focusing on responsible financial decisions and banking, financial planning practices and the financial dangers of the online space. The two-round quiz is both an opportunity for students to test their skills for valuable prizes and an opportunity to gauge young people's skills, strengths and weaknesses in the ever-changing and often complex world of financial products. More than 15,000 students completed the online quiz. As part of the Bank's corporate social responsibility strategy, we are paying close attention to current issues of concern - for example, with cybercrime and online card fraud set to rise sharply in 2024, we have placed a particular emphasis on ensuring that young people are not only aware of the threats they face, but also able to monitor the constantly evolving methods of fraudsters

European Finance Week

European Money Week is an annual initiative that takes place in nearly 30 European countries. Known in Hungary as Money7, the Entrepreneurship and Finance Week 2024 will take place from 4-8 March 2024. Once again, we participated in this series, with the aim of contributing our expertise to developing young people's financial literacy so that they can better understand how financial institutions work and how banking works. Money7's experiential and informal lessons take into account the different needs of different generations and age groups, providing the knowledge necessary for sound decision-making and fostering creative problem-solving skills in a playful way. The interest in this year's programme was again strong and we are proud that 18 of our staff members contributed to the success of the initiative as volunteer financial mentors.

Financial literacy programmes were organised and supported by MBH Bank Nyrt. and Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.

Further initiatives of MBH Bank Nyrt are aimed at corporate clients. The BSE&MBH Bank Mentor HUB programme supports the development and listing of Hungarian companies. Treasury breakfasts were organised as part of a nationwide series of events offering information on macro and treasury topics to our medium and large corporate clients. A total of 480 people attended the programmes. Some of them attended several events, bringing the total number of unique participants to 455.

Fundamenta has produced a podcast series providing knowledge about home ownership, real estate and the necessary loans, which has reached a total of 48,500 views on the company's video sharing channel. The education of the next generation is important to us, which is why we supported the "Become a Financial Junior Class Student" competition. 3,724 students and 931 teachers registered for the competition, which was promoted to a wider audience through the press and social media. We also work with financial planner Pé-Ter to help people develop their financial awareness, enabling them to plan and track their spending. Our company also processes and shares educational content from the MNB, reaching 17,093 people.

Corporate policy

The aim of the CSR strategy is to bring together our existing operational CSR initiatives into a comprehensive strategic framework. To this end, we have identified four main pillars, which have been developed along the lines of previous Member Bank initiatives, customer and employee surveys and the ESG strategy. The CSR strategy currently applies only to MBH Bank and not to the other members of the Group. Dr Zsolt Barna, CEO and President, is responsible for the development of the strategy.

The first pillar is social inclusion, which focuses on helping disadvantaged people, supporting local communities and fostering a culture of social solidarity and volunteering The second pillar is financial literacy and digital literacy, which aims to develop financial awareness among secondary and university students, as well as female entrepreneurs, and to promote digital literacy. The third pillar is sustainability and ESG mainstreaming, where the Bank is committed to sustainable economic operations through employee engagement and internal education programmes. Finally, the fourth pillar focuses on supporting Hungarian art.

9.4 Supporting access to financial services

Material topic	**Access to financing**	
Standard used	**GRI G4 FS13, SASB FN-CB-240**	
Presentation	A description of the Group's efforts to expand financial services; a description of its activities to reach out to geographically isolated social groups with little access to banking.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and financial opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	Expanding access to finance may increase credit risks, especially if lending is to less creditworthy customers.
	Financial opportunity	Increasing access to finance will provide the Group the opportunity to grow its business and expand market share. Involving people from different social and economic backgrounds in economic activities can open up new customer bases and revenue streams for the Group.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• CSR strategy • Sector-level business strategies
	Priority actions	• Mobile branches programme • MBH Digital Zones
	Metrics	• Number (number) and value of SME and social development loans in the portfolio (HUF million) • Number of institutions providing banking services in underdeveloped regions (number) • Number of mobile branches (number)
	Targets	• Expand access to banking, increase financial services for underrepresented customers

The Group actively supports small and medium-sized enterprises (SMEs) and underserved segments of the population with a variety of financial products and services, including Mobile Banking Branches, which provide an innovative solution for customers in less accessible rural areas. The initiatives are linked to the CSR strategy, the content, purpose, scope and the department responsible for implementation of which are detailed in chapter 9.3 Developing a Financial Culture

Mobile Branches and MBH Digital Zones

MBH Bank's Mobile Banking Branches offer new opportunities for customers living far from cities and financial centres, who have previously found banking difficult. These mobile units offer basic services such as cash withdrawals, account management and personal advice, providing a bridge between the financial world and people living far from cities. Mobile branches are particularly important in rural areas where permanent branches are rarely found. In addition to innovative services, these units will be complemented by digital solutions, further increasing accessibility and facilitating transactions.

The Group has a network of branches and ATMs throughout the country, ensuring that financial services are reasonably accessible to all customers within the regions where the financial institution operates. Our Group's two main member companies, MBH Bank Nyrt. and Fundamenta, operate a total of 553 branches, providing access to services nationwide. The number of ATMs totals 960 machines.

Central Statistical Office "Gross domestic product per capita by county and region" and "Area, settlement density, population density, 1 January 2024" the Group has identified the counties of Somogy, Békés Szabolcs-Szatmár-Bereg and Nógrád as operating areas with both population density and gross domestic product per capita well below the national average. As a Group with national coverage, it is particularly important to provide commercial financial services through a sufficient number of access points in these areas. The number of branches and ATMs available in the four counties, as well as changes in these numbers, are summarised in the table below.

	Hungary	Somogy county	Békés county	Szabolcs-Szatmár-Bereg county	Nógrád county
Number of accounts 2024	553	18	29	34	9
Change in number of accounts* (number)	0	-1	0	1	0
Change in number of accounts (%)	0	-5	0	3	0
Number of ATMs	960	29	46	60	24
Change in number of ATMs* (number)	-144	4	8	12	5
Change in number of ATMs (%)	18	16	21	25	26

** Change between 2024 and 2023 closing stock of accounts and ATMs*

The accessibility of Mobile Branches helps reduce financial inequalities, as the Group uses modern technologies to provide financial access to customers who are geographically isolated or less accessible. Currently, 14 Mobile Banking Branches are spread across the country, making a significant contribution to strengthening social inclusion and raising financial awareness across the country

MBH Bank will provide access to financial services not only for rural customers, but also for younger generations. By the end of 2024, 7 MBH Bank Digital Zones will be set up on university campuses, where students will be able to manage their finances in a modern, digital environment. These zones will not only enable convenient and fast transactions, but will also increase the financial awareness of young people, helping them to use banking services more easily and confidently in their everyday lives.

Business growth and social impact

The MBH Group pays particular attention to supporting small and medium-sized enterprises (SMEs), recognising that the SME sector plays a vital role in economic growth and job creation. The Group has developed various loan programmes aimed at increasing the competitiveness and development opportunities of small businesses. These loans enable businesses to expand their activities, reach new markets and increase their efficiency and innovation capacity through investment. This will also help to keep the domestic SME sector on a sustainable growth path in the long term.

The number of qualified loans granted by the MBH Group for small business and community development programmes currently stands at 1907, with a total amount of HUF 110 077 295 035 in subsidised loans. The grants are covered by the Széchenyi Investment Loan MAX+, the Vision Investment Loan and the Value Creation Investment Loan. The initiative will help small businesses to acquire, develop and expand real estate. These loans support not only the short-term financing needs of businesses, but also long-term, strategic objectives such as creating new jobs, introducing technological improvements or even making investments in sustainability. The Group believes it is important to contribute to the stability of SMEs by providing a wide range of financing options, thereby strengthening the economic potential of local communities.

The Group is committed to supporting small businesses and developing communities and therefore pays particular attention to good lending practices. The number of qualifying loans for small business and community development programs that were delinquent, defaulted on interest payments or were subject to forbearance was 45 during the reporting year, amounting to HUF 7 589 918 903. The low percentage of loans in arrears indicates that the majority of small businesses assisted are financially stable and able to meet their obligations on time. This represents a low risk for the Bank, allowing it to develop more favourable lending conditions and expand its lending activities. Well-performing small businesses contribute to local economic development, create jobs and improve public services, which has a positive impact on the community as a whole. Small business lending creates an environment conducive to sustainable growth and long-term partnerships between the Bank and businesses.

9.5 Digitalisation and data protection

Material topic	**Digitisation**	
Standard used	**SASB FN-CF-220, SASB FN-CF-230**	
Presentation	This subsection describes the MBH Group's innovations in digitalisation, its data protection policy and the actions the Group has taken to effectively ensure cybersecurity and protect its customers' data from modern threats.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Impact (positive and negative impact) and financial materiality (financial risk and financial opportunity)*
	Impacts	**Positive impact**: the proliferation of online and mobile banking services allows for faster and more convenient transactions, increases customer satisfaction and reduces the need for traditional bank branches. **Negative impact:** digitalisation presents new challenges for banks, which can have a direct negative impact on customers. Due to the increasing risk of cyber-attacks and data breaches, if the Group does not keep pace with the rapid pace of technological development, customers' data and financial assets may remain unprotected.
	Financial risks	Digitalisation also brings new risks for the Group, including the growing threat of cyber-attacks and data breaches. The rapid pace of technological development requires the Group to constantly update its security protocols to protect its customers' data and financial assets.
	Financial opportunity	With big data and analytics, the Group can better understand its customers' needs and offer personalised products and services. Digital channels enable access to new markets and a global customer base. Innovative payment solutions such as mobile payments and instant transfers can create new revenue streams.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	Policies on digitisation *(Procedures in the area of digitisation are defined by several policies, and the topic of digitisation is addressed horizontally in the policies on data protection, risk management, product and process policy, cash and value management, operational and adjudication rules and accounting procedures, among others)*
	Priority actions	• Annual review of information security policy • MBH mobile apps and digital solutions
	Metrics	• Number of data breaches (pcs) • Number of MBH Mobilapp users (number) • Refunds related to fraudulent use of bank card data (HUF) • Refunds resulting from fraudulent use of physical cards (HUF)
	Targets	• New digital products launched (pcs)

In recent years, the digital revolution in the financial sector has fundamentally transformed the way customer services work. For the MBH Group, the integration of digital solutions is not only a topic of competitiveness, but also a fundamental requirement today. By providing digital services, the MBH Group aims to provide customers with easier, faster and more convenient access to financial instruments. At the same time, maintaining data security and privacy is key to maintaining customer confidence as data protection challenges and cybersecurity risks are on the rise.

Digitalisation and data protection are closely intertwined, especially for a large, integrated financial services provider like MBH Group. Modern technologies not only make banking services more efficient, but also bring new risks that are critical to manage. In this chapter, we describe the Group's digitalisation efforts, its data protection strategy and the actions the Group is taking to protect itself against cybersecurity threats.

The MBH Group has made significant progress in developing its digital services in 2024. In 2023, our banking group successfully launched Google Pay, which continued to operate in 2024, enabling customers to make contactless payments quickly and easily. In the future, we will continue to support this popular solution, which, in line with the growing trend of mobile payments, offers users a fundamental convenience and has become an important pillar of our modern financial services

At the core of MBH Group's digital development is the continuous expansion and refinement of mobile applications, which aim to make everyday banking easier, faster and more convenient for all customers. Two key apps have been highlighted: the MBH Mobilapp and the soon-to-be fully launched MBH Next.

MBH mobile apps

For the MBH Group, mobile applications play a central role in customer interactions and the Group plans to further develop these applications to better meet modern user needs.

The single MBH Mobilapp was launched in 2023, with the aim of unifying the separate applications of the former member banks. With this app, users can manage their daily finances conveniently and quickly. The Bank is currently integrating the users of the mobile apps of the former member banks into this unified platform, which offers different banking functions and services in one place. The number of users is steadily increasing by 2024, 100% of the users of the old Budapest Bank app will have migrated to the new app, while around 50-60% of MKB customers are already using the new system. On the other hand, only 20-30% of Takarékbank's customers have so far switched to the unified application, but it is planned to migrate all customers to the new system by the beginning of 2025. According to current data, around 380,000 users are using the unified application.

MBH Next is a brand new development that complements the MBH Single Mobile App. The app is already available in digital stores and will be fully rolled out in 2024. One of the key features of MBH Next will be an onboarding process that will allow new customers to become customers of the Bank simply through an identification process, similar to the system used by today's modern fintech financial institutions. During the onboarding process, customers will not only be able to open a bank account but will also receive a physical bank card. MBH Next aims to target primarily the younger generations, generations Z and Alpha. The app will also allow users to log in with social media accounts and will offer a range of features, such as various discounts and job applications.

The Group has introduced a comprehensive digital platform for corporate customers in addition to its retail mobile applications. With the BUPA platform, corporate customers can perform a full range of online services, including company formation, contracting and financial transactions. This platform has made customer relationship management more efficient and reduced administrative burdens, allowing businesses to spend less time on paperwork and more time growing their business.

Digital investment solutions

MBH Netbroker and Mobilbroker platforms offer modern and convenient solutions for MBH Befektetési Bank clients. These platforms allow users to manage their securities accounts, monitor their portfolio up-to-date and initiate investment transactions conveniently without visiting a branch. Available in both English and Hungarian, the systems offer speed, transparency and security.

Services include trading in shares, bonds and investment funds, as well as foreign exchange conversion and the transfer of funds between securities accounts. The intuitive interface also allows users to view real-time market data, including a bid book for Budapest Stock Exchange securities available up to five levels of depth. The app provides notifications to help track financial transactions and detailed document storage. With continuous improvements, MBH Bank plans to introduce new features in 2025, strengthening its commitment to digital innovation.

The MBH Trading Platform opens the door to the world's leading capital markets through a global trading system developed by SaxoBank. Clients will have direct access to a variety of financial instruments, including stocks, bonds and mutual funds, as well as leveraged products such as CFDs, futures and currency options. This platform offers tailored options, especially for risk-averse investors, ensuring fast and efficient transactions

Automated valuation in mortgage lending

MBH Group aims to make the process of borrowing easier and faster for its customers by using digital technologies. As part of this, MBH Mortgage Bank 2024 has developed the AVM (Automated Valuation Model) system, which is based on a modern statistical-mathematical data analysis methodology. The tool is based on the MBH Housing Price Index databases, created in 2009, and is able to quickly and accurately determine the current market value of a property by statistically analysing the available data.

Using AVM can shorten the mortgage lending process by up to five days by generating an instant valuation that takes into account the unique characteristics of the property, rather than just looking at general market trends. The methodology combines traditional valuation practices with machine learning algorithms to ensure greater accuracy and efficiency.

With this system, MBH Mortgage Bank also focuses on an in-depth analysis of the characteristics of the real estate market and sustainable development and greening, including the impact of the proximity of green spaces in retail areas, such as parks or forests, and the energy efficiency upgrades of properties on their market value.

Digital carbon footprint

The Group continued its collaboration with external digital carbon expert Carbon.Crane this year. An action plan has been developed to reduce CO_2e emissions by approximately 10 tonnes per year, identified for the year 2023. In line with this, we are continuously working to reduce the carbon footprint of our websites: optimising visual and animated content and introducing more efficient formats such as webpics and more sustainable video elements.

From 2024 onwards, the infrastructure serving the websites will be located in a server park powered by renewable energy. The results of the action plan are already impressive: compared to the first eight months of 2023, the website's carbon footprint has been reduced by 20% in the same period in 2024, from 6.5 tonnes of CO_2e to 5.2 tonnes of CO_2e.

This saving is equivalent to the annual carbon sequestration capacity of about 65 trees. In addition, reducing the digital carbon footprint is not only important from a sustainability point of view, but also leads to significant energy savings: every 1 kg CO_2e reduction means saving 4 kWh of energy.

Data protection and information security

The security of customers' personal data and financial transactions is a top priority for the MBH Group, which is ensured by strict regulations and internal policies.In 2024, the Group has paid special attention to maintaining information security and system integrity, both for customer data and internal information. The protection of digital data and information, i.e. a high and reliable level of cybersecurity, is vital in the modern banking environment.

Security plays a key role in our daily lives and in managing our finances. To this end, we make it a priority to create an environment where both customers and employees feel safe and secure. To ensure the confidentiality of sensitive data held by the Group, in particular customer data, we operate a comprehensive information security framework that is in line with current legal requirements. MBH

Bank has established a dedicated information security unit responsible for data protection and has written rules to this effect, including clarification of roles and responsibilities.

Appropriate data management is ensured by the Data Protection Policy, which supports compliance with the legislation and recommendations on the processing of personal data by data controllers subject to it throughout the entire data processing process. The policy sets out specific processes, responsibilities and deadlines that all data processing areas must take into account, from the planning of data processing to its deletion. The scope of the policy covers all members of the MBH Group, including their directors, officers and employees, as well as persons in an employment relationship with members of the MBH Group. Exceptions are the members of the Central Organisation of Integrated Credit Institutions and the Affiliates of the members of the Integration Organisation. The Management Committee is responsible for approving the policy.

Information security principles are governed by the Group's Information Security Policy 2024, which is reviewed annually. The Information Security Organisation works closely with the Data Protection Officer to ensure that actions are taken in compliance with data protection regulations. The purpose of the policy is to set out in a framework the conditions and environment for data and information security, prescribe the related internal policies and instructions, define expectations and procedures, management and control framework through which proportionate actions are taken to mitigate operational risk in the MBH Group's information management processes and ensure that ICT risks are managed effectively and prudently to achieve a high level of digital operational resilience.

The Group's data protection activities are based on the recommendations of the European Data Protection Board, the National Authority for Data Protection and Freedom of Information (NPAI) and the best practices of European data protection authorities. The MBH Group complies with the GDPR by employing an independent Data Protection Officer and ensuring that its data protection policies are regularly reviewed. The data protection standards cover the entire operation, including the procurement policy and the outsourcing policy, which also include data protection aspects.

Across the MBH Group, there were 24 data breaches. All of the registered cases relate to breaches of customers' personal data under Articles 33-34 of the General Data Protection Regulation (GDPR). The number of account holders affected by data breaches was 14. The total amount of financial losses incurred as a result of data breach legal proceedings was HUF 5 million.

Bank card fraud

Card fraud and abuse is an increasing challenge in today's financial world, as the proliferation of digital transactions and online purchases means that fraudsters are constantly developing new ways to obtain cardholder data. Card-not-present fraud, where card details (card number, security code, cardholder details) are used for unauthorised online transactions, as well as physical card fraud, can all cause serious losses for the Group and our customers. In relation to fraudulent use of card data, the Group has refunded HUF 54 423 341 to affected customers. 485 555 439 HUF was credited to customers' accounts as a result of fraud related to physical card usage.

The Group's card-issuing members pay attention to preventing card fraud and protecting cardholders. We employ a range of security actions and technologies to minimise the risk of fraud, including real-time monitoring of transactions, identification and prompt reporting of suspicious activity. Our goal is to make our customers feel safe and secure and ensure that their financial data is protected from fraudsters. In addition to these actions, we will keep our customers informed about best practices and what they need to know about card fraud so that we can work together to protect against fraud

IV. GOVERNANCE INFORMATION

MBH Group is committed to corporate governance that ensures legal compliance, ethical business conduct and effective implementation of anti-corruption actions. In the following chapters, we present those aspects of corporate governance that were not discussed in detail in subchapter 3 (Management's role in addressing sustainability issues) of General Chapter I.

Chapter 10.1 (Regulatory Compliance) sets out the MBH Group's compliance principles. We describe the Group's three-tiered lines of defence and the compliance activities that ensure compliance with legislation and internal regulations. Particular attention is given to ethical business conduct and the whistleblowing system, as well as anti-corruption actions aimed at proactively managing corruption risks. We present the MBH Group's internal control and risk management systems, which operate in compliance with legal requirements and the recommendations of the Magyar Nemzeti Bank. These systems ensure prudent operations at the banking group level, compliance with legislation and internal regulations, and the maintenance of confidence in the Group. The independence of the internal control functions and their separation from the controlled entities are key to ensuring objective and effective control processes. Compliance awareness and legal compliance create an ethical working environment for employees, reinforcing responsible work. Customers benefit from transparent and reliable services, which increases loyalty and commitment to the Group. Regulatory compliance and ethical business practices promote stability in the financial sector, which has a positive impact on the economy as a whole.

We also present the MBH Group's ethical principles and practices. The MBH Group pays particular attention to the continuous training of its employees to ensure compliance with legal and internal regulations. The training materials developed by the Compliance area contain a broad and in-depth knowledge base, which is delivered through the digital training platform provided by Human Resources Management. Knowledge assessment from the training materials is an integral part of the training process, ensuring that employees acquire and apply the corporate and legal standards in sufficient depth. The MBH Group operates a whistleblowing system, which allows whistleblowers to report publicly or anonymously, and whistleblowers are entitled to be informed of the status of the procedure. Whistleblower reports are investigated in accordance with the internal rules of the relevant Group member and in compliance with the principles of the corporate policy.

10. Responsible corporate governance

Material topic	**Regulatory compliance**	
Standard used	**ESRS G1**	
Presentation	The chapter discusses the MBH Group's principles on regulatory compliance. In addition to describing the Group's three lines of defence and compliance activities, it also describes the ethical business conduct and whistleblowing system. The chapter pays particular attention to anti-corruption actions, emphasising the proactive management of corruption risks.	
Sustainable Development Goals (UN SDGs) supported	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Impact (positive effect) and financial materiality (financial risk and financial opportunity)*
	Impacts	Compliance awareness and legal compliance creates an ethical working environment for employees, fostering responsible work. Customers benefit from transparent and reliable services, which increases loyalty and commitment to the Group. Regulatory compliance and ethical business practices promote stability in the financial sector, which has a positive impact on the economy as a whole. The fight against corruption and anti-competitive behaviour contributes to the promotion of fair market practices and compliance with the legal framework.
	Financial risks	Good compliance practices can prevent legal and financial sanctions that lead to fines and business restrictions. Non-compliance undermines the trust of customers and market participants, causing reputational damage.
	Financial opportunity	Strict compliance and transparency strengthen the Group's reputation and make it attractive to customers and investors.
Addressing a material topic	Link to ESG strategy	Corporate governance and transparency
	Corporate policies	• Group Compliance Policy • Conflict of Interest Policy, • Code of Ethics • Anti-corruption policy • Abuse Reporting Policy
	Priority actions	• Operation of an internal monitoring system • Review of internal regulations (MBH Bank) • Annual review of the Code of Ethics • Compliance-focused risk assessment • Providing training
	Metrics	• Participation rate in anti-corruption training (%)
	Targets	• Increase participation in anti-corruption training

10.1 Regulatory compliance

The MBH Group's internal control and risk management systems operate in compliance with legal requirements and the recommendations of the Magyar Nemzeti Bank, ensuring prudent operation at the

Group level, compliance with legal requirements and internal regulations, and maintaining confidence in the Group. The independence of the internal control functions and their separation from the controlled entities are key to ensuring objective and effective control processes.

The Group expects ethical behaviour, and this includes reporting activities that go against corporate values. It sets out its primary anti-fraud and anti-corruption policy in the Group Anti-Corruption Policy and, where appropriate, in additional policies. The MBH Group is committed to the principle of "zero tolerance" of corruption and aims to create a legal and ethical environment through internal regulations that encourages employees to report suspected cases of corruption, thereby safeguarding the security of the Group and its stakeholders. Anti-corruption procedures are designed and resourced to ensure that investigations are carried out in full detail.

The MBH Group's Anti-Corruption Policy ensures business integrity, ethical conduct, transparency and the preservation of good reputation. The policy sets out the principles for preventing corruption, identifies activities at higher risk and provides guidance for policy development and day-to-day operations. Internal standards, such as leading by example, transparency, the four-eyes principle and controls built into work processes, aim to create a corporate culture that prevents acts of corruption. The policy applies to all employees, managers, contractors and any contributors of the MBH Group. The Board of Directors is responsible for approving the policy.

Three lines of defence

The internal control system is based on three pillars: a management information system, in-process and management controls, and an independent internal audit organisation. Together, these form the Group's internal monitoring system, which distinguishes three lines of defence:

- The first line of defence is the prudent performance of staff and managers. Control functions for audit, management control, HR, Accounting and Control functions are built into the processes.
- The second additional line of defence was provided by dedicated control functions. Preventive and proactive preventive actions and advice were provided to the business areas and the management bodies of the MBH Group members. This included, for example, the area responsible for Compliance or Compliance Assurance for the relevant Group Member, or Risk Management, Data Protection Officer and the area responsible for Bank Security.
- The third line of defence is the Internal Audit Service, which is both organisationally and functionally independent

In addition to the Corruption Policy, the main internal rules for compliance activities detailed in this chapter are:

- Group Compliance Policy,
- Conflict of Interest Policy,
- Code of ethics and rules for investigating ethics complaints,
- Abuse-reporting policy.

Other internal rules governing compliance activities are not detailed in the chapter:

- Complaints handling principles
- Employee transactions policy,
- General operating rules based on the principles set out in the Policies,
- Administrative instructions containing the rules for implementing the provisions of the regulations, as well as internal instructions for each area.

The Group Compliance Policy promotes compliance with laws and internal regulations, protects the economic interests and social objectives of owners and customers, and maintains confidence in the MBH Group. It focuses on the identification and management of compliance risks that may arise from non-compliance with legislation, supervisory recommendations, internal regulations and self-regulatory bodies. The Policy sets out the framework for ensuring compliance, defines the organisational environment and the principles governing operations, taking into account the business needs of the MBH Group and the interests of its customers. The scope of application of the Policy extends to all members of the MBH Group, but does not cover MBH Befektetési Bank Zrt and its subsidiaries, given that the compliance policy for the latter entities is issued by the Central Organisation of Integrated Credit Institutions pursuant to Article 11 (1) of Act CXXXV of 2013 on the Integration of Cooperative Credit Institutions and the Amendment of Certain Economic Laws. In all cases, the implementation of the Group-wide Code for the Integration Group is carried out in accordance with the principles set out in the Code issued by the Group Controller. The Board of Directors is responsible for the approval of the Policy

The MBH Group's Conflict of Interest Policy sets out the general principles for the management of conflicts of interest and conflicts of interest and provides a common framework for them. The purpose of the Conflict of Interests Policy is also to establish general principles, processes, and procedures for managing conflicts of interest in order to prevent conflicts from arising and to identify and address any existing conflicts. This is done in accordance with the relevant legal provisions (in particular, but not exclusively, Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, hereinafter: Hpt.), supervisory recommendations (in particular, but not exclusively, MNB Recommendation No. 12/2022 (VIII.11.) on the establishment and operation of internal defense lines and on the governance and control functions of financial institutions), and taking into account the related regulations of the MBH Group, to support the achievement of the MBH Group’s objectives. The scope of application of this policy is identical to that of the Compliance Policy. The Board of Directors is responsible for approving the policy.

In addition to internal regulation, the independent auditor provided external oversight, while the client base and regulatory oversight could also flag discrepancies and contribute to ensuring a high level of compliance

The Group's compliance and anti-money laundering units carry out an annual risk-focused assessment in accordance with their internal policies. In this process, the areas identify activities of particular relevance to corruption risks and key processes for prevention. A comprehensive set of procedures is in place to ensure prompt, independent and objective investigations of incidents of business conduct, including corruption and bribery. In the event of allegations of misconduct, the Bank's procedures ensure that cases are promptly and thoroughly investigated and, where necessary, appropriate sanctions are applied.

Training policy

The training materials developed and made available by our General Compliance area provide a broad and in-depth knowledge of the regulatory topics overseen by our area. As part of this training programme, all employees of the company receive systematic training through a digital training platform provided by Human Resources Management. The training programme also covers the principles and practical application of the Code of Ethics and the Anti-Corruption Policy. Knowledge assessment from the training materials is an integral part of the training process, ensuring that employees acquire and apply the corporate and legal standards in sufficient depth. Completion of the training materials and associated examinations is required as an annual recurring obligation, ensuring that staff knowledge is kept up to date and that corporate regulatory requirements are continuously met

In addition to employees, contractors who sell banking products and/or require access to any banking system must also complete the training required by the policy and take an annual recurrent examination on their knowledge of the material. The training is aimed at developing a culture of corruption prevention, raising risk awareness and familiarisation with the policy and related internal regulations

In order to prevent and effectively detect cases of corruption, all Group employees are required to undergo annual anti-corruption training. During the training, employees are familiarised with the concept of corruption, the content of the corruption policy and the process for detecting, reporting and investigating cases of corruption. In addition, the different types of fraud and abuse in the financial sector will be covered in detail. The training can be completed online, and in 2024, 89% of employees successfully completed it.

Preventing corruption and bribery

The Group's Code of Ethics also sets out the ethical business practices that all Group employees are required to follow. Under the Code, the Group prohibits corruption in all its forms and expects employees to adhere to high ethical standards in building and maintaining business relationships.

In line with the Code of Ethics, we apply an Anti-Corruption Policy, which aims set out the principles for preventing corruption, identify activities at higher risk of corruption and guide development of policies and day-to-day operations. The Anti-Corruption Policy is in line with the relevant guidelines of the United Nations Convention against Corruption.

The Group conducts an annual risk-based assessment based on its internal procedures. As part of this, the following are identified as the activities most exposed to corruption risk and the processes relevant for prevention:

- the employee selection process;
- screening external partners, liaising with external partners and clients;
- gift giving and invitations/representations;
- charity and sponsorship;
- the process of valuation and sale of assets, receivables and collateral.

The Group monitors not only the priority activities, but also any other areas that may be identified as a source of risk of corruption, with a strict focus on risks. Corruption and bribery are prevented and detected through the three lines of defence

Investigations into possible cases of corruption and bribery are the responsibility of the Bank Security area, which reports to the Board of Directors and the Supervisory on a regular quarterly basis or, if necessary, on a risk basis, in ad hoc reports.

There are several steps to ensure that the anti-corruption and anti-bribery policy is accessible, and that employees, contractors and other stakeholders understand its implications.

- **Education and awareness raising:** the MBH Group expects all employees to be familiar with the anti-corruption policy and related internal rules.
- **Declaration of awareness of the content of the policy:** other contractors and contributors declare their awareness of the content of the policy and their acceptance of it at the time of contracting.
- **Open publication[32]** : By openly publishing the policy, the Group ensures that its contents are made available to external partners as well as to employees.
- **Immediate awareness-raising:** where necessary, the relevant areas will also contribute to the dissemination of lessons learned and expectations of risks identified in the context of corruption activities, for example through intranet or newsletters to employees.
- **Constant updating:** the range of knowledge to be acquired is constantly expanded and updated by adding to the teaching materials.

Our priority is to maintain a high level of compliance with the legal provisions in force..There were no confirmed cases of corruption or anti-bribery in 2024. Thus, there were no corruption cases involving the dismissal of the company's own employees or the termination of a contract with a business partner. There were no legal cases of corruption or bribery closed during the reporting period.

[32]An extract from the Anti-Corruption Policy is available at https://www.mbhbank.hu/az-mbh-bankrol-kozlemenyek-compliance.

The Group reviews its anti-corruption policy annually to ensure proper risk assessment, legal compliance and effective prevention. The General Compliance area implements an annual work plan for the relevant Group members to monitor and feedback the effectiveness of controls and processes on a case-by-case basis. In addition, the General Compliance Area or the relevant Group Member's relevant department will monitor the implementation of this Policy in relation to the Group Member's operations. In addition, it will provide training as detailed in the "Training Policy" paragraph to promote compliance with the corruption rules

Anti-competitive behaviour

The MBH Group is committed to maintaining its compliance with competition law at the highest possible level. The Group's Competition Policy is designed to achieve this objective by ensuring that all its employees strictly comply with Hungarian and EU competition law. These rules encourage companies to compete fairly, thus promoting fair market conditions. The MBH Group seeks to minimise the risk of competition law infringements through its Competition Policy, recognising that breaches of the rules can have serious consequences, such as fines, loss of reputation, damages actions and additional costs of proceedings.

As part of the competition compliance programme, the Group will focus on the following key elements:

- increasing employee engagement through incentives and sanctions,
- continuous evaluation and development of the programme,
- monitoring and auditing compliance.

Training programmes are an important part of the compliance framework. We believe that professional development of employees and extensive training in competition law are essential. The aim of the training is to enable employees to recognise situations relevant to competition law and to act or refrain from acting correctly, or to seek help from the relevant areas when necessary. New entrants are required to learn about and adopt the Policy at the beginning of their employment, while existing employees can acquire the necessary knowledge through training in competition law.

The Banking Group also has an anonymous reporting system that allows employees to safely report competition concerns in case of suspicion. The procedures for investigating whistleblowers strictly ensure the anonymity and protection of the whistleblower. The Group is committed to competition law compliance at all levels and has taken a number of actions to ensure that its employees are aware of competition law and the importance of complying with it. Comprehensive training programmes, regulatory frameworks and internal controls combine to help prevent anti-competitive behaviour and promote fair market practices.

Ethical operation

Our principles and values support the creation of a positive environment for the Group's employees to work in. The ethical standards and core values are set out in the Code of Ethics applicable to all members of the Group, which came into force in May 2023 and is publicly available on the website in English and Hungarian.[33]

In addition to the provisions of the applicable laws and internal regulations governing the Group's operations, the Code of Ethics sets out additional requirements that are essential for fair business practices. We strive to implement the Code of Ethics in the daily work of our employees, with Compliance and HR being primarily responsible for the development of an ethical corporate culture. Board members and managers are responsible for the application and enforcement of the Code of Ethics in their respective areas. As leaders, they must also set an example in this respect.

[33] https://www.mbhbank.hu/sw/static/file/MBH_Etikai_Kodex_20230501.pdf

The Board of Directors is the executive body of MBH Bank, representing MBH Bank in dealings with third parties, courts and other authorities. The Board of Directors establishes and directs the working organisation of MBH Bank and is authorised to take all actions or decisions which do not fall within the exclusive competence of the General Meeting or the Supervisory Board. The Board of Directors shall report to the General Meeting at least once a year and to the Supervisory Board at least every three months on the management, assets and business policy of MBH Bank. The Supervisory Board shall monitor the management of the Bank with a view to safeguarding the interests of MBH Bank. In the context of its management control, it may request reports or explanations from members of the Board of Directors and senior employees of MBH Bank.

Detailed professional biographies of our Board members are available on the MBH Bank website[34] , and in our Corporate Governance Report. Our colleagues have outstanding professional competence in their fields and in-depth knowledge of business conduct. Dr. Zsolt Barna, Chairman of the Board, has significant experience in the financial sector, including senior positions at the PSZÁF and involvement in crisis management in the banking sector. He has also held a number of senior positions at OTP Group, including Chairman and CEO of OTP Real Estate Investment Fund Management Ltd. The Supervisory Board also includes a number of experts, such as Dr Andor Nagy, Chairman of the Supervisory Board, who has held several government positions and served as Ambassador of Hungary.

Report whistleblowing

In order to report, investigate and remedy any unlawful or suspected unlawful acts, omissions or other misconduct committed by MBH Bank or MBH Group Employees, MBH Bank and its subsidiaries subject to the Complaints Act operate a whistleblowing system based on the Group-wide Whistleblowing Policy. The purpose of the Policy is to set out a framework and certain procedural rules for reporting, detecting and investigating misconduct within the MBH Group. It applies to MBH Bank and to Employees and other Whistleblowers of the MBH Group's subsidiaries subject to the Complaints Act who have the opportunity to make a Whistleblowing Report or to remedy or eliminate the conduct or omission that is the subject of the Whistleblowing Report. It also extends to the persons concerned by the notification, the disciplines investigating the notification and their employees. The only exception to this is MBH Blue Sky Ltd.

Investigations of whistleblowing will be carried out in accordance with the internal rules of the Group Member concerned and in compliance with the principles of the Policy. Whistleblowers have the right to be informed of the status of the procedure and anonymous reporting is also possible. To ensure the independence of investigations, the persons investigating cases are separated from the management chain concerned.

Notifiers can choose between written and oral notification. Written reports can be sent by post or by e-mail. The Anonymous Box is also available to Bank employees via the Bank's server. Under the Whistleblowing Policy, whistleblowing reports received may only be handled by the managers and designated staff of the departments responsible for the investigation, such as the Compliance and Anti-Money Laundering, Bank and Business Security and Internal Audit teams. For written reports, the Bank will send a written acknowledgement to the whistleblower within 7 days of receipt of the report. Verbal reports will be documented by the Bank and a copy will be provided to the whistleblower to enable him/her to verify, correct and accept. The Bank guarantees that bona fide whistleblowers will not be discriminated against or treated unfairly

During the investigation, the whistleblower is protected by all available legal means:

- The notifier shall not be liable for the notification if the notifier had reasonable grounds to believe that the notification was necessary. The notifier shall not be held liable for lawfully making the notification if he had reasonable grounds to believe that the notification was necessary to disclose the circumstances to which the notification relates.

[34] https://www.mbhbank.hu/befektetoi/befektetoknek/tarsasagiranyitas/igazgatosag

- The whistleblower's protection against discrimination and unfair treatment is guaranteed throughout the procedure and beyond, without time limit. Any form of retaliation for reporting, whether official or private, is in itself an ethical violation, regardless of the significance of the original problem.
- The Bank will keep the identity of the notifier confidential at all stages of the investigation, if the notifier has provided the necessary data to establish it.

The MBH Group pays particular attention to the detection and management of misconduct, in particular fraud, corruption and other unethical behaviour. To this end, the Group provides various reporting channels that allow employees, customers and other stakeholders to report irregularities in confidence.

In the last quarter of 2024, in addition to a comprehensive training, the General Compliance area prepared and published a targeted training on the Code of Ethics as a priority topic for the entire staff, including the whistleblowing possibilities available to employees, as set out in the Whistleblowing Policy, and the General Disclosure on the system is publicly available on the Bank's website.[35]

[35] https://www.mbhbank.hu/sw/static/file/Alt.tajekoztatoVisszaeles-bejelentesirendszerrol.pdf

Notifications by subject and by jurisdiction in accordance with the Bank's Code of Organisational and Operation 2024

Territory	Topic	Example
Banking and business security	Fraud	Fraud and suspected corruption, etc.
Capital Markets DDC and Sanctions Compliance	Capital Markets DDC and Sanctions Compliance	Suspicion of insider trading, abuse of investment advice, etc.
Organisation and data protection	Organisation and data protection	Suspected data breach, etc.
General Compliance	General Compliance/Ethics/Integrity	Suspicion of harassment and intimidation, conflict of interest issues, discrimination, violation of human dignity, etc.

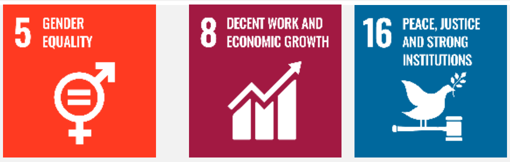
Notifications and the results of the resulting investigations are reported to the Bank's governing bodies on a regular and ad hoc basis, ensuring transparency of processes and good governance. In 2024, no ethical misconduct reports were received by the Bank's General Compliance area.

In addition to the activities of the General Compliance area, the implementation of ethical operations and a clean corporate culture is supported by the *Pulse* employee survey conducted by the HR area, in which our employees cited the outstanding trust in their line managers, team cohesion and cooperation between colleagues as strengths in the Group. Colleagues also identified areas for improvement, along which we are continuously striving to shape our culture.

Material topic	**Transparent ownership, management and organisational structure, operation**	
Standard used	**ESRS 2, ESRS**	
Presentation	A presentation of the MBH Group's ownership, management and organisational structure from a sustainability perspective. *The related information is presented in detail in Chapter 3: The role of management in addressing sustainability issues, and the table below contains the ESRS data points that are required to be presented separately.*	
Sustainable Development Goals (UN SDGs) supported	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	Transparent structures and operations increase investor confidence, which can lead to a more stable financial situation in the long term. Transparency and good corporate governance improve the Group's image, which can lead to new business opportunities and partnerships.
Addressing a material topic	Link to ESG strategy	Corporate governance and transparency
	Corporate policies	Code of Organisational and Operation, Code of ethics, Anti-corruption policy, Conflict of interest policy
	Priority actions	• Responsible corporate governance reporting • Amendment of the Code of Organisational and Operation, integration of ESG approach into operational processes
	Metrics	• Supervisory Board independent members (number) • Breakdown of boards by gender (%)
	Targets	• The Group had no numerical targets for 2024 related to the material topic.

Material topic	**Transparent and regular communication with stakeholders**	
Standard used	**ESRS 2, ESRS**	
Presentation	The MBH Group's values and the implementation of its corporate culture *The related information has been presented in detail in chapter 4.1 Stakeholder involvement, the table below contains the ESRS data points that must be displayed separately.*	
Sustainable Development Goals (UN SDGs) supported	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	Inappropriate communication may pose a reputational risk, which could negatively affect the Group's financial performance. Stakeholders' dissatisfaction and loss of confidence may lead to long-term business losses.
	Financial opportunity	Good and continuous communication with stakeholders can increase trust and satisfaction, which can have a positive impact on the Group's financial performance. Active stakeholder engagement and support can lead to long-term business benefits and sustainable growth.
Addressing a material topic	Link to ESG strategy	Corporate governance and transparency
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy
	Priority actions	• Maintain a continuous, structured, two-way relationship with our stakeholders, reflecting feedback • Conduct a double materiality assessment
	Metrics	• Double materiality survey participation rate (%)
	Targets	• Re-conducting a double materiality study in 2025 • Increasing participation in a double materiality survey

Material topic	**Integrating ESG considerations into business strategy**	
Standard used	**ESRS E1**	
Presentation	The MBH Group's values and the implementation of its corporate culture *The related information is presented in detail in chapters 2.4 ESG Strategy and 5 Partner in Sustainable Finance, and the table below contains the ESRS data points that are required to be presented separately.*	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Group has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	Integrating ESG considerations increases investor confidence and attracts investors committed to sustainability. In the long term, ESG considerations can reduce operational risks and increase the Group's competitiveness.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy
	Priority actions	• Green Bond Framework (MBH Bank) • Sustainable product development (Green Home Programme, ECO soft loans) • Obtaining ESG ratings (MBH Bank, MBH Jelzálogbank)
	Metrics	• ESG ratings
	Targets	• Continuous improvement of ESG ratings

Material topic	**Corporate culture**	
Standard used	**ESRS G1**	
Presentation	The MBH Group's values and the implementation of its corporate culture *The related information has been presented in detail in chapters 8 Responsible Employment and 10.1 Regulatory Compliance, and the table below contains the ESRS data points that are required to be separately disclosed.*	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	Developing a corporate culture is essential for effective collaboration and long-term success, as an inadequate culture can reduce employee satisfaction and worsen performance. The integration of companies from different backgrounds can often be met with resistance and it can take time for employees to accept new norms. The uncertainties that arise in integrated banking operations can further complicate this process as different expectations clash.
	Financial risks	The Group has not identified any material financial risks related to this topic.
	Financial opportunity	Where employees feel valued and company values are aligned with individouble targets, this leads to a higher level of commitment and productivity at Group level.
Addressing a material topic	Link to ESG strategy	Employee well-being and attitudinal change
	Corporate policies	Code of Organisational and Operation, HR sub-strategy, Code of Ethics
	Priority actions	• Generational Diversity Programme • Employee recognition programme • #20minuteshealth programme
	Metrics	• Staff turnover (%) • Employee satisfaction (multiple actions, %) • Talent retention (%) • IT and network turnover (%) • Internal promotion rate (%)
	Targets	• Reducing staff turnover (continuous) • Increasing employee satisfaction (continuous) • Maintaining talent retention (above 90%) • Reduce IT and network turnover (below 15%) • Increase the internal promotion rate (to at least 20%)

Annexes

Annex 1

List of ESRS disclosure requirements

Disclosure requirement		Chapter	Site	Additional information
ESRS 2 General communications				
BP-1	General basis for preparing sustainability statements	1. Basis of preparation of the accounts	3	
BP-2	Disclosures relating to specific circumstances	1. Basis of preparation of the accounts	3	
GOV-1	The role of the administrative, management and supervisory bodies	3.1 Corporate governance structure	16	
GOV-2	Information provided to the company's administrative, management or supervisory bodies and the sustainability issues they address	3.1 Corporate governance structure	16	
GOV-3	Building sustainability performance into incentive mechanisms	3.2. ESG governance structure	18	
GOV-4	Statement on due diligence	Annexes	132	
GOV-5	Risk management and internal control over sustainability reporting	3.1 Corporate governance structure	16	
SBM-1	Strategy, business model and value chain	2.3 Strategic objectives and business model	8	
SBM-2	Interests and views of interested parties	4.1 Involvement of stakeholders	21	
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4. Identifying the material topics	21	
IRO-1	Description of procedures for identifying and assessing significant impacts, risks and opportunities	4. Identifying the material topics	21	
IRO-2	Disclosure requirements under ESRS covered by an entity's sustainability statements	Annexes	132	

Disclosure requirement		Section	Site	Additional information
ESRS E1 Climate change				
ESRS 2, GOV-3	Building sustainability performance into incentive mechanisms	3.2. ESG governance structure	18	
E1-1	Climate change mitigation transition plan	6.1 Developing a business model for climate change mitigation and adaption	72	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2 Double materiality assessment	22	
ESRS 2 IRO-1	Description of procedures for identifying and assessing material climate-related impacts, risks and opportunities	4.2 Double materiality assessment	22	
E1-2	Climate change mitigation and adaption policies	5.2 Sustainable portfolio and fundraising; 6.1 Developing a business model for climate change mitigation and adaption	63 72	
E1-3	Actions and resources related to climate change policies	7.2. Greenhouse gas emissions	80	
E1-4	Targets set for climate change mitigation and adaption	6.1 Developing a business model for climate change mitigation and adaption	72	
E1-5	Energy consumption and structure	7.1 Energy consumption	77	
E1-6	Gross and total GHG emissions in scope 1, 2, 3	7.2. Greenhouse gas emissions	80	
E1-7	GHG mitigation projects financed through GHG removals and carbon credits	N/A	N/A	Not a material topic
E1-8	Internal carbon pricing	N/A	N/A	Not a material topic
E1-9	Expected financial impacts from significant physical and transition risks	N/A	N/A	Phase-in disclosure

	and potential climate-related opportunities			

Disclosure requirement		Section	Site	Additional information
ESRS S1 Own labour force				
ESRS 2 SBM-2	Interests and views of interested parties	4.1 Involvement of stakeholders	21	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2 Double materiality assessment	22	
S1-1	Policies on own resources	8.1 Supporting employee well-being	89	
S1-2	Processes in place to engage with own employees and employee representatives on impacts	8.1 Supporting employee well-being	89	
S1-3	Processes for correcting negative impacts and channels for employees to raise concerns	8.1 Supporting employee well-being	89	
S1-4	Actions on the material impacts on own workforce and approaches to mitigate material risks and exploit material opportunities related to own workforce and the effectiveness of these actions	8.1 Supporting employee well-being	89	
S1-5	Objectives to address significant negative impacts, promote positive impacts and manage significant risks and opportunities	8.1 Supporting employee well-being	89	
S1-6	Characteristics of the enterprise's employees	8.1 Supporting employee well-being	89	
S1-7	Characteristics of non-employees in own-account employment	N/A	N/A	Phase-in disclosure
S1-8	Coverage by collective bargaining and social dialogue	8.1 Supporting employee well-being	89	
S1-9	Diversity metrics	8.1 Supporting employee well-being	89	
S1-10	Adequate wages	8.1 Supporting employee well-being	89	
S1-11	Social protection	8.1 Supporting employee well-being	89	
S1-12	People with disabilities	N/A	N/A	Not a material topic

S1-13	Training and skills development metrics	8.2 Training and development	99	
S1-14	Health and safety metrics	8.1 Supporting employee well-being	89	
S1-15	Work-life balance metrics	8.1 Supporting employee well-being	89	
S1-16	Income actions (pay gap and total income)	8.1 Supporting employee well-being	89	
S1-17	Incidents, complaints and serious human rights impacts	8.1 Supporting employee well-being	89	

Disclosure requirement		Section	Site	Additional information
ESRS S4 Consumers and end users				
ESRS 2 SBM-2	Interests and views of interested parties	4.1 Involvement of stakeholders	21	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2 Double materiality assessment	22	
S4-1	Policies for consumers and end-users	9.1 Customer satisfaction	103	
S4-2	Processes in place to engage with consumers and end-users on impacts	9.1 Customer satisfaction	103	
S4-3	Processes to correct negative impacts and channels for consumers and end-users to raise concerns	9.1 Customer satisfaction	103	
S4-4	Actions to address the significant impacts on consumers and end-users, and approaches to managing the significant risks and exploiting the significant opportunities for consumers and end-users, and the effectiveness of these actions	9.1 Customer satisfaction	103	
S4-5	Objectives to address significant negative impacts, promote positive impacts and manage significant risks and opportunities	9.1 Customer satisfaction	103	

Disclosure requirement		Section	Site	Additional information
ESRS G1 Business Conduct				
ESRS 2 GOV-1	The role of administrative, supervisory and management bodies	3.1 Corporate governance structure	16	

ESRS 2 IRO-1	Description of the processes for identifying and assessing material impacts, risks and opportunities	4.2 Double materiality assessment	22	
G1-1	Policies on corporate culture and business conduct, and corporate culture	10.1 Regulatory compliance	120	
G1-2	Managing relationships with suppliers	N/A	N/A	Not a material topic
G1-3	Preventing and detecting corruption and bribery	10.1 Regulatory compliance	120	
G1-4	Confirmed cases of corruption and bribery	10.1 Regulatory compliance	120	
G1-5	Political influence and lobbying	N/A	N/A	Not a material topic
G1-6	Payment practices	N/A	N/A	Not a material topic

Annex 2

Statement on due diligence

For a better understanding of the due diligence process applied by the MBH Group with respect to sustainability issues, the Group's due diligence process is presented in a tabular format at with cross-references.

Basic elements of due diligence	Paragraphs of the sustainability statement
a) embedding due diligence into governance, strategy and business model	3.2 ESG governance structure 4.2 Double materiality assessment
b) cooperation with relevant stakeholders at all key steps of the due diligence process	4.1 Involvement of stakeholders 4.2 Double materiality assessment 8.1 Supporting employee well-being 9.1 Customer satisfaction
c) identification and assessment of adverse impacts	4.2 Double materiality assessment
(d) taking actions to address those adverse impacts	E: 6.1 Developing a business model for climate change mitigation and adaption; 7. Reducing our environmental footprint S: 8.1 Supporting employee well-being; 9.1 Customer satisfaction; 9.2 Social inclusion G: 10.1 Regulatory compliance
e) monitoring and communicating the effectiveness of these efforts	E: 6.1 Developing a business model for climate change mitigation and adaption; 7. Reducing our environmental footprint S: 8.1 Promoting employee well-being; 9.1 Customer satisfaction; 9.2 Social inclusion

3. Annex

List of data points from other EU legislation in horizontal and thematic standards

Disclosure requirement and associated data point	Reference to the Regulation on sustainability disclosures	Reference to Pillar 3	Reference to the Regulation on benchmarks	Reference to the EU Climate Agenda	Chapter	Site
ESRS 2 GOV-1 Gender composition of the Management Board Paragraph 21(d)	Indicator No 13 in Table 1 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		3.1 Corporate governance structure	16
ESRS 2 GOV-1 Percentage of independent directors referred to in paragraph 21(e)			Annex II to Delegated Regulation (EU) 2020/1816		3.1 Corporate governance structure	16
ESRS 2 GOV-4 Due diligence declaration paragraph 30	Indicator No 10 in Table 3 of Annex I				Annexes	132
ESRS 2 SBM-1 Participation in fossil fuel-related activities Paragraph 40(d)(i)	Indicator No 4 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Quality information on environmental risk and Table 2: Quality information on social risk	Annex II to Delegated Regulation (EU) 2020/1816		N/A	N/A
ESRS 2 SBM-1 Participation in activities related to the manufacture of chemicals Paragraph 40(d)(ii)	Indicator No 9 in Table 2 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816"		N/A	N/A
ESRS 2 SBM-1 Participation in activities related to disputed weapons Paragraph 40(d)(iii)	Indicator No 14 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1818 ([29]), Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		N/A	N/A
ESRS 2 SBM-1 Participation in activities linked to tobacco growing and production Paragraph 40(d)(iv)			Delegated Regulation (EU) 2020/1818, Article 12(1) of Delegated Regulation (EU) 2020/1816 , Annex II		N/A	N/A

ESRS E1-1 A plan for a climate neutral transition by 2050 Paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	6.1 Developing a business model for climate change mitigation and adaption	72
ESRS E1-1 Enterprises excluded from the EU benchmarks aligned to the Paris MOU Paragraph 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 1: Banking book - Climate change adaption risk: credit quality of exposures by sector, by emission volume and by remaining maturity	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d)-(g) and 12(2).		6.1 Developing a business model for climate change mitigation and adaption	72
ESRS E1-4 GHG emission reduction target paragraph 34	Indicator No 4 in Table 2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 3: Banking Book - Climate Change Convergence Risk: Adjustment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Not material	
ESRS E1-5 Energy use from fossil sources, by source (only sectors with significant climate impact) Paragraph 38	Indicator 5 of Table 1 and Indicator 5 of Table 2 of Annex I				Not material	
ESRS Energy consumption and structure, paragraph 37	Indicator No 5 in Table 1 of Annex I				7.1 Energy consumption	77
ESRS E1-5 Energy intensity in relation to activities in sectors with high climate impact paragraphs 40-43	Indicator No 6 in Table 1 of Annex I				Not material	
ESRS E1-6 Gross and total GHG emissions in scope 1, 2, 3 paragraph 44	Indicator 1 and 2 of Table 1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 1: Banking book - Climate change adaption risk: credit quality of exposures by sector,	Delegated Regulation (EU) 2020/1818, Article 5(1), Articles 6 and 8(1)		7.2. Greenhouse gas emissions	80

		emission volume and remaining maturity				
ESRS E1-6 Gross GHG emission intensity Paragraphs 53-55	Indicator No 3 in Table 1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Table 3: Banking Book - Climate Change Convergence Risk: Adjustment metrics	Regulation (EU) 2020/1818, Article 8(1)		7.2. Greenhouse gas emissions	80
ESRS E1-7 GHG emissions and carbon credits Paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N/A	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II		N/A	N/A
ESRS E1-9 Amounts broken down by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets exposed to significant physical risk paragraph 66(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Recitals 46 and 47; Table 5: Banking Book - Physical Risk: Exposure to Physical Risks.			N/A	N/A
ESRS E1-9. Breakdown of the carrying amount of real estate assets by energy efficiency class paragraph 67(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Recital 34; Table 2: Banking Book - Climate change adaption risk: loans secured on real estate - Energy efficiency of collateral			N/A	N/A
ESRS E1-9 Portfolio exposure to climate-related opportunities Paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N/A	N/A
ESRS E2-4 The quantity of each pollutant released to air, water and soil listed in Annex II of the European PRTR (Pollutant Release and	Indicator No 8 in Table 1 of Annex I, Indicator No 2 in Table 2 of Annex I, Indicator No 1 in				Not material	

Transfer Register) Regulation, paragraph 28	Table 2 of Annex I, Indicator No 3 in Table 2 of Annex I					
ESRS E3-1 Water and marine resources, paragraph 9	Indicator No 7 in Table 2 of Annex I				Not material	
ESRS E3-1 Targeted policy, paragraph 13	Indicator No 8 in Table 2 of Annex I				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator No 12 in Table 2 of Annex I				Not material	
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Indicator 6.2 in Annex I, Table 2				Not material	
ESRS E3-4 Total water consumption from own activities in m^3/million EUR net revenue Paragraph 29	Indicator 6.1 in Annex I, Table 2				Not material	
ESRS 2 - IRO 1 - E4 paragraph 16(a)(i)	Indicator No 7 in Table 1 of Annex I				Not material	
ESRS 2 - IRO 1 - E4 paragraph 16(b)	Indicator No 10 in Table 2 of Annex I				Not material	
ESRS 2 - IRO 1 - E4 paragraph 16(c)	Indicator No 14 in Table 2 of Annex I				Not material	
ESRS E4-2 Sustainable land use/agricultural practices or policies Paragraph 24(b)	Indicator No 11 in Table 2 of Annex I				Not material	
ESRS E4-2 Sustainable ocean/marine practices or policies Paragraph 24(c)	Indicator No 12 in Table 2 of Annex I				Not material	
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Indicator No 15 in Table 2 of Annex I				Not material	

ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator No 13 in Table 2 of Annex I				Not material	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator No 9 in Table 1 of Annex I				Not material	
ESRS 2 - SBM3 - S1 Risk of incidence of forced labour, paragraph 14(f)	Indicator No 13 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS 2 - SBM3 - S1 Risk of child labour paragraph 14(g)	Indicator No 12 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-1 Political commitments on human rights Paragraph 20	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-1 Due diligence policies on topics covered by ILO core conventions 1-8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		8.1 Supporting employee well-being	89
ESRS S1-1 Procedures and actions to prevent trafficking in human beings Paragraph 22	Indicator No 11 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-1 an occupational injury prevention policy or management system, paragraph 23	Indicator 1 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-3 complaints/grievance mechanisms, paragraph 32(c)	Indicator No 5 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-14 Number of deaths and number and rate of work-related accidents, paragraph 88(b) and (c))	Indicator No 2 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		8.1 Supporting employee well-being	89

ESRS S1-14 Number of days lost due to injury, accident, death or sickness 88(e)	Indicator No 3 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-16 Unadjusted gender pay gap point 97(a)	Indicator No 12 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-16 Excessive CEO remuneration rates Point 97(b)	Indicator No 8 in Table 3 of Annex I				N/A	N/A
ESRS S1-17 Incidence of discrimination, point 103(a)	Indicator No 7 in Table 3 of Annex I				8.1 Supporting employee well-being	89
ESRS S1-17 Non-compliance with the UN Guiding Principles on the Responsibilities of Businesses with regard to Human Rights and the OECD Paragraph 104(a)	Indicator 10 in Table 1 and Indicator 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		8.1 Supporting employee well-being	89
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain, point 11(b)	Annex I, Table 3, metrics 12 and 13				Not material	
ESRS S2-1 Political commitments on human rights Section 17	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				Not material	
ESRS S2-1 Value chain policies for employees Section 18	Annex I, Table 3, metrics 11 and 4				Not material	
ESRS S2-1 Failure to comply with UN Guiding Principles on the Responsibilities of Businesses with regard to Human Rights and OECD Guidelines Paragraph 19	Indicator No 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		Not material	
ESRS S2-1 Due diligence policies on topics covered by ILO core conventions 1-8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	
ESRS S2-4	Indicator No 14 in Table 3 of Annex I				Not material	

Human rights issues and incidents related to upstream and downstream value chains Paragraph 36						
ESRS S3-1 Political commitments on human rights, paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				Not material	
ESRS S3-1 failure to comply with UN Guiding Principles on the Human Rights Responsibilities of Business, ILO principles or OECD Guidelines Section 17	Indicator No 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816 Annex II, Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator No 14 in Table 3 of Annex I				Not material	
ESRS Policies for consumers and end-users, paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				9.1 Customer satisfaction	103
ESRS S4-1 Ignoring the UN Guiding Principles on the Responsibilities of Businesses with regard to Human Rights and the OECD Guidelines Section 17	Indicator No 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		9.1 Customer satisfaction	103
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator No 14 in Table 3 of Annex I				9.1 Customer satisfaction	103
ESRS G1-1 UN Convention against Corruption, paragraph 10(b)	Indicator No 15 in Table 3 of Annex I				10.1 Regulatory compliance	120
ESRS G1-1 Protection of whistleblowers Paragraph 10(d)	Indicator No 6 in Table 3 of Annex I				N/A	N/A
ESRS G1-4 Fines for breaches of the anti-corruption and anti-bribery laws, paragraph 24(a)	Indicator No 17 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N/A	136
ESRS G1-4 Anti-corruption and anti-bribery standards Paragraph 24(b)	Indicator No 16 in Table 3 of Annex I				10.1 Regulatory compliance	120

M B H B a n k Plc.

2.

Separate financial statements and separate management report (including separate sustainability statement)

31 December 2024

M B H B a n k Plc.

10 011 922 641 911 401
statistic code

Separate Financial Statements

Prepared under
International Financial Reporting Standards
(IFRS) as adopted by the European Union

Budapest, 28 March 2025

31 December 2024

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Separate Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

Separate Statement of Financial Position

	Note	31.12.2024	31.12.2023
Assets			
Cash and cash-equivalents	**4.10**	**1 024 385**	**1 305 409**
Financial assets measured at fair value through profit or loss		**773 315**	**720 727**
Loans and advances to customers mandatorily at fair value through profit or loss	**4.11.1**	546 469	490 802
Securities held for trading	**4.11.2**	19 436	1 017
Securities mandatorily at fair value through profit or loss	**4.11.3**	44 183	37 736
Derivative financial assets	**4.11.4**	163 227	191 172
Hedging derivative assets	**4.12**	**81 073**	**73 012**
Financial assets measured at fair value through other comprehensive income		**1 222 521**	**906 612**
Debt and equity securities	**4.13.1**	1 222 521	906 612
Financial assets measured at amortised cost		**8 282 641**	**7 578 461**
Loans and advances to banks	**4.14.1**	419 660	456 886
Loans and advances to customers	**4.14.2**	4 622 516	4 272 323
Reverse sale and repurchase agreements	**4.14.3**	34 743	34 533
Debt securities	**3.4, 4.14.4**	3 086 614	2 655 843
Other financial assets	**4.14.5**	119 108	158 876
Fair value change of hedged items in portfolio hedge of interest rate risk	**4.12**	**(5 316)**	**3 159**
Investments in subsidiaries and associates	**4.15**	**398 686**	**262 074**
Property and equipment	**4.16, 4.17**	**62 625**	**45 428**
Intangible assets	**4.16**	**53 782**	**47 173**
Income tax assets		**7 026**	**12 238**
Current income tax assets		-	-
Deferred income tax assets	**4.18**	7 026	12 238
Other assets	**4.19**	**50 933**	**54 328**
Total assets		**11 951 671**	**11 008 621**
Liabilities			
Financial liabilities measured at fair value through profit or loss		**115 314**	**141 377**
Derivative financial liabilities	**4.11.4**	86 128	119 620
Financial liabilities from short positions	**4.20**	29 186	21 757
Hedging derivative liabilities	**4.12**	**17 280**	**17 018**
Financial liabilities measured at amortised cost		**10 689 071**	**9 763 018**
Amounts due to banks	**4.21.1**	2 319 798	2 324 268
Amounts due to customers	**4.21.2**	7 414 794	6 850 774
Sale and repurchase agreements liabilities	**4.21.1**	414 397	68 752
Issued debt securities	**4.21.3**	304 643	254 068
Subordinated debts	**4.21.4**	100 835	113 679
Other financial liabilities	**4.21.6**	134 604	151 477
Provision for liabilities and charges	**4.22**	**29 251**	**30 794**
Income tax liabilities		**5 391**	**9 344**
Current income tax liabilities	**4.8**	5 391	9 344
Deferred income tax liabilities		-	-
Other liabilities	**4.24**	**62 071**	**66 438**
Total liabilities		**10 918 378**	**10 027 989**
Equity			
Share capital	**4.25**	**322 530**	**322 530**
Treasury shares	**4.25**	**(55 440)**	**-**
Share premium	**4.25**	**348 894**	**348 894**
Retained earnings	**4.25**	**196 748**	**118 820**
Other reserves	**4.25**	**66 941**	**51 066**
Profit for the year	**4.25**	**158 753**	**118 316**
Accumulated other comprehensive income	**4.25**	**(5 133)**	**21 006**
Total equity		**1 033 293**	**980 632**
Total liabilities and equity		**11 951 671**	**11 008 621**

Approved for issue on behalf of the Board of Directors in Budapest on 28 March 2025.

Dr. Zsolt Barna
Chairman and CEO

Péter Krizsanovich
Deputy CEO for Strategy and Finance

Separate Statement of Profit or Loss and Other Comprehensive Income

	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest income		**988 110**	**1 108 219**
Interest income calculated using effective interest rate method	4.1	673 428	751 186
Other income similar to interest	4.1	314 682	357 033
Interest expense		**(564 658)**	**(673 563)**
Interest expense calculated using effective interest rate method	4.1	(338 757)	(441 296)
Other expense similar to interest	4.1	(225 901)	(232 267)
Net interest income		**423 452**	**434 656**
Fee and commission income	4.2	**179 528**	**136 192**
Fee and commission expenses	4.2	**(46 451)**	**(32 199)**
Net income from fees and commissions		**133 077**	**103 993**
Results from remeasurement and derecognition of financial instruments	4.3	**39 297**	**(5 010)**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss		36 620	(41 976)
Result from derecognition of debt securities measured at fair value through other comprehensive income		12 098	2 349
Results from derecognition of loans and debt securities measured at amortised cost		2 561	(1 760)
Results from hedge accounting		(4 487)	(4 436)
Foreign exchange gains less losses		(7 495)	40 813
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	4.4	**(35 018)**	**(71 442)**
Expected credit loss on financial assets, financial guarantees and loan commitments		(35 126)	(54 587)
Provisions for litigation, restructuring and similar charges		3 549	(1 122)
(Loss) / gain on modification of financial instruments that did not lead to derecognition		(5 423)	(13 919)
(Impairment) / reversal on associates and other investments		392	(1 716)
(Impairment) / reversal of impairment on other financial and non-financial assets		1 590	(98)
Dividend income	4.5	**13 090**	**6 086**
Administrative and other operating expenses	4.6	**(384 825)**	**(331 548)**
Other income	4.7	**12 334**	**18 068**
Other expense	4.7	**(13 250)**	**(12 940)**
Profit before taxation		**188 157**	**141 863**
Income tax income / (expense)	4.8	**(29 404)**	**(23 547)**
Profit for the year		**158 753**	**118 316**

		01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Items that may be reclassified to profit or loss		**(26 139)**	**51 283**
Hedging instruments		(241)	**(211)**
Debt instruments at fair value through other comprehensive income		(28 459)	56 431
Income tax relating to items that may be reclassified subsequently		2 561	(4 937)
Other comprehensive income for the year net of tax		**(26 139)**	**51 283**
TOTAL COMPREHENSIVE INCOME		**132 614**	**169 599**
Profit is attributable to			
Profit for the year from continuing operation		158 753	118 316
Total comprehensive income for the year			
Total comprehensive income from continuing operation		132 614	169 599
Net earnings attributable to ordinary shareholders		158 753	118 316
Average number of ordinary shares outstanding (thousands)		321 296	322 257
Earnings per share (in HUF)	4.28		
Basic		494	367
Diluted		494	367

Separate Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

Separate Statement of Changes in Equity

	Note	Share capital	Treasury shares	Share premium	Retained earnings	Other reserves	Profit for the year	Accumulated other comprehensive income	Total equity
31.12.2022	**4.25**	**321 699**	**-**	**313 947**	**84 155**	**32 552**	**64 637**	**(23 978)**	**793 012**
Profit for the year		-	-	-	-	-	118 316	-	118 316
Other comprehensive income for the year		-	-	-	-	-	-	51 283	51 283
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**-**	**51 283**	**51 283**
Transfer of previous year's profit		-	-	-	64 637	-	(64 637)	-	-
Dividend paid		-	-	-	(25 092)	-	-	-	(25 092)
General reserve for the year		-	-	-	(11 832)	11 832	-	-	-
Increase / decrease due to the merger		831	-	34 947	6 952	6 682	-	(6 299)	43 113
31.12.2023	**4.25**	**322 530**	**-**	**348 894**	**118 820**	**51 066**	**118 316**	**21 006**	**980 632**
Profit for the year		-	-	-	-	-	158 753	-	158 753
Other comprehensive income for the year		-	-	-	-	-	-	(26 139)	(26 139)
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**158 753**	**(26 139)**	**132 614**
Transfer of previous year's profit		-	-	-	118 316	-	(118 316)	-	-
Repurchased treasury shares		-	(55 440)	-	-	-	-	-	(55 440)
Dividend paid		-	-	-	(24 513)	-	-	-	(24 513)
General reserve for the year		-	-	-	(15 875)	15 875	-	-	-
Increase / decrease due to the merger		-	-	-	-	-	-	-	-
31.12.2024	**4.25**	**322 530**	**(55 440)**	**348 894**	**196 748**	**66 941**	**158 753**	**(5 133)**	**1 033 293**

The Bank’s management is expected to propose a HUF 36.9 billion dividend payment from the 2024 result.

Separate Financial Statements as at 31 December 2024 | Data in HUF million except stated otherwise

Separate Statement of Cash Flows

	Note	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Cash flows from operating activities			
Profit/ (Loss) before taxation		**188 157**	**141 863**
Adjustments for non-cash income and expenses, interest, dividends and tax			
Depreciation, amortisation and impairment	**4.16, 4.17**	30 803	25 194
Expected credit loss / (reversal) on financial instruments	**4.11.4**	29 671	55 146
Impairment on securities, associates and other investments / (reversal of impairment)	**4.13.1, 4.14.4**	3 477	1 020
Impairment / (Reversal of impairment) on other assets	**4.14.5**	(4)	(2)
(Reversal of provisions for) / Recognise provisions on other items	**4.22**	(5 251)	1 122
Revaluation of loans and advances to customers mandatorily at fair value through profit or loss	**4.3**	(14 459)	(48 510)
Revaluation of securities	**4.3**	31 426	(4 971)
Revaluation of issued securities	**4.3**	15 049	(1 799)
Other revaluation differences	**4.3**	(10 944)	(6 378)
Net interest income	**4.1**	(423 452)	(434 656)
Dividends from shares and other non-fixed income securities	**4.5**	(13 090)	(6 086)
Unrealised foreign exchange gains less losses	**4.3**	(15 687)	(6 462)
Interest received	**4.1**	956 260	1 015 649
Interest paid	**4.1**	(545 036)	(699 223)
Dividends received	**4.5**	13 090	6 086
Income tax	**4.8**	(28 145)	(15 096)
Cash flows before changes in assets and liabilities		**211 865**	**22 897**
Change in loans and advances to banks	**4.14.1**	36 157	254 457
Change in loans and advances to customers	**4.14.2**	(365 238)	(230 221)
Change in securities	**4.11.2, 4.11.3, 4.13.1, 4.14.4**	(360 037)	(238 353)
Change in derivative assets	**4.11.4**	28 359	119 464
Change in other assets	**4.19**	(10 501)	(14 361)
Change in amounts due to banks (short term)	**4.21.1**	454 822	(353 446)
Change in current and deposit accounts	**4.21.2**	571 380	438 688
Change in other liabilities	**4.24**	14 357	(23 082)
Change in derivative liabilities and short positions	**4.11.4**	(33 230)	(43 756)
Net change in assets and liabilities of operating activities		**336 069**	**(90 610)**
Net cash (used in)/ generated by operating activities		**547 934**	**(67 713)**
Cash flow from investing activities			
Increase of investments in subsidiaries and associates of Bank	**4.15**	(142 645)	(53 517)
Disposals of investments in subsidiaries and associates of Bank	**4.15**	6 425	384
Change in cash due to business combinations	**4.10**	-	440 747
Purchase of property, equipment and intangible assets	**4.16, 4.17**	(39 587)	(24 720)
Disposals of property, equipment and intangible assets	**4.16, 4.17**	168	273
Purchase of securities measured at amortised cost	**4.14.4**	(699 035)	(558 973)
Disposals and redemptions of debt securities measured at amortised cost	**4.14.4**	262 019	158 328
Net cash (used in) / generated by investing activities		**(612 655)**	**(37 478)**
Cash flow from financing activities			
Issuance of debt securities	**4.21.3**	64 157	240 408
Redemption of issued debt securities	**4.21.3**	(28 995)	(43)
Proceeds from issuing subordinated debts	**4.21.4**	-	24 750
Redemption of subordinated debts	**4.21.4**	(14 125)	-
Repayment of principal of lease liabilities	**4.17**	(10 353)	(9 956)
Proceeds from long term amounts due to banks	**4.21.1**	(134 334)	92 914
Repurchased treasury shares		(55 440)	-
Dividends and advanced dividends paid	**4.25**	(47 412)	(25 093)
Net cash (used in)/ generated by financing activities		**(226 502)**	**322 980**
Net increase / (decrease) of cash and cash-equivalents		**(291 223)**	**217 789**
Cash and cash-equivalents at the beginning of the year		**1 305 409**	**1 081 158**
Foreign exchange gains less losses on cash and cash-equivalents	**4.10**	10 199	6 462
Net cash-flow of cash and cash equivalents	**4.10**	(291 223)	217 789
Cash and cash equivalents at the end of the year		**1 024 385**	**1 305 409**

Separate Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

These separate financial statements are prepared by MBH Bank as a parent in addition to its consolidated financial statements.

1. GENERAL INFORMATIONS

MBH Bank is a commercial bank registered in Hungary, and operating under the effective laws of Hungary, particularly under Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. The headquarter of the Bank is at 38 Váci Street Budapest 1056.

With the triple bank merger led by Magyar Bankholding Zrt. (hereinafter: Magyar Bankholding) on 30 April 2023, Hungary's second largest universal major bank has been established. With the integration of Budapest Bank Zrt., az MKB Bank Plc., and Takarékbank Zrt., the merged credit institution continued its operation under the name of MBH Bank Public Limited Company (short name: MBH Plc.) as of 1 May 2023. The merger did not imply any change in the ownership structure of the banking group, the dominant shareholder of the banks involved in the merger process remained Magyar Bankholding until its division.

On 14 August 2024, the Company's main shareholder, Magyar Bankholding, decided to split into new legal successor companies, as a result of which Magyar Bankholding was dissolved and split into new legal successor companies and its assets were transferred to the legal successor companies (hereinafter: Transformation). The transformation date was 30 November 2024, and the 10 new legal successor companies were established on 1 December 2024.

1.1 The shareholder structure of MBH Bank

As a result of the merger of Takarékbank Plc. into MKB Bank, the subscribed capital of MBH Bank as the acquiring company increased to HUF 322,529,625,000. The Bank's share capital consists entirely of Series „A” ordinary shares, each of which carries the same rights.

The 830,667 pieces of Series “A” ordinary shares with a nominal value of HUF 1,000 each newly issued within the framework of above merger have been originated by KELER, registered in the share register of the Bank and listed to the “Standard” category of BSE as of 1 August 2023. Since the holders of the new shares issued as a result of the merger were the shareholders of Takarékbank as the merging company, the shareholding and voting rights of Magyar Bankholding in MBH Bank decreased from 99.12% to 98.87% as a result of the merger and the shareholding and voting rights of the other shareholders of the Bank increased proportionately from 0.88% to 1.13%.

MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 31 December 2023:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Magyar Bankholding Ltd.	318 883 966	318 883 966 000	98.87%
Free float	3 645 659	3 645 659 000	1.13%
Total	**322 529 625**	**322 529 625 000**	**100%**

Separate Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

As a result of the transformation of Magyar Bankholding, which took effect on 30 November 2024, MBH Bank had the following shareholder structure on 1 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Corvinus BHG Zrt.	91 131 330	91 131 330 000	28.26%
Zenith Asset Management Zrt.	83 189 017	83 189 017 000	25.79%
CEE Horizon Capital Zrt.	38 110 645	38 110 645 000	11.82%
CEE Paramount Equity Zrt.	34 503 690	34 503 690 000	10.70%
Hungary Apex Investments Zrt.	20 030 762	20 030 762 000	6.21%
Pinnacle Asset Group Zrt.	20 030 761	20 030 761 000	6.21%
Total owners induvidually above 5%	***286 996 205***	***286 996 205 000***	***88.98%***
Other domestic companies*	31 887 761	31 887 761 000	9.89%
Free float before the transformation	3 645 659	3 645 659 000	1.13%
Total free float after trasformation	***35 533 420***	***35 533 420 000***	***11.02%***
Total	**322 529 625**	**322 529 625 000**	**100%****

** Total new legal successor companies with less than 5% ownership share each after the Transformation*
*** Rounded value with an accuracy of 0.01%*

With its decision H-EN-I-524/2024, issued on 28 November 2024, Magyar Nemzeti Bank authorised the Company to repurchase, on an individual and consolidated basis, common equity tier 1 capital instruments (treasury shares) with an aggregate nominal value of HUF 22,577,074,000. In accordance with the legislation, the total amount specified in the authorisation is immediately deducted from the own funds. On 11 December 2024, MBH Bank purchased a total of 22,577,074 Series A ordinary own shares issued with a nominal value of HUF 1,000 each, in OTC transactions. As a result of the transactions, the number of treasury shares held by the Company changed to 22,580,867 shares, and the ratio of treasury shares held by the Company changed from 0% to 7%.

As a result of the above treasury share purchase transaction, MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 31 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)	Voting rights (%)
Zenith Asset Management Zrt.	80 123 046	80 123 046 000	24.84%	26.71%
Corvinus BHG Zrt.	64 524 163	64 524 163 000	20.01%	21.51%
CEE Horizon Capital Zrt.	36 706 059	36 706 059 000	11.38%	12.24%
CEE Paramount Equity Zrt.	34 503 690	34 503 690 000	10.70%	11.50%
Traeasury share	22 580 867	22 580 867 000	7.00%	0.00%
Hungary Apex Investments Zrt.	20 030 762	20 030 762 000	6.21%	6.68%
Pinnacle Asset Group Zrt.	20 030 761	20 030 761 000	6.21%	6.68%
*Free float**	*44 030 277*	*44 030 277 000*	*13.65%*	*14.68%*
Total	**322 529 625**	**322 529 625 000**	**100.00%**	**100.00%**

**including successor companies with less than 5%*

The Bank has no ultimate controlling party.

Management Bodies and Committees of MBH Bank and their main responsibilities

Chairman of the Board of Directors:

- Dr. Zsolt Barna

Chairman of the Supervisory Board:

- Dr. Andor Nagy (resigned as of 30.11.2024)
- Miklós Vaszily

Members of the Board of Directors:

- Levente László Szabó
- Marcell Tamás Takács
- István Sárváry
- Andrea Mager (resigned as of 30.11.2024)
- Dr. Balázs Vinnai
- Ádám Egerszegi

Members of the Supervisory Board:

- dr. Géza Láng (resigned as of 12.12.2024)
- Zsigmond Járai
- Rita Feodor
- Kitti Dobi
- dr. Ilona Török
- Balázs Bechtold (resigned as of 12.12.2024)
- dr. Árpád Kovács (resigned as of 30.11.2024)

1.2 Availability of separate financial statements and annual report

Separate financial statements do not include a separate business report but the Bank prepares one every year and provides access to it for those interested at its registered seat and its website.

Registered office: 38 Váci Street Budapest 1056
Website: www.mbhbank.hu

The Separate Financial Statements are available at:
https://www.mbhbank.hu/befektetoi/befektetoknek/mkb-bankrol/penzugyi-jelentesek

MBH Bank Nyrt. prepares its Consolidated Financial Statements under IFRS, that is published and available at:

https://www.mbhbank.hu/befektetoi/befektetoknek/mkb-bankrol/penzugyi-jelentesek

Auditing company:

PricewaterhouseCoopers Auditing Ltd.

Auditor personally responsible:

Árpád Balázs

Person responsible for managing and controlling the accounting services tasks:

Edit Júlia Tóth-Zsinka, Managing director
Ildikó Brigitta Tóthné Fodor, Head of accounting (registration number: 007048)

Separate Financial Statements as at 31 December 2024 Data in HUF million except stated otherwise

Fee of audit and other services provided by the auditor*:

	2024	2023
PwC Auditing Ltd.		
Annual fee of audit services	381 384 000	312 248 000
Other audit services provided by the auditor	233 771 050	259 199 539
Fee for other assurance services	171 194 000	68 000 000
Non audit services by firms in the auditor's network	14 132 800	1 800 000
Total fee of services provided by PwC Auditing Ltd.	**800 481 850**	**641 247 539**
PwC Network		
Non audit services by firms in the auditor's network	157 566 969	80 558 150
Total fee of services provided by the auditor	**958 048 819**	**721 805 689**

** The fees shown are in HUF and do not include VAT.*

Segment reporting

MBH Bank Plc. does not prepare a separate segment report, the consolidated financial statement contains segment information related to the group.

1.3 Changes in the legal and regulatory environment and its effect on the financial statements

During the year, the Bank's activities were affected by the following government regulations and other legal regulatory instruments and amendments:

- Government Decrees on the different application of the provisions of CCXXXVII of 2013 on Credit Institutions and Financial Enterprises and certain related legislative provisions;
- The amendment of Government Decree No. 197/2022 (4.VI.) on extraprofit taxes Decree No 183/2024 (8.VII.), which entered into force on 1 August 2024 and Decree 356/2024 (21.IX), which entered into force on 1 January 2025, changing the relevant regulation of the special tax for Credit Institutions and Financial Enterprises;
- Government Decree No. 130/2024 (20.VI.) amending Government Decree No. 782/2021 (24.XII.) on the different application of Act CLXII of 2009 on credit to consumers in emergency situations, extending the “interest rate cap” on retail mortgage loan contracts until 30 June 2025.
- Act CVIII of 2023 - on the rules of corporate social responsibility that promote sustainable financing and unified corporate responsibility, taking into account environmental, social, and societal aspects, and on the amendment of related laws (entered into force: 01.01.2024);
- 518/2023. (30. XI.) Government Decree - on CSOK Plus loan program supporting housing benefits for families (entry into force: 01.01.2024);
- 34/2024. (26. II.) Government Decree - on the different application of Act C of 2000 on Accounting during the state of emergency and on the repeal of government decree;
- Government Decree 86/2024. (17. IV.) - on the amendment of Government Decree 424/2022. (28. X.) concerning the declaration of a state of emergency and certain emergency regulations in

view of the armed conflict and humanitarian catastrophe in Ukraine and their implications for Hungary, as a result of which the application period of certain substantive legal provisions on delay interest was extended under Government Decree 454/2022. (9. XI.);

- Government Decree 187/2024. (8. VII.) - on certain consumer protection issues related to financial sector during the state of emergency;

Based on Act LXXXIV of 2023 the members of the Group are subjected to the global minimum tax, however, based on § 47 of this law, the members of the Group are temporarily exempted from tax payment.

For further information see the Credit risk section in Chapter 3 Risk management.

1.4 Sustainability activity (ESG)

The Group is required to report on Sustainability about the year of 2024 under the Corporate Sustainability Reporting Directive (CSRD) and the Hungarian Accounting Act. The Sustainability Report is presented in the business report as part of the annual report.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Accounting policies are the specific principles, bases, conventions, rules and practices adopted by the Bank in preparing and presenting the separate financial statements. Current note contains the main accounting policies and principles that can be interpreted at a general level, for more detailed accounting policies related to specific balance sheet and profit and loss items please see Note 4.

2.1 Basis of reporting

These separate financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter: "IFRS").

The functional currency of the members of the Bank is the Hungarian forint (HUF). In these financial statements, all figures are presented in millions of HUF, and any different amounts are indicated separately.

2.2 Foreign currencies

Items included in the financial statements of each of the Bank's entities are measured using the currency of the primary economic environment in which the entity operates („the functional currency").

Transactions in foreign currencies are translated to the respective functional currencies of Bank entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the official exchange rate of the NBH at that date.

The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

2.3 Presentation in the financial statements

The separate financial statements have been prepared based on going concern assumption. The management neither intends to liquidate the Bank nor to cease trading. The management is not aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the Bank’s ability to continue as a going concern. The Bank has a history of profitable operations and ready access to financial resources.

2.4 Use of estimates and judgements

The preparation of these separate statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense.
Management discusses the design, selection, disclosure and application of the critical accounting policies and estimates with the Bank’s Supervisory Board. These disclosures supplement the commentary on financial risk management (see Note 3).

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Allowances for credit losses

Credit risk is identified and measured in accordance with the Bank's impairment and provisioning policy, so in this context, when applying impairment models based on expected credit losses, the Bank considiers all reasonable supportable information available without undue cost effort. Forward-looking information, including other past and macroeconomic factors affecting the debtor and influencing the evolution of credit risk (for example, the probability of default (PD), the loss-to-default ratio (LGD), the exposure value, the historical and expected changes in the collateral) is taken into account in expected credit loss (hereinafter: ECL) models. In determining the recognition and reversal of ECL the Bank takes into account the parameters above and the expected return in accordance with the principles of IFRS. When determining the expected credit loss and the expected return, the probability and magnitude of the loss, as well as the probability and extent of the return, must be taken into account. More details can be found in Note 3.2.1.

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument (see Note 4.26).

Deferred tax on tax loss carried forward

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Judgement is required to determine the amount of deferred tax asset that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax planning strategies.
For further information about the deferred tax on tax loss carried forward, please refer to Note 4.8.

2.5 Adoptation of revised and new IFRS/IAS Standards

2.5.1 The effect of adopting new and revised International Financial Reporting Standards effective from 1 January 2024

The following amendments to the existing standards and new interpretation issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current reporting period:

- **Amendments to IFRS 16 „Leases”**: Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024).
- **Amendments to IAS 1 „Presentation of Financial Statements” -** Classification of Liabilities as Current or Non-Current (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024).
- **Amendments to IAS 7 „Statement of Cash Flows” and IFRS 7 „Financial Instruments: Disclosures”:** Supplier Finance Arrangements (issued on 25 May 2023 and effective for annual periods beginning on or after 1 January 2024).

The application of the above amendments to the existing standards has not led to any material changes in the Bank's financial statements.

2.5.2 New standards and amendments to the existing standards issued by IASB not yet effective and/or not yet adopted by the EU

- **Amendments to IAS 21 „Lack of Exchangeability”** (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).
- **Amendments to IFRS 9 and IFRS 7** (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026). Amendments to the Classification and Measurement of Financial Instruments.
- **Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7** (Issued on 18 December 2024 and effective from 1 January 2026).
- **IFRS 18 „Presentation and Disclosure in Financial Statements”** (issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1.
- **IFRS 19 „Subsidiaries without Public Accountability: Disclosures”** (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).

The Bank is currently assessing the impact of the amendments on its financial statements.

2.5.3 New standards and amendments to the existing standards issued by IASB but rejected or deffered by the EU

- **Amendments to IFRS 10 „Consolidated Financial Statements” and IAS 28 „Investments in Associates and Joint Ventures” -** Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB). The effective date is deferred indefinitely.

The above mentioned standards have no impact on the Bank.

2.5.4 Annual Improvements to IFRS (Issued in July 2024 and effective from 1 January 2026)

- IFRS 1 was clarified that a hedge should be discontinued upon transition to IFRS if it does not meet the ‘qualifying criteria’, rather than ‘conditions’ for hedge accounting, in order to resolve a potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9.
- IFRS 7 requires disclosures about a gain or loss on derecognition relating to financial assets in which the entity has a continuing involvement, including whether fair value measurements included ‘significant unobservable inputs’. This new phrase replaced reference to ‘significant inputs that were not based on observable market data’. The amendment makes the wording consistent with IFRS 13.
- IFRS 16 was amended to clarify that when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to apply IFRS 9 guidance to recognise any resulting gain or loss in profit or loss. This clarification applies to lease liabilities that are extinguished on or after the beginning of the annual reporting period in which the entity first applies that amendment.
- In order to resolve an inconsistency between IFRS 9 and IFRS 15, trade receivables are now required to be initially recognised at ‘the amount determined by applying IFRS 15’ instead of at ‘their transaction price (as defined in IFRS 15)’.
- IFRS 10 was amended to use less conclusive language when an entity is a ‘de-facto agent’ and to clarify that the relationship described in paragraph B74 of IFRS 10 is just one example of a circumstance in which judgement is required to determine whether a party is acting as a de-facto agent.
- IAS 7 was corrected to delete references to ‘cost method’ that was removed from IFRS in May 2008 when the IASB issued amendment ‘Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate’.

Unless otherwise described above, the new standards and interpretations are not expected to affect significantly the Bank’s consolidated financial statements.

3. RISK MANAGEMENT

3.1 Introduction and overview

The Bank activities involve a certain degree of risk assumption. The measurement, evaluation, acceptance and management of these risks are integral parts of the Bank's daily operative activity.

Risk management is an integral part of the Bank's operations and a crucial component of its business and overall financial performance. The Bank's risk management framework has been designed to support the continuous monitoring of the changes of the risk environment and is supported by the strong commitment to a prudent risk management culture both on the strategy and business line levels.

The main principles and priorities of the risk management function include the ultimate oversight by the Board of Directors (the approval of the Supervisory Board is also required for some specifically defined risk decisions), the importance of independent review of all risk-taking activities separately from business lines, and the proper evaluation, diversification, limitation, monitoring and reporting of all risks. Decisions in respect of major risk principles are approved at group level, and are implemented individually by the own decision-making boards of the Bank members.

The effective communication on risk and risk appetite, the on-going initiatives to better identify, measure, monitor and manage risks, the improvement of efficiency, user-friendliness and awareness of key risk processes and practices, and the employment of highly-skilled staff are the bases of running an effective risk management function in the Bank.

The risk self-assessment and the identification of material risks are prepared at least annually as part of the Internal Capital Adequacy Assessment Process (ICAAP) review process.

The most significant risks the Bank needs to deal with are the followings:

Credit risk

- ***Credit risk***

The risk of lending comprises the potential risk of the business partner failing to fulfill its payment obligations or failing to do so on time as well as the risk of the value of the receivable diminishing because the business partner's credit rating decreases. Risks originated from loans or other loan type commitments extended to associated enterprises are also included in the Bank's credit risk managing mechanism.

- ***Counterparty risk***

Counterparty risk means potential losses from a counterparty's failure to perform its contractual obligation before the conclusion of the specific transaction (i.e. before the final settlement of cash flows). As a type of credit risk, this risk affects derivatives, repurchase agreements (hereinafter: „repo") and other securities financing transactions. Another characteristic feature of counterparty risks is their bilateral character; in other words, the respective positions can take on an opposing (market) risk profile from the perspective of the counterparties participating in the given transaction which, among other things, provides an opportunity for netting positions and settlements.

- ***Credit valuation adjustment risk (CVA)***

Credit valuation adjustment risk is defined as the adjustment of the counterparty's portfolio to the average market value.

- ***Concentration risk***

The concentration of risks means the risk exposure that is able to generate such losses that endangers the institution's business activities or causes significant changes in the risk profile of the institution. It is fundamentally originated from credit risk, but it causes effect with other risks in tight interaction.

- ***Foreign exchange (FX) lending risk***

FX lending risk is the potential threat of a loss from lending in a currency other than the legal currency of the country of the borrower's residence.

Liquidity risk

Liquidity is the institution's ability to finance the growth of its assets and meet its maturing obligations without incurring significant and unexpected losses. Liquidity risk is embodied in long-term lending from short-term liabilities (maturity transformation carried out for the sake of profitability), mass disinvestment before maturity, the renewability of funds, changes in funding costs, environmental effects and the uncertainty of the behavior of other market participants.

Market risk

Market risk is the current or prospective risk of losses on balance sheet and off-balance sheet positions arising from changes in market prices (changes in bond prices, security or commodity prices, exchange rates or interest rates that impact the positions).

- ***Interest rate and exchange rate risk in the trading book***

Market risk is the present and/or future danger of losses arising from changes in market prices (changes in the exchange rate of bonds, securities, commodities, currencies or interest rate affecting the position) on off-balance and on-balance sheet position.

- ***Interest rate risk in the banking book***

Interest rate risk in the banking book is the possibility that income and/or institution's economic value of equity originating from banking book positions changes adversely as a result of changes in market interest rates.

- ***Credit spread risk from non-trading book activities***

Risk driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump to-) default risk. Credit spread risk captures the risk of an instrument's changing spread while assuming the same level of creditworthiness, i.e. how the credit spread is moving within a certain rating/PD range.

Operational risks

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

- ***Legal and business risk***

Legal risk is the risk of losses due to the non-observance of the scope set by legal provisions and jurisdiction caused by ignorance, lack of diligence in applying law, a delay in reacting to changes in legal framework conditions, unexpected or ex post facto changes in legal framework respectively courts diverse legal judgements from the Bank's side. The legal risk includes conduct risk in the supply of financial services originated from an inadequate supply of services or deliberately exhibited impermissible conduct. This includes risks arising from fraud and unfair, unethical or aggressive trading practices harmful to consumers.

- ***Reputational risk***

Reputational risk is the current or prospective indirect risk to liquidity, earnings and capital arising from adverse perception of the image of the financial institution on the part of customers, counterparties, shareholders, investors or regulators. It is manifested in the fact that the external opinion on the institution is less favourable than desired.

- ***Model risk***

Model risk is the risk of loss resulting from decisions based on using insufficiently accurate models. Mistakes in models are not necessarily, or not primarily occur from negligence instead limitations of knowledge, not enough data, or changes that cannot be read from past data: simply the fact that the models are never perfect.

- ***Information and communication technology (ICT) risk***

ICT risk means the current or prospective risk of losses due to the inappropriateness or failure of the hardware and software of technical infrastructures, which can compromise the availability, integrity, accessibility and security of such infrastructures and of data. ICT risk also includes risks occurring from outsourcing of ICT relevant systems.

Other significant risks

- ***Strategic and business risk***

Strategic risk is defined as the negative impact on capital and income of business policy decisions, deficient or unsatisfactory implementation of decisions, or slow adjustment to changes in the economic environment. Business risk is defined as unexpected changes in the economic environment that cause negative changes in business volume or margins and are not attributable to other types of risk. It quantifies the difference between planned and actual costs and income.

Risk management governance

The Bank's Risk Strategy was set up in accordance with the Business Strategy and the regulations of the NBH. The tasks incorporated in the Risk Strategy aiming to ensure a balanced risk / return relationship, development of a disciplined and constructive control environment, defining the Bank's risk assumption willingness, risk appetite and the on-going ability of the Bank to manage its risks and the maintenance of its funds to cover risk exposures in long-term. This will also ensure the capital preservation and guarantee the solvency of the Bank at any time.

Committees	Main responsibilities
Supervisory Board	The Supervisory Board controls the management of the Company in order to protect the interests of the Company; It controls the harmonized and prudent operation of the Company and the credit institutions, financial enterprises and investment companies under its controlling influence; The Supervisory Board steers the company's internal audit organization; Its task is to analyse regular and ad-hoc reports prepared by the Board of Directors; It decides on matters conferred to its competence by the Civil Code, Credit Instituions Act or the Articles of Association.
Audit Committee	The Audit Committee assists the Supervisory Board in the audit of the financial reporting system and in the selection of the auditor and in cooperation with the auditor.
Risk Assumption, Risk Management Committee	As part of its ongoing monitoring of the Bank's risk-taking strategy and risk appetite, the Committee reviews the risk strategy, remuneration policy and quarterly risk report in advance. The Committee supports the Board of Directors in supervising the implementation of the risk strategy.
Remuneration Committee	The Remuneration Committee is responsible for the preparation of decisions regarding remuneration, taking into account the long-term interests of shareholders, investors and other stakeholders in the company. Within such competence the Remuneration Committee prepares the performance evaluation and ex-post risk assessment of the Chairman and CEO, Deputy CEOs and other board members, it evaluates the achievement of performance goals. The committee ensures the implementation of the remuneration policy. The Remuneration Committee furthermore oversees the remuneration of the senior officers in the risk management and compliance functions, including the employees carrying out internal control functions.
Nomination Committee	The Nomination Committee is responsible for nominating and recommending nominees to the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory Board representing the employees. It is furthermore responsible for determining the skills and tasks required for membership of the management bodies, evaluating the composition and performance of the management bodies and its members. Determining the gender ratio within the management body and developing the strategy necessary to achieve this. It regularly reviews the Company's policy on the selection and appointment of managing directors.
Board of Directors	As the company's operative managing body the Board of Directors carries out management-related tasks and ensures the keeping of the company's business books in compliance with the regulations; It pursues tasks related to the shares and dividend, tasks related to the company's organization and scope of activities, tasks related to strategic planning (preparation of the business policy and financial plan, and approval of the risk strategy), it approves the policies related to risk assumptions, it evaluates regular and ad-hoc reports.
Managing Committee (MC)	The MC is the operative decision-making and decision-preparation body covering the entire operation of MBH. The MC decides on general and strategic issues submitted to it, on business-related matters concerning the operation of the Entire MBH Group, the organization of the company, the management and development of human resources, as well as business related matters. The MC regularly reviews and discusses current issues affecting the operation of the Entire MBH Group and prescribes measures if necessary.
Credit and Debt Management Committee	According to the relevant regulations, it makes decisions related to credit and partner risk assumptions referred to its competence, and discusses in advance proposals related to credit and partner risk assumption within the competence of the Board of Directors. The committee also functions as debt management committee, its task is to supervise and manage the sale of receivables and its process, the practical implementation of the NPL strategy, taking the necessary measures, supervising the management of non-performing exposures, furthermore its task is to make risk assumption decisions, which fall within its decision-making authority based on the provisions of the risk decision competence rules.
Asset and Liability Committee (ALCO)	The ALCO has primary responsibility for asset and liability management, and exercises competencies in liquidity and market risk management, capital management. Develops and approves the appropriate balance sheet risk guidelines for the management of risks arising from asset-liability management and monitors their compliance, determines the necessary measures. It sets the pricing framework for the business segments and products and the internal settlement prices and risk price levels within its pricing powers. It approves securities issuance programs and individual issuances.It approves securities issuance programs and individual issuances.
Group Banking Operations Committee (GBOC)	GBOC is responsible for the group and individual company level banking operations, with a focus on profitability, cost, investment and resource management. It monitors and controls the bank group expenses and capital expenditure. It decides on the use of budgets, capital expenditure and commitments within defined limits, monitors operational efficiency and formulates measures to improve operational efficiency.
Internal Defence Lines Committee	The Internal Defence Lines Committee is primarily a consultative forum between internal defence lines. It is responsible for the integration of communication among the various defence lines and making it regular and systemic and for the improvement and establishment of communication channels where appropriate. With its preventive, proactive activities, it identifies and effectively manages, or orders the management of, in a timely and effective manner, the risks affecting the MBH Group that may lead to non-compliance with laws, external regulatory investigations or adverse decisions by the authorities supervising banking operations, and ensures that any necessary corrective actions are taken promptly.
Methodology Committee	It controls the implementation of the group-wide risk strategy and risk strategy limit system. It approves all methodological, modelling, limit setting and monitoring, supervisory, regulatory and reporting proposals related to credit risk, concentration risk and country risk, counterparty risk, operational risk under Pillar 1, risks under Pillar 2, and the ICAAP-SREP methodology and the exercise of supervision/control, the Recovery Plan and the resolution framework. Its responsibilities include the discussion of the NPL strategy, related methodological, modelling, internal portfolio setting and monitoring, supervisory, regulatory and reporting proposals, including individual and portfolio-level decisions on impairment and provisioning.
Quarterly Business Review Committee (QBR)	Defines, monitors and, if necessary, modifies the development at the level of the banking group in line with the implementation of the banking strategy, It sets portfolio priorities in line with the strategic goals and the current business plan It makes proposals for launching new projects, monitors the progress of the portfolio and reports regularly to the Management Committee.

3.2 Risk factors

3.2.1 Credit risk

Credit risk is the risk of financial loss if a customer or a counterparty fails to meet an obligation under a contract. It arises principally from the Bank's lending, trade finance and leasing business, but also from certain off-balance products such as guarantees, and from assets held in the form of debt securities.

For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

Credit risk management

The Bank has standards, policies and procedures dedicated to the effective monitoring and managing risk from lending (including debt securities) activities. The risk management of the Bank controls and manages credit risks at high standards, in a centralised manner. Its responsibilities include:

- Formulating the Bank's credit policy in consultation with business units by establishing credit approval policies, standards, limits and guidelines that define, quantify, and monitor credit risk.
- Establishing the authorisation structure for the approval and renewal of credit facilities. In order to establish an adequate credit decision-making system in which decisions are made on time, the limit amounts are established differently according to the customer segment, the customer quality and the business line, for the delegated credit decision authorities and the boards and individual decision-makers of the Business and Risk Units.
- Monitoring the performance and management of retail and wholesale portfolios across the Bank.
- Supervising the management of exposures to debt securities by establishing controls in respect of securities held for trading purposes.
- Establishing and maintaining the Bank's concentration risk management policies ensuring that the concentration of exposure does not exceed the limits stated in the internal and regulatory limit systems and concentration risks are effectively managed without any need for additional capital requirements if possible.
- Developing and maintaining the Bank's risk assessment systems in order to categorise the exposures according to the degree of the risk of financial loss faced and to manage the existing risks adequately. The purpose of the credit (deal) classification system is to define when impairment may be required against specific credit exposures. The risk categorisation system consists of several grades which reflect sufficiently the varying degrees of risk of default and the availability of collateral or other credit risk mitigation options with regard to a specific exposure.
- Providing position statements, guidance and professional support to the business units of the Bank members in credit risk management.

In order to comply with the prudential requirements, the Bank developed and operates its borrower group forming concept. As part of that, the borrower group-level monitoring concept is to be highlighted. According to the processes, the complete risk assumption process must be executed at the level of borrower groups: in the case of the individual groups the limit proposal and monitoring process for each individual group members takes place at the same time based on the collective analysis and consideration of risks.

With regards to the management of concentration risks, the Bank implemented the global concept of concentration risk limits. As part of the concept, the Bank set up bank and sector level KPI's (key performance indicator) set and product limits, in order to restrain the assumption of further risks arising from the characteristics / risks rooted in different sectors and the assumption of risks of products representing high or special risk. Aiming to avoid high risk concentration within the portfolio, the concentration risk limit value has been established for the total bank portfolio, with the stipulation that the limits of the individual customers / customer groups may exceed this target value only in extraordinary and justified cases, based exclusively on the strategic guidelines approved by the relevant Committee.

As of the reporting date, environmental, social and governance (ESG) aspects have not been considered in the models used for the Bank’s risk management. The method of collecting and storing ESG relevant information has been already developed to ensure the subsequent analysis and usability in usual business procedures. ESG data taxonomy has been set up. In longer terms by analysing the composition of the ESG index and the gradual implementation of ESG customer-level data, from 1st July 2025 in accordance with the Recommendation No 9/2024 (IX.24.) of NBH, information can be utilised during stress test modelling as well as the estimation of life-time PD and LGD parameters.

In addition, MBH Bank's risk parameters were updated based on the latest macro forecasts, in accordance with the expectations of the NBH. Macro scenarios used were provided by MBH Bank's Research Center, thus ensuring that the macro forecasts used in impairment calculation and the macro parameters used in financial planning are even more closely consistent. Based on the forecasts the Bank will use the current marcoeconomic PD forecast models to calculate the new parameters required for macroeconomic adjustments (Macro overlay factor – MOF) on a segment level. Using these new parameters the IFRS PD (without macro correction) values will be adjusted to reflect the expectations of the macroeconomic scenarios. The weighting of the macroeconomic scenarios is calculated in accordance with the recommendations of the (internal use only) management letter from NBH which is also in line with the weighting recommended by the Research Center. At reporting date, the weights used are the following: 30% - stress scenario (2023: 30%), 65% - base scenario (2023: 65%), 5% - optimistic scenario (2023: 5%). The resulting IFRS PD values adjusted to the new macroeconomic environment and expectations are implemented after the approval of the Methodology Committee. The Bank’s macroeconomic models will be validated with every update both with statistical methods and business side validation - thus ensuring the applicability of the model.

MBH Bank conducted a sensitivity analysis on collectively assessed expected credit loss (ECL) at the reporting date of 2024 by changing the weighting of macro scenarios and an absolute percentage change in LGD among risk parameters. It was calculated that if 100% of the optimistic, baseline or stress scenario were applied, what impact would be on ECL on collectively assessed loans. On this basis, if only the optimistic scenario was applied, ECL would decrease by 9.0%, whereas if only the pessimistic scenario was applied, ECL would increase by 10% for MBH Bank’s collectively assessed loans. In addition to +/- 5% change in the LGD parameters applied at the reporting date (examined by segment, stage level), calculations were made to determine how much the collectively assessed provision amount would change. A -5% decrease in LGD would decrease by 9.4%, while a negative recovery expectation would increase the provision amount by 9.5%.

Quarterly reports on the development of impairment and provisioning for credit risks are presented to the Methodology Committee, and quarterly reports on the development and utilisation of sectoral and transaction type limits are also presented. In exceptional economic situations (e.g. Pandemic situation and subsequent events), the Bank has the possibility to adjust the models based on experts judgements. The portfolio level management adjustment calculated in this context is a lump sum expected loss value that the Bank's models are not able to capture or not fully capture, but the level of risk is assumed to be significant (e.g. credit loss increases due to default events after the end of the moratorium).

The Bank has taken the following aspects into account when determining management overlays:

- in case of clients who enter an agricultural moratorium, the models do not contain data relating to the agricultural moratorium, so the willingness and ability to pay may contain a hidden high probability of default. In order to compensate for the risk, in the case of deals classified in Stage 2, the Bank increased the missing coverage for the Stage 3 coverage level on an expert basis.

- in the construction industry, production volume decreased significantly in 2024 due to decreasing order numbers and postponed investments, which is not yet reflected in the risk classifications based on the financial reports of year 2023. For this reason, the Bank, in order to ensure to cover increased credit risks and default probabilities, implemented a construction sector overlay for the exposures classified in Stage 2. Sectors affected by the overlay are highlighted in Note 3.3.

As at 31 December 2024 the Bank applied the following overlays:
- agricultural moratorium overlay amounted to HUF 6.9 billion (HUF 6.8 billion as at 31 December 2023)
- construction sector overlay introduced from the end of 2024 amounted to HUF 9.8 billion

Determination and recognition of expected credit loss (ECL)

When classifying the Bank's exposures, the customer's / partner's ability to pay is taken into account as the primary cover for the exposure. Except for those transactions that are covered by collateral which is independent of the financial and legal situation of the customer / partner and the recovery of the loan is fully guaranteed.

The Bank assigns exposures at each reporting period – in this case monthly – during which the exposures are allocated to the segments and to the so-called 'Stages' (Stage 1, Stage 2, Stage 3 and / or POCI) in accordance with the principles of IFRS 9.

The Bank assesses at each reporting date whether the credit risk of the financial asset has increased significantly since the initial recognition.

The Bank determines the significant increase in credit risk based on the examination of the following conditions:
- deterioration of client treatment;
- change in the master scale PD compared to the initial value;
- changes in life-time PD exceed the absolute threshold of 500 bps;
- relative changes in life-time PD exceed the thresholds established for rating categories;
- performing forborne exposures under probation period;
- delay in payment (more than 30 days past due);
- for wholesale customers if the customer rating is between 19 and 21 (high-risk grade) and client is under intensive or problematic treatment;
- the amount of the client's exposure classified as Stage 2 exceeds a certain proportion of its gross exposure;
- in the case of consumer mortgage loans affected by the temporary cap on floating interest rates, the Group examines the monthly instalment increases calculated without the cap on the interest rate and applies at least Stage 2 classification when the change determined significant

The existence of any of these conditions is assessed by the Bank as a significant increase in the credit risk. There is no evidence of significant increase of credit risk the financial instrument has to be transferred from Stage 2 to Stage 1.

Financial assets whose default risk has increased to such an extent after initial recognition that there is objective evidence of impairment have to be assigned to Stage 3 and loss allowance has to be recognised by calculating the lifetime expected credit loss (ECL). Bank defines materiality threshold, exposure that is below that threshold should be considered as a small amount (below the limit). The ECL of those assets which are above the threshold should be estimated individually.

In order to determine the impairment and allowance for classes of clients, the ECL should be calculated according to the relevant principles of IFRS 9 for classes of clients calculated on monthly basis, automatically.

Factors taken into account when determining expected credit loss:
- remaining lifetime,
- exposure at default (EAD),
- loss given default (LGD),
- probability of default (PD),
- credit conversion-factor (CCF),
- effective interest rate (EIR)

In Stage 1 the expected credit loss is equal to 12-monthECL.In Stage 2 and Stage 3 the expected credit loss is equal to the lifetime ECL.

The applied risk parameters are determined on the basis of statistical models for homogeneous Group. The models are validated at least once a year, and if necessary, they will be revised.

The Bank calculates lifetime ECL, except for the following financial instruments for which the loss is calculated for 12 months:
- financial instruments except for trade receivables, which credit risk do not significantly increased compared to initial recognition.

The Bank does not use the low credit risk exemption.

For trade receivables the Bank always calculates lifetime expected credit loss.

Expected credit losses are probability-weighted estimates of credit losses during the life expectancy of a financial asset. These are assessed by the Bank as follows:
- financial assets not impaired at the reporting date: discounted loss on cash flow (difference between the contractual cash flows and the expected cash flows),
- financial assets impaired at the reporting date: difference between the gross carrying amount and the estimated present value of the expected outstanding amount,
- undrawn loan commitments: present value of the difference between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down the loan and the cash flows that the entity expects to receive if the loan is drawn down,
- financial guarantee contracts: expected payments to the holder, reduced by the amounts that are expected to be recovered.

The Bank recognises gain or loss for the expected credit loss on the following financial instruments not measured at fair value through profit or loss:
- debt instruments,
- accounts receivables,
- financial guarantees, and
- loan commitments.

The expected credit loss should be recognised by the Bank as the following:
- deducted amount from the gross carrying value (impairment) – in case of financial assets measured at amortised cost,
- provision – in case of financial guarantees and loan commitments, if the financial instrument includes both a loan and an undrawn components and the Bank is unable to distinguish the expected credit loss calculated for the loan and for the undrawn components, the Bank will therefore determine the impairment loss on the two components together. To the extent that the combined expected credit losses exceed the gross carrying amount of the financial asset, the expected credit losses should be recognised as a provision,
- in case of financial assets measured at fair value through other comprehensive income (FVTOCI), the impairment loss is not recognised in the carrying value of the financial instruments as part of

the assets' fair value. The recognised impairment modifies the cumulative other comprehensive income and the statement of profit or loss.

For purchased or originated credit-impaired financial assets at the reporting date the Bank recognises the accumulated changes in the lifetime expected credit loss since the initial recognition.

The Bank assesses provision for contingent liabilities (i.e. contracted but undrawn loan commitments, issued financial guarantees, letter of credits) as follows:

- in the case of clients / debtors subject to individual valuation, the Bank determines the amount of provision individually,
- in the case of clients / debtors subject to collective valuation, the Bank determines the EAD (corrected by CCF factor) and the amount of provision by the probability of default of the guarantor.

For transactions accounted as commitments showing loss on the reporting date, the calculated provision is based on the negative difference between the expected drawn amount and the gross carrying amount.

Impairment and provision are based on the amount of expected loss calculated as above.

3.2.1.1 Individually and collectively assessed exposures

Expected credit loss accounted for loans to be assessed individually and collectively

On the balance sheet date, and during the monthly monitoring, an assessment is made for the relevant financial instruments to determine the expected credit loss and the amount of the loss allowance for impairment. Individual calculation approach is applied in case of individually significant exposures to defaulted wholesale customers in Stage 3. The customer is individually significant if the total on- and off-balance exposure or the customer group exposure exceeds the predefined materiality limit. Workout experts calculate the loss allowances by discounting the expected recoveries from cash flows with the effective interest rate of transactions and deducted it from the gross exposures. The experts provide estimates in more probability-weighted scenarios on transaction basis.
Credit loss allowance of loans to be assessed collectively is determined in accordance with the provisions of IFRS 9. Allowance of loans to be assessed collectively is calculated on a monthly basis and the risk parameters used are determined on the basis of statistical models developed for homogeneous groups or groups of transactions. The models are validated at least once a year and revised if necessary. For Stage 1 loans, the expected credit loss is determined on the basis of the 12-month expected credit loss. For Stage 2 and Stage 3 loans, the expected lending loss is determined with the lifetime expected credit loss.
The aim of the IFRS 9 credit risk scoring system is to assign a PiT (point-in-time) PD to each relevant customer. The IRB rating system for Pillar II. capital requirement calculation was modified according to IFRS 9 requirements. Both of rating systems use the same default definition and model structure, including the quantitative and qualitative sub-models and the explicative variables. The calibration processes are different. In the case of IFRS 9 it depends on the stage of a given customer. In Stage 1, the time horizon is one year, in Stage 2 the lifetime PiT PD's are estimated. Stage 3 contains the defaulted customers, where the PD equals to 1.
In Stage 2, the one-year PD is transformed to the lifetime PD, based on the Markov chain estimation of transition probabilities and taken into account the macroeconomic forecast, especially the year-on-year GDP forecasts, in the first three years of the estimation horizon. From the fourth year, the TTC (through-the-cycle) PD has been used. The Bank classified its retail portfolio in homogenous credit risk clusters, and allocates PD, LGD and CCF parameters.
The internal rating-based models calculate the risk parameters which determine the level of impairment.

In case of individually not significant wholesale customers the calculation of impairment and provision is based on internal rating based method. The required provisioning rates are calculated based on the credit conversion factor (CCF), the statistical analysis of default (PD) and the loss given default (LGD).

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Individually and collectively assessed exposures of the Bank are the followings:

31.12.2024	Cash and cash-equivalents	Loans and advances to banks	Loans and advances to customers	Securities	Repurchase agreements and other financial receivables	Off-balance exposures
Individually assessed items						
Performing	-	-	-	-	-	-
Default	-	-	37 753	1 322	-	3 251
Total individually assessed gross amount	**-**	**-**	**37 753**	**1 322**	**-**	**3 251**
ECL on individually assessed items	-	-	(23 146)	(1 322)		(813)
Total individually assessed carrying amount	**-**	**-**	**14 607**	**-**	**-**	**2 438**
Collectively assessed						
Performing	1 024 739	420 643	4 757 529	3 094 906	157 038	2 127 586
Default	-	-	110 348	-	-	3 688
Total collectively assessed gross amount	**1 024 739**	**420 643**	**4 867 877**	**3 094 906**	**157 038**	**2 131 275**
ECL on collectively assessed items	(354)	(983)	(259 968)	(8 292)	(3 187)	(25 555)
Total collectively assessed carrying amount	**1 024 385**	**419 660**	**4 607 909**	**3 086 614**	**153 851**	**2 105 720**
Total gross amount	**1 024 739**	**420 643**	**4 905 630**	**3 096 228**	**157 038**	**2 134 526**
Total ECL	**(354)**	**(983)**	**(283 114)**	**(9 614)**	**(3 187)**	**(26 368)**
Total carrying amount	**1 024 385**	**419 660**	**4 622 516**	**3 086 614**	**153 851**	**2 108 158**

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31.12.2023	Cash and cash-equivalents	Loans and advances to banks	Loans and advances to customers	Securities	Repurchase agreements and other financial receivables	Off-balance exposures
Individually assessed items						
Performing	-	-	-	-	-	-
Default	-	-	35 071	438	-	6 145
Total individually assessed gross amount	**-**	**-**	**35 071**	**438**	**-**	**6 145**
ECL on individually assessed items	-	-	(18 074)	(345)	-	(824)
Total individually assessed carrying amount	**-**	**-**	**16 997**	**93**	**-**	**5 321**
Collectively assessed						
Performing	1 305 608	458 864	4 373 226	2 661 529	200 185	1 524 302
Default	-	-	116 382	-	-	15 713
Total collectively assessed gross amount	**1 305 608**	**458 864**	**4 489 608**	**2 661 529**	**200 185**	**1 540 015**
ECL on collectively assessed items	(199)	(1 978)	(234 282)	(5 779)	(6 776)	(21 859)
Total collectively assessed carrying amount	**1 305 409**	**456 886**	**4 255 326**	**2 655 750**	**193 409**	**1 518 156**
Total gross amount	**1 305 608**	**458 864**	**4 524 679**	**2 661 967**	**200 185**	**1 546 160**
Total ECL	**(199)**	**(1 978)**	**(252 356)**	**(6 124)**	**(6 776)**	**(22 683)**
Total carrying amount	**1 305 409**	**456 886**	**4 272 323**	**2 655 843**	**193 409**	**1 523 477**

3.2.1.2 Credit risk classification

Definition of non-performing (default)

In the context of internal credit risk management objectives, the Bank considers the following to be events of default, the occurrence of which, based on past experience, would be likely to result in the non-recovery of the financial asset:

- breach of financial covenants by the debtor;
- based on information from an internal or external source, the debtor is likely to default on its debt service (e.g. the debtor is more than 90 days in arrears);
- loans restructured with a loss of more than 1% of the NPV.

The Bank, in accordance with the provisions of its risk management policy, continuously monitors the changes in the quality of its credit portfolio. The business fields and the management are informed on a weekly basis on past due receivables and the registered risk-mitigating assets underlying these receivables. The risk classification of loans is carried out by the Bank quarterly, in the framework of risk monitoring. Decisions related to individual impairment losses of exposures are made during the monitoring.

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Tables below show the breakdown of gross value and expected loss of loans and advances to customers and banks measured at amortised cost, by credit quality and stages:

31.12.2024	Gross amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	450 755	-	-	-	**450 755**
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	**450 755**	**-**	**-**	**-**	**450 755**
Retail loans					
Low risk	180 444	-	-	-	**180 444**
Medium risk	897 370	-	-	-	**897 370**
High risk	31 555	251 752	-	2 394	**285 701**
Default	-	-	53 859	1 249	**55 108**
Total Retail loans	***1 109 369***	***251 752***	***53 859***	***3 643***	***1 418 623***
Wholesale loans					
Low risk	748 208	-	-	-	**748 208**
Medium risk	1 800 950	-	-	-	**1 800 950**
High risk	72 179	783 555	-	255	**855 989**
Default	-	-	86 391	238	**86 629**
Total Wholesale loans	***2 621 337***	***783 555***	***86 391***	***493***	***3 491 776***
Total	**4 181 461**	**1 035 307**	**140 250**	**4 136**	**5 361 154**

31.12.2024	Expected credit loss				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	(1 118)	-	-	-	**(1 118)**
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	**(1 118)**	**-**	**-**	**-**	**(1 118)**
Retail loans					
Low risk	(494)	-	-	-	**(494)**
Medium risk	(10 283)	-	-	-	**(10 283)**
High risk	(5 440)	(20 511)	-	(142)	**(26 093)**
Default	-	-	(40 163)	(450)	**(40 613)**
Total Retail loans	***(16 217)***	***(20 511)***	***(40 163)***	***(592)***	***(77 483)***
Wholesale loans					
Low risk	(2 010)	-	-	-	**(2 010)**
Medium risk	(23 999)	-	-	-	**(23 999)**
High risk	(8 465)	(120 833)	-	(10)	**(129 308)**
Default	-	-	(50 232)	(85)	**(50 317)**
Total Wholesale loans	***(34 474)***	***(120 833)***	***(50 232)***	***(95)***	***(205 634)***
Total	**(51 809)**	**(141 344)**	**(90 395)**	**(687)**	**(284 235)**

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31.12.2023	Gross amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	487 256	-	-	-	**487 256**
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	**487 256**	-	-	-	**487 256**
Retail loans					
Low risk	180 997	-	-	11	181 008
Medium risk	802 603	50 056	-	2 605	855 264
High risk	24 893	162 094	-	1 411	188 398
Default	-	-	74 970	626	75 596
Total Retail loans	***1 008 493***	***212 150***	***74 970***	***4 653***	***1 300 266***
Wholesale loans					
Low risk	801 244	-	-	-	801 244
Medium risk	1 768 679	19 607		462	1 788 748
High risk	46 046	514 832	-	130	561 008
Default	-	-	78 961	593	79 554
Total Wholesale loans	***2 615 969***	***534 439***	***78 961***	***1 185***	***3 230 554***
Total	**4 111 718**	**746 589**	**153 931**	**5 838**	**5 018 076**

31.12.2023	Expected credit loss				
	Stage 1	Stage 2	Stage 3	POCI	Total
Credit institutions					
Low risk	(1 978)	-	-	-	**(1 978)**
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	**(1 978)**	-	-	-	**(1 978)**
Retail loans					
Low risk	(646)	-	-	-	(646)
Medium risk	(12 018)	(2 056)		(174)	(14 248)
High risk	(2 612)	(17 310)	-	(478)	(20 400)
Default	-	-	(50 695)	(195)	(50 890)
Total Retail loans	***(15 276)***	***(19 366)***	***(50 695)***	***(847)***	***(86 184)***
Wholesale loans					
Low risk	(2 825)	-	-	-	(2 825)
Medium risk	(35 550)	(1 491)	-	(10)	(37 051)
High risk	(3 881)	(85 458)	-	(16)	(89 355)
Default	-	-	(36 738)	(203)	(36 941)
Total Wholesale loans	***(42 256)***	***(86 949)***	***(36 738)***	***(229)***	***(166 172)***
Total	**(59 510)**	**(106 315)**	**(87 433)**	**(1 076)**	**(254 334)**

3.2.1.3 Forborne assets

During the normal course of business, the Bank enters into forbearance measures to decrease the potential loan loss and maximize collection opportunities for the borrowers who have problems with their payment ability but not with their willingness and capacity to pay.

Restructured exposures are renegotiated, rescheduled (prolonged) or otherwise revised loans, receivables and credits (including also purchased ones) originated in the framework of an amendment or termination of a previously concluded contract, initiated either by the borrower or the Bank, where

- the contract is amended in order to avoid default because the borrower is unable to fulfil its payment obligations in compliance with the conditions of the original contract due to significant deterioration in its financial position or payment ability, and
- the amendments significantly change the original terms and conditions of the outstanding contract largely in favour of the borrower, as compared to the market terms and conditions generally applicable to contracts of the same type and concluded under the same conditions, or
- a supplementary agreement or a new contract is concluded between the borrower and the Bank that relates to a new loan provided for the repayment of the outstanding debts (principal and / or interest) arising from the original contract that is not terminated, or to any further commitment assumed to avoid any increase in the credit risks and to mitigate the possible loss.

Under its forbearance policies, the Bank grants loan forbearance on a selective basis where the borrower is in default on its debt, or there is a high risk of future default, and there is evidence that the borrower made all reasonable efforts to pay under the original contractual terms, and it is expected that the borrower will be able to meet the revised terms. Both corporate and retail loans are subject to forbearance policies.

The Bank generally applies the following types of forbearance measures:
- extension of the tenor / final maturity of the loan,
- renegotiation of original repayment schedule, reschedule instalments,
- agreement on instalment payment,
- reduction of the collateral coverage parallel reducing exposure,
- refinancing of the loan,
- interest rate cut, or lower conditions,
- interest capitalization.

Such exposures and associated credit risks are managed, monitored and reported distinctly by specific restructuring and debt management units of the Bank on the basis of guidelines and procedure rules set by internal regulations incorporating also both legal and supervisory requirements and recommendations. When the conditions of forbearance cease to exist and the following cure period expires, respective assets are returned to normal / business treatments both from business and risk management perspectives.

Based on qualitative and quantitative information the Bank terminate the forborne status of non-performing loans. After 1 year the fulfilment of non-default requirements, and after a further 2 years the fulfilment of monitoring period requirements, the forborne status of non-performing loans are reverting to normal treatment.

To revert to normal treatment regarding corporate customers, additional criteria is that the customer performs its amended contractual obligations duly through a specified period (90 days or 365 days) and its risk position shows significant improvement. The amended terms and conditions of the contract are indicated in the records.

Recognition, derecognition and subsequent valuation of these assets are carried out according to the general rules of accounting as specified by the relevant IFRS.

The detailed requirements of risk classification and impairment valuation of forborne exposures are included in the accounting policies, and other internal regulations on the valuation of assets and liabilities, as well as in impairment and provisioning policies.

Based on these internal guidelines, forbearance measures are regarded as impairment triggers and, as a consequence, impairment assessment should be performed for such exposures where the general methodologies and principles of assessment are to be applied. On the results of such risk assessments, impairment losses and the reversals of previously charged impairments are accounted for according to the common rules defined by IFRS 9.

Compared to the previous financial year, there were no changes in forbearance policies and in practices applied by the Bank. It is obligatory to examine and define the effect of proposed construction (modification of the contracts), forborne contract on the NPV in all the cases of clients to forborne, treated by Business Units. If the change of NPV would be higher than 1%, thus the treatment should be transferred to the Restructuring and Debt Management Unit.

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The following tables show the gross and net book value of the Bank's forborne exposures:

Gross book value of forborne assets	Performing	Non-performing	Total
31.12.2024			
General governments	-	4	4
Other financial corporations		278	278
Non-financial corporations	14 135	21 665	35 800
Households	75 543	12 643	88 186
Total	***89 678***	***34 590***	***124 268***
31.12.2023			
General governments	1	5	6
Other financial corporations	-	310	310
Non-financial corporations	24 744	26 218	50 962
Households	99 636	32 200	131 836
Total	***124 381***	***58 733***	***183 114***

Book value of forborne assets	Gross amount	ECL	Total
31.12.2024			
General governments	4	(3)	1
Other financial corporations	278	(20)	258
Non-financial corporations	35 800	(16 339)	19 461
Households	88 186	(13 424)	74 762
Total	***124 268***	***(29 786)***	***94 482***
31.12.2023			
General governments	6	(3)	3
Other financial corporations	310	(18)	292
Non-financial corporations	50 962	(16 251)	34 711
Households	131 836	(25 285)	106 551
Total	***183 114***	***(41 557)***	***141 557***

Restructured exposures decreased significantly in 2024. Due to the recovery of previously moratorium-related transactions, it is improvement substantially mainly in Households, where sole proprietors and primary producers are also classified.

3.2.1.4 Portfolio affected by interest rate cap

On 24 December 2021, the Hungarian Government introduced a temporary cap on floating interest rates applicable to consumer mortgage loans - between 1 January 2022 and 30 June 2022, floating interest rates applicable to consumer mortgage loans cannot be set higher than the actual floating interest rate which was applicable in the context of the respective mortgage loan on 27 October 2021. In addition, lenders are not entitled to increase principal and interest amounts payable under consumer mortgage loans with any interest amounts which become due and are not paid during the above temporary period.

According to Decree 49/2022 (II. 18.) issued by the Hungarian Government on 18 February 2022, between 1 January 2022 and 30 June 2022 in the case of financial lease contracts on housing purpose with a reference interest rate, the reference interest rate shall be set so that it cannot be higher than the reference interest rate specified in the contract on 27 October 2021.

According to Decree 415/2022 (X. 26.) issued by the Hungarian Government on 26 October 2022, the temporary cap on floating interest rates was extended to HUF denominated, non-state subsidised credit- loan- and financial lease agreements of small and medium-sized enterprises (hereinafter: SMEs). Following 15 November 2022, interest rates were frozen retroactively at their level on 28 June 2022. Similarly to consumer mortgage loans and financial lease contracts on housing purpose the cap was effective until 30 June 2023. This Decree entered into force on 27 October 2022. The interest rate cap was extended since then each time for a 6 month period, most recently by decree 374/2024 until 30 June 2025.

The interest rate cap was abolished in the case of loans disbursed to SMEs on 1 April 2024.

The modification loss due to the program was calculated in each period based on the expected cash flows, which ones are estimated under these legislations and was reversed. Credit risk monitoring is a key element in the methodology for measuring the significant increase in credit risk since its initial publication.

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The exposure of the Bank's customers affected by the cap of floating interest rate was the following:

Exposures affected by 374/2024. (XII.2.) Gov. Decree - impact of extension at 31.12.2024	
Gross carrying amount before modification	200 431
Loss allowance before modification	(9 976)
Net amortised cost before modification	***190 455***
Net modification gain/(loss)	4 048
Loss allowance modification	(194)
Net amortised cost after modification	**194 309**

Exposures affected by 130/2024. (VI.20.) Gov. Decree - impact of extension at 30.06.2024	
Gross carrying amount before modification	213 425
Loss allowance before modification	(14 402)
Net amortised cost before modification	***199 023***
Net modification gain/(loss)	3 992
Loss allowance modification	(259)
Net amortised cost after modification	**202 756**

The calculated modification loss - relating to both extensions as explained above - in connection with modified contractual cash-flows was HUF 8,040 million (2023: HUF 21,964 million) in 2024. For Stage 2, Stage 3 loans HUF 5,423 million (2023: HUF 13,919 million) has recognised in "(Loss) / gain on modifitacion of financial instruments that did not lead to derecognition" and for Stage 1 loans HUF 2,617 million (2023: HUF 8,045 million) in "Interest income calculated using effective interest rate method" in the separated statement of profit or loss.

In addition in the line of "Interest income calculated using effective interest rate method" in the separated statement of profit or loss HUF 10,885 million (2023: HUF 12,043 million) is recognised in connection with the modified cash-flows of financial instruments of the previous years.

3.2.1.5 Collateral

To ensure prudent operation, the Bank decides on the necessary rate of risk mitigation and the tools applied for credit risk mitigation by taking into consideration the transaction and the rating of the client. In the meantime, and prior to each risk-related decision, the Bank ensures that the necessary securities and collateral exist and verifies their real value and enforceability.

The Bank specifies in a separate policy the collateral it finds acceptable, the classification thereof, the acceptance criteria of the collateral, it lays down the rules for evaluating the collateral and for determining the acceptable loan-to-value figure, and for the monitoring of the collateral.

Prior credit risk protection accepted by the Bank includes assets that are liquid and value-preserving.

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Therefore, accepted financial collateral are especially:

- cash or deposit placed with the Bank as collateral or deposit
- debt securities issued by central governments, central banks
- property

When accepting mortgage collateral, the Bank engages third party experts to determine market value. The Bank, as credit risk collateral not provided in advance, recognises a credit risk measurement process whose provider is reliable and in the case of which the agreement on the credit risk collateral is valid and enforceable before a competent authority, and which fulfils the conditions stipulated in Hungarian legislation and in the internal policies of the Bank.

Therefore, the Bank predominantly accepts guarantees and on-demand credit default guarantees for credit risk collateral not provided in advance which are provided by:

- central governments or central banks;
- public sector institutions;
- credit institutions or investment firms.

In performing its activities, the Bank engages the services of Rural Credit Guarantee Foundation, the Start-Garancia Zrt. and Garantiqa Hitelgarancia Zrt. providing on-demand credit default guarantees in addition to the state-backed counter guarantee. The Bank entered into a cooperation agreement with the three organizations.
These collaterals are integral part to the respective loans.

The table below contains the nominal value of collateral received during the bank's lending activities:

Face value of collateral received	Loan commitments received	Financial guarantees received
31.12.2024		
Central Bank	112	-
Central government	-	782 681
Banks	64 604	218 900
Other financial companies	-	73 739
Non financial companies	-	96 880
Households	-	944
Total	***64 716***	***1 173 144***
31.12.2023		
Central Bank	54 891	-
Central government	-	499 017
Banks	79 098	191 855
Other financial companies	-	44 401
Non financial companies	-	214 958
Households	-	89 004
Total	***133 989***	***1 039 235***

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The Bank received the following assets by taking possession of the collateral provided to it as security or by exercising other credit quality improvement possibilities:

Total assets acquired in exhange for loans	31.12.2024	31.12.2023
Residential property	81	81
Commercial property	138	138
Other	52	40
Total	**271**	**259**

3.2.2 Liquidity risk

Liquidity risk is the risk that the Bank's cash flows may not be adequate to fund operations and meet commitments on a timely and cost-effective basis. This risk arises from mismatches in the timing of cash flows.

Liquidity risks can fundamentally be divided into two categories, and their subcategories:

- funding liquidity risk, including:
  - maturity (maturity mismatch) liquidity risk arising from the fact that the cash flows of assets and liabilities are not properly matched and maturing liabilities in certain periods exceed the amount of receivables due. The nearer the period of the mismatch, the more significant the risk.
  - withdrawal (massive withdrawal of funds before maturity) liquidity risk - funds are withdrawn prior to the contractual expiry.
  - structural liquidity risk - the risk of funds being renewed with difficulty and only at higher cost;
- market liquidity risk - the risk that a market position cannot be closed at the market price in the short term, only at a less favorable price, therefore the position will need to be maintained so that the proper market price can be realized, and this may require committing/using liquid assets.

Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Bank's reputation.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to approval by the Board of Directors following the prior review and approval by the Asset-Liability Committee (hereinafter: ALCO)

Liquidity risk means the Bank does not possess the necessary amount of cash and cash-equivalents to pay due and legitimate obligations.

Liquidity risks are curtailed by the following Bank-level limits:

- Liquidity coverage ratio (LCR)
- Net stable funding ratio (NSFR)
- Mortgage funding adequacy ratio (MFAR)
- Foreign Exchange Funding Adequacy Ratio (FFAR)
- Foreign exchange balance indicator (FEBI)
- Interbank Funding Ratio (IFR)
- Liquidity stress test
- Central bank eligible, unencumbered securities
- Liquidity position
- Limits specified in the early warning system

Liquidity risks are curtailed by the following MBH Bank limits:

- Liquidity coverage ratio (LCR)
- Net stable funding ratio (NSFR)
- Liquidity stress test

The decisions by the management of the Bank are, however, also based on the liquidity gap between contractual inward and outward flows (net position), and therefore both financial assets and financial liabilities are rated in liquidity categories.

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The following table shows the distribution of financial assets according to contractual maturity:

31.12.2024	Book value	Total principal and interest	up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Cash and cash-equivalents	**1 024 385**	**1 024 385**	**1 024 385**	**-**	**-**	**-**	**-**
Financial assets measured at FVTPL	**773 315**	**2 647 309**	**1 060 782**	**478 169**	**277 760**	**243 036**	**587 562**
Loans and advances	546 469	623 883	2 518	5 249	24 700	147 208	444 208
Securities	63 619	70 973	6	195	2 291	16 286	52 195
Derivative financial assets	163 227	1 952 453	1 058 258	472 725	250 769	79 542	91 159
Hedging derivative assets	**81 073**	**81 073**	**40**	**60**	**619**	**39 426**	**40 928**
Financial assets measured at FVOCI	**1 222 521**	**1 546 535**	**3 820**	**25 988**	**188 460**	**682 776**	**645 491**
Securities	1 222 521	1 546 535	3 820	25 988	188 460	682 776	645 491
Financial asset valued at AC	**8 282 641**	**10 326 433**	**267 163**	**639 785**	**1 601 960**	**4 547 586**	**3 269 939**
Loans, advances and reverse sale and repurchase agreements	5 076 919	6 365 954	236 286	620 225	1 106 213	2 605 970	1 797 260
Securities	3 086 614	3 841 371	7 395	19 560	432 531	1 909 206	1 472 679
Other financial assets	119 108	119 108	23 482	-	63 216	32 410	-
Total financial assets	**11 383 935**	**15 625 735**	**2 356 190**	**1 144 002**	**2 068 799**	**5 512 824**	**4 543 920**

31 .12.2023	Book value	Total principal and interest	up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Cash and cash-equivalents	**1 305 409**	**1 305 409**	**1 305 409**	**-**	**-**	**-**	**-**
Financial assets measured at FVTPL	**720 727**	**1 713 791**	**617 574**	**206 016**	**115 136**	**232 534**	**542 531**
Loans and advances	490 802	563 038	2 194	4 415	21 422	131 070	403 937
Securities	38 753	39 967	15	3	48	388	39 512
Derivative financial assets	191 172	1 110 786	615 364	201 598	93 666	101 075	99 083
Hedging derivative assets	**73 012**	**73 012**	**634**	**315**	**2 912**	**14 205**	**54 946**
Financial assets measured at FVOCI	**906 612**	**1 061 106**	**16 226**	**8 800**	**72 235**	**566 434**	**397 410**
Securities	906 612	1 061 106	16 226	8 800	72 235	566 434	397 410
Financial asset valued at AC	**7 578 461**	**10 517 421**	**1 392 880**	**685 628**	**1 390 752**	**3 978 632**	**3 069 530**
Loans, advances and reverse sale and repurchase agreements	4 763 742	7 149 720	1 268 015	658 725	1 111 314	2 395 197	1 716 469
Securities	2 655 843	3 208 825	12 686	26 902	278 121	1 538 056	1 353 060
Other financial assets	158 876	158 876	112 179	-	1 317	45 380	-
Total financial assets	**10 584 221**	**14 670 739**	**3 332 723**	**900 759**	**1 581 035**	**4 791 805**	**4 064 417**

Data in HUF million unless stated otherwise

The below table shows the undiscounted contractual cash flows of the Bank's financial liabilities and loan commitments based on their earliest possible date of maturity. The disclosure for derivatives shows the gross inflow and outflow amount of derivatives (for example: forward exchange contracts and currency swaps).

31.12.2024	Book value	Total principal and interest	up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**115 314**	**1 953 014**	**1 080 683**	**469 763**	**247 587**	**67 589**	**87 392**
Derivative financial liabilities	86 128	1 923 828	1 051 497	469 763	247 587	67 589	87 392
Short positions	29 186	29 186	29 186	-	-	-	-
Hedging derivative liabilities	**17 280**	**17 280**	**19**	**412**	**578**	**8 578**	**7 693**
Financial liabilities measured at AC	**10 689 071**	**10 975 459**	**7 418 856**	**646 522**	**1 597 919**	**666 559**	**645 603**
Term deposits	3 085 493	3 171 922	2 310 388	555 276	290 589	8 649	7 020
Current deposits	4 329 301	4 329 301	4 329 301	-	-	-	-
Loans and reverse sale and repurchase agreements	2 734 195	2 854 223	710 303	49 925	1 228 644	299 834	565 517
Issued debt securities	304 643	382 704	-	38 386	65 133	252 872	26 313
Subordinated debts	100 835	102 705	2 731	-	3 961	54 178	41 835
Lease liabilities	30 866	35 767	-	2 935	7 925	19 989	4 918
Other financial liabilities	103 738	98 837	66 133	-	1 667	31 037	-
Total financial liabilities	**10 821 665**	**12 945 753**	**8 499 558**	**1 116 697**	**1 846 084**	**742 726**	**740 688**
Credit limits	21 166	1 666 628	1 666 628	-	-	-	-
Guarantees	2 857	190 212	190 212	-	-	-	-
Other commitments	2 345	277 685	277 685	-	-	-	-
Off balance sheet items	**26 368**	**2 134 525**	**2 134 525**	**-**	**-**	**-**	**-**

31.12.2023	Book value	Total principal and interest	up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**141 377**	**1 146 662**	**652 649**	**200 364**	**104 986**	**92 153**	**96 510**
Derivative financial liabilities	119 620	1 124 905	630 892	200 364	104 986	92 153	96 510
Short positions	21 757	21 757	21 757	-	-	-	-
Hedging derivative liabilities	**17 018**	**17 018**	**-**	**-**	**-**	**10 622**	**6 396**
Financial liabilities measured at AC	**9 763 018**	**10 409 928**	**6 558 471**	**470 571**	**733 688**	**1 551 400**	**1 095 798**
Term deposits	2 709 149	2 709 148	1 947 573	459 084	268 512	23 890	10 089
Current deposits	4 141 625	4 141 625	4 141 625	-	-	-	-
Loans and reverse sale and repurchase agreements	2 393 020	3 006 504	383 029	11 408	407 081	1 193 649	1 011 337
Issued debt securities	254 068	278 942	234	52	39 504	237 147	2 005
Subordinated debts	113 679	122 232	5 198	-	16 180	36 104	64 750
Lease liabilities	24 495	24 495	-	27	1 006	15 845	7 617
Other financial liabilities	126 982	126 982	80 812	-	1 405	44 765	-
Total financial liabilities	**9 921 413**	**11 573 608**	**7 211 120**	**670 935**	**838 674**	**1 654 175**	**1 198 704**
Credit limits	20 418	1 077 343	1 077 343	-	-	-	-
Guarantees	2 141	683 687	683 687	-	-	-	-
Other commitments	124	5 211	5 211	-	-	-	-
Off balance sheet items	**22 683**	**1 766 241**	**1 766 241**	**-**	**-**	**-**	**-**

Data in HUF million unless stated otherwise

During the contractual maturity gap analysis - to adequately determine liquidity risk - the fundamental aspect that needs to be considered is that the overwhelming portion of liabilities need to be regarded as continually renewing liabilities.
The following table shows the breakdown of financial liabilities by expected maturity:

31.12.2024	Book value	Total principal and interest	up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**115 314**	**1 953 014**	**1 080 683**	**469 763**	**247 587**	**67 589**	**87 392**
Derivative financial liabilities	86 128	1 923 828	1 051 497	469 763	247 587	67 589	87 392
Short positions	29 186	29 186	29 186	-	-	-	-
Hedging derivative liabilities	**17 280**	**17 280**	**19**	**412**	**578**	**8 578**	**7 693**
Financial liabilities measured at AC	**10 689 071**	**10 889 031**	**1 203 650**	**106 447**	**1 309 812**	**659 682**	**7 609 440**
Term deposits	3 085 493	3 171 923	178 066	18 129	9 098	412	2 966 218
Current deposits	4 329 301	4 242 872	241 514	-	-	-	4 001 358
Loans and reverse sale and repurchase agreements	2 734 195	2 854 223	710 303	49 925	1 228 644	299 834	565 517
Issued debt securities	304 643	382 704	-	38 386	65 133	252 872	26 313
Subordinated debts	100 835	102 705	2 731	-	3 961	54 178	41 835
Lease liabilities	30 866	30 866	2	7	1 309	21 349	8 199
Other financial liabilities	103 738	103 738	71 034	-	1 667	31 037	-
Total liabilities	**10 821 665**	**12 859 325**	**2 284 352**	**576 622**	**1 557 977**	**735 849**	**7 704 525**
Credit limits	21 166	1 666 628	114 812	218 513	149 997	799 982	383 324
Guarantees	2 857	190 212	13 103	24 939	17 119	91 302	43 749
Other commitments	2 345	277 685	19 128	36 408	24 992	133 289	63 868
Off balance sheet items	**26 368**	**2 134 525**	**147 043**	**279 860**	**192 108**	**1 024 573**	**490 941**

31.12.2023	Book value	Total principal and interest	up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Financial liabilities measured at FVTPL	**141 377**	**1 146 662**	**652 649**	**200 364**	**104 986**	**92 153**	**96 510**
Derivative financial liabilities	119 620	1 124 905	630 892	200 364	104 986	92 153	96 510
Short positions	21 757	21 757	21 757	-	-	-	-
Hedging derivative liabilities	**17 018**	**17 018**	**-**	**-**	**-**	**10 622**	**6 396**
Financial liabilities measured at AC	**9 763 018**	**10 413 255**	**1 109 642**	**43 667**	**490 840**	**1 527 724**	**7 241 382**
Term deposits	2 709 149	2 709 149	393 234	29 893	20 537	1 196	2 264 289
Current deposits	4 141 625	4 141 625	247 135	-	-	-	3 894 490
Loans and reverse sale and repurchase agreements	2 393 020	3 006 504	383 029	11 408	407 081	1 193 649	1 011 337
Issued debt securities	254 068	278 942	234	52	39 504	237 147	2 005
Subordinated debts	113 679	122 232	5 198	-	16 180	36 104	64 750
Lease liabilities	24 495	27 821	-	2 314	6 133	14 863	4 511
Other financial liabilities	126 982	126 982	80 812		1 405	44 765	-
Total liabilities	**9 921 413**	**11 576 935**	**1 762 291**	**244 031**	**595 826**	**1 630 499**	**7 344 288**
Credit limits	20 418	1 077 343	74 625	144 436	98 577	507 786	251 919
Guarantees	2 141	683 687	47 935	92 784	63 325	317 813	161 830
Other commitments	124	5 211	382	739	504	2 297	1 289
Off balance sheet items	**22 683**	**1 766 241**	**122 942**	**237 959**	**162 406**	**827 896**	**415 038**

The Bank is able to maintain its liquidity and fulfill its due payment obligations.

The expected outflow of customer deposits differs from contractual maturities because – based on historical data – the majority of depositors do not withdraw their deposit at maturity but roll it over or leave it on the account as sight deposit. The undrawn part of the deposit can thus be considered as stable stock, which is aggregated in the last time bucket.

The Bank analyses the consequences of any potential severe liquidity stress.

The following are viewed by the Bank as liquidity stress positions:

- sudden and large-scale withdrawal of clients' deposits, and this needs to be hedged by selling or borrowing against liquid assets.

Assumptions used in the liquidity stress test applied by the Bank:

- decrease of the market value of liquid assets;
- withdrawal of a certain part of the customer deposit portfolio;
- drawdown of undrawn credit facilities and guarantees;
- a certain roll-over of customer loans;
- partial repurchase of bonds issued.

A stress position may arise due to a fault attributable to the Bank (reputational risk) or due to a fault beyond its control (general market influence).

The Bank, in part, prepares for liquidity stress positions by:

- creating liquidity reserves;
- entering long-term cross-currency interest rates swaps (CCIRS) for currency refinancing.

The Bank has in place a contingency plan to manage any critical situations arising from liquidity disturbances/crises, which the affected business lines and functions comply with so that they can take prudent and optimal measures in due time under the given circumstances.

3.2.3 Market risk

Market risk is the risk that changes in market prices, such as interest rate (interest rate risk), equity prices (equity risk), and foreign exchange rates (foreign exchange risk) will affect the Bank's income or the value of its holdings of financial instruments.

Management of market risks

As part of the Risk strategy, the Board of Directors approves the maximum amount and scope of market risks incurable by the Bank, ensured by a comprehensive limit structure broken down by relevant portfolios. The main market risk limit is arising from the annual capital allocation process based on ICAAP requirements.

ALCO is responsible for developing and monitoring the Bank's market risk management policies. ALCO has the overall responsibility for establishing and managing market risk policies for the Bank, within the framework of internal policies, covering risk management, assessment of risk and related limits, competence and decision-making mechanism, and regulation for breaches of limits, approved by the Board of Directors. The members of the ALCO are senior executives who have principal decision-making responsibilities for businesses throughout the whole Bank.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

The Bank separates its exposure to market risk between trading and non-trading portfolios.

Trading portfolios include those positions arising from market-making, customer business driven proprietary position-taking and other marked-to-market positions as designated. According to the risk strategy of the Bank there is no own account activity (proprietary trading) with the purpose of short-term profit arising from market changes. Trading activities include transactions with debt and equity securities, foreign currencies, and derivative financial instruments.

Non-trading portfolios include positions that arise from the Bank's retail and commercial banking activity and the interest rate management of the Bank's retail and commercial banking assets and liabilities. The Bank's non-trading activities encompass all activities other than accounted for as trading transactions, including lending, accepting deposits, and issuing debt instruments.

3.2.3.1 Exposure to market risks – trading portfolios

The Bank manages exposure to market risk by establishing and monitoring various limits on trading activities. These limits include:

- Capital-limits define maximum aggregate amounts of trading products and contracts that the Bank may hold at any time.
- FX position limits restrict the long and short position for each currency and the total net amounts of FX positions that can be held in the trading and banking books.
- Sensitivity limits define the maximum interest rate exposure in the trading book.
- The Greek metrics (delta, gamma, vega, rho) define the maximum exposure stemming from option trading activity.
- Value at Risk (VaR) limits: The VaR limit of a trading portfolio is the estimated maximum loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). MBH Bank applies historical and parametric VaR method with 1-day holding period at 99% confidence level.

The VaR model used is based mainly on historical data. Taking account of market data from the previous one year (250 business days in case of historical VaR and and 100 business days in case of parametric VaR), and observed relationships between different markets and prices, the model calculates both diversified and undiversified total VaR, and VaR by risk factors such as interest rate, equity and currency VaR.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 1-day holding period assumes that it is possible to hedge or dispose of positions within that period. This considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 99% confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- VAR only covers "normal" market conditions.
- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The overall structure of VaR limits is subject to review and approval by ALCO. VaR limits are allocated to trading portfolios. VaR is measured on a daily basis. Daily reports of utilisation of VaR limits are prepared by the Bank's Risk Unit and regular summaries are submitted to ALCO.

Data in HUF million unless stated otherwise

The following table below shows the historical VaR position of the Bank's trading portfolio at 99% confidence level with a one-day holding period:

	Average	Maximum	Minimum	15% stress
31.12.2024				
Currency risk	39	308	6	380
Interest risk	93	415	49	-
Equity risk	3	4	1	-
Total	***135***	***727***	***56***	***380***
31.12.2023				
Currency risk	48	426	4	881
Interest risk	196	623	72	-
Equity risk	3	6	2	-
Total	***247***	***1 055***	***78***	***881***

Notes in connection with the table above:

- MBH applies historical and parametric VaR for general market risk:
  - Historical VaR: (1 day holding period; 99% confidence level, number of observation: 250 business days),
  - Parametric VaR: Risk metrics methodology (1 day holding period; 99% confidence level, 0.94 decay factor, number of observation: 100 business days).
- The Bank calculates VaR only on trading-book position.
- There is no commodity in the Bank's position.
- The Bank does not have a significant open position from options therefore there is no volatility VaR calculation.

3.2.3.2 Exposure to other market risks – currency risk

Currency risk means the risk of having the profit or the capital of the Bank decreasing or being totally lost due to changes in the levels and proportions of the currency exchanges. The Bank is exposed to currency risks because of collecting deposits denominated in different currencies, providing loans, the sale and purchase of securities and various derivative transactions. The Bank manages currency risks uniformly at the level of the member banks. The Bank curtails currency risks with limits and measures daily.

Currency risks are limited by the following limits for the banks belonging to the group:

- VaR limit;
- open position limit;

Data in HUF million unless stated otherwise

The financial position of the Bank in foreign exchange at the end of the reporting periods were the following:

Foreign currency positions	EUR	USD	CHF	Other currency	Total
31.12.2024					
Assets	1 742 831	242 046	7 380	38 744	2 031 001
Liabilities	(1 609 614)	(381 398)	(13 080)	(144 401)	(2 148 493)
Derivative and spot (short) / long position	(134 701)	139 215	5 660	105 657	115 831
Total	***(1 484)***	***(137)***	***(40)***	***-***	***(1 661)***
31.12.2023					
Assets	1 563 852	141 228	11 253	31 365	1 747 698
Liabilities	(1 793 980)	(295 569)	(20 101)	(104 381)	(2 214 031)
Derivative and spot (short) / long position	234 840	154 188	9 431	73 255	471 714
Total	***4 712***	***(153)***	***583***	***239***	***5 381***

Sensitivity test

An adverse change in exchange rates of 15% would result in a loss of HUF 380 million on the open foreign exchange position at the end of the period.

3.2.3.3 Exposure to market risk - Interest risk

Interest rate risk means the risk of having the profit or the capital of the Bank decreasing or being totally lost due to changes in the levels and proportions of the interest rates in the market. The Bank covers the arising interest rate risks using derivative financial instruments (for further information please see Note 4.12).

The following table presents the sensitivity of the net present value of the Bank's trading and banking book position in case of a parallel+ 200 bp movement in market conditions.

Book type	HUF	EUR	USD
31.12.2024			
Trading	(113)	(58)	-
Banking	(35 094)	(11 478)	(4 052)
31.12.2023			
Trading	(640)	(56)	(4)
Banking	(18 533)	(4 615)	(1 686)

Data in HUF million unless stated otherwise

Interest rate risk registered in the non-trading book

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows of financial instruments because of a change in market interest rates.

The management of interest rate risk is supplemented by monitoring the sensitivity of the financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 200 basis point parallel fall or rise in all yield curves worldwide.

At the end of the reporting period, the interest rate structure of interest-bearing financial instruments of the Bank was the following (HUF, EUR and USD):

Interest rate structure of financial instruments*	HUF	EUR	USD	Total
31.12.2024				
Fixed rate assets	5 734 219	877 619	164 319	6 776 157
Variable rate assets	3 157 340	945 984	71 867	4 175 191
Total assets	***8 891 559***	***1 823 603***	***236 186***	***10 951 348***
Fixed rate liabilities	(7 644 239)	(1 627 182)	(357 209)	(9 628 630)
Variable rate liabilities	(813 570)	(3 192)	(2)	(816 764)
Total liabilities	***(8 457 809)***	***(1 630 374)***	***(357 211)***	***(10 445 394)***
31.12.2023				
Fixed rate assets	5 436 980	787 891	122 954	6 347 825
Variable rate assets	2 973 941	781 286	2 274	3 757 501
Total assets	***8 410 921***	***1 569 177***	***125 228***	***10 105 326***
Fixed rate liabilities	(6 742 135)	(1 614 691)	(278 130)	(8 634 956)
Variable rate liabilities	(788 960)	(98 060)	(2)	(887 022)
Total liabilities	***(7 531 095)***	***(1 712 751)***	***(278 132)***	***(9 521 978)***

**Table of interest rate structure contains gross exposures and does not include derivative transactions.*

Sensitivity tests

Tha following table shows the sensitivity of the Bank to the increase or decrease of market interest rates per currency:

	31.12.2024		31.12.2023	
	Effect on equity	Effect on P/L*	Effect on equity	Effect on P/L*
HUF				
200 bp increase	(35 094)	(4 583)	14 053	761
200 bp decrease	39 730	(8 186)	(18 533)	(19 882)
EUR				
200 bp increase	(11 478)	(7 891)	(4 615)	345
200 bp decrease	12 165	5 433	4 808	(6 492)
USD				
200 bp increase	(4 052)	(1 192)	(1 686)	143
200 bp decrease	4 342	626	1 862	(916)

**The table shows the effect on net interest income of a 200 bp change in market interest rates.*

Data in HUF million unless stated otherwise

FCY	Yield curve stress +200 bp	Yield curve stress -200 bp	Adverse case
31.12.2024			
EUR	(11 478)	12 165	(11 478)
USD	(4 052)	4 342	(4 052)
Total	**(15 530)**	**16 507**	**(15 530)**
31.12.2023			
EUR	(4 615)	4 808	(4 615)
USD	(1 686)	1 862	(1 686)
Total	**(6 301)**	**6 670**	**(6 301)**

3.2.3.4 Exposure to market risk - Share price risk

Share price risk means the risk of having the profit or the capital of the Bank decreasing or being totally lost due to changes in the levels and proportions of the stock prices in the market.

The Bank distinguishes individual and general stock price risks.

- "*Individual risk*" arises when the value of a single share position or a complex position or a derivative transaction in the portfolio of the Bank decreases due to the risks associated with the special characteristics of an underlying share of a transaction compared to cost, which may generate a loss.

- "*General price risk*" arises when the value of a single share position or a complex position or a derivative transaction in the portfolio of the Bank decreases due to general market changes compared to cost, independently of the risks associated with the special characteristics of an underlying share of a transaction.

Stock risk registered in the trading book

Among the transactions involving share price risk, the Bank primarily deals with hedging transactions to realize interest rate margins to completely cover the risks that arise.
The Bank applies limits related to its share price risk in the trading book and measures it on a daily basis.

Applied limits in the trading book are the followings:
- VaR limit;
- quantitative limits;
- issuer's limit.

3.2.4 Operational risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk, conduct risk, reputational risk, modelling risk and information and communication technology (ICT) risk. Operational risk does not include business and strategic risks.

The principles, rules and procedures that serve to properly identify, manage and monitor operational risk are defined in the Risk Strategy and in the OpRisk Policy.
From 31 of December, 2023 the operational risk capital requirement of MBH Bank Plc. is calculated by using the Basic Indicator Approach (BIA) both at separate and group level. Under the Basic Indicator Approach, the own funds requirements for operational risk are equal to 15 % of the average over three years of the relevant indicator (gross income).

Risk management and monitoring

The system that serves to evaluate operational risk is fully integrated in the Bank's risk management process and in the work processes.

The centralised unit of the Bank's operational risk management is the OpRisk Management that is responsible for the establishment and maintenance of the internal regulation and organisation of operational risk management and for the establishment and coordination of the OpRisk management methods and tools. Besides, its task is to ensure proper loss data collection and in connection with the reporting obligations.

Besides the OpRisk Management, OpRisk Network (extended to the whole organisation) were established in order to identify, report and manage operational risks. The network's tasks and responsibilities are included in the OpRisk regulations. The OpRisk Management keeps independent control over the OpRisk Champions that are assigned in the various units and responsible for managing operational risk and reporting of loss events.

At group level the OpRisk Management of the Bank determines the operational risk regulations required from the subsidiaries, and also the framework for operational risk management at group level and in this respect supervises the subsidiaries as well. The centralised and decentralised operational risk management units have also been established in the subsidiaries that have loss data collection and reporting obligation towards the OpRisk Management.

The OpRisk Management prepares reports on the current status of the operational risk management of the Bank for the Board of Directors on a quarterly basis. The Bank has a half-yearly reporting obligation about operation risks in COREP (Common Reporting Framework) data delivery to NBH.

Business Continuity Planning

In order to undisturbedly maintain the Bank's operational processes it is necessary to evaluate the potential risks and the potential damages resulting from the fallout of the processes. This analysis and the procedures needed to maintain the functionality of the Bank's organisation is included in the Business Continuity Regulation and Plans (BCP). The BCP includes measures that must be taken when the processes that are critical regarding the Bank's operation and resources (eg. IT) that support these processes get damaged or become unmaintainable.

Membership of the Hungarian Interbank Operational Risk Database (HunOR)

The Bank is one of the foundation members of the Hungarian Interbank Operational Risk Database (HunOR) and reports their loss data towards regularly and anonymously.

3.3 Concentration of risk

The purpose of the Bank is to maintain a balanced portfolio composition and to keep the concentration risk within an acceptable limit. Managing the concentration risk is operated by unique and portfolio-based limits. Measurement of the portfolio based concentration risk is prepared by applying concentration figures in case of both the limits and the calculation of equity requirements. To cover non-planned losses derived from concentration risks the appropriate level of equity is required to ensure by the Bank. The Bank limits the geographical concentration with the concentration of portfolios by countries.

The risk strategy of the Bank involves the following limits determining the risk appetite:

- Proportion of the top 10 client portfolio in the corporate loan portfolio (%),
- Proportion of the corporate clients worse than internally determined level of rating,
- Sector limits (billion HUF),
- Sector concentration (%) – industry with the highest proportion
- Product limits (billion HUF),
- Country risk limits (billion HUF),
- Portfolio concentration denominated in corporate currency (%),
- Shadow-banking limits.

On Bank level regular report is prepared on the most important dimensions of the concentration risk for the relevant committees of the Bank management institution and for the Board of directors.

The following table shows the sectoral breakdown of loans and advances to banks, loans and advances to customers and reverse sale and repurchase agreements at amortised cost:

Data in HUF million unless stated otherwise

Sectoral breakdown of loans measured at amortised cost	31.12.2024		31.12.2023	
	Gross amount	Loss allowance	Gross amount	Loss allowance
Wholesale and retail trade*	443 271	(18 583)	429 187	(12 783)
Manufacturing*	533 875	(36 049)	451 510	(28 139)
Real estate activities	369 551	(47 380)	400 673	(52 727)
Construction*	198 272	(21 644)	180 173	(12 246)
Agriculture, forestry and fishing	164 056	(10 334)	154 497	(10 790)
Financial and insurance activities	83 511	(5 683)	156 496	(5 994)
Transport and storage	86 326	(2 354)	84 215	(2 671)
Other services	10 131	(629)	7 543	(726)
Professional, scientific and technical activities*	218 887	(9 936)	133 778	(9 126)
Electricity, gas, steam and air conditioning supply	140 608	(3 883)	126 564	(3 058)
Administrative and support service activities	25 017	(1 343)	29 079	(1 019)
Accommodation and food service activities	73 614	(4 190)	69 785	(4 954)
Information and communication	75 265	(1 724)	73 368	(1 570)
Human health services and social work activities	10 183	(311)	10 428	(254)
Mining and quarrying*	38 154	(868)	12 880	(47)
Arts, entertainment and recreation	10 576	(825)	10 645	(937)
Water supply	7 834	(418)	5 190	(250)
Education	2 508	(232)	2 339	(91)
Public administration and defence, compulsory social security	52	(29)	69	(8)
Non-financial corporations	***2 491 691***	***(166 415)***	***2 338 419***	***(147 390)***
General governments	229 587	(967)	228 923	(1 644)
Credit institutions	450 755	(1 118)	487 256	(1 978)
Households	1 418 623	(77 483)	1 263 293	(83 660)
Other financial corporations	728 093	(34 671)	664 811	(15 037)
Foreign non-financial corporations	42 405	(3 581)	35 374	(4 625)
Total	**5 361 154**	**(284 235)**	**5 018 076**	**(254 334)**

**Sectors affected by the construction owerlay mentioned in Note 3.2.1.*

3.4 Encumbered assets

According to implementation regulation (EU) 680/2014, the following encumbered assets existed at the end of the reporting period:

Encumbered assets	31.12.2024		31.12.2023	
	Book value	Fair value	Book value	Fair value
Loans on demand	463	463	77	77
Debt securities*	1 598 737	1 546 427	1 251 100	1 191 655
Loans and advances other than loans on demand	835 664	835 664	879 465	879 465
Total	**2 434 864**	**2 382 554**	**2 130 642**	**2 071 197**

* Amount of HUF 414.4 billion debt securities are pledges as collateral in reverse sale and repurchase agreements (2023: HUF 68.8 billion).

Data in HUF million unless stated otherwise

Assets, collateral received, and own debt securities issued	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance	Nominal value of collateral received or own debt securities issued non available for encumbrance
31.12.2024			
Loans on demand	-	11 046	-
Equity instruments	-	40 577	-
Debt securities	24 188	87 705	86 819
Loans and advances other than loans on demand	-	-	345 515
Other collateral received	550 404	6 107 661	2 947 270
Total	***574 592***	***6 246 989***	***3 379 604***
31.12.2023			
Loans on demand	-	14 444	
Equity instruments	-	85 073	
Debt securities	17 532	93 874	114 728
Loans and advances other than loans on demand	-	-	351 946
Other collateral received	536 605	5 713 130	2 654 734
Total	***554 137***	***5 906 521***	***3 121 408***

The main sources and types of encumbrance were arising from having corporate loans covered by NBH, secured refinancing, from collaterals of mortgage loans, money market deposits as well as collateralized derivative transactions and repo transactions. Encumbrance due to collateral requirement of used clearing systems and central counterparties was not significant. The Bank did not have covered bonds issued or securitization.

The most significant secured refinancing facilities were participating in the “Funding for Growth Scheme” refinancing loan program of the NBH. Most collateralized derivative transactions were concluded to hedge on balance sheet FX position and interest rate.

Data in HUF million unless stated otherwise

3.5 Capital management

NBH as the regulator sets and monitors capital requirements for the Bank. The calculations are Capital Requirements Regulation (CRR) (575/2013/EU regulation) compliant.

The following table shows the breakdown of the capital adequacy ratio of the Bank:

	31.12.2024	31.12.2023
Share capital	322 530	322 530
Outstanding share capital	***322 530***	***322 530***
Reserves	766 203	703 305
Deferred tax	(6 120)	(11 502)
Intangible assets	(53 782)	(47 173)
AVA - additional valuation adjustments	(2 199)	(1 859)
Regulatory adjustments to core Tier 1 capital	2 912	-
Repurchared own treasury	(55 440)	-
Tier 1: Net core capital	**974 104**	**965 301**
Subordinated debts	71 087	76 682
Tier 2: Supplementary capital	**71 087**	**76 682**
Regulatory capital	**1 045 191**	**1 041 983**
Risk-weighted assets (RWA)	3 594 950	3 192 587
Operational risk (OR)	1 155 577	1 013 549
Market risk positions (MR)	13 453	12 762
Total risk weighted assets	***4 763 980***	***4 218 898***
Capital adequacy ratio	**21.94%**	**24.70%**

As of 31 December 2024, as an actual figure of the Bank regulatory Tier 1 capital was HUF 974 billion based on CRR under Supervisory Regulation (2023: HUF 965 billion). Risk-weighted assets including operational and market risk increased from HUF 4,219 billion to HUF 4,764 billion. By application of capital management as a tool, the capital is a priority decision making factor; therefore, the Bank monitors the changes of the capital elements continuously.

As of 31 December 2024, as an actual figure of the MBH Bank regulatory capital was HUF 1,045 billion (2023: HUF 1,042 billion).
Current year's changes in regulatory capital are derived from the followings:

- the profit generated during the year increased the regulatory capital;
- the overall level of reserves (capital reserve, retained earnings, other reserves) increased;
- the value of accumulated other comprehensive income decreased;

- the amount of IFRS 9 capital allowance decreased;
- the amount of CET1 capital deductions increased, which was primarily caused by the increase of intangible assets stock;
- the purchase of own shares carried out in December 2024 decreased the regulatory capital;
- the amount of Tier2 capital decreased due to the increased amortization.

In 2024 and 2023, the Bank always complied with prudential regulations, no limits were breached.

Data in HUF million unless stated otherwise

4. DETAILS ON STATEMENTS OF PROFIT OR LOSS FINANCIAL POSITION ITEMS

4.1 Net interest income

Interest income and interest expense are recognised time-proportionately using the effective interest rate method. Interest income and interest expense include the amortisation of discount or premium on securities.

The carrying amount of the financial asset or financial liability is adjusted if the Bank revises its estimates of payments or receipts. The adjusted carrying amount is calculated based on the original effective interest rate and the change in carrying amount is recorded as interest income or expense. The Bank has recorded the modification loss of Stage 1 financial assets among the "Interest income".

The Bank applies the simplified approach for financial assets that have no payment schedule (e.g. revolving loans, overdraft, or credit cards), or the short-term financial assets (maximum 12 month maturity), if the effect is not material. According to the simplified approach no fee and commission items (received or paid) are taken into account when calculating the effective interest. These items are recognised as revenue or expense at arisen date.

Interest income	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest income from cash and cash equivalents	66 447	64 809
Interest income from deposits	3 407	8 912
Interest income from debt and equity securities measured at FVTOCI	65 813	77 293
Interest income from loans and advances measured at AC	379 379	420 347
Interest income from reverse sale and repurchase agreements at AC	1 546	2 070
Interest income from debt securities measured at AC	156 836	177 755
Interest income calculated using effective interest rate method	***673 428***	***751 186***
Interest income from loans and advances to customers mandatorily measured at FVTPL	32 584	22 008
Interest income from debt securities for trading	267	213
Interest income from derivative for trading	205 810	238 432
Interest income from hedging derivatives	72 985	89 185
Interest income from lease assets	2 843	7 060
Interest income from other assets and liabilities	193	135
Other income similar to interest	***314 682***	***357 033***
Total	**988 110**	**1 108 219**

During 2024 a total amount of HUF 13,485 million (2023: HUF 15,846 million) was recognised in interest income on impaired financial assets.

Data in HUF million unless stated otherwise

Interest expense	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Interest expense from loans and advances measured at AC	(82 670)	(92 900)
Interest expense from deposits measured at AC	(206 125)	(303 876)
Interest expense from sale and repurchase measured at AC	(18 783)	(27 636)
Interest expense from debt securities measured at AC	(23 608)	(7 885)
Interest expense from subordinated debts measured at AC	(7 571)	(8 999)
Interest expense from other financial liabilities measured at AC	-	-
Interest expense using effective interest rate method	***(338 757)***	***(441 296)***
Interest expense from derivatives for trading	(182 529)	(204 887)
Interest expense from hedging derivatives	(41 390)	(25 796)
Interest expense from other liabilities	(1 982)	(1 584)
Other expense similar to interest	***(225 901)***	***(232 267)***
Total	**(564 658)**	**(673 563)**
Net interest income	**423 452**	**434 656**

4.2 Net income from fees and commission

„Net income from fees and commissions" comprises commission and fee income and expense that are not part of the amortised cost of the financial instruments. The fee and commission that is part of the Effective Interest Rate (hereinafter: EIR) calculation are presented as interest income and expense. The Bank applies IFRS 15 for fee and commission incomes that are not part of the EIR calculation method based on IFRS 9.

Fee and commission income, that is not part of the EIR calculation is accounted for as follows:

- income earned on the execution of a significant act is recognised as revenue when the act is completed (for example: the arrangement for the acquisition of shares or other securities) and
- income earned from the provision of services is recognised as revenue as the services are provided (for example: asset management and service fees).

Data in HUF million unless stated otherwise

Fees and commissions income	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Fee and commission income from account management fee	25 976	16 459
Fee and commission income from payment services	76 999	64 963
Fee and commission income from credit service activity and financial guarantees give	11 848	5 991
Fee and commission income from credit and debit cards	32 852	28 071
Fee and commission income from agent fee	10 983	6 630
Fee and commission income from investment services	8 680	4 994
Fee and commission income from cash management	9 988	7 046
Other fee and commission income	2 202	2 038
Total	**179 528**	**136 192**
Fee and commissions expense		
Fee and commission expenses on account management fee	(114)	(189)
Fee and commission expenses on payment services	(4 662)	(949)
Fee and commission expense on credit service activity and financial guarantees receiv	(12 208)	(8 610)
Fee and commission expense on credit and debit cards	(14 695)	(12 838)
Fee and commission expense on agent fee	(5 150)	(3 611)
Fee and commission expense on Investment services	(1 773)	(895)
Fee and commission expense on cash management	(2 493)	(1 709)
Fee and commission expense on requested postal services	(3 164)	(1 775)
Other fee and commission expense	(2 192)	(1 623)
Total	**(46 451)**	**(32 199)**
Net fees and commissions income	**133 077**	**103 993**

The following fee and commission income is recorded in accordance with IFRS 15

Fee and commission income from account management fee and payment services

The Bank provides account management services to its retail and business clientele. The main types of services are opening an account, monitoring the balance, arranging transactions within and outside the bank based on a customer order/provision, arranging deposit transactions in relation to the account, cash flow, closing of accounts. Depending on the regularity of the service, their service fee and commission will be charged to customer accounts on a daily, monthly (or more regular basis) or on a case-by-case basis.

In the case of continuous services (for example: monthly fee for account management, monthly fee for SMS services), fee receipts are recorded monthly on the last day of the month. These fees are typically fixed fees.

In the case of transaction-based services (for example: remittance orders, direct debits, cash payments), transaction fees are settled at the same time as the transaction or by collecting monthly transaction fees. Fees are determined based on the amount of the transaction, in % or in combination with a fixed and % combination.

Fee and commission income from credit service activity and financial guarantees given

Non-interest charges related to credit transactions are regular monitoring fees, fees for validation, verification, review and administration fees, incurred on an adhoc basis. These fees are recorded when the service is incurred or, in the case of a continuous service, monthly, ex post.

Fee income from documentary operations can either be fixed or charged occasionally when the service is provided, for example fees charged for guarantees, sureties, for the issuance of letters of credit or collection.

Fee and commission from credit and debit cards

Credit card fees are typically fixed fees, which are usually related to events such as the maintenance (annual card fee), issuance, cancellation or replacement of credit cards. Credit card transactions are free of charge.

Fee and commission from agent fee

The Bank provides brokerage services to other banks, insurers, investment service providers, factoring companies. The fees for these services are usually charged monthly, depending on the volume and value of the customers' transactions.

Fee and commission from investment service

Fees related to investment services provided for customers, typically fee of maintaining, distributing and issuing security accounts and fee income related to other investment services which are recorded when the service is incurred, monthly.

Fee and commission income on customer cash service

The Bank provides cash services (cashier and ATM cash withdrawal/payment) to its customers, for which fees are charged.

The following main fee and commission expenses is accounted for in accordance with IFRS 15

Fee and commission expenses on account management fee and payment services

The fees paid for ancillary services related to account management services provided to customers are typically fees incurred in connection with the payment of account management fees (nostro) to other banks, the sending of statements, cash logistics, cash processing, postal cash transfers, postal payments, SMS service payments incurred in order to serve the account management of customers. They are usually monthly and regularly in line with continuous account management.

Fee and commission expense on credit cervice activity and financial guarantees received

Fees and commissions incurred in connection with the lending activity of the Bank to its clients, to other banks or refinancing institutions (one-off disbursement fees for refinancing loans, verification fees). They shall be accounted for on a regular basis and may be subject to variable remuneration depending on the refinancing facility or transactions but may also be fixed remuneration.

Fees paid to other entities in connection with customer loans are also incurred in casethey are not part of the effective interest calculation, for example: notary fees, valuation fees, national or other central database fees if they are passed on to the client. Fees are accounted for on a monthly basis in line with continuous services.

Fee and commission expense on credit and debit cards

The Bank incurs expenses related to credit card manufacturing and distribution, and also pays transaction fees. These fees can either be charged on a fixed monthly rate or depend on the volume of cards and the value of the card transactions. They are accounted for on a monthly basis

Data in HUF million unless stated otherwise

Fee and commission expense from agent fee

The Bank also sells its products through agents, so its payments for brokering are typically made on a monthly basis, depending on the volume sold. Typically used broker services include currency exchange agents.

Fee and commission expense from postal service

Fee and commission expense from postal service includes the statement of accounts, informal letters and advertising media that are sent to the customers.

Fee and commission expense from customer cash service

The fee payable by the Bank to other banks or the Central Bank for ensuring the required quantity of banknotes necessary for cash supply related to customer cash services (cashier and ATM withdrawals).

4.3 Result from remeasurement and derecognition of financial instruments

"Results from remeasurement and derecognition of financial instruments" comprises gains less losses related to trading and investment assets and liabilities, and includes all realised and unrealised fair value changes and foreign exchange differences.

Results from remeasurement and derecognition of financial instruments	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Gains/(losses) on derivative instruments	18 281	(96 147)
Gains/(losses) on securities held for trade	2 512	7 576
Changes in fair value of loans mandatorily measured at FVTPL	14 459	48 510
Changes in fair value of securities mandatorily measured at FVTPL	1 368	(1 915)
Result from remeasurement and derecognition of financial instruments measured at FVTPL	***36 620***	***(41 976)***
Gains/(losses) on debt securities measured at FVTOCI	12 098	2 349
Result from derecognition of debt securities measured at FVTOCI	***12 098***	***2 349***
Gains/(losses) on loans and advances measured at AC	2 755	(1 519)
Gains/(losses) on debt securities measured at AC*	(191)	(227)
Results from other financial assets measured at AC	(3)	(14)
Results from derecognition of loans and debt securities measured at AC	***2 561***	***(1 760)***
Results from micro hedge	3 987	(59 273)
Results from macro hedge	(8 474)	54 837
Results from hedge accounting	***(4 487)***	***(4 436)***
Foreign exchange gains less losses	***(7 495)***	***40 813***
Total	**39 297**	**(5 010)**

**Sales before maturity were made in accordance with IFRS 9 requirements.*

Data in HUF million unless stated otherwise

4.4 Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets

Expected credit loss and provisions	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Loans and advances to banks and customers	(27 983)	(47 862)
Provisions for commitments and guarantees	(3 274)	(7 421)
Investments in securities	(3 869)	696
ECL on financial assets, financial guarantees and loan commitments	***(35 126)***	***(54 587)***
Provision for litigation	191	(368)
Provision for restructuring	2 011	110
Provision for staff costs	-	411
Other provisions	1 347	(1 275)
Provisions for litigation, restructuring and similar charges	**3 549**	**(1 122)**
(Loss) / gain on modification of financial instruments that did not lead to derecognition	**(5 423)**	**(13 919)**
(Impairment) / reversal on associates and other investments	**392**	**(1 716)**
(Impairment) / reversal of impairment on other financial and non-financial assets	**1 590**	**(98)**
Total	**(35 018)**	**(71 442)**

4.5 Dividend income

Dividends earned on trading equity instruments are disclosed separately among the dividend income when received. Interest payable on financial liabilities acquired for trading purposes is reported as other interest expenses. Dividend income is recognised when the right to receive income is established. Usually this is the ex-dividend date for equity securities.

Dividend income	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Dividend income on investments in subsidiaries and associates	13 077	5 079
Dividend income on financial assets held for tradeing	13	1 007
Total	**13 090**	**6 086**

In the financial year 2024, the Bank received dividend mostly from MBH Befektetési Alapkezelő Zrt. and Budapest Lízing Zrt.

Data in HUF million unless stated otherwise

4.6 Administrative and other operating expenses

Administrative and other operating expenses	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Wages and salaries	(101 952)	(88 026)
Other employee benefits	(7 414)	(6 509)
Severance pay	(597)	(3 980)
Compulsory social security obligations	(15 478)	(13 377)
General and administrative expenses	(2 018)	(2 460)
Property costs	(12 496)	(9 870)
Repair and maintenance of movable assets	(2 481)	(1 625)
Legal and advisory services	(17 045)	(16 676)
IT costs	(38 282)	(28 155)
Marketing and public relations	(16 229)	(12 791)
Communication and data processing	(2 992)	(1 964)
Postal fee	(3 789)	(2 480)
Insurance fees	(622)	(403)
Membership fees	(8 173)	(9 203)
Other services used	(5 444)	(8 881)
Bank tax	(14 831)	(5 693)
Extra profit tax	(13 311)	(27 402)
Financial transaction tax	(75 016)	(52 164)
Non deductible VAT	(14 120)	(13 037)
Other tax-related costs	(236)	(245)
Other fees and charges paid	(1 291)	(830)
Administrative costs	***(353 817)***	***(305 771)***
Depreciation	***(31 008)***	***(25 777)***
Total operating expenses	**(384 825)**	**(331 548)**

In 2024, the Bank's average statistical employee number was 7,909 (2023: 7,210).

Short-term employee benefits

Short-term employee benefits, such as wages, salaries and social security contributions, paid annual leave and paid sick leave are settled in the period in which the employees render the related service. Under the Bank's policy, the employer must grant employees their paid leave in the period the leave is earned, except for the paid leave emerges during maternity leave. Deferment of the expected cost of leave appears in operating expenses.

Long-term employee benefits

The Bank has a defined jubilee benefit plan for all employees of the Bank. The employees receive jubilee benefit only if they remain with the entity for a specified period and benefits are determined by the length of their service. The authority for jubilee benefit, its condition and the benefit are regulated in the Bank's policy. In the normal course of business, the Bank pays fixed contributions into the Hungarian State and private pension funds on its employees, which is recognised in social security contribu-tions and which cannot be considered as employee benefit plan. The Bank itself does not offer a pension scheme or post-retirement benefit plan, and consequently has no legal or contractual obligation to make further contributions.

Termination benefits

The Bank recognises termination benefits as a liability and an expense when it has a demonstrable obligation to terminate the employment of an employee or a group of employees before the normal retirement date or to offer termination benefits as an incentive to encourage employees to voluntarily leave the Bank. In case of redundancy, obligation can be recognised when the employee's contract of employment is terminated.

Bank tax, extra profit tax

Hungarian credit institutions are obliged to pay bank tax. The base of the banking tax is the adjusted balance sheet total according to Hungarian Accounting Standards at the actual calendar year minus two years.
The bank tax is presented in the line "Administrative and other operating expenses" it does not meet the definition of income tax according to IFRS.

According to the Government Decree No 197/2022. (4.VI) credit institutions and financial enterprises are subject to extra profit tax in 2024 as well. The tax base is the amended net profit before tax of the 2022 tax year. The tax rate is 13% up to HUF 20 billion of the tax base, and 30% above that limit.

The 2024 extra profit tax liability may be reduced up to 50 % if the daily average amount of Hungarian government securities, maturing after January 1, 2027, held by a bank or financial institution for the period from 1 January 2024 to 30 November 2024 increased compared to the daily average between 1 January 2023 and 30 April 2023. The amount of the 2024 extra profit tax liability of MBH Bank was decreased due to the increase in the government securities portfolio.

The extra profit tax must be presented among operating expenses, and the total amount of expenditure for the year must be accounted for at the beginning of the year. The Bank presents the whole expense of extra profit tax and bank tax according to IFRIC 21.

Financial transaction levy

Payment service providers having their seat or branch in Hungary (including credit institutions as well) are subject to the Hungarian financial transaction levy. The base of the levy is the value of certain client's payment account transactions as prescribed by the law. Since the financial transaction levy is not based on taxable profit, it does not meet the conditions of income tax according to the IFRS standards. Therefore, the Bank presents it as „Administrative and other operating expense" in its profit and loss account statement.

In 2024 the Act CXVI of 2012 on financial transaction levy was modified by the Government Decree No 183/2024 (VII.8.). The levy rate has been increased to 0,45% / 0,9%, and the cap of the levy to HUF 20,000 per transaction both in case of financial transactions and sales of securities. Furthermore, a new Supplementary transaction levy was introduced for transactions including foreign currency exchange.

Data in HUF million unless stated otherwise

4.7 Other income and expenses

Other income	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Other income not directly attributable to the Bank's core products and services	7 325	14 176
Income from shares disposal	69	-
Other income on mediated serivces	2 795	732
Penalties received, other interest on arrears	275	412
Other operating income	1 870	2 748
Total	***12 334***	***18 068***

Other expense	01.01.2024 - 31.12.2024	01.01.2023 - 31.12.2023
Other expense not directly attributable to the Bank's core products and services	(4 613)	(2 543)
Grants given	(6 164)	(8 005)
Expense from shares disposal	-	(70)
Loss from non-financial assets disposal	(872)	(523)
Paid fines, penalties and other interest on late payments	(1 155)	(1 613)
Other operating expense	(446)	(186)
Total	***(13 250)***	***(12 940)***

Other income / (expense), net	**(916)**	**5 128**

Other operating income contains other income received related to MFB Points, given subsidies are shown as the most significant item of other operating expenses.

4.8 Income tax income / (expense)

Income tax expense comprises current tax and deferred tax.

By accounting treatment for current and future income tax, the Bank recognises the tax consequences of the future recovery / settlement of the carrying amount of assets, liabilities, transactions and other events of the current period that are recognised in the separate statement of financial position.

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.
Deferred tax is measured at tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the end of the reporting period.

Both in the reporting period and in the comparative period, the corporate income tax rate was 9% levied on the taxable profit in Hungary. Due to this, a 9% nominal income tax rate was applied both for current income tax and deferred tax purposes. The Bank classifies the local business tax and innovation contribution as income taxes.

Data in HUF million unless stated otherwise

Income tax income / (expense)	**01.01.2024 - 31.12.2024**	**01.01.2023 - 31.12.2023**
Corporate income tax expense on current year's profit	(6 233)	(5 303)
Corporation income tax charge due to predecessor	-	55
Corporate income tax expense - effect of self-revision of previous years	227	(17)
Local business tax	(13 574)	(12 056)
Innovation contribution	(2 045)	(1 817)
Profit tax paid abroad	(5)	(5)
Current tax income / (expense)	***(21 630)***	***(19 143)***
Origination (reversal) of temporary differences	(490)	103
Deferred tax (expense) / income on tax losses	(7 284)	(4 405)
Effect of changes in deferred tax rates	-	(102)
Deferred tax income / (expense)	***(7 774)***	***(4 404)***
Total	**(29 404)**	**(23 547)**

A reconciliation of corporate tax payable for pre-tax profit or loss, calculated with the tax rate determined by law, and the Bank's current rate of tax, applicable to the balance sheet date, is the following:

Determination of the effective tax rate	**01.01.2024 - 31.12.2024**		**01.01.2023 - 31.12.2023**	
	%	**million HUF**	**%**	**million HUF**
Profit before income tax		***188 157***		***141 863***
Income tax using the domestic corporation tax rate	9.00%	(16 934)	9.00%	(12 768)
Local business tax	7.21%	(13 574)	8.28%	(12 056)
Innovation contribution	1.09%	(2 045)	1.25%	(1 817)
Foreign income tax	0.00%	(5)	0.00%	(5)
Non-deductible expense	0.26%	(491)	0.27%	(384)
Tax exempt income	-1.35%	2 542	-1.38%	1 962
Change of unrecognised tax losses carryforwards*	0.05%	(87)	-0.99%	1 406
Effect of corporate tax group	-0.51%	963	-0.36%	509
Corporate income tax due to predecessor	-0.12%	227	-0.04%	55
Previous year's corporate tax adjustment	0.00%		0.01%	(17)
Previous year's deferred tax adjustment	0.00%		0.07%	(102)
Other tax effects	0.00%		0.00%	(330)
Income tax / (expense)	**15.63%**	**(29 404)**	**16.11%**	**(23 547)**

**The Bank relies on its available business plans for calculating the amount of tax losses that can be offset against future tax bases.*

MBH Bank is a member of a corporate income tax group, therefore corporate income tax is not assessed on a standalone basis, rather it is impacted by the overall tax position of the corporate income tax group.

Tax losses can be offset against up to 50% of future tax bases.

Data in HUF million unless stated otherwise

On 31 December 2024, the Bank had unused tax losses amounting to HUF 89,471 million (2023: HUF 179,781 million) with the following maturity:

Unused tax losses	31.12.2024	31.12.2023
Utilizable within 5 years	23 557	36 315
Indefinitely utilizable*	65 914	143 466
Total	**89 471**	**179 781**

The Bank has HUF 20,647 million (2023: HUF 33,405 million) tax losses carried forward, on which no deferred tax asset was recognised mainly due to time limit of utilisation rules.

In 2015, the rules of utilization of tax losses carried forward have changed in Hungary: tax losses arising in 2015 and in following years, can be utilized solely in the subsequent five years following the tax year in which they were generated. Tax losses incurred before 2015 can be carried forward for an unlimited period of time.

For further information on deferred tax assets and liabilities please see Note 4.18.

4.9 Notes for financial instruments

Initial recognition and measurement of financial instruments

Financial assets are recognised by the Bank on settlement date. All financial instruments are measured at fair value at initial recognition. Trade receivables, if they do not contain a significant financing component, are recognised at transaction price by the Bank. The Bank measures its financial assets at amortised cost if supported by the results of the business model test and if they meet the criteria of the SPPI (Solely Payments os Principal and Interest) test. Interest income and interest expense should be determined using the effective interest rate method and then recognised in the Profit or Loss statement.

In those cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument, the Bank uses the contractual cash flows over the full contractual term of the financial instrument

Classification and subsequent measurement of financial instruments

Based on the principles of IFRS 9 standard the Bank applies the following three main categories to classify and measure the financial assets:

- fair value through Profit and Loss (FVTPL);
- fair value through other comprehensive income (FVTOCI);
- amortised cost (AC).

The Bank uses in accordance with IFRS 9 standard the following business models to manage its financial instruments:

- **Held to Collect** (HTC): an instrument is held for the collection of contractual cash flows. The intention is to hold to maturity, however sale is permitted especially in case of increase in credit risk, not significant sales (even if frequent), infrequent sales (even if significant) – regardless of the reason behind the sales. Sales could be also consistent with the business model if the credit concentration risks change or if close to maturity.

- **Both Held to Collect and for Sale** (HTCS): an instrument that is held for the collection of contractual cash flows and for the sale of financial assets at the same time. Compared to the HTC, sales occur more frequently and are higher in value.
- **Other trading business model** (Trading): mainly trading financial instruments that are purchased for short-term gain.

The listing in the business model reflects the expectations of the Bank, not just the intent, but also the ability. If the Bank sells a particular portfolio or financial asset in a ‘stress case’ scenario, it does not affect the evaluation of the business model.

For selected financial instruments the Bank makes an irrevocable election to measure the investments in equity instruments, which are not held for trading at “Financial assets measured at fair value through other comprehensive income” category at initial recognition, in other cases these financial assets should be measured at fair value through profit or loss.

Classification and subsequent measurement of financial liabilities

The Bank classifies its financial liabilities into the following categories:
- mandatory FVTPL measurement (FVTPL category) if liabilities are held for trading,
- FVTPL option – based on the decision of the Bank at initial recognition (if qualifying criteria are met),
- at amortised cost – in case of all other financial liabilities.

Derecognition of financial instruments

Financial asset transfer

When the Bank derecognises financial assets in accordance with IFRS 9. The transfer of risks and rewards is evaluated by comparing the Bank’s exposure, before and after the transfer, with the variability in the amounts and timing of the net cash flows of the transferred asset. The computation and comparison are made using the current market interest rate as a discount rate. All reasonably possible variability in net cash flows is considered, with greater weight being given to those outcomes that are more likely to occur.

The Bank has retained substantially all the risks and rewards of ownership of a financial asset if its exposure to the variability in the present value of the future net cash flows from the financial asset does not change significantly as a result of the transfer

Derecognition due to significant changes in contractual cash flows of financial instruments

The Bank considers it a significant change if the contractual currency is modified, or if the contractual interest rate is changed from variable to fix, or inversely.

The terms are substantially different if under the new terms the present value discounted at the original effective interest rate of the cash flows – including fees received and paid – is at least 10% different from the discounted present value of the remaining cash flows of the original financial asset. If the exchange of debt instruments or the modification of the terms is treated as derecognition, the Bank will recognize any costs or fees incurred as a gain or loss related to the termination of the asset. If the exchange or modification is not accounted for as derecognition, the costs or fees incurred will modify the carrying amount of the asset and will be amortised over the remaining maturity of the modified loan.

For debt instrument assets not measured at FVTPL that are subject to contractual modifications that do not result in derecognition, the gross carrying amount of the asset is adjusted against recognising a modification gain or loss in the consolidated statement of profit or loss and other comprehensive income. The modification gain or loss is presented in the line “Other income similar to interest” if the modification relates to financial assets in Stage 1. For financial assets in Stage 2 and 3 and POCI financial assets, the modification gain or loss is presented in the line "(Loss) / gain on modification of financial instruments that did not lead to derecognition".

Data in HUF million unless stated otherwise

Write-off of financial assets under legal proceeding

Loans which are under legal proceeding (bankruptcy, liquidation and final proceedings) and in case of enforcement collateral transactions:

- the Bank's contractual right to receive cash flows from the financial asset does not expire,
- the Bank did not transfer the right of collecting cash flows from the financial asset,
- the Bank did not assume any obligation to pay the cash flows from the financial asset,

therefore the Bank does not derecognise such items entirely from its books, but may partially derecognise them.

When the Bank can reasonably not expect to recover part of the financial asset while maintaining the legal claim it is considered as a partial derecognition. In such cases, the Bank directly derecognises the gross carrying amount of the financial asset.

After the legal waiver of the claim, the Bank may write down the total gross carrying amount of the financial asset if it is not able to be recovered and void according to the relevant internal rules (in this case there is no legal claim).

The Bank derecognises a financial liability (or a part of a financial liability) from its consolidated statement of financial position when the obligation specified in the contract is fulfilled, canceled or expired.

4.10 Cash and cash-equivalents

Cash and cash-equivalents include highly-liquid financial assets with original maturities of less than three months, with an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term obligations.

Cash and cash-equivalents	31.12.2024	31.12.2023
Cash	98 542	78 517
Receivables from central banks	823 553	1 094 940
Other current receivables from banks	102 644	132 067
Expected credit loss	(354)	*(115)*
Total	**1 024 385**	**1 305 409**

Based on the applicable Reserve Decree limit (10-15%) the Bank maintained its regulatory reserves according to its balance sheet as of October 2024. Accordingly, the applied reserve ratio was 10% on balance sheet date (2023: 10%). In case of over-reserving on the Bank's accounts NBH pays the value of the actual base rate of the central bank - similarly to the payable interest of the obligatory reserve.

Data in HUF million unless stated otherwise

4.11 Financial assets measured at fair value through profit or loss

4.11.1 Loans and advances to customers mandatorily at fair value through profit or loss

The fair value of loans and advances is based on observable market transactions. In the absence of observable market transactions, fair value is estimated using discounted cash flow models. Performing loans are grouped, as far as possible, into homogeneous pools segregated by interest repricing. In general, contractual cash flows are discounted using a rate which is the sum of the available interest rate which is determined based on the current market yield curve at the end of the reporting period plus the customer-related surcharge. The rediscounted cash flows are decreased using the same impairment percentage as it was used for impairment purposes, and it is considered as fair value of the loan portfolio.

The Bank performed SPPI test for the related loans, based on which the Bank determined that the pricing method of the loans does not exclusively reflect the time value of money and credit risk, given the interest component containing the leverage determined by the Regulator.

In connection with loans mandatorily measured at FVTPL the Bank has identified the following effects in the profit or loss:

- The change in the fair value of loan portfolios is driven by a 425 basis point decrease in the short-end of the yield curve and a 70-80 basis point increase in the long-side, had a positive impact on earnings of HUF 14 billion, which already includes the risk cost impact during discounting (2023: HUF 48 billion).

Loans mandatorily measured at FVTPL	
Opening fair value of loans at 01.01.2024	***490 802***
FV and other movements	14 459
Financial assets derecognized during the period	(4 889)
Financial assets originated*	46 097
Closing fair value of loansat 31.12.2024	***546 469***
Opening fair value of loans at 01.01.2023	***182 875***
Portfolio increase from merge	247 388
FV and other movements	48 505
Financial assets derecognized during the period	(26 099)
Financial assets originated*	38 133
Closing fair value of loans at 31.12.2023	***490 802***

** Significant increase in the current year's balance can be traced back to the disbursement of CSOK Plusz subsidized loans, for more details please see Gov. Decree 518/2023 (XI.30.) on the preferential CSOK Plusz loan scheme for supporting family housing.*

Data in HUF million unless stated otherwise

4.11.2 Securities held for trading

Treasury bills, debt securities, equity shares are classified as held for trading if they have been acquired principally for the purpose of selling or repurchasing in the near term. These financial assets or financial liabilities are recognised on trade date, when the Bank enters into contractual arrangements with counterparties to purchase or sell securities, and are normally derecognised when either sold (assets) or extinguished (liabilities). Measurement is initially at fair value, with transaction costs recognised in the consolidated statement of profit or loss and other comprehensive income. Subsequently, their fair values are remeasured, and all gains and losses from changes therein should be recognised in the separate statement of profit or loss and other comprehensive income in "Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss" as they arise.

Securities held for trading	31.12.2024	31.12.2023
Debt securities	19 311	950
Equity instruments	125	67
Total	***19 436***	***1 017***
Breakdown of securities		
Government Treasury bills	9	12
Government bonds	16 206	751
Domestic corporate bonds	197	187
Domestic shares	125	67
Senior Mortgage Bonds	2 899	-
Total	***19 436***	***1 017***

4.11.3 Securities mandatorily at fair value through profit or loss

Securities mandatorily at FVTPL	31.12.2024	31.12.2023
Debt securities	-	-
Equity instruments	44 183	37 736
Total	***44 183***	***37 736***
Breakdown of securities		
Domestic shares	10	14 505
Foreign shares	7 011	2 842
Investment fund shares	37 162	20 389
Total	***44 183***	***37 736***

Data in HUF million unless stated otherwise

4.11.4 Derivative financial assets and liabilities

Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

Derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right of offset exists, and the parties intend to settle the cash flows on a net basis. Interest income on derivatives are recognised in „Other income similar to interest” and „Other expense similar to interest”. Fair value differences related to derivatives are recognised in „Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss”.

The fair values of the Bank's derivatives not designated as hedges were as follows:

Derivative financial assets and liabilities	31.12.2024		31.12.2023	
	Assets	Liabilities	Assets	Liabilities
Foreign exchange swaps	5 422	2 946	2 132	1 304
Interest rate swaps	127 894	72 112	168 954	100 454
Cross-currency interest swaps	18 513	4 523	12 614	2 948
Forwards	3 752	4 208	2 572	2 621
Options	7 575	2 291	4 871	1 976
Futures	71	48	29	19
Forward stock index	0	-	-	10 298
Total	**163 227**	**86 128**	**191 172**	**119 620**

4.11.5 Offsetting of financial assets and liabilities according to IFRS7.13 A-F

This disclosure represents the financial instruments that are set off or that are subject to an enforceable master netting agreement or similar agreement, irrespective whether they are set off or not.

As of reporting date the Bank had no enforceable master netting agreement or similar agreement which should be set off in accordance with IAS 32.42.

This is because the agreements constitute rights for an offset that is enforceable only in case of default, insolvency or bankruptcy of the Bank or its counterparties. In addition the Bank or the counterparties do not intend to settle on a net basis or realize the assets and settle the liabilities simultaneously.

Similar agreements include derivative clearing agreements, GMRA (Global master repurchase agreements). Similar financial instruments include derivatives, sale and repurchase agreements and reverse sale and repurchase agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the consolidated statement of financial position.

The Bank receives and gives collateral in the form of cash and marketable securities in respect of following transactions:

- derivatives,
- sale and repurchase agreements, reverse sale and repurchase agreements.

Such collateral is subject to standard industry terms, including an ISDA Credit Support Annex.

Data in HUF million unless stated otherwise

The table below presents the potential effect of the not implemented offsetting as well.

31.12.2024 **Offsetting and enforceable master netting arrangements**	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position			Net amount of exposure
				Financial instruments	Cash collateral received	Other non-cash collateral received	
Derivative financial assets	244 300	-	244 300	117 187	-	-	127 113
Reverse sale and repurchase agreement	34 743	-	34 743	-	-	34 743	-
Total assets subject to offsetting	***279 043***	***-***	***279 043***	***117 187***	***-***	***34 743***	***127 113***
Derivative financial liabilities	103 408	-	103 408	6 945	-	-	96 463
Sale and purchase agreements liabilities	414 397	-	414 397	414 397	-	-	-
Total liabilities subject to offsetting	***517 805***	***-***	***517 805***	***421 342***	***-***	***-***	***96 463***

31.12.2023 **Offsetting and enforceable master netting arrangements**	Gross amounts before offsetting in the statement of financial position	Gross amounts set off in the statement of financial position	Net amount after offsetting in the statement of financial position	Amounts subject to master netting and similar arrangements not set off in the statement of financial position			Net amount of exposure
				Financial instruments	Cash collateral received	Other non-cash collateral received	
Derivative financial assets	264 184	-	264 184	-	48 000	-	216 184
Reverse sale and repurchase agreement	34 533	-	34 533	34 533	-	-	-
Total assets subject to offsetting	***298 717***	***-***	***298 717***	***34 533***	***48 000***	***-***	***216 184***
Derivative financial liabilities	141 377	-	141 377	-	5 867	-	135 510
Sale and purchase agreements liabilities	68 752	-	68 752	68 752	-	-	-
Total liabilities subject to offsetting	***210 129***	***-***	***210 129***	***68 752***	***5 867***	***-***	***135 510***

4.12 Hedging derivative assets and liabilities

The Bank offsets the fluctuating net income effects of the fair value and the cash flow changes of certain financial instruments through hedge transactions and related hedge accounting. Based on the used hedge methodology there are two types of hedge in the Bank macro hedge and micro hedge.

The Bank prepares hedging documentation containing the purpose of the hedge relationship, the ID codes, the terms and conditions of the hedged and hedge transactions, the risk intended to be hedged and the method for measuring hedging efficiency. The Bank assesses hedging efficiency on the day of the creation of the hedge and monthly thereafter, at the end of the month. Assessment methods used: dollar offset and scenario analysis (parallel changing the interest rates of the transactions under the terms and conditions by +/-250 basis points). The Bank regards a hedge relationship as effective if there is an economic relationship between the hedged and the hedge items (interest rates move between the hedging transaction and the underlying transaction in the same way in the opposite directions) and the hedge effectiveness is at a pre-fixed required level.

In the separate statement of profit or loss and other comprehensive income the following lines contain the gains and losses in connection with the hedging instruments (including the ineffective part):

- Other income / expense similar to interest
- Results from hedge accounting (including change in the fair value of hedged instruments)

In the separate statement of financial position the fair value change of hedging instruments recorded in „Hedging Derivative assets/liabilities”.

Macro hedge transaction

As allowed per IFRS 9.6.1.3 the Bank applies the hedge accounting requirements in IAS 39 instead of IFRS9 for the fair value hedge of the interest rate exposure of a portfolio of financial assets. The Bank macro hedges the changes in the fair value of multiple products valued at amortised cost (at present: mortgage, corporate loans, automobile loans and leases with fixed interest) through interest rate swaps (pay fixed receive variable IRS). In each product type, the reference interest rate of the credit products bearing variable interest is the BUBOR (Budapest Interbank Offered Rate), while in the long term the BUBOR also affects the pricing of products bearing fixed interest.

The fair value of the loans included in the hedging is measured by discounting the cash flows of the transactions. For the calculation of this value the Bank uses the average fixed interest rate of the IRSs assigned as hedging instruments. For assessing the loan installment’s maturity the earlier of contractual maturity or the repricing date is used. Upon the valuation at fair value of the instruments included in the hedge relationship, the Bank only considers the impacts attributable to interest risk, while excluding the effect of credit risk of customers.

The „Fair value change of hedged items in portfolio hadge of interest rate risk” is recorded in the same line in the separate statement of financial position as the underlying transaction.

In accordance with the IAS 39 carve out rules, the Bank measures efficiency both retrospectively and prospectively. For portfolio hedging, there is effectiveness between the hedging and the underlying transactions if, according to the scenario analysis, upon shifting the interest curve in either direction the relative percentage of changes in the fair values of the hedged and hedging transactions falls between 80 and 125%.

The fair value change of the hedged item in portfolio hedge of interest rate risk is recorded in the „Fair Value Change of Hedged item in portfolio hedge of interest rate risk”.

Data in HUF million unless stated otherwise

Micro hedge transaction

The Bank makes use of derivative instruments to manage exposures to interest rate, foreign currency and credit risk. These transactions fall under IFRS 9. In order to manage particular risks, the Bank applies hedge accounting for transactions which meet specified criteria.
For the calculation of fair value change of the hedged instruments the Bank uses a so-called hypothetical transaction; each parameter of this transaction is identical to that of the original transaction. Upon the valuation at fair value of the instruments included in the hedge relationship, the Bank only considers the impacts attributable to interest rate risk and in certain cases foreign currency risk, while excluding the effect of credit risk of customers. Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that prove to be highly effective in relation to the hedged risk, are recorded in the separate statement of profit or loss along with the corresponding change in fair value of the hedged asset or liability that is attributable to the specific hedged risk.
Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised, or no longer qualifies for hedge accounting.

For hedges, which do not qualify for hedge accounting (economic hedges), any gains or losses arising from changes in the fair value of the hedging instrument are taken directly to the separate statement of profit or loss for the period.

The Bank used fair value hedges during the reporting period.

Presentation of macro and micro hadge transactions

Fair value of macro and micro hedging derivatives at the end of the period is shown in the following table:

Fair value of hedging derivatives	31.12.2024		31.12.2023	
	Asset	Liability	Asset	Liability
Interest rate swaps	81 073	(15 861)	72 786	(16 793)
Cross-currency interest rate swaps	-	(1 419)	226	(225)
Total	**81 073**	**(17 280)**	**73 012**	**(17 018)**

Data in HUF million unless stated otherwise

The face value is the value of an underlying asset in a derivative contract. The maturity breakdown of hedges by face value is shown below:

31.12.2024	Maturity					Total
	< 1 month	1-3 months	3-12 months	1 - 5 years	> 5 years	
Interest rate swaps	3 400	16 400	28 300	155 372	182 176	**385 648**
Cross-currency interest rate swaps	-	-	-	-	-	-
Macro-hedge derivatives	***3 400***	***16 400***	***28 300***	***155 372***	***182 176***	***385 648***
Interest rate swaps	-	-	9 022	407 983	285 482	**702 487**
Cross-currency interest rate swaps	-	-	-	-	9 674	**9 674**
Micro-hedge derivatives	***-***	***-***	***9 022***	***407 983***	***295 156***	***712 161***
Total	**3 400**	**16 400**	**37 322**	**563 355**	**477 332**	**1 097 809**

31.12.2023	Maturity					Total
	< 1 month	1-3 months	3-12 months	1 - 5 years	> 5 years	
Interest rate swaps	11 700	7 000	30 137	128 527	122 489	**299 853**
Cross-currency interest rate swaps	0	0	0	0	0	-
Macro-hedge derivatives	***11 700***	***7 000***	***30 137***	***128 527***	***122 489***	***299 853***
Interest rate swaps			8 906	167 434	291 281	**467 621**
Cross-currency interest rate swaps					9 674	**9 674**
Micro-hedge derivatives	***-***	***-***	***8 906***	***167 434***	***300 955***	***477 295***
Total	**11 700**	**7 000**	**39 043**	**295 961**	**423 444**	**777 148**

On December 31, 2024, HUF 385,6 billion (2023: HUF 299,9 billion) value of fixed rate loan and interest rate swaps were stocked in macro hedge and HUF 712,1 billion (2023: HUF 477,3 billion) securities portfolio were stocked in micro hedge

Data in HUF million unless stated otherwise

	Face value of swaps	Fair value differences on swaps designated as hedges
31.12.2024		
Macro hedge - Asset	259 588	36 232
Macro hedge - Liability	126 060	(6 575)
Total	***385 648***	***29 657***
Micro hedge - Asset	433 211	44 841
Micro hedge - Liability	278 950	(10 705)
Total	***712 161***	***34 136***
31.12.2023		
Macro hedge - Asset	250 452	34 362
Macro hedge - Liability	49 402	(4 230)
Total	***299 854***	***30 132***
Micro hedge - Asset	298 861	38 650
Micro hedge - Liability	175 435	(12 788)
Total	***474 296***	***25 862***

The table below shows the breakdown of macro hedging interest rate swaps at the balance sheet date:

	Fix-interest loans	Interest rate swaps	Net profit/loss
31.12.2024			
Macro hedge - Positive fair value change	26 227	30 747	
Macro hedge - Negative fair value change	(34 702)	(29 111)	
Total	***(8 475)***	***1 636***	***(6 839)***
31.12.2023			
Macro hedge - Positive fair value change	58 094	4 005	
Macro hedge - Negative fair value change	(3 257)	(53 241)	
Total	***54 837***	***(49 236)***	***5 601***

In 2024 the Bank accounted for a profit of HUF 1,636 million (2023: HUF 49,236 million loss) on interest swaps in macro hedging relationships.

During the hedge relation the Bank accounted for a loss of HUF 8,475 million (2023: HUF 54,837 million profit) on changes in interest risks related to the hedged fixed interest-bearing loans which are stated in the balance sheet line “Loans and advances to customers”. The HUF 8,475 million loss on loans is the sum of HUF 4,946 million (2023: HUF 3,407 million profit) amortisation of the previous years profits and HUF 3,529 million loss (2023: HUF 51,430 million profit) on the fixed rate interest loans.

Data in HUF million unless stated otherwise

An unamortised sum of HUF 5,316 million (2023: HUF 3,257 million) arising from closed hedging relationships is recorded in the balance sheet line "Fair value change of hedged items in portfolio hedge of interest rate risk".

The ineffective part of micro hedge transactions was HUF 2,351 million (2023: HUF 10,037 million loss).

4.13 Financial assets measured at fair value through other comprehensive income

4.13.1 Debt and equity securities

Securities are classified as held to collect and sell if there was a decision made previously about possible disposal in case of the changes in market conditions. By these assets the objective is to achieve both collecting contractual cash flows and selling financial assets. Financial investments are recognised on trade date, when the Bank enters into contractual arrangements with counterparties to purchase securities and are derecognised when either the securities are sold or the borrowers repay their obligations.

The liquid securities are initially measured at fair value modified by direct and incremental transaction costs. Securities measured at FVTOCI are subsequently remeasured at fair value, and changes therein are recognised in the Other comprehensive income. Relating to these assets impairment gains / losses, interest income and foreign exchange differences should be accounted for in statement of profit or loss. When these securities are sold, cumulative gains or losses are recognised in the statement of profit or loss and other comprehensive Income as "Result from derecognition of debt securities measured at fair value through other comprehensive income".

The table below shows the composition of equity and debt instruments measured at FVTOCI:

Debt and equity securities	31.12.2024	31.12.2023
Debt securities	1 222 050	906 165
Equity instruments	471	447
Total	***1 222 521***	***906 612***
Breakdown of securities		
Government Treasury bills	19	10
Government bonds	772 610	504 224
Domestic corporate bonds	414 198	366 543
Domestic shares	388	388
Foreign shares	53	29
Senior Mortgage Bonds	37 052	36 730
Expected credit loss	*(1 799)*	*(1 312)*
Total	***1 222 521***	***906 612***

The amount of ECL on FVTOCI financial assets, which is accounted for between other comprehensive income reserve and profit or loss, does not decrease the carrying amount of the financial assets.

The amount of debt securities measured at FVTOCI was HUF 1,222,521 million at the end of the reporting period (2023: HUF 906,612 million). The Bank's equity instruments measured at FVTOCI at the end of the period was HUF 441 million (2023: HUF 417 million).

Data in HUF million unless stated otherwise

In connection to the decrease of prevailing interest rate the revaluation on financial assets measured at FVTOCI changed to HUF 26,140 million from HUF 51,283 million.

As of 31 December 2024 the total amount of revaluation reserve comprises HUF 28,460 million (2023: HUF 56,431 million).

In 2024, HUF 12,098 million gain on sale (2023: HUF 2,349 million) was recognized in the profit or loss relating to securities measured at FVTOCI, which is a reclassification from other comprehensive income into profit or loss.

The following tables show the composition of debt securities measured at FVTOCI by stage:

Debts securities measured at FVTOCI by Stage	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Government Treasury bills	19	-	-	19
Government bonds	772 610	-	-	772 610
Domestic corporate bonds	414 198	-	-	414 198
Domestic shares	388	-	-	388
Foreign shares	53	-	-	53
Senior Mortgage Bonds	37 052	-	-	37 052
				-
Expected credit loss	*(1 799)*	-	-	*(1 799)*
Total	***1 222 521***	-	-	***1 222 521***
31.12.2023				
Government Treasury bills	10	-	-	10
Government bonds	504 224	-	-	504 224
Domestic corporate bonds	366 543	-	-	366 543
Domestic shares	388	-	-	388
Foreign shares	29	-	-	29
Senior Mortgage Bonds	36 730	-	-	36 730
				-
Expected credit loss	(1 312)	-	-	(1 312)
Total	***906 612***	-	-	***906 612***

4.14 Financial assets measured at amortised cost

Financial assets are measured at amortised cost if they are held in a business model whose objective is to collect contractual cash flows. On the balance sheet, these assets are carried at amortised cost (gross carrying amount net of the expected credit loss). Interest income on these assets is calculated by effective interest method and is included under the line “ Interest income calculated using effective interest rate method” in the Separate Statement of Profit or Loss and Other Comprehensive Income. Impairment and impairment revelsal is included in the line “ Expected credit loss on financial assets, financial guarantees and loan commitments”. Gains and losses from derecognition (such as sales) of the assets are reported under the line item "Results from derecognition of loans and debt securities measured at amortised cost".

Data in HUF million unless stated otherwise

4.14.1 Loans and advances to banks

Loans and advances to banks	31.12.2024	31.12.2023
Interbank term deposits	74 168	8 256
Interbank loans granted	338 005	441 516
Subordinated debts	8 470	9 092
Expected credit loss	*(983)*	*(1 978)*
Total	**419 660**	**456 886**

Data in HUF million unless stated otherwise

4.14.2 Loans and advances to customers

Movement of loans measured at amortised cost

From 2024 the Bank presents the movement of loans measured at amortised cost by sectoral breakdown, this breakdown is not available for the comparative period. The following movements tables contain cumulative data for the financial year:

Gross book value Retail segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***958 022***	***232 534***	***68 017***	***4 720***	***1 263 293***
Reclassifications					
from Stage 1 to Stage 2	(66 069)	66 069	-	-	-
from Stage 1 to Stage 3	(7 939)	-	7 939	-	-
from Stage 2 to Stage 1	66 513	(66 513)	-	-	-
from Stage 2 to Stage 3	-	(12 192)	12 192	-	-
from Stage 3 to Stage 1	10 017	-	(10 017)	-	-
from Stage 3 to Stage 2	-	10 523	(10 523)	-	-
Change in EAD*	(177 983)	(34 515)	(4 421)	(614)	**(217 533)**
Assets derecognized except write off	(20 735)	(6 122)	(13 027)	(585)	**(40 469)**
Financial assets written off	(122)	(105)	(793)	(10)	**(1 030)**
Financial assets originated or purchased**	347 394	62 169	4 676	47	**414 286**
FX and other movements	271	(96)	(184)	85	**76**
31.12.2024	***1 109 369***	***251 752***	***53 859***	***3 643***	***1 418 623***

Expected credit loss of assets (ECL) Retail segment	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	POCI	Total
01.01.2024	***(14 314)***	***(21 957)***	***(46 547)***	***(842)***	***(83 660)***
Reclassifications					
from Stage 1 to Stage 2	1 358	(1 358)	-	-	-
from Stage 1 to Stage 3	457	-	(457)	-	-
from Stage 2 to Stage 1	(5 919)	5 919	-	-	-
from Stage 2 to Stage 3	-	3 214	(3 214)	-	-
from Stage 3 to Stage 1	(6 914)	-	6 914	-	-
from Stage 3 to Stage 2	-	(5 233)	5 233	-	-
Change in EAD*	18 657	3 756	(9 656)	163	**12 920**
Assets derecognized except write off	629	559	10 672	159	**12 019**
Financial assets written off	83	45	716	2	**846**
Financial assets originated or purchased**	(10 257)	(5 369)	(3 776)	(25)	**(19 427)**
FX and other movements	3	(87)	(48)	(49)	**(181)**
31.12.2024	***(16 217)***	***(20 511)***	***(40 163)***	***(592)***	***(77 483)***

**Line includes the effect of repayments for the period.*
*** Line includes the subsequent measurement (reclassification to stage 2 or stage 3) of purchased financial assets as well.*

Data in HUF million unless stated otherwise

Gross book value Wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***2 574 781***	***594 950***	***95 541***	***2 255***	***3 267 527***
Reclassifications					
from Stage 1 to Stage 2	(357 537)	357 537	-	-	-
from Stage 1 to Stage 3	(15 404)	-	15 404	-	-
from Stage 2 to Stage 1	102 218	(102 218)	-	-	-
from Stage 2 to Stage 3	-	(21 849)	21 849	-	-
from Stage 3 to Stage 1	4 469	-	(4 469)	-	-
from Stage 3 to Stage 2	-	8 167	(8 167)	-	-
Change in EAD*	(17 080)	(22 374)	(17 951)	(503)	**(57 908)**
Assets derecognized except write off	(844 395)	(109 786)	(11 213)	(167)	**(965 561)**
Financial assets written off	(4)	(13)	(2 933)	(91)	**(3 041)**
Financial assets originated or purchased**	1 069 284	161 843	8 760	17	**1 239 904**
FX and other movements	105 005	(82 702)	(10 430)	(1 018)	**10 855**
31.12.2024	***2 621 337***	***783 555***	***86 391***	***493***	***3 491 776***

Expected credit loss of assets (ECL)	Stage 1	Stage 2	Stage 3	POCI	Total
Wholesale segment	12-month ECL	Lifetime ECL	Lifetime ECL		
01.01.2024	***(15 134)***	***(90 326)***	***(62 922)***	***(314)***	***(168 696)***
Reclassifications					
from Stage 1 to Stage 2	13 233	(13 233)	-	-	-
from Stage 1 to Stage 3	241	-	(241)	-	-
from Stage 2 to Stage 1	(12 235)	12 235	-	-	-
from Stage 2 to Stage 3	-	3 605	(3 605)	-	-
from Stage 3 to Stage 1	(1 376)	-	1 376	-	-
from Stage 3 to Stage 2	-	(2 618)	2 618	-	-
Change in EAD*	8 050	(32 852)	(13 448)	86	**(38 164)**
Assets derecognized except write off	15 058	15 743	7 478	37	**38 316**
Financial assets written off	-	6	1 470	(1)	**1 475**
Financial assets originated or purchased**	(14 098)	(19 376)	(4 480)	(3)	**(37 957)**
FX and other movements	(28 213)	5 983	21 522	100	**(608)**
31.12.2024	***(34 474)***	***(120 833)***	***(50 232)***	***(95)***	***(205 634)***

**Line includes the effect of repayments for the period.*
*** Line includes the subsequent measurement (reclassification to stage 2 or stage 3) of purchased financial assets as well.*

Data in HUF million unless stated otherwise

Gross book value	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2023	***2 039 259***	***542 546***	***93 477***	***8 831***	***2 684 113***
Migration balances at 1 May 2023	**1 152 503**	**453 404**	**87 053**	**785**	**1 693 745**
Reclassifications					**-**
from Stage 1 to Stage 2	(152 589)	152 589	-	-	-
from Stage 1 to Stage 3	(11 992)	-	11 992	-	-
from Stage 2 to Stage 1	299 522	(299 522)	-	-	-
from Stage 2 to Stage 3	-	(23 016)	23 016	-	-
from Stage 3 to Stage 1	-	-	-	-	-
from Stage 3 to Stage 2	-	24 683	(24 683)	-	-
Change in EAD*	(771 279)	(69 505)	(24 906)	(1 871)	**(867 561)**
Assets derecognized except write off	(402 245)	(58 515)	(13 786)	(809)	**(475 355)**
Financial assets written off	(105)	(40)	(1 095)	(13)	**(1 253)**
Financial assets originated or purchased**	1 379 726	104 916	12 544	52	**1 497 238**
FX and other movements	3	(56)	(54)	-	**(107)**
31.12.2023	**3 532 803**	**827 484**	**163 558**	**6 975**	**4 530 820**

Expected credit loss of assets (ECL)	Stage 1	Stage 2	Stage 3	POCI	Total
	12-month ECL	Lifetime ECL	Lifetime ECL		
01.01.2023	***(20 097)***	***(41 499)***	***(55 064)***	***(1 087)***	***(117 747)***
Migration balances at 1 May 2023	**(16 781)**	**(28 179)**	**(48 552)**	**(171)**	**(93 683)**
Reclassifications					
from Stage 1 to Stage 2	2 668	(2 668)		-	-
from Stage 1 to Stage 3	260		(260)	-	-
from Stage 2 to Stage 1	(14 952)	14 952		-	-
from Stage 2 to Stage 3		1 947	(1 947)	-	-
from Stage 3 to Stage 1	-	-	-	-	-
from Stage 3 to Stage 2		(12 778)	12 778	-	-
Change in EAD*	21 024	(38 030)	(20 335)	48	(37 293)
Assets derecognized except write off	6 649	7 096	9 304	118	23 167
Financial assets written off	64	2	1 027	-	1 093
Financial assets originated or purchased**	(8 814)	(13 130)	(6 374)	(64)	(28 382)
FX and other movements	531	4	(46)	-	489
31.12.2023	***(29 448)***	***(112 283)***	***(109 469)***	***(1 156)***	***(252 356)***

**Line includes the effect of repayments for the period.*
*** Line includes the subsequent measurement (reclassification to stage 2 or stage 3) of purchased financial assets as well.*

Data in HUF million unless stated otherwise

The following table shows the eligible collateral value of the Bank's non-performing loan portfolio:

Stage 3 Loans and advances to customers	31.12.2024	31.12.2023
Carrying amount	49 855	66 498
Collateral value	74 632	93 715

4.14.3 Reverse sale and repurchase agreements

Reverse sale and repurchase agreements	31.12.2024	31.12.2023
Reverse sale and repurchase agreements to banks	30 112	28 392
Reverse sale and repurchase agreements to customers	4 770	6 141
Expected credit loss	*(139)*	-
Total	**34 743**	**34 533**

4.14.4 Debt securities

Debt securities	31.12.2024	31.12.2023
Government bonds	2 571 453	2 154 880
Corporate bonds	455 115	458 953
Senior Mortgage Bonds	69 660	48 133
Expected credit loss	*(9 614)*	*(6 123)*
Total	**3 086 614**	**2 655 843**

Related to debt securities measured at amortised cost HUF 156,837 million interest income (2023: HUF 179,825 million) was recognized in the Statement of Profit or Loss and Other Comprehensive Income during the year.

Data in HUF million unless stated otherwise

The following tables show the composition of debt instruments measured at amortised cost by stage:

Debt securities_Stage	**Stage1**	**Stage2**	**Stage3**	**Total**
31.12.2024				
Government bonds	2 571 453	-	-	**2 571 453**
Corporate bonds	436 931	16 862	1 322	**455 115**
Senior Mortgage Bonds	69 660	-	-	**69 660**
				-
Expected credit loss	(3 552)	(4 740)	(1 322)	**(9 614)**
Total	***3 074 492***	***12 122***	***-***	***3 086 614***
31.12.2023				
Government bonds	2 154 880	-	-	**2 154 880**
Corporate bonds	445 738	12 777	438	**458 953**
Senior Mortgage Bonds	48 133	-	-	**48 133**
				-
Expected credit loss	*(3 712)*	*(2 066)*	*(345)*	**(6 123)**
Total	***2 645 039***	***10 711***	***93***	***2 655 843***

4.14.5 Other financial assets

Other financial assets	**31.12.2024**	**31.12.2023**
Other receivables related to lending activities	1 824	14 949
Accounts relating to subsidised loans	63 875	77 787
Capital increase pending in an associate	31 724	44 730
Card transactions to banks and customers	7 998	8 849
Loans to investing service	6 727	6 918
Loans to customers from account management	589	5 069
Loans to investment services	2 253	2 279
Trade receivables (Customers)	862	1 967
Advance payments	640	1 175
Clearing settlement	150	199
Various other financial receivables	5 514	1 730
Expected credit loss	*(3 048)*	*(6 776)*
Total	**119 108**	**158 876**

Data in HUF million unless stated otherwise

The following table shows the composition of other financial assets measured at amortised cost by stage:

	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Other financial assets	118 760	506	2 890	122 156
Expected credit loss	(102)	(405)	(2 541)	(3 048)
Total	***118 658***	***101***	***349***	***119 108***
31.12.2023				
Other financial assets	156 558	406	8 688	165 652
Expected credit loss	(256)	(301)	(6 219)	(6 776)
Total	***156 302***	***105***	***2 469***	***158 876***

4.15 Investment in subsidiaries and associates

Subsidiaries are entities controlled by the Bank.

Investments in subsidiaries and associates comprise those investments where MBH Bank, through direct and indirect ownership interest, controls the investee. Control is achieved when the Bank has power over the investee, is exposed or has rights, to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Data in HUF million unless stated otherwise

The directly owned entities of MBH Bank Plc. included in MBH Bank of consolidation and their activities are as follows:

Company	Net amount		Percentage of equity owned		Percentage of voting rights		Country of incorporation	Brief description of activities
	31.12.2024	31.12.2023	31.12.2024	31.12.2023	31.12.2024	31.12.2023		
Euroleasing Zrt.	7 034	6 895	100.00%	100.00%	100.00%	100.00%	Hungary	Car and consumer finance activities, other finance activities
Budapest Lízing Zrt.	6 380	5 654	100.00%	100.00%	100.00%	100.00%	Hungary	Financial leasing activities
Budapest Eszközfinanszírozó Zrt.	1 003	1 003	100.00%	100.00%	100.00%	100.00%	Hungary	Rental of other machines and assets
MBH Szolgáltatások Kft.	36 106	3 966	100.00%	12.22%	100.00%	12.22%	Hungary	Property operation and maintenance
MBH Bank MRP Szervezet	18 335	14 477	100.00%	100.00%	100.00%	100.00%	Hungary	Employee Stock Ownership Plan
MBH Ingatlanfejlesztő Kft.	35 796	35 796	100.00%	100.00%	100.00%	100.00%	Hungary	Property operation and maintenance
MBH Befektetési Alapkezelő Zrt.	160	160	75.54%	75.54%	75.54%	75.54%	Hungary	Investment fund management activity
MBH Befektetési Bank Zrt.*	87 793	87 793	80.55%	80.55%	~100.00%	~100.00%	Hungary	Investment and treasury services
MBH Jelzálogbank Nyrt.**	20	20	0.04%	0.44%	0.04%	0.44%	Hungary	Mortgage Bank
MBH Blue Sky Kft.	15 955	15 675	100.00%	100.00%	100.00%	100.00%	Hungary	Asset management
MITRA Informatikai Zrt.	6 031	6 031	94.02%	94.02%	94.02%	94.02%	Hungary	Web hosting services
MBH DOMO Kft.	33 760	18 760	100.00%	100.00%	100.00%	100.00%	Hungary	Leasing and operation of owned and leased property
MBH Duna Bank Zrt.	3 900	3 900	98.46%	98.46%	98.46%	98.46%	Hungary	Other monetary intermediation
Fundamenta-Lakáskassza Lakás-Takarékpénztár Zrt.	75 384	117	76.35%	0.00%	76.35%	0.00%	Hungary	Other monetary intermediation
MBH Mezőgazdasági Tőkealap	34 600	25 100	75.16%	68.70%	N/A***	N/A***	Hungary	Investment fund
MBH Vállalti Stabil Alap	13 199	13 199	96.14%	93.23%	N/A***	N/A***	Hungary	Investment fund
Takarék Zártkörű Befektetési Alap**	865	865	6.21%	6.21%	N/A***	N/A***	Hungary	Investment fund
Opus TM-1 Alap**	350	350	18.83%	18.83%	N/A***	N/A***	Hungary	Investment fund
Total considered as material subsidiaries	***376 671***	***239 761***						
Total considered as not material subsidiaries	1 322	1 620						
Total subsidiaries	**377 993**	**241 381**						
Magyar Strat-Alfa Befektetési Zrt.	20 223	20 223	50.00%	50.00%	50.00%	50.00%	Hungary	Sale and purchase of self-owned real estate
Total considered as material associates	***20 223***	***20 223***						
Total considered as not material associates	470	470						
Total associates	**20 693**	**20 693**						

**Considering its own treasury share*
***These subisidaries are reported from the point of view of a main parent company (MBH Bank Plc)*
****Managed by the fund manager*

Data in HUF million unless stated otherwise

The Bank recognized in 2024 an impairment loss HUF 233 million (2023: HUF 233 million) at the subsidiaries.

The below investments in subsidiaries and associates are measured at cost, except for the Solus Capital Kockázati Tőkealap, Béta Magántőke Alap and MBH Magántőke Alap, which are measured at FVTPL and are presented in the line "Securities mandatorily at fair value through profit or loss".

MBH Bank acquired 76.35 % share capital of Fundamenta-Lakáskassza Lakás-Takarékpénztár Zrt. in 2024.
Investments in subsidiaries and associates change in gross amount and in impairment:

Investments in subsidiaries and associates - change in gross amount	
01.01.2024	***495 185***
Acquisition	106 961
Disposal / liquidation	(185)
Capital increase	29 444
31.12.2024	***631 405***
01.01.2023	***655 547***
Acquisition	36 861
Disposal / liquidation	(384)
Capital increase	16 706
Effect of merge	(213 545)
31.12.2023	***495 185***

Investments in subsidiaries and associates - change in impairment	
01.01.2024	***(233 111)***
Impairment loss	(808)
Reversal of impairment	1 200
31.12.2024	***(232 719)***
01.01.2023	***(231 180)***
Impairment loss	(2 249)
Reversal of impairment	533
Effect of merge	(215)
31.12.2023	***(233 111)***

Data in HUF million unless stated otherwise

The Bank has acquired Fundamenta-Lakáskassza Lakás-Takarékpénztár Zrt. (HUF 75,267 million) and MBH Szolgáltatások Zrt. (HUF 31,694 million)
A capital increase took place in the companies MBH DOMO Kft. HUF 15,000 million, MBH Blue Sky Kft. HUF 886 million, MBH Forrás Zrt. HUF 200 million, MBH Bank MRP Szervezet HUF 3,858 million and MBH Mezőgazdasági Tőkealap HUF 9,500 million.

General and financial data of material associates are as follows:

	Magyar Strat-Alfa Befektetési Zrt.	Magyar Strat-Alfa Befektetési Zrt.
Activity	Sale of own property	Sale of own property
Country of incorporation	Hungary	Hungary
Ownership % (direct & non-direct)	50%	50%
Relation	associate	associate
Financial data	**31.12.2024***	**31.12.2023**
Cash and cash-equivalents	*461*	*208*
Other current assets	*57*	*100*
Current assets	518	308
Non-current assets (equity and debt investments)	83 419	60 880
Other assets	886	635
Total assets	***84 823***	***61 823***
Amounts due to banks	20 765	20 814
Liabilities from customers	2 838	-
Other liabilities	118	53
Total liabilities	***23 721***	***20 867***
Equity	***61 102***	***40 956***
Total liabilities and equity	***84 823***	***61 823***
Revenue	270	333
Other income	-	-
Total revenues	***270***	***333***
Other Expenses	(116)	(164)
Depreciation	-	-
Total expenses	***(116)***	***(164)***
Financial result	(2 546)	506
Income tax expense	-	(17)
Profit after tax	***(2 392)***	***658***

**Unaudited data*

Based on contractual agreements the above mentioned Investee classified as an associate.

MBH Bank Plc. Data in HUF million unless stated otherwise

4.16 Property and equipment and intangible assets

Items of property and equipment including investment properties are measured initially at cost, including transaction cost, then subsequently cost less accumulated depreciation and impairment losses.

The Bank applies the following linear depreciation rates for the depreciation cost calculation:

<u>Property and equipment</u>	
Property	
Land	0%
Building, other facility	2%
Image items	14%
IT networks	12%
Renovation of property	6% - 14,7%
Office equipment	9% - 33%
IT devices	33% - 50%
Vehicles	10% - 33%
Other equipments	7% - 50%
<u>Intangible assets</u>	
Softwares	5% - 50%
Rights	3.5% - 25%

Intangible assets that have a finite useful life are measured initially at cost and subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised over their estimated useful life from the date when the asset is available for use, applying the straight-line method. The useful lives are reviewed annually.

Intangible assets that have an indefinite useful life, or are not yet ready for use, are tested for impairment annually. Depreciation of property and equipment are included in the “Administrative and other operating expense” line in the consolidated statement of profit or loss and other comprehensive income.

The Bank recognises depreciation of the right-of-use asset from the effective date of the lease term for the entire lease term in the line of "Administrative and other operating expenses". In the case of a purchase option, or if ownership of the underlying asset transfers to the lessee at the end of the lease term, depreciation is recognised over the useful life of the underlying asset, starting from the beginning of the lease term.

Net gains and losses on disposal of property and equipment and intangible assets are recognised in “Other income” or „Other expense”, in the year of disposal.

Expenditure on internally developed intangible asset (software) is recognised as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliable measure the costs to complete the development.
The capitalised costs of internally developed software include all costs directly attributable to developing the software and are amortised over its useful life.

Data in HUF million unless stated otherwise

31.12.2024	Softwares*	Other intangible assets	Own properties	Equipment	Right of use assets	Total
Cost						
Opening balance at 01.01.2024	**122 175**	**3 707**	**19 236**	**34 375**	**43 631**	**223 124**
Additions – including internally developed	21 068	49	1 201	17 269	3 709	43 296
Other modifications	(20)	-	-	20	10 888	10 888
Disposals	-	-	(2 119)	(831)	(646)	(3 596)
Closing balance at 31.12.2024	**143 223**	**3 756**	**18 318**	**50 833**	**57 582**	**273 712**
Depreciation and impairment losses						
Opening balance at 01.01.2024	**(75 288)**	**(3 421)**	**(9 674)**	**(21 333)**	**(20 807)**	**(130 523)**
Depreciation charged for the year	(14 319)	(169)	(1 137)	(5 025)	(10 172)	(30 822)
Disposals			1 428	482	2 130	4 040
Closing balance at 31.12.2024	**(89 607)**	**(3 590)**	**(9 383)**	**(25 876)**	**(28 849)**	**(157 305)**
Book value						
01.01.2024	**46 887**	**286**	**9 562**	**13 042**	**22 824**	**92 601**
31.12.2024	**53 616**	**166**	**8 935**	**24 957**	**28 733**	**116 407**

**In 2023, software was listed among intangible assets*

31.12.2023	Intangible assets	Own properties	Equipment	Right of use assets	Total
Cost					
Opening balance at 01.01.2023	**114 312**	**16 200**	**23 207**	**47 180**	**200 899**
Additions due to merge	2 480	2 021	4 891	12 856	22 248
Additions – including internally developed	14 564	2 879	6 811	4 843	29 097
Other modifications	-	-	-	(1 231)	(1 231)
Disposals	(5 474)	(1 864)	(534)	(20 017)	(27 889)
Closing balance at 31.12.2024	**125 882**	**19 236**	**34 375**	**43 631**	**223 124**
Depreciation and impairment losses					
Opening balance at 01.01.2023	**(70 106)**	**(9 416)**	**(15 237)**	**(24 206)**	**(118 965)**
Additions due to merge	(1 146)	(768)	(2 707)	(5 901)	(10 522)
Depreciation charged for the year	(12 503)	(925)	(3 754)	(7 773)	(24 955)
Impairment loss	(238)	-	-	-	(238)
Reversal of impairment loss	172	-	-	-	172
Disposals	5 112	1 435	365	13 345	20 257
Other modifications	-	-	-	3 728	3 728
Closing balance at 31.12.2023	**(78 709)**	**(9 674)**	**(21 333)**	**(20 807)**	**(130 523)**
Book value					
01.01.2023	**44 206**	**6 784**	**7 970**	**22 974**	**81 934**
31.12.2023	**47 173**	**9 562**	**13 042**	**22 824**	**92 601**

The gross value of the property and equipment is HUF 19.6 billion and the gross value of the intangible assets is HUF 25.1 billion which are recognized at net zero value.

Other modifications include the effect of contract amendments and indexations of lease agreements.

Changes in the value of right-of-use assets during the reporting period are disclosed in Note 4.17.

4.17 Leases

In accordance with the requirements of IFRS 16, the Bank, as lessee, introduces a single model to recognise right-of-use asset and lease liability on balance sheet. In this case, the Bank presents separately the interest expense for the lease liability and the depreciation charge for the right-of-use asset. In some cases (e.g. when there is a change in the lease term or in future lease payments arising from a change in an index or rate) the Bank as lessee remeasures the lease liability.

At the commencement date, the Bank assesses whether the lessee is reasonably certain to exercise an option to extend or not to exercise an option to terminate the lease. The Bank considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise, or not to exercise, the option.

The Bank recognises the right-of-use asset and the lease liability as at the commencement date of the lease at the cost determined by IFRS 16.
On subsequent measurement, the Bank measures the right-of use assets at cost and recognises depreciation on it from the commencement date to the end of the useful life of the underlying asset.
After the commencement date of the lease term, the Bank depreciates the asset on a straight-line basis.
After the commencement date, the Bank measures the lease liability at amortised cost using the effective interest rate method.

The Bank as the lessor classifies its leasing contracts as finance or operating lease based on requirements of the standard.

Presentation in the financial statements

During the lease term, the Bank recognises lease payments for short-term leases and low value leases (HUF 1.5 million) as an expense in statement of profit or loss and other comprehensive income.
The right-of-use assets are included in line “Property and equipment” and the lease liabilities in “Other financial liabilities” in the statement of financial position.
After the commencement date the Bank recognises the related costs in statement of profit or loss and other comprehensive income, if these are not recognised as part of the cost of the right-of-use asset. Interest on lease liabilities is included in line “Other expense similar to interest”. The depreciation of a right-of-use asset is recognised as “Administrative and operating expense”.

The Bank, as a lessee, mainly possesses lease contracts for properties and vehicles.

The following tables show the right-of-use assets and lease liabilities recorded because of these lease contracts:

Data in HUF million unless stated otherwise

Right-of use assets	Properties	Vehicles	IT equipments	Other assets	Total
Cost					
Balance at 01.01.2024	**40 651**	**1 590**	**1 270**	**120**	**43 631**
Additions	1 663	42	1 991	13	3 709
Remeasurement	(1 105)	(51)	-	(1)	(1 157)
Disposals	(532)	652	(766)	-	(646)
Modifications*	11 552	492	-	1	12 045
Balance at 31.12.2024	**52 229**	**2 725**	**2 495**	**133**	**57 582**
Depreciation and impairment losses					
Balance at 01.01.2024	**(18 897)**	**(1 087)**	**(803)**	**(20)**	**(20 807)**
Depreciation for the year	(9 040)	(651)	(447)	(34)	(10 172)
Remeasurement	718	46	-	3	767
Disposals	532	(652)	766	-	646
Modifications*	491	226	-	-	717
Balance at 31.12.2024	**(26 196)**	**(2 118)**	**(484)**	**(51)**	**(28 849)**
Carrying amounts					
01.01.2024	**21 754**	**503**	**467**	**100**	**22 824**
31.12.2024	**26 033**	**607**	**2 011**	**82**	**28 733**

Right-of use assets	Properties	Vehicles	IT equipments	Other assets	Total
Cost					
Opening balance at 01.01.2023	**45 593**	**27**	**1 539**	**21**	**47 180**
Effect of merge	10 782	2 070	-	4	12 856
Additions	4 438	172	146	87	4 843
Remeasurement	2 197	91	(9)	1	2 280
Disposals	(18 816)	(786)	(412)	(3)	(20 017)
Modifications*	(3 543)	16	6	10	(3 511)
Closing balance at 31.12.2023	**40 651**	**1 590**	**1 270**	**120**	**43 631**
Depreciation and impairment losses					
Opening balance at 01.01.2023	**(23 312)**	**(7)**	**(873)**	**(14)**	**(24 206)**
Effect of merge	(4 561)	(1 337)	-	(3)	(5 901)
Depreciation for the year	(6 848)	(574)	(343)	(8)	(7 773)
Remeasurement	241	-	2	-	243
Disposals	12 145	786	411	3	13 345
Modifications*	3 438	45	-	2	3 485
Closing balance at 31.12.2023	**(18 897)**	**(1 087)**	**(803)**	**(20)**	**(20 807)**
Carrying amounts					
01.01.2023	**22 281**	**20**	**666**	**7**	**22 974**
31.12.2023	**21 754**	**503**	**467**	**100**	**22 824**

**The effect on the gross value of changes in the rental fees amended by the real estate agreememts is shown among modification.*

Data in HUF million unless stated otherwise

Carrying amount of lease liabilities	31.12.2024	31.12.2023
Long-term (more than 1 year)	29 548	17 124
Short-term (less than 1 year)	1 318	7 371
Total	**30 866**	**24 495**

The Bank has no significant sub-lease contracts.

Total cash outflows related to leases	2024	2023
Interest expense recognized on lease liabilities	(1 977)	(1 584)
Payments related to the capital component of a lease	(10 353)	(8 372)
Items presented in the cash-flow statement	***(12 330)***	***(9 956)***

The value of contracts for which the Bank does not expect to exercise the extension and / or exercise option is immaterial.

The Bank elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (e.g. including printers, IT equipment).
Expenses relating to leases of low-value assets and short-term leases for the reporting period are considered not material.

4.18 Deferred tax assets and liabilities

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The Bank recognises deferred tax asset for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are offset when they arise in the same entity and relate to income taxes levied by the same taxation authority, and when a legal right to offset exists in the entity.

Deferred tax relating to fair value remeasurement of financial assets measured at fair value through other comprehensive income, which are charged or credited directly to other comprehensive income.

For further information about the deferred tax on tax loss carryforward, please refer to Note 4.8.

Deferred tax assets and liabilities arise under the following grounds:

Data in HUF million unless stated otherwise

Net deferred tax assets / (liabilities)	31.12.2023	Credited/ (charged) to profit or loss	Credited/ (charged) to other comprehensive	31.12.2024
Provision	696	(471)	-	225
Intangibles assets	163	(1)	-	162
Property and equipment	(64)	(21)	-	(85)
Allowances for loan losses	3	4	-	7
Securities	(2 038)		2 561	523
Tax loss carry-forwards	13 478	(7 284)	-	6 194
Total	**12 238**	**(7 773)**	**2 561**	**7 026**
Recognised deferred tax asset	12 238	(7 773)	2 561	7 026
Recognised deferred tax liability	-	-	-	-
Total	**12 238**	**(7 773)**	**2 561**	**7 026**

During 2024 the Bank charged deferred tax expense HUF -2,561 million (2023: HUF 4,937 million) in other comprehensive income and HUF 7,773 million (2023: HUF 4,302 million) in profit or loss.

4.19 Other assets

Other assets	31.12.2024	31.12.2023
Inventories	1 047	884
Advance payments for investments	4 568	2 383
Assets received in exchange of claims	200	200
Initial fair value difference	5 649	8 345
Taxes, duties and other fiscal items*	5 155	1 285
Prepaid cost	9 602	15 100
Advance dividend paid	22 900	21 609
Several other assets	1 812	4 522
Total	**50 933**	**54 328**

The NBH launched its three-pillar Funding for Growth Scheme (FGS) on 1 June 2013, primarily to stimulate lending to small and medium-sized enterprises. Under pillar I and II of the FGS the NBH provided refinancing loans to credit institutions participating in the Scheme at 0 percent interest rate, which were lent further by the credit institutions to the SMEs with a capped interest margin. Since then, the range of FGS schemes has been further expanded with the FGS Go and FGS Green Home loan programs. The Bank participated in all mentioned loan programs, the presentation of initial fair value difference is related to these programs.
*Special epidemic tax is shown other assets, as the Government Decree No. 108/2020 (IV.14.) on the special tax on credit institutions related to the epidemiological situation the tax paid can be deducted from the special tax payment obligation of financial institutions in the next 5 years (2021-2025). In 2024 the decree has been changed, therefore the special epidemic tax cannot be deducted from the special tax of financial institutions in this year. However, the 5-year credit period has been extended until 2026.

Data in HUF million unless stated otherwise

Based on Section 5.3.3 of the Articles of Association, the Board of Directors of MBH Bank Plc. (decided on 11 October 2024 with its Resolution No. 201/2024(11 October) to pay an interim dividend of HUF 22,900 million to the shareholders of the Bank, which was paid on 28 October 2024. The Supervisory Board approved the decision of the Board of Directors by way of its Resolution No. 42/2024 (11 October). Based on the above, the gross interim dividend per ordinary share with a nominal value of HUF 1,000 is HUF 71. The amount of the gross interim dividend actually payable to a shareholder is calculated by multiplying the number of shares held by the shareholder by the gross interim dividend per share, rounded up to the nearest whole forint amount in accordance with the rounding rules.

4.20 Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at FVTPL	31.12.2024	31.12.2023
Derivative financial liabilities	86 128	119 620
Financial liabilities from short positions	29 186	21 757
Total	**115 314**	**141 377**

The Bank recognised short positions due to government bond transactions.

4.21 Financial liabilities measured at amortised cost

4.21.1 Amounts due to banks and sale and repurschase agreements

Amounts due to banks and sale and repurchase agreements	31.12.2024	31.12.2023
Borrowings	2 016 165	2 057 505
Deposits	303 633	266 763
Amounts due to other banks total	***2 319 798***	***2 324 268***
Repurchase agreements owed to bank	414 397	68 752
Total	**2 734 195**	**2 393 020**

Loans received show the liabilities related to the Funding for Growth Scheme (FGS) loans refinanced by the Hungarian National Bank and liabilities towards Hungarian Development Bank.

4.21.2 Amounts due to customers

Amounts due to customers are the Bank’s sources of debt funding.

Deposits are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except for the items which at initial recognition are designated by the Bank to fair value through profit or loss category. The Bank does not have any deposit measured at fair value through profit or loss.

Data in HUF million unless stated otherwise

Sectoral breakdown of amounts due to customers	31.12.2024	31.12.2023
Amuonts due to retail customers	**2 370 018**	**2 216 503**
of which current accounts	*1 984 590*	*1 817 225*
of which deposits	*385 428*	*399 278*
Amounts due to wholesale customers	**5 044 776**	**4 634 271**
of which current accounts	2 344 711	*2 380 325*
of which deposits	2 700 065	*2 253 946*
Total	**7 414 794**	**6 850 774**

4.21.3 Issued debt securities

Debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method. The Bank does not have any issued debt instruments measured at fair value.

The following table represents the amount of issued debt securities:

Issued debt securities	31.12.2024		31.12.2023	
	Nominal value	Book value	Nominal value	Book value
Bonds issued				
Zero coupon	21 913	20 341	18 327	16 440
Fixed rate	102 028	106 344	69 412	71 646
				-
Total	***123 941***	***126 685***	***87 739***	***88 086***
MREL bonds issued				
Fixed rate	174 280	177 958	162 674	165 982
Total	***174 280***	***177 958***	***162 674***	***165 982***
Total	**298 221**	**304 643**	**250 413**	**254 068**

Book value of securities issued currency	31.12.2024	31.12.2023
Denominated in EUR	197 034	179 650
Denominated in HUF	107 609	74 418
Total	**304 643**	**254 068**

Data in HUF million unless stated otherwise

MREL Bonds

From 1 January 2024 a minimum level of quantity and quality of liability is required to be held by the domestic financial institutions and investment entities regulated by NBH. The required type of liabilities must partly or entirely be eligible, or convertible to capital in case of critical economic situation (minimum requirement for regulatory capital, and eligible or convertible liabilities, shortly: MREL - Minimum Requirement for own funds and Eligible Liabilities).

The following bonds have been issued by MBH Bank to comply with the minimum requirements:

- within the framework of the first issuance program of debt instruments complying with MREL requirements of MBH Bank's history a senior non-priority (senior-preferred) debt instrument (ISIN: HU0000362702) has been issued on value date of 16 June 2023 with EUR 74,98 million (HUF 28,1 billion) nominal value, 3 years maturity, 9% fixed interest rate for the first and second year then 3 month EURIBOR+5.5% variable interest rate for the last year of the duration.
- during the Bank's newly announced EUR 1.5 billion international bond issuance program a senior non-priority (senior-preferred) debt instrument (ISIN: XS2701655677) has been issued on value date of 19 October 2023 with EUR 350 million (HUF 134,7 billion) nominal value, 4 years maturity (redeemable after 3 year) and 8.625% fixed interest rate.

4.21.4 Subordinated debts

Subordinated debts represent the Bank's direct, unconditional and unsecured subordinated bonds and loans issued, which has subordinated status in relation to the Bank's liabilities to other depositors and creditors.

Subordinated debts are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method.

	Interest	Date of issue	Maturity date	Face value in original currency	Original currency	Book value in functional currency
31.12.2024						
Subordinated bond	Fixed	28.03.2019	15.04.2026	31 000 000	EUR	13 121
Subordinated bond	Fixed	26.05.2020	20.07.2028	51 300 000	EUR	21 463
Subordinated debt	Fixed	23.11.2020	23.11.2030	40 000 000 000	HUF	40 087
Subordinated bond	Variable	31.01.2023	31.01.2030	24 750 000 000	HUF	26 164
Total						***100 835***
31.12.2023						
Subordinated bond	Fixed	26.05.2017	14.06.2024	36 900 000	EUR	14 472
Subordinated bond	Fixed	28.03.2019	15.04.2026	31 000 000	EUR	12 245
Subordinated bond	Fixed	26.05.2020	20.07.2028	51 300 000	EUR	20 033
Subordinated debt	Fixed	23.11.2020	23.11.2030	40 000 000 000	HUF	40 000
Subordinated bond	Variable	31.01.2023	31.01.2030	24 750 000 000	HUF	26 929
Total						***113 679***

The issued subordinated debt in 2023 pays interest on a variable base (6 month BUBOR + interest premium).

Data in HUF million unless stated otherwise

4.21.5 Reconciliation of liabilities arising from financing activities

The table below sets out movements in the Bank's liabilities from financing activities for each of the periods presented. The items of these liabilities are those that are reported as financing activities in the statement of cash flows.

	Amounts due to banks	Issued debt securities	Subordinated debts	IFRS16 lease liabilities	Total
01.01.2024	***2 324 268***	***254 068***	***113 679***	***24 495***	***2 716 510***
Cash flows from financing activities	(134 334)	35 162	(14 125)	(10 353)	**(123 650)**
New leases	-	-	-	2 552	**2 552**
Foreign exchange adjustments	6 706	11 606	2 248	-	**20 559**
Other changes	123 158	3 807	(967)	14 172	**140 170**
31.12.2024	***2 319 798***	***304 643***	***100 835***	***30 866***	***2 756 141***
01.01.2023	***1 965 931***	***12 906***	***88 887***	***33 959***	***2 101 683***
Cash flows from financing activities	92 914	240 365	24 750	(9 956)	**348 073**
New leases	-	-	-	7 123	**7 123**
Foreign exchange adjustments	(3 502)	125	(2 134)	-	**(5 511)**
Other changes	268 925	672	2 176	(6 631)	**265 142**
31.12.2023	***2 324 268***	***254 068***	***113 679***	***24 495***	***2 716 510***

4.21.6 Other financial liabilities

Other financial liabilities	31.12.2024	31.12.2023
Capital increase pending in an associate	31 032	44 730
Clearing settlement	19 552	37 529
Account related to owners	9	21 609
IFRS 16 lease liability	30 866	25 014
Trade payables	29 608	9 219
Liabilities from card transactions to banks and customers	-	202
Other liabilities related to lending and factoring activities	6 328	1 921
Other financial liabilities to customers	7 210	4 971
Various other financial liabilities	9 999	6 282
Total	**134 604**	**151 477**

The Bank implemented a capital increase of HUF 13,698 million in the MBH Magántőke Alap.

For further information about lease liability, see Note 4.17.

The various other financial liabilities mainly include clearing accounts.

Separate Financial Statements as at 31 December 2024 Data in HUF million unless stated otherwise

4.22 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Following table shows the movement of provision by title:

Provisions	Opening at 01.01.2024	Provisions made during the year	Use of provision	Released of provision	Revaluation	Closing at 31.12.2024
Expected credit loss (IFRS9)*	22 683	45 679	(7 806)	(34 598)	409	26 367
Provision for litigation	1 054	141	(118)	(214)	23	886
Provision for restructuring	2 571	560	(132)	(2 439)	-	560
Provision for pension, severance pay and unused leave	3 139	1 438	(1 714)	(1 425)	-	1 438
Other provision	1 347	-	(958)	(389)	-	0
Total	**30 794**	**47 818**	**(10 728)**	**(39 065)**	**432**	**29 251**

Provisions	Opening at 01.01.2023	Provisions made during the year	Use of provision	Released of provision	Effect of merge	Closing at 31.12.2023
Expected credit loss (IFRS9)*	10 187	41 763	(1 753)	(32 582)	5 067	22 683
Provision for litigation	556	384	(12)	(2)	128	1 054
Provision for restructuring	1 517	2 571	(3 648)	-	2 131	2 571
Provision for pension, severance pay and unused leave	1 693	3 139	(903)	(1 484)	694	3 139
Other provision	24	1 347	-	(72)	48	1 347
Total	**13 977**	**49 204**	**(6 316)**	**(34 140)**	**8 068**	**30 794**

** ECL relates to off-balance sheet exposore*

Risk reserves are made for existing commitments and contractual obligations.

Loan commitments are firm commitments to provide credit under prespecified terms and conditions. Loan commitments are generally not recognised in the balance sheet before they are drawn. Loan commitments result in recognition of provisions based on the expected credit loss impairment model.

A financial guarantee is a contract that requires the guarantor to make specified payments to reimburse the holder for a loss it incurs in case a specified debtor fails to make a payment when due in accordance with the original or modified terms of a debt instrument.

The Bank recognises provision for untaken and unpaid regular leave.

The provision for restructuring consists of payments after termination and the rationalization in the number of branches.
Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either: an entity's decision to terminate before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.
Branch closures may occur if multiple branches operate in the same location and maintaining all of them is not sustainable economically.

The defined employee benefit plan operated by Bank is for jubilee benefits to which all employees are entitled. Jubilee benefits are gifts and vouchers tied to the length of employees' service to an employer, expensed in the relevant year.

Data in HUF million unless stated otherwise

Provisions for litigation are made for those contingent liabilities of the Bank in relation to which the third parties involved may pursue claims against the Bank. The outcome and schedule of litigations is uncertain.

4.23 Contingent liabilities

Contingent liabilities defined by IAS 37 are not recognised in the financial statements but are disclosed in the additional notes.

Other contingent liabilities include the amount of liabilities arising from legal cases and other possible future events, the settlement of which will probably require the use of resources representing economic benefits.

Commitments related to loans include commitments to extend credit lines and guarantees, the purpose of which is to meet the demands of the clients of the Bank.

Commitments to extend loans refer to contractual commitments to provide credit line and revolving loans.Commitments typically have fixed expiry dates or have other provisions regarding its termination and typically generate an obligation for the client to pay a fee.
Since most commitments related to loans expire without being enforced or are terminated, the full contractual amount does not necessarily correspond to the future cash requirement. After initial recognition, an issuer of such a contract shall subsequently measure it in accordance with IFRS 9.
There are no significant non-financial guarantee contracts that should be measured based on IFRS 17 standard.
The table illustrates the classification of provisions:

Contingent liabilities	Nominal amount	Provision			
		Stage1	Stage2	Stage3	IAS37
31.12.2024					
Expected credit loss (IFRS9)	**2 134 525**	**(10 801)**	**(13 375)**	**(2 192)**	**-**
Loan commitments provided	*1 666 628*	*(9 316)*	*(9 968)*	*(1 882)*	-
Financial guarantees provided	*190 212*	*(723)*	*(1 898)*	*(236)*	-
Other commitments provided	*277 685*	*(762)*	*(1 509)*	*(74)*	-
Provision for litigation		-	-	-	**(886)**
Provision for restructuring	-	-	-	-	**(560)**
Provision for pension, severance pay and unused leave	-	-	-	-	**(1 438)**
Total	***2 134 525***	***(10 801)***	***(13 375)***	***(2 192)***	***(2 884)***
31.12.2023					
Expected credit loss (IFRS9)	**1 761 030**	**(12 509)**	**(8 466)**	**(1 707)**	**-**
Loan commitments provided	*1 221 866*	*(10 436)*	*(5 949)*	*(1 462)*	-
Financial guarantees provided	*183 473*	*(1 154)*	*(1 549)*	*(233)*	-
Other commitments provided	*355 691*	*(919)*	*(968)*	*(12)*	-
Provision for litigation		-	-	-	**(1 055)**
Provision for restructuring	-	-	-	-	**(2 571)**
Provision for pension, severance pay and unused leave	-	-	-	-	**(3 140)**
Other provision		-	-	-	**(1 346)**
Total	***1 761 030***	***(12 509)***	***(8 466)***	***(1 707)***	***(8 112)***

Data in HUF million unless stated otherwise

The Management Committee decided on a capital increase in MBH Domo Ltd on 8 August 2024, the amount and schedule of the capital increase depends on the schedule of construction to be carried out by the subsidiary. In connection with the aforementioned resolution, a capital increase of HUF 15 billion was carried out in the subsidiary until the reporting date following the adoption of the ownership resolution.

4.24 Other liabilities

Other liabilities	31.12.2024	31.12.2023
Taxes, duties and other levies	16 418	11 494
Other accrued expenses	21 017	38 933
Initial fair value difference	5 956	9 157
Other liabilities	18 680	6 854
Total	**62 071**	**66 438**

4.25 Equity

Share capital

Shares are classified as share capital when there is no contractual obligation to deliver cash or other financial assets to the holders. Incremental costs directly attributable to the issue of equity instruments are presented in equity as a deduction from the proceeds, net of tax.

Treasury shares

The cost of the Bank's repurchased equity instruments ('treasury shares') is deducted from equity. Gain or loss is not recognised on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired by any members of the Bank.

On 11 December 2024 the Bank has repurchased common equity tier 1 capital instruments (treasury shares) with an aggregate book value HUF 55,440 million.

Regarding the Hungarian Civil Code Section 3:225 Subsection (1) and (3) treasury shares shall not entitle the limited company to exercise shareholder rights (e.g. voting rights) and any dividend that is payable on the company's own shares shall be taken into account at nominal value as pertaining to shareholders with respect to the dividends payable on their shares.

Share premium

Share premium comprises of premiums on share capital issuances.

General reserve

According to the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Banking Act), banks shall set aside as general reserve 10% of Profit after taxation. Dividends can be paid only after the recognition of the general reserve. This reserve can be utilized only for losses derived from ordinary activity. A credit institution can reclassify part of the total of its retained earnings into general reserve. Supervisory authority can allow the entity not to set aside the amount calculated as above stated.

The Bank discloses the general reserve as a part of the retained earnings. In 2024, MBH Bank recognised a general reserve of HUF 66,022 million (2023: HUF 50,147 million).

Retained Earnings

Retained earnings comprise the accumulated profit after taxes earned in the course of the operating life of an entity of the Bank less any dividend payment.

Revaluation reserves

Revaluation reserve of financial assets measured at FVTOCI includes the cumulative net change in the fair value until the derecognition. For financial instruments measured at fair value through other comprehensive income, the Bank has recognized an impairment loss in accordance with IFRS 9, which is shown in the Revaluation reserve.

Data in HUF million unless stated otherwise

Equity reconciliation table as required by Accounting Act 114/B§:

Equity based on Hungarian Accounting Law	Share capital	Capital reserve	General reserve	Retained earnings and other reserve	Revaluation reserve	Treasury shares	Profit for the year	Total
31.12.2024								
Total equity under IFRS as adopted by the EU	***322 530***	***348 894***	***-***	***258 556***	***-***	***-***	***158 753***	***1 088 733***
Accumulated other comprehensive income	-	-	-	5 133	(5 133)	-	-	-
Treasury shares	-	-	-	-	-	(55 440)	-	-
General reserve	-	-	66 022	(66 022)	-	-	-	-
Total equity under Accounting Act 114/B §	***322 530***	***348 894***	***66 022***	***197 667***	***(5 133)***	***(55 440)***	***158 753***	***1 033 293***
31.12.2023								
Total equity under IFRS as adopted by the EU	***322 530***	***348 894***	***-***	***190 892***	***-***	***-***	***118 316***	***980 632***
Accumulated other comprehensive income	-	-	-	(21 006)	21 006	-	-	-
General reserve	-	-	50 147	(50 147)	-	-	-	-
Total equity under Accounting Act 114/B §	***322 530***	***348 894***	***50 147***	***119 739***	***21 006***	***-***	***118 316***	***980 632***

Data in HUF million unless stated otherwise

Reconciliation of share capital registered at registry court and share capital under IFRS as adopted by the EU	31.12.2024	31.12.2023
Share capital under IFRS as adopted by the EU	322 530	322 530
Share capital registered at the registry court	322 530	322 530
Difference	**-**	**-**

Schedule of the profit reserves available for dividend	31.12.2024	31.12.2023
Retained earnings and other reserve	257 637	189 973
Accumulated other comprehensive income	5 133	(21 006)
General reserve	(66 022)	(50 147)
Profit for the year	158 753	118 316
Profit reserve available for dividend	**355 501**	**237 137**

4.26 Fair value of financial instruments

All financial instruments are recognised initially at fair value. In the normal course of business, the fair value of a financial instrument on initial recognition is the transaction price (that is, the fair value of the consideration given or received). In certain circumstances, however, the initial fair value will be based on other observable current market transactions in the same instrument, or on a valuation technique whose variables include only data from observable markets, such as interest rate yield curves, option volatilities and currency rates.
When such evidence exists, the Bank recognises a trading gain or loss on inception of the financial instrument. When unavailable market data have a significant impact on the valuation of financial instruments, the entire initial difference in fair value indicated by the valuation model from the transaction price is not recognised immediately in the consolidated statement of profit or loss and other comprehensive income but is recognised over the life of the transaction on an appropriate basis, or when the inputs become observable, or the transaction matures or is closed out, or when the Bank enters into an offsetting transaction.

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets held and offer prices for liabilities issued.

The estimated fair values disclosed below are designated to approximate values at which these instruments could be exchanged in an arm's length transaction. However, many of the financial instruments have no active market and therefore, fair values are based on estimates using net present value and other valuation techniques, which are significantly affected by the assumptions used on the amount and timing of the estimated future cash flows and discount rates. In many cases, it would not be possible to realise immediately the estimated fair values given the size of the portfolios measured.

Data in HUF million unless stated otherwise

The following table below sets out the carrying amounts and fair values of the Bank's financial assets and financial liabilities and the applied evaluation methods:

	Total carrying amount	Total fair value	Quoted market prices in active markets Level 1	Valuation techniques - with observable inputs Level 2	Valuation techniques - with significantnon-observable parameters Level 3
31.12.2024					
Cash and cash equivalents	**1 024 385**	**1 024 385**	**98 542**	**925 843**	**-**
Financial assets measured at fair value through proft or loss	**773 315**	**773 315**	**23 224**	**166 460**	**583 631**
Loans and advances to customers mandatorily at FVTPL	546 469	*546 469*	-	-	546 469
Securities held for trading	19 436	*19 436*	16 214	3 222	-
Securities mandatorily at FVTPL	44 183	*44 183*	7 010	11	37 162
Derivative financial assets	163 227	*163 227*	-	163 227	-
Hedging derivative assets	**81 073**	**81 073**	**-**	**81 073**	**-**
Financial assets measured at fair value through other comprehensive income	**1 222 521**	**1 222 521**	**771 436**	**451 085**	**-**
Debt and equity securities	1 222 521	*1 222 521*	771 436	451 085	-
Financial assets measured at amortised cost	**8 282 641**	**7 968 343**	**2 435 993**	**542 854**	**4 989 496**
Loans and advances to banks	419 660	*419 660*	-	-	419 660
Loans and advances to customers	4 622 516	*4 450 728*	-	-	4 450 728
Reverse sale and repurchase agreements	34 743	*34 743*	-	34 743	-
Debt securities	3 086 614	*2 944 104*	2 435 993	508 111	-
Other financial assets	119 108	*119 108*	-	-	119 108
Fair value change of hedged items in portfolio hedge of interest rate risk	**(5 316)**	**(5 316)**	**-**	**(5 316)**	**-**
Total financial accets	***11 378 619***	***11 064 321***	***3 329 195***	***2 161 999***	***5 573 127***
Financial liabilities measured at fair value through proft or loss	**115 314**	**115 314**	**-**	**115 314**	**-**
Derivative financial liabilities	86 128	*86 128*	-	*86 128*	-
Financial liabilities from short positions	29 186	*29 186*	-	*29 186*	-
Hedging derivative liabilities	**17 280**	***17 280***	**-**	***17 280***	**-**
Financial liabilities measured at amortised cost	***10 689 071***	***10 691 717***	**-**	***4 743 698***	***5 948 019***
Amounts due to other banks	2 319 798	*2 319 798*	-	-	*2 319 798*
Amounts due to customers	7 414 794	*7 414 794*	-	*4 329 301*	*3 085 493*
Repurchase liabilities	414 397	*414 397*	-	*414 397*	-
Issued debt securities	304 643	*307 289*	-	-	*307 289*
Subordinated debt	100 835	*100 835*	-	-	*100 835*
Other financial liabilities	134 604	*134 604*	-	-	*134 604*
Total financial liabilities	***10 821 665***	***10 824 311***	**-**	***4 876 292***	***5 948 019***

Data in HUF million unless stated otherwise

	Total carrying amount	Total fair value	Quoted market prices in active markets Level 1	Valuation techniques - with observable inputs Level 2	Valuation techniques - with significantnon-observable parameters Level 3
31.12.2023					
Cash and cash equivalents	**1 305 409**	**1 305 409**	**78 517**	**1 226 892**	**-**
Financial assets measured at fair value through proft or loss	**720 727**	**720 727**	**3 505**	**206 031**	**511 191**
Loans and advances to customers mandatorily at FVTPL	*490 802*	*490 802*	-	-	*490 802*
Securities held for trading	*1 017*	*1 017*	*663*	*354*	-
Securities mandatorily at FVTPL	*37 736*	*37 736*	*2 842*	*14 505*	*20 389*
Derivative financial assets	*191 172*	*191 172*	-	*191 172*	-
Hedging derivative assets	**73 012**	**73 012**	**-**	**73 012**	**-**
Financial assets measured at fair value through other comprehensive income	**906 612**	**906 612**	**439 107**	**467 505**	**-**
Debt and equity securities	*906 612*	*906 612*	*439 107*	*467 505*	-
Financial assets measured at amortised cost	**7 578 461**	**7 292 799**	**1 998 613**	**-**	**4 757 070**
Loans and advances to banks	*456 886*	*456 886*	-	-	*456 886*
Loans and advances to customers	*4 272 323*	*4 141 308*	-	-	*4 141 308*
Reverse sale and repurchase agreements	*34 533*	*34 533*	-	*34 533*	-
Debt securities	*2 655 843*	*2 501 196*	*1 998 613*	*502 583*	-
Other financial assets	*158 876*	*158 876*	-	-	*158 876*
Fair value change of hedged items in portfolio hedge of interest rate risk	**3 159**	**3 159**	**-**	**3 159**	**-**
Total financial accets	***10 587 380***	***10 301 718***	***2 519 742***	***1 976 599***	***5 268 261***
Financial liabilities measured at fair value through proft or loss	**141 377**	**141 377**	**-**	**141 377**	**-**
Derivative financial liabilities	119 620	*119 620*	-	*119 620*	-
Financial liabilities from short positions	21 757	*21 757*	-	*21 757*	-
Hedging derivative liabilities	**17 018**	**17 018**	**-**	***17 018***	**-**
Financial liabilities measured at amortised cost	***9 763 018***	**9 884 114**	**-**	***4 211 406***	***5 672 708***
Amounts due to other banks	2 324 268	*2 324 268*	-	-	*2 324 268*
Amounts due to customers	6 850 774	*6 850 774*	-	*4 142 654*	*2 708 120*
Repurchase liabilities	68 752	*68 752*	-	*68 752*	-
Issued debt securities	254 068	*375 164*	-	-	*375 164*
Subordinated debt	113 679	*113 679*	-	-	*113 679*
Other financial liabilities	151 477	*151 477*	-	-	*151 477*
Total financial liabilities	***9 921 413***	***10 042 509***	***-***	***4 369 801***	***5 672 708***

The Bank measures fair values using the following measurement hierarchy:

- Level 1 (quoted prices available on the active market): Fair values of financial instruments traded in active markets are based on quoted market prices or dealers' price quotations. This category includes treasury bills, government bonds, other bonds, investment units, capital instruments and currency derivatives and stock futures transactions listed on a stock exchange or having an active market.

- Level 2 (valuation techniques - with observable parameters): this category includes instruments measured with the application of the following: quoted market prices in an active market of similar instruments; quoted prices of similar instruments in a market considered inactive; or other valuation techniques where every significant input originates from directly or indirectly observable market data. Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments with observable market prices, and other valuation models. Assumptions and inputs applied in the valuation techniques include risk-free rates and benchmark rates, credit risk premiums and other premiums used to estimate discount rates, bond and share prices, foreign exchange rates, share indices, and the projected price volatilities. The majority of derivative transactions belong to this category, for example currency forwards and swaps, currency and interest rate swaps, and bonds whose market is active with limitations.

- Level 3 (valuation techniques - with significant non-observable parameters): valuation techniques applying a significant amount of unobservable inputs. This category contains all the instruments in the case of which the valuation techniques apply inputs that are based on unobservable data and where the unobservable inputs may have a significant impact on the valuation of the instrument. This category contains instruments which we value based on quoted prices of similar instruments, and in the case of which significant unobservable modifications or assumptions are necessary to reflect the differences between the instruments.

No reclassification was carried out between the levels of the fair value hierarchy in the fiscal year.

The methods and the assumptions applied in determining fair values of financial instruments when a valuation technique is used were as follows:

Cash and cash-equivalents

Due to the short-term nature, the carrying amount of Cash and cash-equivalents is a reasonable approximation of their fair value.

Derivative financial instruments

Fair values of derivative financial instruments are traded in active markets are based on quoted market prices or dealer price quotations.
As part of its trading activities the Bank enters into OTC structured derivatives, primarily options indexed to equity prices, foreign exchange rates and interest rates, with customers and other banks. Some of these instruments are valued using models with significant unobservable inputs, principally expected long-term volatilities and expected correlations between different asset prices or foreign currency exchange rates. These inputs are estimated based on
extrapolation from observable shorter-term volatilities, recent transaction prices, quotes from other market participants and historical data.

Securities

The fair values of instruments grouped into securities are based on quoted market prices, when available. If quoted market prices are not available, fair value is estimated using quoted market prices of similar securities. For further information, please refer to Note 4.11.2, 4.11.3, 4.13.1.

Data in HUF million unless stated otherwise

The value of investment units held is determined based on the net asset value of the related investment funds.

The net asset value of the investment funds is established by the Fund Manager, the calculated net asset value is checked by the Depositary. The net asset value of the funds is determined at least on a quarterly basis. The determined net asset value of the funds is the value of the assets minus all the liabilities of the investment funds. Investments must be measured at fair value based on market prices. When calculating the net asset value of the first three quarters of each financial year, the Fund Manager continuously monitoring the management of the investments, the development of market prospects and having the information at its disposal - which includes the latest available quarterly reports on the investments, financial information - updates the valuation of investments based on the valuation model, which is taken into account during the calculation of the net asset value for the relevant quarter.

The Fund Manager uses fair value valuation when calculating the year-end net asset value of the funds. After the end of the year, the Fund Manager prepares a business evaluation of all investments in a given fund based on the latest financial data and information available at the time of the evaluation, in which the fair value of the investments is determined. The evaluation is reviewed by a requested independent expert and a report containing the findings of the evaluation is issued. The value of the investments in the consolidated financial statements is determined based on the mentioned business valuations.
There is no active quotation of discount government bonds when they reach within 3-month maturity. For discount government bonds within the maturity of 3 months, MBH Bank is using yield-curve valuation technique. The inputs of the yield-curve are the relevant active market prices, consequently it is considered as Level 2 valuation.

Loans to banks and customers

The fair value of loans and advances is based on observable market transactions, where available. In the absence of observable market transactions, fair value is estimated using discounted cash flow models.

Sensitivity test results for loans measured at fair value:

Interest rate risk

Interest rate risk arises from the fact that changes in interest rates affect the fair value of loans. Stress tests are used to monitor how the fair value of loans may change in the case of extreme interest rate changes (+/-200 basis points).

Interest rate cahnge	Effect on Fair value 31.12.2024
+200 bp increase	(14 058)
-200 bp decrease	11 574

The baby loan portfolio represents the largest exposure (nearly 80%) among total loan portfolio measured at fair value, the effect of interest rate change on this portfolio's fair value would be HUF -10.548 million in case of +200 bp increase and HUF 8.528 million in case of -200 bp decrease.

Credit spread

Credit risk and its changes arise from the fact that a change in the customer rating or credit classification affects the fair value of the loan. Stress tests are used to monitor how the fair value of loans may change in the case of a change in the credit spread (+/-10%).

Data in HUF million unless stated otherwise

Credit spread change	Effect on Fair value 31.12.2024
+10 % increase	(3 294)
-10 % decrease	4 081

The baby loan portfolio represents the largest exposure (nearly 80%) among total loan portfolio measured at fair value, the effect of credit spread change on this portfolio's fair value would be HUF -2.651 million in case of +10% increase and HUF 3.2234 million in case of -10% decrease.

For the valuation of the loans to banks and customers, please refer to Note 4.14.1.

Amounts due to other banks and current and deposit accounts

For the purposes of estimating fair value, Amounts due to other banks and current and deposit accounts are grouped by residual maturity. Fair values are estimated using discounted cash flows, applying current rates offered for deposits of similar remaining maturities plus Bank's own credit risk. For determining own credit risk (DVA – Debit Value Adjustment) the Bank uses the own PD and LGD used also for risk purposes which is also in line with the DVA calculation method for negative fair value derivatives. The fair value of a deposit repayable on demand is assumed to be the amount payable on demand at the end of the reporting period.

Issued debt securities and Subordinated debts

Fair values are determined using quoted market prices at the end of the reporting period where available, or by reference to quoted market prices for similar instruments plus own credit risk.

4.27 Related party transactions

The Bank identifies the related parties using the definition of IAS 24, therefore every enterprise that is directly or indirectly, through one or more intermediaries, controlled by the Bank and key management personnel, including the members of the Board of Directors and the Supervisory Board, qualify as a related party.

All transactions with related companies were carried out in the ordinary course of business. Transactions include credit and deposit transactions, and off-balance sheet transactions. All of the transactions were carried out under ordinary commercial conditions and by applying market interest rates.

Key management personnel compensation for the period comprised:

Employee benefits	2024	2023
Short-term employee benefits	867	685
Other long-term benefits	109	41
Share-based payment transactions	229	136
Total	**1 205**	**862**

Data in HUF million unless stated otherwise

Related parties transacted with the Bank during the period as follows:

	Subsidiaries		Associates		Key Management Personnel		Other related parties*	
	2024	2023	2024	2023	2024	2023	2024	2023
Assets								
Amounts due from banks	370 374	434 683	-	-	-	-	-	-
Loans and advances to customers	509 138	446 952	21 353	32 060	653	514	149 495	173 782
Derivative financial assets	4 124	3 322	5 197	2 835	-	-	-	16
Securities and equity investments	765 113	602 750	52 636	73 033	-	-	46 811	54 074
Other assets	3 656	13 420	31 995	44 730	-	-	22 641	4
Liabilities								
Amounts due to banks	810 267	672 586	-	-	-	-	-	-
Current and deposit accounts	44 126	65 988	1 835	1 087	273	505	396 632	404 867
Derivative finacial liabilities	2 813	10 315	-	-	-	-	723	-
Other liabilities	43 847	35 313	31 535	44 730	-	-	-	29
Profit or Loss								
Interest income	67 492	81 186	1 135	2 155	10	12	9 073	20 186
Interest expense	(84 910)	(100 003)	(19)	(33)	(5)	(3)	(18 140)	(27 019)
Net income from commissions and fees	1 119	(846)	92	123	212	4	1 633	32
Other income / (expense)	(22 332)	(41 396)	2 744	(250)	(1 206)	(1 209)	(691)	(223)
Contingencies and commitments								
Undrawn commitments to extend credit	44 062	41 614	747	810	13	4	77 148	66 281
Guarantees	79 898	99 906	-	-	-	-	42 016	95 785
Expected credit loss on and off-balance items	(234 788)	(234 958)	(8 026)	(10 212)	(3)	(2)	(17 585)	(17 444)

**Balances to other related parties include exposures to owners and their groups.*

Significant part of the amount outstanding from Key Management Personnel represents mortgages and secured loans granted and these loans are secured over property of the respective borrowers.

Other related parties include the interests of the Key Management Personnel and other investments.

4.28 Earnings per share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Basic earnings per share of 31 December 2024 was calculated based on the net income available to ordinary shareholders of HUF 158,753 million (2023: HUF 118,316 million) and the weighted average number of ordinary shares outstanding of 321,296 thousand pieces (2023: 322,257 thousand pieces).

31.12.2024

$$\text{Earnings per Ordinary Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{158\ 753}{321\ 296} = 494$$

31.12.2023

$$\text{Earnings per Ordinary Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{118\ 316}{322\ 257} = 367$$

The diluted earnings per share is calculated based on the net income available to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for the effect of all dilutive potential ordinary shares. There was no dilution factor in the periods presented.

31.12.2024

$$\text{Diluted Earnings per Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{158\ 753}{321\ 296} = 494$$

31.12.2023

$$\text{Diluted Earnings per Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{118\ 316}{322\ 257} = 367$$

Data in HUF million unless stated otherwise

4.29 Information on employee share system

With the modification of the ESOP Act, which came into effect on 28 November 2015, a new type of Employee Share Ownership Programme could be launched. MKB Bank, the former member bank of MBH Bank was, one of the first to use this opportunity to establish its own ESOP Organisation on 30 May 2016.

In 2017 MKB started its ESOP Remuneration Policy and implemented it through the ESOP Organisation (MRP Szervezet). The Bank's remuneration policy is determined jointly by the CRD/HPT (Capital Requirements Directive) based remuneration framework and the ESOP Act. Eligible employees submit a participation declaration, to become participants of the ESOP and subject to the regulations of the Remuneration Policy.

In order to settle the variable cash settled share based payments, the ESOP exercises subordinated MBH's bonds and buys financial settlement type purchase-rights for ordinary shares. These transactions are financed by MBH as the founder's financial contribution. The amount and quantity purchased are in line with the employees bonuses assessed. The MBH Bank Nyrt. as the founder has to ensure the financial contribution 2 years before the employee settlement, due to an obligation regulated by the ESOP Act.

The purchase options are financial-settled, therefore there are no actual share movements. The beneficiary of the purchase options is the ESOP Organisation, so the employees are not beneficiaries. The participants of the ESOP will not become owners of shares. However the financial assets managed by the ESOP Organisation are the bases of the participants' membership. Participants will be entitled for the financial settlement of cash settled share based payments, as it is regulated by the ESOP Remuneration Policy. The Policy determines the market price calculation method of the shares belonging to the purchase options. In addition to cancellation of the participant's membership, the payments of the cash settled share based payments will be managed by the ESOP Organisation and performed after the recognition of the bonds and the purchase options in line with the deferral periods.

The share based payments of the purchase options are accounted based on the principles of IFRS 2 standard, while the benefit relating to the bonds are accounted as of IAS 19 standard.

Details of the share based compensation:

Changes in purchase options	Number of related shares	Options fee (HUF/share)
2024		
Outstanding at the beginning of the period	***9 296 799***	***10***
Granted during the period	3 797 767	10
Exercised during the period	(683 101)	10
Derecognition (expired)	(2 724 540)	10
Outstanding at the end of the period	***9 686 925***	***10***
2023		
Outstanding at the beginning of the period	***7 399 972***	***10***
Granted during the period	3 266 767	10
Exercised during the period	(373 795)	10
Derecognition (expired)	(996 145)	10
Outstanding at the end of the period	***9 296 799***	***10***

4.30 Events after the reporting period

Purchase the 14,88% of Fundamenta

On November 11, 2024 the Bank has signed a share purchase agreement with Generali Biztosító Zrt. in order to purchase a total of 14,88% stake of FundamentaLakáskassza Lakás-takarékpénztár Zrt. The closing of the transaction is expected in first half of 2025, subject to obtaining the necessary regulatory approvals.

Issue of an aggregate nominal value of EUR 750 million credit rating and listing of the Senior Preferred Notes

The Bank issued Senior Preferred Notes with an aggregate nominal value of EUR 750 million (HUF 306 billion); (ISIN: XS2978001324) for a 5-year maturity non-callable for the first 4 years, unsecured claims with the value date of 29 January 2025. The maturity date of the notes is 29 January 2030, the use of proceeds is general corporate purposes. The fixed interest rate of 5.250% per annum will be paid up to the optional redemption date of 29 January 2029. Moody's Investors Service Cyprus Ltd. has assigned a 'Ba2' rating to the notes. The notes were listed on the Luxembourg Stock Exchange on 29 January 2025.

Supervisory Board chairmanship

The Supervisory Board of the Bank elected Mr. Miklós Vaszilyas Chairman of the Supervisory Board by Resolution No. 54/2024(12.11.)-MBHB-FB for the period from the date of issuance of the approval of Magyar Nemzeti Bank required for the position until the expiration of his membership on the Supervisory Board. The election of Mr. Miklós Vaszily as Chairman of the Supervisory Board was approved by Magyar Nemzeti Bank by Resolution No. H-EN-I-112/2025 dated 11 March 2025, he as Chairman of the Supervisory Board accepted his election in writing on 12 March 2025. In accordance with the above, the mandate of Mr. Miklós Vaszily as Chairman of the Supervisory Board entered into force on 12 March 2025.

M B H B a n k Plc.

10 011 922 641 911 401
statistic code

Separate
Management Report

31 December 2024

MANAGEMENT REVIEW AND ANALYSIS[1]

1. HISTORY OF MBH BANK PLC.

MBH Bank's stability is based on the combined knowledge and experience of three Hungarian financial institutions with a long history, Budapest Bank, MKB Bank and Takarékbank.

On May 15, 2020, MTB Magyar Takarékszövetkezeti Bank and MKB Bank signed a Memorandum of Understanding to establish a joint financial holding company - Magyar Bankholding - in which the two financial institutions entered with equal ownership. On 26 May 2020, Budapest Bank also joined the strategic cooperation.

Magyar Bankholding was established to carry out the merger and transformation of Budapest Bank, MKB Bank and Takarék Group as a domestically owned financial holding company. The company started its effective operations on 15 December 2020, after the major shareholders of the three banks transferred their bank shares to the joint holding company with the approval of the Hungarian National Bank, thus creating Hungary's second largest banking group.

On 15 December 2021, the General Meeting of MKB Bank and the highest decision-making bodies of Budapest Bank and Magyar Takarék Bankholding, which owns the Takarék Group, approved the merger timetable for the merger of Budapest Bank, MKB Bank and Magyar Takarék Bankholding. As a first step, on 31 March 2022, the two member banks of the banking group, Budapest Bank and MKB Bank merged with Budapest Bank being merged into MKB Bank.

The merged Bank continued to operate under the name of MKB Bank until 30 April 2023, when Takarékbank joined, and since 1 May 2023 it has continued to operate under the name of MBH Bank, with a single brand name and image.

The Banking Group aims to introduce customer-centred, competitively priced, internationally leading digital solutions, products and services, building on the combined strengths, values and best practices of the three strong domestic commercial banks. The integration of the three member banks is unique not only in Hungary, but also in the financial market of the region, mainly due to its complexity and scale.

MBH Group is a very stable, strong and dominant player in the Hungarian financial sector. Currently, it is the second largest bank group in Hungary in terms of total assets and also has the largest branch and ATM network. The bank group is a market leader in number of areas, including lending to corporate customers and the micro, small and medium-sized enterprise sector, which has key importance to the national economy, serving agricultural and private banking clients, and in the leasing market.

[1] In the next chapter of the management review and analysis, we assess and analyze the financial situation of the Bank and the results of the activities in order to give the reader an overview of the financial situation and the results for 2024. The following analyses are based on the individual financial statements of MBH Bank prepared in accordance with the International Financial Reporting Standards ("IFRS") for 2024 to the accounting date of 31 December 2024, audited by the registered auditors of the PwC Auditing Ltd. Accordingly, the following analysis focuses on the performance of the Bank. Consolidated financial statements prepared in accordance with the IFRS requirements will be presented separately.

2. OPERATIONAL ENVIRONMENT

In the developed economics, inflation rates have been further reduced in 2024, but inflation has not yet stably reached the desired targets. The growth figures for 2024 were positive, with the US economy expanding at a steady pace above 2.5%, while growth in the euro area was rather lagging behind last year. Central Banks in the developed countries started their rate cutting cycles in 2024, but with different dynamics. The European Central Bank started its rate-cutting cycle in June and, after a pause in July, maintained it until the end of 2024, bringing the deposit rate down to 3.00% by the end of the year. The Fed cut rates later but by a larger 50 basis points, first in September 2024 and then in the last quarter of 2024, with two 25 basis point rate cuts, to 4.25-4.50% by the end of 2024 overseas.

Although the euro area economy avoided a technical recession in 2024, the weak growth dynamics (and the weakness of our main trading partner, Germany) were also a significant drag on the Hungarian economy. In both the second and third quarters of 2024, domestic GDP declined on a quarterly basis, pushing the Hungarian economy back into a technical recession. Subsequently, however, the Hungarian economy emerged from the technical recession in the fourth quarter of 2024, with economic output expanding by 0.5% in the fourth quarter of 2024 compared to the previous quarter. The growth rate was thus slightly better than expected.

In 2024, prices rose by 3.7% on average compared with the previous year, in line with expectations. The inflation indicator moved out of the central bank's tolerance band in May and July. The moderation in inflation has been supported by a fall in fuel prices, while price increases for services have remained high for a long time. Inflation reached its lowest level in September 2024, when the annual average price increase fell to the 3% target for the first time since January 2021. Inflation in December was 4.6%, higher than the annual average. The main reason for the year-end increase was the base effect. In addition, by the end of 2024, the weakening of the forint was also visible in the rise in the price of consumer durables. Core inflation was 4.7% in December 2024. The price index for services remained high at well above 5% throughout the year, while the price of household energy fell year-on-year and, with the exception of December, the price of consumer durables also fell in 2024.

The MNB continued its cycle of interest rate cuts in 2024, with the base rate falling to 6.50% in September from 10.75% at the beginning of 2024. In the fourth quarter, the MNB paused the rate cuts, leaving the policy rate at 6.50% until the end of 2024. The MNB's room for manoeuvre was also narrowed by the expected upward revision of the Fed's interest rate path and the sharply weakening forint. In addition, inflationary pressures have also increased, which also prevented a rate cut.

According to the Ministry of National Economy's January release, the central sub-system of the general government finances closed with a deficit of HUF 4,095.8 billion in 2024, below the increased deficit target of HUF 4,790 billion. According to the NGM, the accrual-based deficit as a share of GDP could be 4.8% of GDP (final data will be released on 1 April 2025). Expenditure on pensions and pension-like benefits, baby grants and preventive medical care exceeded the amounts spent a year earlier. Tax and contribution revenues of the central subsystem were 8.7% higher than in the previous year. 2024 saw no reduction in the ratio of public debt to the size of the economy. The debt-to-GDP ratio rose from 73.4% at the end of 2023 to 73.6% at the end of last year.

The external financing capacity for 2024 (only preliminary data is available for the fourth quarter) was €6.8 billion (equivalent to 3.3% of GDP), consisting of a surplus of €6.1 billion on the current account and €730 million on the capital account. The trade in goods balance improved by €2.6 billion last year compared to a year earlier, with a surplus of €11.6 billion.

After 2023, the credit institutions sector also had an outstanding year in 2024 in terms of profit after tax: based on unaudited data, domestic banks achieved a profit of HUF 1,632 billion in 2024, which is HUF 153 billion higher than in 2023, and a return on equity of at least 20%. In numerical terms, the improvement over 2023 was driven by an increase in dividend income of nearly HUF 140 billion and an improvement in non-interest income from financial and investment services of more than HUF 90 billion. However, these are not sustainable trends in the long term in terms of volume. Interest income was around HUF 100 billion lower than in 2023, which is better than expected, given that the sector realised significantly lower interest income on its deposit assets held with the MNB due to the decline in central bank interest rates, and in addition, the interest rate limits previously introduced on specific mortgage loans remained largely effective during 2024. This deterioration in interest income was offset by a roughly HUF 55 billion improvement in fee and commission income, although transaction fees increased by more than HUF 100 billion in expenses, and the sector was unable to pass on part of this increase to its clients. Operating costs increased by HUF 150 billion from 2023 to 2024, well above the rate of inflation and slightly above the rate of revenue growth, so the cost-to-revenue ratio increased marginally from its 2023 level but remained below 40%. After a near-neutral impact on profit in 2023, risk costs in 2024 amounted to HUF 108 billion, mainly due to accelerating net impairment charges in the second half of the year. At the same time, the sector's tax payments decreased by around HUF 50 billion (HUF 70 billion taking into account the evolution of the contribution to resolution and deposit insurance funds) compared to 2023, mostly due to the possibility of a reduction in the extra profit tax. Overall, therefore, the banking sector continued to show an outstanding performance in 2024. However, the resulting trends are partly unsustainable in the longer term and, coupled with a moderately continued decline in yields, a meaningful correction in the equity ratio is therefore expected.

3. MBH'S RESULTS FOR 2024

On 30 April 2023, MKB Bank Plc. and Takarékbank Ltd. merged, continuing their activities under the name of MBH Bank Plc. The accounts at 31 December 2024 included the data of the merged Bank, which are comparable with the data as at 31 December 2023. The total assets of the MBH Bank were HUF 11,951.7 billion by the end of 2024. The stock of net customer loans amounted to HUF 4,622.5 billion, while the stock of customer deposits reached HUF 7,414.8 billion. Profit after tax amounted to HUF 158.8 billion.

The Bank's financial and business fundamentals strengthened further, including capitalization, liquidity, funding structure, balance sheet structure and the performance of its business lines.

Main figures in HUF million	31.12.2024	31.12.2023	Change (%)	Change
Total assets	11 951 671	11 008 621	8.6%	943 050
Financial assets measured at amortised cost	8 282 641	7 578 461	9.3%	704 180
o/w Loans and advances to customers	4 622 516	4 272 323	8.2%	350 193
Financial liabilities valued at amortised costs	10 689 071	9 763 018	9.5%	926 053
o/w Amounts due to customers	7 414 794	6 850 774	8.2%	564 020
Equity	1 033 293	980 632	5.4%	52 661
Profit before taxation	188 157	141 863	32.6%	46 294
Profit for the year	158 753	118 316	34.2%	40 437
Total comprehensive income	132 614	169 599	(21.8%)	(36 985)

4. PERFORMANCE OF THE INDIVIDUAL BUSINESS LINES[2]

Retail clients

Daily banking and related credit products

In retail account products, the Bank's product modernisation project has been going strong, with the aim of making the product portfolio more consistent and simpler, which also supports the digital transformation of the Bank.

Several successful marketing campaigns, modernised pricing and products supported the Bank's customer acquisition and financial plans. The Bank has strengthened its partnership channels and entered into an important cooperation with the Hungarian Olympic Committee and thanks to this, besides supporting the Hungarian Olimpians, the Bank issued an exclusive product which is unique in the banking sector.

As part of a joint campaign with the Hungarian Olympic Committee and Visa, the Bank issued Visa Sustainable card with Olympic card design and introduced Visa Signature premium card, the first Visa metal card issued in Hungary. The MOB Visa Signature Metal cards is eligible for Hungarian Olympians having top eight places during the summer and winter Olympic games. The launch of this card product brought to the Bank the 'Product launch of the Year' award of Visa Awards 2024.

The Bank increased the number of actively used debit cards and following market trends the usage of mobile payment solutions is increasing.

The mobile Post sales network was expanded during the year, and 17 Media Markt stores started credit card sales instead of the previous sales finance activity with the aim to accelerate and to simplify the service for the returning clients.

In the last quarter of 2024, the Bank's retail partners saw a pick-up in demand for trade credit, resulting in a significant increase in trade credit originations. The increase in purchase volumes also supported partner credit card issuance.

Savings

In retail savings, investment funds remained the most popular in 2024. The Bank primarily offered to its clients the wide range of product of MBH Fund Manager. Bonds and mixed investment funds were particularly popular, which highly contributed to the 33% increase in the total volume of retail customer's funds managed within the Banking Group compared to 2023. Beside deposits, investment funds and government bonds, MBH Bank own bonds were also eligible for retail customers in 2024.

The Bank started the simplification of its deposit portfolio in the framework of product modernisation project.

[2] The source of individual market data: NBH (National Bank of Hungary), KAVOSZ, BAMOSZ (Association of Hungarian Investment Funds and Asset Management Companies), EXIM Bank, MFB (Hungarian Development Bank), MBH's own calculation

Covered and uncovered loans

In 2024, the banking sector set a record for housing lending. New housing loans in the sector amounted to more than 1,300 billion HUF, with MBH Bank's disbursements multiplied year-on-year. The increase in average loan amounts from 11-12 million HUF to 20 million HUF played a significant role in the growth of 2024. Subsidised programmes (e. g. CSOK Plusz, Babaváró loan) also help to further increase both the number of housing transactions and the amount of housing loans.

MBH Bank voluntarily supported the institution of APR cap between 1 January and 30 June. The Bank set by keeping the interest rate of home loans with market conditions below the defined cap and further decreased the interest of these loans according to the cap modification from January 2024.

The maximization of credit interest rates by the government still supported clients with payment difficulty in 2024. The government decree of 2nd December 2024 prolonged the validity of the interest rate freeze until 30 June 2025; thus, mortgage loan clients pay their instalments under favourable conditions.

The Bank was prepared for the transformation of the Home Support Programme, from 1 January 2024, the new CSOK Plusz, the Falusi CSOK with modified conditions and the Baby Loan constructions are available in its loan portfolio. MBH Bank aims to serve its customers by providing the full range of state subsidized loans.

To strengthen its market position, the Bank announced Baby loan promotion all year long and sold its mortgage loan products with competitive interest rate even after the expiration of the voluntary APR cap.

The volume of new mortgage loans declined from the third quarter to the fourth quarter of the year. The market was partly waiting for the clarification of the 5% APR cap's application rules and partly awaiting news of possible government subsidy/rebate announcements. However, the very close relationship with credit intermediaries established during the year was able to offset these effects in the last quarter, and the volume of mortgages intermediated by credit intermediaries to MBH Bank continued to increase. MBH Bank continued strengthening its market share in 4Q.

Personal loan sales showed continued strength in 2024, supported by several factors volume boosting effect of marketing campaigns, the well-timed CRM campaigns, and the improving market environment. In November-December 2024 both MBH Bank sales and the personal loan market showed a slight fall-back compared to the record volumes in the previous period of the year.

Demand for MBH personal loans was also buoyant in 4Q at the expanded Posta outlets.

Globally, new volumes increased to 126.6 billion HUF, representing a major boost compared to 2023, making MBH Bank a more important player on the personal loan market.

Insurances

Our insurance partner, CIG Pannónia, in cooperation with the Bank, has restructured its group life insurance products, ensuring that the sums insured provide real security in the event of a claim, so that the so-called Extra insurance for accident, life, income and banking and digital protection has also been upgraded from 1 March 2024.

In the national home insurance campaign launched by the Hungarian Government in March 2024, the Bank participated with the sales of home insurance products of CIG Pannónia. The Bank offered to its clients to book their home insurance online.

CIG Pannónia Biztosító introduced CIG360 Life-, Accident- and Illness insurance in June 2024, instead of the previous Pannónia Bárka Life-, Accident- and Illness insurance. The new product is more adapted to client's expectations, coverage elements are expanded, thus a wider range of client demand can be satisfied.

MBH SZÉP card

The number of MBH SZÉP card holders exceeded 269 thousand by the end of 4Q. Nearly HUF 35.3 billion employer contributions were transferred to them in 2024 with 868 thousand transactions. The MBH SZÉP Card holders spent nearly HUF 32.8 billion in 2024 with 5.3 million transactions.

Premium segment

In the premium segment, the focus was on enhancing premium value and service, as well as introducing digital solutions and simplified portfolio offerings. As a result, the premium segment continued to grow in Q4, while the portfolio streamlining is ongoing.

In terms of number of clients, the Bank expects strong growth also in 2025, as it has made premium services available to clients who meet the income criteria. Assets under management grew to 985 billion HUF, an annual growth of 25%.

The investment penetration of the portfolio is 82.5%. Thanks to the very good cooperation with the Investment Bank and MBH Fund Manager, the product diversification of investment portfolios has continued; with 53.3% of the portfolio in investment funds, the Bank maximized the return on savings with optimal risk.

One of the most important pillars of the Premium Value proposition is full financial advice, i. e. in addition to managing savings, the Bank also offers solutions to meet the financial needs of its customer. In this respect, the Bank has made great strides in both home savings and individual insurance but is far from realising the potential of the Premium portfolio.

Micro and small business segment

In the last quarter of 2024, the Bank launched BUPA, a platform of beyond banking services for the SME segment, helping businesses at all stages of their lifecycle. It is able to offer mass services and will also be able to offer personalised services in the short term.

In 2024, the demand for government-subsidised loans to boost the economy among micro and small enterprise customers remained unbroken. The MAX+ scheme of the Széchenyi Card programme was the most popular in that segment. Most of the loans extended to businesses through these schemes were the driving force behind lending in that segment throughout the year. MAX+ contruction of the Széchenyi Card program was the most popular.

The MAX+ program has seen an increase in demand for liquidity loans, which is expected to continue into 2025.

In addition to subsidised loan contructions, the competitiveness of own-bank loans has weakened further in a rising interest rate environment, further widening the cost difference between fixed subsidized and variable-rate market loans.

In 2024, the Bank has continued to focus on improving its loan servicing processes.

MFB Points

The Bank has 154 corporate and 155 retail MFB Point Plus units.

In MBH Bank, the first retail MFB Pont Plus product, the Home Renovation Program, debuted in Q1 2024. The new product provides interest-free loans and non-refundable grants for residential energy efficiency investments.

MBH Bank has expanded its MFB Pont Plus product range with the introduction of three new corporate loan programmes in the last quarter of 2024.

At the beginning of the last quarter of 2024, the SME Technology Plus Budapest Loan Programme was launched, which supports the investments of businesses in Budapest in the form of interest-free loans. The aim of loan scheme is to support SMEs in building and improving their capacity to develop advanced products and services, enabling the use of renewable energy technologies and related energy efficiency investments. MBH Bank is the most important participant of the program with a market share of 90%.

In the fourth quarter of 2024, two new products were launched to support the digitalisation of businesses. One of them, the *Digitalisation Support for Micro, small and medium enterprises*, is a one-stop combined loan product offering both an interest-free investment loan and a non-repayable grant to increase digital intensity. The other, the *Support for the Digitalisation of Small and medium enterprises* loan programme, provides an interest-free investment loan with a higher loan amount, also to promote digital upgrading.

The Bank is actively participating in the DIMOP loan programme, which aims to improve the competitiveness of SMEs with low digital intensity, to support the implementation and operation of digital transformation, including basic and advanced digital solutions available on the market.

Branch network

MBH Bank has the largest branch network in the Hungarian market, 397 branches are serving the clients countrywide.

Following the merger assignments in the previous year, MBH Bank implemented several infrastructure upgrades and technological improvements in 2024. Physical renovations to create modern spaces continued in 4Q, and new branch locations and new types of service points were added to the accessibility of Bank's services.

In line with the needs of the young generation, our Digital Kiosks offer customers a safe, fast and convenient way to open a bank account without the need for a personal presence in person, using modern video banking technology.

In 4Q 2024 continuing the planned ATM network development and upgrading, new machines were installed in several branch and non-branch locations. With nearly 1,000 ATM machines operating across the country, Bank confirmed its second place on the market.

Digital transformation is a key strategic objective of the Bank. In line with this objective, a unified customer call system and application has been implemented across the entire branch network, with technological capabilities that allow customers to book appointments online and queue remotely. In line with ESG guidelines, the customer call system ensures paperless number generation.

In 2024, the acquisition process of the Fundamenta Group was completed. MBH Bank's extensive branch network and the Fundamenta Personal Banker network together represent the dominant sales force in the domestic savings and mortgage market. By combining product ranges, combining banking, home savings and insurance products, and increasing the efficiency of administration, our customers can manage their finances more conveniently, faster and with more compatible solutions.

Thanks to the well-prepared and well-scheduled expansion of the Sales Efficiency Improvement Programme, which was running throughout the year and received strong organisational attention, sales capability and efficiency improved significantly across the Bank's branch network in the last quarter in all the indicators assessed. This complex training and support, which is unique in the sector, is helping to deliver successful, quality customer service in a sustainable was over a long term.

In addition, in 4Q the Training Programme, which has expanded to a nationwide coverage, has contributed to the acquisition of professional competencies and organisational integration of new branch staff through on-site mentoring.

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.
In 2024, the Bank is committed to providing innovative banking solutions that make it easier for businesses to operate, increase their competitiveness and support their investment plans.

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 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 Bank remained an active participant in the continually renewed Széchenyi Card Programme. In the SZKP MAX+ programme which has been launched in January 2023 and is still running, MBH Bank's market share of the Corporate business, including micro and small enterprises, in terms of the number of loan applications originated, is 34%, and 29%[3] in terms of the number of applications originated.

In 2024, there was strong demand for subsidised loan products compared to market-rate loans thanks to surging demand, as opposed to market-rate loans, given that these products offer a much lower interest burden for companies, thus significantly improving the domestic and international competitiveness of domestic businesses.

MBH Bank has traditionally maintained close ties with Eximbank to enable customers to benefit from EXIM financing sources. In order to provide flexible and comprehensive services to its customers, the Bank continues to actively participate in all subsidized loan programs announced by Eximbank, including the Baross Gábor Reindustrialisation Investment Loan Programme Plus, which is scheduled to continue in 2024, where a total of 160 billion forints out of the 200 billion forint budget became available for commercial banks for investment loans with a fixed low interest rate in forints and euros until the end of the maturity period. The bank's clients have requested these products in significant amounts, including for green investment purposes.

[3] KAVOSZ

At the Exim Awards Gala held on 20 March 2024, the Banking Group was honoured in three categories:

- Bank of the Year 2023 (MBH Bank)
- Green Funding Partner of the Year 2023 (MBH Bank)
- Most Active Leasing Company (Euroleasing)

In 2024, the Bank continued to show a strong commitment to the corporate sector, with small and medium-sized enterprises (SMEs) as a key segment, with a focus on increasing product penetration. The Bank has made significant efforts to support its clients' growth and success in the market. Through innovative solutions and personalised services, the Bank has further strengthened its market position.

State administration relations, Municipal clients, Churches

One of the key elements of MBH Bank's market share growth and national strategy is to provide high quality financial services to state, municipal and church customers and related institutions. To this end, the relevant client base is served by a dedicated area with specialised operational expertise in public administration, municipalities and churches, in addition to banking experience.

MBH Bank gives priority to providing high quality services to higher education institutions, foundations, public foundations, associations and other public benefit organisations, and has an independent team of experts to provide unique financial solutions to its public administration, public service and priority social clients. MBH Bank currently serves more than 100 university and foundation clients in Budapest and the countryside.

MBH Bank aims to become a market leader in the entire municipal segment and continued to successfully implement its municipal strategy in 2024. It is already the number one player in eight counties (Baranya, Borsod-Abaúj-Zemplén, Csongrád-Csanád, Győr-Moson-Sopron, Hajdú-Bihar, Heves, Jász-Nagykun-Szolnok, Komárom-Esztergom) in terms of the number of local governments with accounts. In the Hungarian market, as a whole the Bank has maintained its second position. Among the most significant municipalities, MBH Bank became the exclusive account manager of the cities of Csorna, Kisvárda, Szerencs, Mezőcsát and the county town of Veszprém through successful acquisitions in 4Q 2024.

MBH Bank currently manages the accounts of 1,300 municipalities and their institutions (primary education institutions, kindergartens, nurseries, etc.). The aim of this area is to give greater emphasis within the portfolio to the full range of services provided to customers with municipal and county status.

MBH Bank’s Municipal Area is focused on broadening its involvement in local communities and local economic and social ecosystems, supported by a dedicated and expanded management and reference team with specific municipal and banking experience.

In 2024, the specialised area of MBH Bank dedicated to serving church clients continued the strategy, deepening its active cooperation with the highest level of all three historic churches.

MBH Bank currently manages nearly 2,000 church clients. The priority of the church sector is to reach out to the network of educational, social and health institutions run by churches and to further expand its existing business relationships. In 4Q, the Bank continued to reach out to church employees through its employer partner programme.

In addition to financial service, MBH Bank is actively involved in the daily life of church organisations through social responsibility initiatives, financial awareness programmes and sponsorship of various events.

Agricultural clients

Market environment:

Factors shaping the market environment have had mixed, overall, moderately negative effects on agricultural and food finance, but it remains the case that the trends visible suggest a subsequent improvement:

- The year 2024 was characterised by early spring precipitation deficit, record warm weather in late March - early April, followed by high precipitation and then a summer drought lasting nearly 2.5 months. Overall, the total production of the five main arable crops in our country was below average, but not abnormally poor, with maize being the main crop below the multi-year average.
- Farmers' income from arable crops was generally average, with loss-making production in maize and mainly in the south-eastern region, which was hardest hit by the drought. The livestock sectors had a very good year overall, with the pig and poultry sectors being the most notable.
- Domestic demand for food products partially starts to recover towards the end of the year, which is also reflected in food production.
- 2024 was a transition year for the food economy, with price levels remaining similar to last year and no surplus working capital needs at certain levels of the product chain. In addition, there was little investment, as the sector is holding off on investment until the CAP Strategic Plan tenders are dumped.
- We expect the HUF 1,300 bn of CAP Strategic Plan investments starting in 2024 to drive the agricultural credit market significantly, with meaningful growth expected from 4Q 2025.

Business results:

- The on-balance-sheet loan portfolio of the clientele managed by the business unit engaged in agricultural, food and related agribusiness activities increased further during the year. Within this, the growth in the food and other agribusiness sectors is notable.
- In terms of deposits, due to the very strong seasonality, the year-on-year comparison is relevant, where the business achieved a moderate (low single digit) growth in 2024.
- Factoring-based financing activity continued to expand in 2024, with products such as the multiannual pre-financing of normative agricultural subsidies. Overall, the factoring portfolio related to this business line increased significantly (several times).
- MBH Bank continues to be the clear market leader in the Agricultural Széchenyi Programme, financing almost four out of every five transactions for Agricultural Széchenyi Cards and almost 70% of the number of transactions for Agricultural Széchenyi Investment loans.

5. INVESTMENT SERVICES, TREASURY, PRIVATE BANKING

Treasury Trading

The Treasury took advantage of the market opportunities provided by the main exchange rate movements during the year and achieved a good year of business results, while keeping risk exposures low.

The Treasury trading area effectively managed short-term foreign exchange and interest rate positions arising from client positions, outperformed its own account trading activities and made good use of the business opportunities arising from money and capital market conditions during the year.

The Bank was an active participant in the bond market, with a significant share in the auctions of the ÁKK (Government Debt Management Agency) as primary dealer.

ALM & Liquidity service

In terms of operational liquidity management, the business unit continuously adapted to the changing monetary environment and fully executed the money market transactions necessary for the smooth functioning of the bank's payment flows.

Treasury Sales

In 2024, Treasury Sales made the biggest step forward in the merger process by introducing a new sales and service model at the beginning of the year. The harmonisation of systems and processes has enabled the development of a model based purely on business efficiency, with the key element of alignment with the banking corporate segmentation. Small and medium enterprise, large enterprise and agri treasury sales teams have successfully established collaboration with corporate units and strengthened relationships with clients in their own portfolios. The last quarter saw a renewed focus on expanding and developing the product range alongside the business focus, and preparations for this have started.

Corporate Finance

In addition to the renewal of MBH Bank's domestic and international bond issuance framework, the area completed more than 30 domestic bond issues.

During 2024, the Bank announced several subscription periods for the placement of senior bonds denominated in HUF and EUR, mainly sold to retail customers, and successfully completed the issuances. These issues took place in the framework of the Bank's domestic issuance programme with a total volume of HUF 400 billion.

To maintain its international issuance capacity, MBH Bank also renewed its EMTN Programme in October 2024 with a total volume of EUR 1.5 billion.

Investment services - sales

In 2024, both the government bonds and foreign bond series turnover declined along with a general drop in yields. By the end of the year, secondary market activity in retail government bonds also declined, mainly due to the expected repricing of the Premium securities in 2025. The retail bond programme remained a key priority for the Bank, with customers subscribing to the Bank's papers in large volumes.

In 2024, foreign equity turnover increased substantially and structured products, such as certificates, showed a significant volume increase. The Bank introduced new structures, such as the annual coupon product, which generated particularly high customer interest. MBH Group continued to strengthen in certificate issuance, issuing a total of 23 certificates denominated in three currencies in 2024, with a volume of HUF 15.1 billion.

During the year under review, a new service provider was added to the MBH Group's partner network: the distribution of certificates produced under an agreement with the French NATIXIS group (France's second largest banking group BPCE) started in the last quarter of 2024. With this cooperation, the MBH Group has developed new certificate structures with the NATIXIS Group, and the so-called TWIN-WIN, SPLIT PAYMENT and FIX coupon schemes are now available at the MBH Group.

FX, forward, futures and option derivatives trading continued to expand both in volume and activity.

Investment Products and Services Management

During the year, MBH Bank successfully maintained its position as one of the largest securities distribution networks in the country. On 6 November 2023, MBH Befektetési Bank Ltd. was established and commenced effective operations as a member of the MBH Group, but now operates in the market as a separate bank specialised in investment products and services.

As of the end of 2024, in addition to its network of intermediaries, the MBH Group provides investment services at 410 points of sales, operated by companies and banks. The MBH Group maintained its sub-distribution agreements for the distribution of retail government securities, which are used by a number of Investment Service Providers such as SPB Befektetési Zrt, HOLD Alapkezelő Ltd, Gránit Bank Plc, Equilor Alapkezelő Ltd. and Concorde Értékpapír Ltd. In line with the investment services strategy, several major projects and tasks have been implemented in the Bank:

- It strengthened the MBH Group's supply of investment funds. The Group has more than 15 Fund Managers and over 400 investment funds available to its clients in the most popular asset classes, ensuring that specific investment options are always available, in line with the current market and economic environment, and a diversified portfolio. In Q4 2024, the MBH Group introduced 35 investment funds for and made them available for its customers.
- During the year, MBH Bank issued 25 own bonds denominated in forints and 2 in euros, while 2 tap issues were made in forints and 10 tap issues in euros, for a total of HUF 57 billion and EUR 15 million respectively.
- In line with MBH Group's commitment to digital development, MBH Group is developing the MBH Netbroker and MBH Mobilbroker platforms, which were nominated by the Budapest Stock Exchange for the Online Hungarian Stock Trading Platform of the Year Award in 2024. As of the last quarter of 2024, our customers are able to use the application and the web interface in both English and Hungarian via a language selector.
- In Q4 2024, MBH Investment Bank launched the MBH Flexible Savings Program, providing automatic and regular savings opportunities for those who wish to invest their savings in investment funds, even on a monthly basis, without any special administration.

  Customers can build an investment portfolio tailored to their individual preferences with the Program, selecting from the more than 90 investment funds managed by MBH Alapkezelő Ltd. In addition, within this service the Bank created 8 sample portfolios, which provide customers with specific investment ideas and a ready-made product portfolio. The portfolios of 2 to 5 investment funds are structured according to different themes, covering ESG, foreign equity markets, USD and EUR based investments, low, medium and high risk investment funds.

Depositary services, sales

The institutional depository portfolio increased significantly in 2024, exceeding the values of the previous year. Income figures were significantly higher than in the same period of the previous year. A number of acquisitions were made during the year, with MBH Banking Group now providing custody services to nearly 200 portfolios covering the entire institutional spectrum.

Data in HUF million unless stated otherwise

6. ACQUISITION ACTIVITY

Fundamenta-Lakáskassza

In 10 November 2023 MBH Bank Plc. signed a share purchase agreement with Bausparkasse Schwäbisch Hall AG (Germany), Bausparkasse Wüstenrot AG (Austria) and Wüstenrot & Württembergische AG (Germany) in order to purchase a total of 76,35% stake of Fundamenta-Lakáskassza Lakás-takarékpénztár Plc. (registered office: 1123 Budapest, 55-61., Alkotás Street, Hungary). The prior authorization of the transaction by the competition and the supervisory authorities was successfully completed, after which the Sellers and the Purchaser carried out the transaction on 27 March 2024.

The acquisition represented a significant growth, adding 480,000 customers, HUF 530 billion in loans and HUF 570 billion in deposits, and significantly increased 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.

On 11 November 2024, MBH Bank Plc. signed a share purchase agreement with Generali Biztosító Ltd. in order to purchase a total of 14,88% stake of Fundamenta-Lakáskassza Lakás-takarékpénztár Ltd. After obtaining the necessary regulatory approvals, MBH Bank Plc. will hold 91.23% of the company. The newly completed acquisition will further strengthen the Bank's market position and its role in the areas of housing savings, real estate brokerage, housing lending and green energy. Fundamenta will continue to operate as a consolidated subsidiary of MBH Bank, but as a separate entity.

7. FINANCIAL PERFORMANCE

On 30 April 2023, MKB Bank Plc. and Takarékbank Ltd. merged, continuing their activities under the name of MBH Bank Plc. The accounts at 31 December 2024 included the data of the merged Bank, which are comparable with the data as at 31 December 2023.

Statement of the individual financial situation

	31.12.2024	31.12.2023	Change (%)*	Change
Assets				
Cash and cash-equivalents	**1 024 385**	**1 305 409**	**(21.5%)**	**(281 024)**
Financial assets measured at fair value through profit or loss	**773 315**	**720 727**	**7.3%**	**52 588**
Loans and advances to customers mandatorily at fair value through profit or loss	546 469	490 802	11.3%	55 667
Securities held for trading	19 436	1 017	-	18 419
Securities mandatorily at fair value through profit or loss	44 183	37 736	17.1%	6 447
Derivative financial assets	163 227	191 172	(14.6%)	(27 945)
Hedging derivative assets	**81 073**	**73 012**	**11.0%**	**8 061**
Financial assets measured at fair value through other comprehensive income	**1 222 521**	**906 612**	**34.8%**	**315 909**
Debt and equity securities	1 222 521	906 612	34.8%	315 909
Financial assets measured at amortised cost	**8 282 641**	**7 578 461**	**9.3%**	**704 180**
Loans and advances to banks	419 660	456 886	(8.1%)	(37 226)
Loans and advances to customers	4 622 516	4 272 323	8.2%	350 193
Reverse sale and repurchase agreements	34 743	34 533	0.6%	210

MBH Bank Plc. Data in HUF million unless stated otherwise

Debt securities	3 086 614	2 655 843	16.2%	430 771
Other financial assets	119 108	158 876	(25.0%)	(39 768)
Fair value change of hedged items in portfolio hedge of interest rate risk	**(5 316)**	**3 159**	**(268.3%)**	**(8 475)**
Investments in subsidiaries and associates	**398 686**	**262 074**	**52.1%**	**136 612**
Property and equipment	**62 625**	**45 428**	**37.9%**	**17 197**
Intangible assets	**53 782**	**47 173**	**14.0%**	**6 609**
Income tax assets	**7 026**	**12 238**	**(42.6%)**	**(5 212)**
Current income tax assets	-	-	-	-
Deferred income tax assets	7 026	12 238	(42.6%)	(5 212)
Other assets	**50 933**	**54 328**	**(6.2%)**	**(3 395)**
Total assets	**11 951 671**	**11 008 621**	**8.6%**	**943 050**
Liabilities				
Financial liabilities measured at fair value through profit or loss	**115 314**	**141 377**	**(18.4%)**	**(26 063)**
Derivative financial liabilities	86 128	119 620	(28.0%)	(33 492)
Financial liabilities from short positions	29 186	21 757	34.1%	7 429
Hedging derivative liabilities	**17 280**	**17 018**	**1.5%**	**262**
Financial liabilities measured at amortised cost	**10 689 071**	**9 763 018**	**9.5%**	**926 053**
Amounts due to banks	2 319 798	2 324 268	(0.2%)	(4 470)
Amounts due to customers	7 414 794	6 850 774	8.2%	564 020
Sale and repurchase agreements liabilities	414 397	68 752	-	345 645
Issued debt securities	304 643	254 068	19.9%	50 575
Subordinated debts	100 835	113 679	(11.3%)	(12 844)
Other financial liabilities	134 604	151 477	(11.1%)	(16 873)
Provisions for liabilities and charges	**29 251**	**30 794**	**(5.0%)**	**(1 543)**
Income tax liabilities	**5 391**	**9 344**	**(42.3%)**	**(3 953)**
Current income tax liabilities	5 391	9 344	(42.3%)	(3 953)
Deferred income tax liabilities	-	-	-	-
Other liabilities	**62 071**	**66 438**	**(6.6%)**	**(4 367)**
Total liabilities	**10 918 378**	**10 027 989**	**8.9%**	**890 389**
Equity				
Share capital	**322 530**	**322 530**	**-**	**-**
Treasury shares	**(55 440)**	**-**	**-**	**(55 440)**
Share premium	**348 894**	**348 894**	**-**	**-**
Retained earnings	**196 748**	**118 820**	**65.6%**	**77 928**
Other reserves	**66 941**	**51 066**	**31.1%**	**15 875**
Profit for the year	**158 753**	**118 316**	**34.2%**	**40 437**
Accumulated other comprehensive income	**(5 133)**	**21 006**	**(124.4%)**	**(26 139)**
Total equity	**1 033 293**	**980 632**	**5.4%**	**52 661**
Total liabilities and equity	**11 951 671**	**11 008 621**	**8.6%**	**943 050**

*A change of more than +/- 300% compared to the previous year cannot be interpreted, marked with "-".

Based on 2024 year-end data, the total assets of the Bank amounted to HUF 11,951.7 billion. The 8.6% increase is largely due to the acquisition of Fundamenta and organic growth.

Cash and cash-equivalent assets amounted to HUF 1,024.4 billion, showing 21.5% decrease compared to the end of the previous year. The decrease is mainly explained by a reduction in receivables from

Data in HUF million unless stated otherwise

NMH. Of this, cash on hand amounted to HUF 98.1 billion, while the balance of the deposit account held at the central bank reached HUF 823.5 billion.

Loans and advances to credit institutions decreased by 8.1% year-on-year to HUF 419.7 billion compared at the end of 2024 due to reduce in interbank loans granted.

The stock of securities measured at amortised cost increased significantly compared to the end of the preceding year, reaching HUF 3,086.6 billion due to increase in government bonds portfolio. By the end of 2024, the stock of loans and advances to customers amounted to HUF 4,622.5 billion at the end of the period, the growth was driven by the Fundamenta acquisition on the one hand and business activity on the other.

Other assets decreased by HUF 3.4 billion by the end of 2024.

Compared to the end of 2023, investments in subsidiaries and associates increased to HUF 398.7 billion, partly as a result of the acquisition of an 76.35% stake in Fundamenta-Lakáskassza Plc. and partly due to the buy of ordinary share of MBH Szolgáltatások (formerly known as: TIHASZ) Ltd.

During the reporting period, the stock of liabilities to credit institutions increased HUF 2,319.8 billion. The aggregate sum of client deposits and current accounts were HUF 7,414.8 billion, increased by HUF 564.0 billion compared to the end of the previous year thanks to the acquisition of Fundamenta and organic growth in deposit volumes.

HUF 86.1 billion in derivative financial liabilities recorded among liabilities was primarily due to the fair value change of derivative transactions related to interest- and currency risks.

The stock of other liabilities decreased by HUF 4.4 billion and provisions reduced by HUF 1.5 billion during the year.

Equity increased by 5.4% in one year thanks to the positive result, but the own share buyback reduced equity by HUF 55.4 billion in 2024.

Statement of profit or loss and other comprehensive income

	01.01.2024-31.12.2024	01.01.2023-31.12.2023	Change (%)*	Change
Interest income	988 110	1 108 219	(10.8%)	(120 109)
Interest expense	(564 658)	(673 563)	(16.2%)	108 905
Net interest income	**423 452**	**434 656**	**(2,6%)**	**(11 204)**
Fee and commission income	179 528	136 192	31.8%	43 336
Fee and commission expenses	(46 451)	(32 199)	44.3%	(14 252)
Net income from fees and commissions	**133 077**	**103 993**	**28,0%**	**29 084**
Results from remeasurement and derecognition of financial instruments	**39 297**	**(5 010)**	**-**	**44 307**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	36 620	(41 976)	(187.2%)	78 596
Result from derecognition of debt securities measured at fair value through other comprehensive income	12 098	2 349	-	9 749
Results from derecognition of loans and debt securities measured at amortised cost	2 561	(1 760)	(245.5%)	4 321
Results from hedge accounting	(4 487)	(4 436)	1.1%	(51)
Foreign exchange gains less losses	(7 495)	40 813	(118.4%)	(48 308)

Data in HUF million unless stated otherwise

Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**(35 018)**	**(71 442)**	**(51.0%)**	**36 424**
Expected credit loss on financial assets, financial guarantees and loan commitments	(35 126)	(54 587)	(35.7%)	19 461
Provisions for litigation, restructuring and similar charges	3 549	(1 122)	-	4 671
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(5 423)	(13 919)	(61.0%)	8 496
(Impairment) / reversal on associates and other investments	392	(1 716)	(122.8%)	2 108
(Impairment) / reversal of impairment on other financial and non-financial assets	1 590	(98)	-	1 688
Dividend income	**13 090**	**6 086**	**115.1%**	**7 004**
Administrative and other operating expenses	**(384 825)**	**(331 548)**	**16.1%**	**(53 277)**
Other income	**12 334**	**18 068**	**(31.7%)**	**(5 734)**
Other expense	**(13 250)**	**(12 940)**	**2.4%**	**(310)**
Profit before taxation	**188 157**	**141 863**	**32.6%**	**46 294**
Income tax income / (expense)	**(29 404)**	**(23 547)**	**24.9%**	**(5 857)**
PROFIT FOR THE YEAR	**158 753**	**118 316**	**34.2%**	**40 437**

	01.01.2024-31.12.2024	01.01.2023-31.12.2023	Change (%)*	Change
Items that may be reclassified to profit or loss	**(26 139)**	**51 283**	**(151.0%)**	**(77 422)**
Hedging instruments	(241)	(211)	14.2%	(30)
Debt instruments at fair value through other comprehensive income	(28 459)	56 431	(150.4%)	(84 890)
Income tax relating to items that will be reclassified subsequently	2 561	(4 937)	(151.9%)	7 498
Other comprehensive income for the year net of tax	**(26 139)**	**51 283**	**(151.0%)**	**(77 422)**
TOTAL COMPREHENSIVE INCOME	**132 614**	**169 599**	**(21.8%)**	**(36 985)**

*A change of more than +/- 300% compared to the previous year cannot be interpreted, marked with "-".

In 2024, net interest income amounted to HUF 423.5 billion, lower by 2.6% compared to previous year mainly caused by change in the market interest rate environment.

Net income from fees and commissions increased by HUF 29.1 billion in 2024 compared to the previous year, mainly due to the increase of commission income earned from payment transactions.

Results from financial instruments amounted to HUF 39.3 billion in the year under review, mainly due to foreign exchange gains on IRS and forward transactions.

Impairment and provisioning showed a total of HUF 35.0 billion in the relevant period, decreased by HUF 36.4 billion in the financial year compared to the previous year. The largest part of this is the impairment of financial instruments held for credit risk management.

The operating expenses amounted to HUF 384.8 billion, increased by HUF 53.3 billion compared to the previous year. The growth was driven by higher staff and IT costs due to inflation, higher transaction fees. The extra profit tax paid was HUF 13.3 billion in 2024.

The Bank's Return on Equity (ROE)[4] was 15.8% in 2024, up 2.4%-pts on the previous year, thanks to the positive result.

[4] ROE: calculated as the ratio between the profit for the year and the average equity at the end of 2023 and 2024.

The Bank's Return on assets (ROA)[5] reached 1.4% in 2024 (2023: 1.3%). The Liquidity Coverage Ratio (LCR) was 136.5% in 2024, significantly above the regulatory minimum.

8. THE RISK POSITION OF MBH BANK

MBH’s risk management is governed by the Hungarian and EU legislation in force and additional supervisory regulations. MBH Bank performs the governance functions of the MBH banking group and defines for its members the mandatory internal rules and guidelines related to prudent risk taking and risk management.

Bank considers prudent risk-taking to be a core value, and its risk management and risk control activities are performed in accordance with the principles laid down in the Risk Strategy. The Bank’s risk management is subject to several levels of control, the most important of which are ultimate control at the level of the Board of Directors (some specific and identified risk decisions require the approval of the Supervisory Board), independent control separate from the risk-taking areas, and appropriate measurement, diversification, monitoring and reporting of risks. The Bank continued to comply with the regulatory requirements throughout 2024.

Risk Strategy

MBH's Group level Risk Strategy defines the scope of risks that can be taken into consideration and the risk management and measurement tools to be applied, as well as the general risk-taking principles and rules to be followed by the Bank.

In its operations, Bank strives to maintain a risk culture that ensures the identification, measurement and management of emerging risks in accordance with the risk appetite. Internal policies, strategies, regulations and guidelines, communication and employee training are the primary means of ensuring a corresponding risk culture.

The primary objectives of the Bank’s risk management activities are to protect the Bank's financial strength and reputation and to contribute to the use of capital for competitive business activities that enhance shareholder value.

The Bank's risk appetite should be consistent with the financial resources available to cover potential losses. In order to ensure this, the Bank calculates on separate and group level the current and future economic capital requirements for the quantifiable types of risk, as well as the capital requirements under Pillar 1.

Bank is primarily exposed to credit, liquidity, market and operational risks.

Credit risk

In 2024, the main drivers of credit risk changes remained the Russian-Ukrainian war, the geopolitical and economic situation, increased risk in the construction sector, and the end of the payment moratorium, as well as changes in the methodologies applied to both the corporate and retail portfolios.

The impact of moratoria and interest cap on credit risk management

In line with the NBH's expectations, the staging logic for customers participating in the general credit moratorium and the agricultural moratorium has been standardised at MBH Group level by adding the

[5] ROA: calculated as the ratio between the profit for the year and the average total assets at the end of 2023 and 2024.

following to the normal processes. After the end of the payment and agricultural moratoria, from 1 January 2024, the fulfilment of the conditions for recovery from the previously established stage risk categories and grace period has been monitored as follows:

- Transactions that have been included in the general moratorium and have been classified as restructured are subject to the default recovery rules based on the default status in force, and to a 6-month probationary period for retail clients and 24 months for corporate clients. During the probationary period, restructured transactions shall not be assigned a rating higher than Stage 2.
- As a general rule, customers entering an agricultural moratorium are classified as Stage 2 or above, but if the client has previously been in moratorium for at least 9 months, and had a stage 2 classification before entering the agricultural moratorium, they are classified as Stage 3. They can only be placed in Stage 1 on the basis of individual monitoring after a declaration has been made and taken into account. Transactions classified as restructured due to participation in the agricultural moratorium are subject to the terms of the general 24-month probation period. Individual derogations from the application of Stage 3 and Stage 2 classification are possible and must in all cases be supported by detailed objective evidence.

For customers with a retail interest rate cap, the Bank examined the monthly repayment increases without the cap and applied a minimum Stage 2 rating for changes deemed to be significant.

The Bank has updated the macro parameters for the entire portfolio, the updated risk parameters have also been implemented in the lifetime ECL calculation.

Environmental, social and governance (ESG) aspects have not been taken into account in the Bank's risk management models until the reporting date. The way in which ESG relevant information is collected and stored has been developed, so it can be analysed and used at a later stage. An ESG data taxonomy has also been established. In line with an analysis of the composition of the ESG index and the NBH Recommendation 9/2024 (24 September), the information made available through the ESG data collection, which will be gradually implemented from 1 July 2025, will be incorporated in the longer term in the stress tests to be carried out and in the estimation of lifetime PD and LGD parameters.

In exceptional economic situations, the Bank can adjust the models on an expert basis. The portfolio level management adjustment calculated in this context is a lump-sum expected loss value that the Bank's models are not able to capture at all or fully, but the level of risk is assumed to be significant (e.g. increases in credit losses due to default events after the end of the moratorium).

In determining the management overlay, the Bank has considered the following aspects:

- For customers entering an agrarian moratorium, the risk models are not aware of the agrarian moratorium and therefore the willingness and ability to pay may contain a hidden high probability of default.
- During 2024, several warning signs emerged suggesting that the construction sector in Hungary could easily face a crisis in the coming period. In recent years, the sector has been successful despite the rising cost of raw materials, thanks to increased public investment and government support programmes, reaching levels above and prior to the COVID period. These results have been achieved despite both high inflation and a shortage of skilled and labour in the sector.
  However, in the case of one of the drivers of the sector - public investment - the negative economic outlook and less than successful macroeconomic performance has already led to the postponement of investments, which has now clearly caused a noticeable drop in the number of

available large construction contractors. For this reason, the Bank has implemented a construction overlay on a prudent basis, taking into account the requirements of IFRS 9, in order to prudently cover the increased credit risks and probabilities of default.

The Bank regularly reviews the management overlay values determined on the basis of the assessment criteria and maintains its accounting. The components of the management overlay are subject to change at the discretion of the Methodology Committee, ensuring compliance with the requirements of the respective Management Circular issued by the NBH.

In summary, the Bank's current modelling and impairment methodology, using the credit risk management methods and process additions detailed above, provides the opportunity to develop risk profiles that are well-defined from a customer management perspective and to establish adequate risk provisions to cover expected future credit losses.

Market risk

Market risks include interest rate risk, share price risk and foreign exchange risk arising from all banking activities. Bank keeps its market risks low by means of an appropriate limit system and in-process controls.

Interest rate risk:

Interest rate risk arises from the fact that changes in interest rates affect the value of a financial instrument. A credit institution is also exposed to interest rate risk if the amounts of its maturing or repricing assets, liabilities and off-balance sheet instruments are not consistent with each other in a given period. Bank measures interest rate risk by performing sensitivity tests on an ongoing basis. In addition, the impact of adverse interest rate scenarios is continuously measured and limited through the application of stress tests. Interest rate risks are managed through an appropriate composition of the securities and derivatives portfolio and through the consistency of other assets and liabilities in the bank's books.

Share price risk:

Share price risk means the risk of having the profit or the capital of the Bank decreasing or being totally lost due to changes in the levels and proportions of the stock prices in the market.

Management of currency risk

Bank aims to keep its exposure to foreign exchange risk low by maintaining open foreign exchange positions up to the limit set in the banking book.

Foreign exchange risk arising in the course of core banking activities is managed by the Bank in the course of its operations, depending on market conditions. The Bank also performs VAR calculations and stress tests to measure foreign exchange risk.

Liquidity and solvency risks

Bank analyses liquidity risks with a number of indicators and mitigates them with limits, the most important of which are based on regulatory indicators (LCR, NSFR, required reserve ratio) and stress tests relevant to liquidity. In addition, Bank operates an early warning system for the timely detection of liquidity disturbances, which is presented to the Asset and Liability Committee and to management without delay in the case of an alert and on a regular basis during normal operations.

Operational risk

Bank continues to manage operational risk primarily through internal policies, rules of procedure and the operation of built-in control mechanisms in line with defined supervisory requirements. MBH's Group Level Operational Risk Management Policy and Operational Risk Management Rules set out the methodology for the operational risk management framework tools used by the Bank.

The operational risk loss data collection is based on uniform definitions and limits. The Bank promotes the recognition and identification of operational risks with internal training.

The adequacy of key risk indicators (KRIs) is reviewed by the Bank every year, several KRIs were modified in 2024 and KRIs defined by MBH were implemented.

Bank conducts operational risk self-assessments for its key activities and uses scenario analysis to assess the impact of events that occur infrequently but could result in severe losses if they were to occur.

Bank's operational risk events and the results of operational risk monitoring are reported on a quarterly basis.

With regard to operational risk, the Bank's management attaches great importance to feedback. An essential aspect is the implementation and monitoring of the effectiveness of the measures taken to eliminate operational risks.

9. DEVELOPMENT PROSPECTS, EXPECTATIONS AND PLANS FOR 2025

2024 was clearly a year of construction, during which the Bank identified and implemented 7 key objectives. 2025 will continue with a similar approach, but with new goals. The 2025 strategy focuses on value creation and sustainable growth, which determine day-to-day activities and long-term plans.

The vision has not changed: The strategy of a national champion, achieving market leading position by serving all customer segments is built on the following 3 pillars:

- The first pillar of the vision is to ensure sustainable value creation, increasing shareholder value, which is strongly correlated with the bank's size, growth and profitability, and actively increasing its stock market presence.
- The second pillar aims to create a fully ***integrated bank,*** supporting the realisation of synergies, accelerating delivery capacity and quality customer service, with migration and related retail and corporate product consolidation playing a key role.
- The third strategic pillar is attracting and retaining the best colleagues, for which it is crucial to harmonise the banking organisation, establish clear and unambiguous lines of responsibility and authority, and create a future-proof and efficient operational framework that provides transparency and appreciates areas of excellence.

The Bank' strategic objectives for 2025:

1. ***Implementation of migration and product consolidation***

   By radically reducing the number of retail and corporate product schemes and harmonising the systems supporting branch customer service, the Bank aims to make its operations simpler and more transparent and to greatly improve the quality of customer service.

2. ***Achieving an active stock exchange presence***

   In line with previously published, the Management is considering strategic options to increase MBH Bank's free float on the stock exchange within the next 18 months' time period.

3. ***Improving the efficiency of branch network operations***

   The Bank will ensure the dynamics of branch network efficiency by methodologically improving the toolkits that define the branch network operations and by implementing data-driven operations.

4. ***Developing a future-proof and efficient banking organisation and operations***

   The harmonisation of the Bank's organisation and functions will create a streamlined and clear operation that will support the Bank in achieving its strategic objectives, provide the necessary flexibility to meet the challenges of the day and make the Bank an attractive place to work in the sector.

5. ***Accelerating corporate lending processes***

   By streamlining the sales and lending processes for corporate customers, the Bank will significantly increase the speed and quality of customer service.

6. ***Becoming the number one bank for retail customers***

   By increasing income accounts, making personal loans and home loans more dynamic, and activating the SME customer base, the Bank is strengthening its standard customer service and retention capabilities in a continuous and sustainable manner.

7. ***Stabilisation and development of the MBH Bank App***

   The Bank will channel all customers into a robust application that provides professional online solutions and simplifies everyday banking.

The economic environment and the financial sector

Despite these uncertainties, we expect a remarkable recovery in the Hungarian economy in the coming quarters, with real GDP growth of around 4% per annum in real terms by the second half of 2025. However, an annual overall average growth rate of around 2.6% seems reasonable in 2025. Consumption will also be supported by rising real wages and, from the second half of 2025, by an increase in the family tax credit, the extension of the personal income tax exemption, the VAT credit for pensioners, and interest payments and payments after maturities of government bonds, as well as the tax-free use of voluntary pension funds and the workers' credit scheme, which will also contribute to domestic demand growth. At the same time, surging inflation figures, which have in the meantime surprised on the downside, may temporarily dampen consumer sentiment.

In Hungary, while consumption continues to pick up, it is important that investment also stabilises. This could be helped by the loan, leasing and equity programmes announced under the Demján Sándor Programme in 2025, while a pick-up in external economic activity would also be important for investment, as without sufficient demand it is difficult to imagine a significant pick-up in investment given the currently low level of capacity utilisation. The recovery of domestic industry could be supported by the fact that a number of major manufacturing developments are scheduled to be put into operation this year, including BMW and the first CATL factory - and the construction and possible trial run of BYD will also support growth - partly underpinning a slight acceleration in growth in 2025 compared to last year.

The expected improvement in economic performance in 2025 may be followed by the labour market with a slight delay, but the decline in the average unemployment rate for the year as a whole will not be significant.

The external market situation continues to improve only slowly. In terms of business confidence, euro area companies have become slightly more optimistic about output growth by early 2025, with optimism in the manufacturing sector rising to a seven-month high, while the services sector's confidence index has declined. Economic agents remain confident that the new German government’s stimulus measures will speed up the recovery of the economy. However, the impact of these measures is more likely to have a meaningful positive impact on growth in 2026 rather than in 2025. While the deeper structural problems of the German economy cannot be solved by fiscal easing, such a turnaround could be positive for the Hungarian growth outlook. The European Central Bank may also take a temporary pause in its rate cutting cycle following its interest rate cuts in January and March 2025 amid an uncertain economic environment. We expect the ECB deposit rate to reach 2.00% by the end of the summer, in line with market pricing.

There is also much uncertainty about the new US economic policy measures. Tariffs imposed by the US (which, in the absence of other measures, will obviously hurt Hungary's export prospects) may also raise inflation in the US, while recession fears overseas have intensified in early March. The Fed has indicated that it will wait for the impact of the tariffs before taking a firmer stance on the likely monetary policy path following its rate hikes in January and March 2025. By the end of 2025, we expect the Fed funds rate to be between 3.75% and 4.00%, with markets in mid-March 2025 already pricing in lower rates by the end of the year.

An important development in the first few months of 2025 was the increase in the chances of a conclusion to the Russia-Ukraine war. This could also have a positive impact on economic growth through lower energy prices, improved investor sentiment and, through this, a stabilisation of the forint exchange rate.

After January 2025, another negative surprise for inflation came in February. The structure of inflation is unfavourable, with year-on-year increases in food and services prices accelerating further. The February data confirm that inflation could remain high and outside the central bank's target range for some time. On the downside, following much faster-than-expected price increases in January, the pace of monthly inflation slowed less than expected in February, mainly due to continued significant increases in services’ prices. Economic agents are continuing to implement sharp increases, driven by the cost of wage increases and higher household inflation expectations. Although the base effect is expected to moderate annual price dynamics in the coming months, disinflation could start in the spring from a much higher level than previously expected. Overall, we expect the domestic currency is unlikely to weaken further, which could still support disinflation. The downward impact of the measures announced by the government in March to keep price levels in check is still uncertain. We expect domestic inflation to average 5.1% per year for 2025. Wage growth dynamics are likely to remain relatively high in the coming years, under the 3-year wage agreement, which could put downward pressure on inflation. Achieving a stable sustainable inflation target of 3% at the central bank will also be postponed and is more likely to be reached only in the second half of 2027.

With inflation accelerating, the MNB is unlikely to rush ahead with interest rate cuts, which could keep the forint at significantly stronger levels than seen in early January. We expect the MNB to hold interest rates for longer, and we do not expect it to cut rates before the end of this year - and only if the Fed is able to ease overseas. We expect a base rate of 6.25% by the end of 2025 and 5.25% by the end of 2026.

In a yield environment that continues to decline at a slower pace than previously expected, the banking system is expected to generate significantly lower net interest income than in 2024, but as lending continues to pick up (again, as last year, we expect a strong boost in new contract volumes, mainly in the retail segment), net fee and commission income is expected to improve. However, the strong improvement in other operating results in 2024 is unlikely to be repeated, and a slight deterioration is not inconceivable. Operating costs are expected to continue to rise at a slightly slower pace than last year, while risk costs are expected to reach at least the same level as last year. Overall, we therefore expect a correction in the banking system's profit after tax in the 12-15% range in 2025, following two consecutive years of around 20% of ROE (above in 2023). However, banks are still more than adequately capitalised, without liquidity concerns, and their lending capacity remains strong, i.e. they are in a good financial position to support stronger economic growth from a funding perspective.

10. ENVIRONMENTAL PROTECTION

Although the Bank does not pursue business or non-profit activities related to environmental protection, it strives to ensure an environmentally conscious workplace, maintains and cares for the natural vegetation and ornamental plants in its direct environment. It pursues to apply energy-saving solutions during its operation. In its internal trainings it emphasises the importance of energy and environmentally conscious corporate and employee behaviour.

MBH Bank is committed to sustainability, therefore, it has integrated all three – environmental, social and corporate governance – pillars of ESG into its operations and strives for continuous improvement. Details are available in the Bank's Sustainability Report.

11. HUMAN RESOURCES POLICY

In 2024 the MBH Bank’s average statistical employee number was 7,909, above the same figure in 2023 (2023: 7,210).

Talent management at MBH Bank:
The MBH Bank places great emphasis on training employees and nurturing talent, supporting the development of professional knowledge and skills through a wide range of educational programmes. The following programmes were launched for colleagues:

Digitised and gamified pre-boarding programme:
The programme focuses on colleagues who are in the pre-entry period after accepting offer of the Bank. The solution, available online, supports new talent engagement in the pre-joining period; we not only accompany prospective employees on their journey until their onboarding day, but also maintain a positive experience while providing them with ongoing engagement.

Start program:
The first element of the Generation Diversity programme, the award-winning Start programme, was a milestone in the MBH Bank’s talent retention activities. Start is one of the largest internship programmes in the country, with more than 400 talented students aged 19-25 from across the country currently working for MBH Bank. For the trainees, the Bank represents the first milestone in the start of their careers in the labour market. During the programme, they gain relevant work experience, which provides a solid supply base for the Bank. The internship programme is designed to give the MBH Bank more than just professional experience: through its own onboarding processes, dedicated HR colleagues

accompany the students' professional work and development. In 2024, 100 Startos colleagues have been recruited to full-time positions in the MBH Bank.

Start+ program:
The next element of the Generational Diversity programme, the MBH Bank's programme for young people, was the awards received Start+ programme.

In 2024, the Bank launched the second phase of the Start+ programme, within the framework 12 talented young people start their careers in the banking sector. During the year-long programme, they rotate through a specific field, learning about the beauty of banking and practicing their profession. One of the key elements of the programme is a presentation to the bank's senior management in the final quarter, when they solve a critical strategic problem for the bank. Of the first class of 2023, 92% remain with the bank after one year.

Baby+ programme:
The Generational Diversity programme's focus on colleagues about to start a family: Baby+ programme. Through this programme, the bank offers financial, professional and personal support to help prospective parents in their changing life situation. An important factor is that the Bank thinks not only about mothers but also about fathers-to-be, and offers them individual solutions. The programme is very popular, with 340 cases paid and over 500 colleagues answered questions.

MMM+ program:
The latest element of the Generational Diversity programme is the MBH Bank's programme for people with disabilities. In 2024, the Bank identified 62 people and helped them with their living situation: they are eligible for tax relief and the programme's elements also provide them with a range of support.

Ambassador Academy:
The MBH Bank's Ambassador Academy is an innovative tool to introduce new values and associated behaviours and leadership tools, a new culture roadmap and an innovative tool to retain talent and sustain engagement, with around 100 participants. With high-profile online and offline sessions focusing on different change-related topics, the initiative has been very enthusiastically received. They work together on some elements of the culture programme in joint workshops, for example they created the questions for the organisation-wide heart rate measurement, which was relevant and customised so it was really about colleagues.

Leadership Academy:
Leadership Academy is an integral part of preparing managers for the transition to the new way of banking. The leadership training programme is modular and supports the continuous development of talented leaders through a variety of solutions and topics (inspiring leadership, heterogeneous cross-generational teams, transparent leadership, motivating leadership, etc.). A specific programme supports the training of newly appointed managers.

Extensive fringe benefits:
MBH Bank, as one of the largest banks in Hungary, has the ambition to become a market leader in the sector. All our employees have a key role to play in achieving this goal. As an employer, our main objective is to maintain a performance-based culture, but we also strengthen the commitment of our employees through our outstanding benefits system.

In addition to the Cafeteria, our fringe benefits include school and camping allowances and social assistance.

Our generational diversity programme provides support for the specific life situations of our employees. Within the framework of this programme, we offer colourful programmes and varied benefits for people starting out in their careers (Start+), colleagues to start a family (Baby+), employees with reduced working capacity (MMM+) and colleagues preparing for retirement (Active+).

MBH Bank and health:
Health promotion and health maintenance is an important area for MBH Bank, which is emphasised in various sports and health campaigns. Providing sporting opportunities for employees in a variety of ways and promoting healthy lifestyles is being implemented on multiple fronts.

Employees have access to extended occupational health services within the Bank, seven days a week.

MBH Bank also offers hobby and recreation rooms in its buildings. Fitness menus and other special dietary meals are available in the canteens at the workplace.

MBH Bank and sports:
MBH provides significant support to its Sports Association (hereinafter: SA) where effective professional and recreational sports work is carried out. In 2024, the association has a membership of between 600 and 650 people, including 900-950 members in the various sports sections, a significant increase of more than 40% compared to the previous year.
Our sports sections are: squash, volleyball, fishing, go-kart, dragon boat, cycling, running, table tennis, men’s and women’s football, hiking, bowling, boxing, basketball, throwing sports, swimming, wall climbing, spartan/crossfit, kayak-canoe and SUP, target shooting, triathlon, thai boxing. In 2024, we organised several sports club in-house championships in 20 sports. 300 certificates were awarded.

The Sports Association prepares our competitors in 11 sports for the annual Hungarian Banks Sports Tournament, where the MBH Bank team achieved third place in Győr in 2024. /13 banks competed/
The runners regularly take part in large numbers in races such as the Wizzair Half Marathon and the SPAR Marathon. In team sports, the men’s football, basketball and bowling teams are top finishers in the Business Leagues. Dragon boaters have won medals in several national competitions, anglers also regularly place well, the table tennis team is supported by the training methods of two excellent NB/1 colleagues, and go-kart teams always have successful monthly meets.

SA members in rural areas receive a recreational sports grant, which they could spend on sports facilities near their workplace or home. In 2024, 250 colleagues in 40 cities received a sports grant.

The SA considers it important that SA members can exercise regularly near all work bases, which is why we have a gym near our priority sites. (Kassák Lajos u. Headquarters, Tüskecsarnok/ At the Kassák gym, our members could participate in several group classes led by 13 trainers. / zumba, yoga, TRX, spinning, crossfit, pilates, body shaping)

The SA has also improved in communication. In 2024, it ran a months-long campaign to raise awareness among colleagues about the importance of recreational sports and the priority of a preventive, physically active lifestyle (posters, lockscreen page, Horizon, MBH SE faces videos, sports news, dedicated sub-page on the main Horizon website) Facebook group (MBHSE) now has 677 members.

Safe working environment:
MBH Bank complies with its legal obligations by carrying out a workplace risk assessment of its headquarters and premises, including all bank branches. As the Bank is an office working environment, the risk of accidents is fortunately low. The incidence of accidents at work is therefore low and on a downward trend.
Every year, employees are required to attend mandatory training on health and safety and fire prevention. Special training material has been prepared for bank branch staff on what to do in the event of an attack on the branch. The personnel, material and organisational conditions for safe work are laid down in the Bank’s Health and Safety at Work Manual in accordance with the legal requirements.
The Bank also employs a safety and health representative on behalf of the works council, who is entitled to check that the requirements for safe and healthy working conditions are met. Elections for the works council and the labour representative are currently underway.

12. SERVICES OF THE AUDITING COMPANY

The fee for the auditing company as stipulated by the relevant 2024 auditing contract is HUF 800.5 million (excluding VAT). In addition, the auditor provided other non-audit services during the year in amount of HUF 157.6 million.

13. CAPITAL MANAGEMENT

The Capital situation of Group was sufficient at the end of 2024, with capital adequacy ratios reliably exceeding the required levels. As a result of the 2024YE profit (and therefore core capital accumulation) the available core capital increased significantly. The owners of the MBH Bank are committed to maintain the bank's capital adequacy and implement all the necessary measures.

Domestic and international guidelines require the Bank to maintain certain minimum capital-to-asset ratios. These risk-based ratios are determined by allocating assets and specified off-balance sheet instruments into different weighted categories, with higher levels of capital being required for categories perceived as representing higher risk. Regulatory capital is divided into Tier 1 Capital and Tier 2 Capital. In addition to retained earnings, the Bank may raise regulatory capital by issuing several types of financial instruments to the public and by raising subordinated debt. These financial instruments are then classified as either Tier 1 or Tier 2, depending on the types of conditions or covenants they place upon the issuer.

As at 31 December 2024, the Bank's separate own funds on a Basel IV IFRS basis in accordance with supervisory rules amounted to HUF 1,045 billion, an increase of HUF 3 billion compared to the end of 2023. The change in separate own funds was mainly driven by the following factors during the year:

- the profit for the year increased own funds
- the overall level of reserves (capital reserve, profit and loss reserve, other reserves) increased
- the value of accumulated other comprehensive income decreased
- the IFRS9 capital allowance rate decreased
- an increase in the amount of deductions from core Tier 1 capital
- the purchase of own shares in December 2024 reduced own funds
- additional paid-in capital decreased during the year due to an increase in amortisation

The Bank's separate risk-weighted asset value (RWA) including operational and market risk - was HUF 4,764 billion at the end of 2024, an increase of HUF 545 billion compared to the value at the end of 2023. The increase in RWA was mainly driven by an increase in business portfolios and an increase in the operational risk capital requirement. The market risk capital requirement increased only slightly compared to year-end 2023.

The Bank's separate capital adequacy ratio was 21.94% at the end of 2024, a decrease of 2.76%pts compared to the end of 2023.

By application of capital management as a tool, the appropriate capital safety is a first priority decision making factor; therefore the bank monitors the changes of the capital elements continuously.

14. POST BALANCE SHEET DATE EVENTS

Purchase the 14,88% of Fundamenta

On November 11, 2024 the Bank has signed a share purchase agreement with Generali Biztosító Plc. in order to purchase a total of 14,88% stake of Fundamenta Lakáskassza Lakás-takarékpénztár Plc. The closing of the transaction is expected in first half of 2025, subject to obtaining the necessary regulatory approvals.

Issue of an aggregate nominal value of EUR 750 million (HUF 306 billion) credit rating and listing of the Senior Preferred Notes

MBH Bank Plc. issued Senior Preferred Notes with an aggregate nominal value of EUR 750 million (HUF 306 billion) (ISIN: XS2978001324) for a 5-year maturity non-callable for the first 4 years, unsecured claims (hereinafter: "Notes") with the value date of 29 January 2025. The maturity date of the Notes is 29 January 2030, the use of proceeds is general corporate purposes. The fixed interest rate of 5.250% per annum will be paid up to the optional redemption date of 29 January 2029. Moody's Investors Service Cyprus Ltd. has assigned a 'Ba2' rating to the Notes. The Notes were listed on the Luxembourg Stock Exchange on 29 January 2025.

Data in HUF million unless stated otherwise

15. ADDITIONAL INFORMATION

Research and development

In 2023 and 2022 the Bank had no own research and development.

Hedging policy

The Group offsets the fluctuating net income effects of the fair value and the cash flow changes of certain financial instruments through hedge transactions and related hedge accounting. The Group prepares hedging documentation containing the purpose of the hedge relationship, the ID codes, the terms and conditions of the hedged and hedge transactions, the risk intended to be hedged and the method for measuring hedging efficiency.

Presentation of branches

31.12.2024		
Region	**Branch name**	**Address**
	Budapest Region	
Budapest Region	Árkád	Örs Vezér tere 25
Budapest Region	Bosnyák	XIV. Nagy L. 146.
Budapest Region	Fogarasi út	XIV. Fogarasi út 13.
Budapest Region	Nyírpalota út	Nyírpalota u. 2.
Budapest Region	Budapest, Báthory Fiók	Báthory utca 1.
Budapest Region	Budapest, Flórián Fiók	Flórián tér 4-5.
Budapest Region	Budapest, Üllői48 Fiók	Üllői út 48.
Budapest Region	Budapest, Váci6 Fiók	Váci út 6.
Budapest Region	Budapest, Villányi Fiók	Villányi út 20.
Budapest Region	Budapest, Árpád45 Fiók	Árpád út 45.
Budapest Region	Budapest, Czuczor Fiók	Czuczor utca 2-10
Budapest Region	Budapest, Kolozsvár Fiók	Kolozsvár utca 2/b
Budapest Region	Budapest, Infopark	Magyar Tudósok körútja 9
Budapest Region	Thököly út	Thököly út 100/a
Budapest Region	Eurocenter	Bécsi út 154
Budapest Region	Nyugati tér	Nyugati tér 5
Budapest Region	Bartók Béla út	Bartók Béla út. 41. Fszt.
Budapest Region	Békásmegyer	Heltai J. tér 15.
Budapest Region	Belváros	Bajcsy-Zsilinszky út 5.
Budapest Region	Boráros tér (Duna-ház)	Soroksári út 3/C
Budapest Region	Budagyöngye	II. Pázsit u. 2.
Budapest Region	Campona	XXII. Nagytétényi út
Budapest Region	Csepel	XXI. Kossuth 47-49
Budapest Region	Csepel Plaza	II. Rákóczi Ferenc út 154-170.
Budapest Region	Délbuda	XI. Etele út 57.
Budapest Region	Duna Plaza	Váci út 178-182.
Budapest Region	Emke	VII. Rákóczi út. 42.
Budapest Region	Északpest	XIII. Váci u. 193.

Data in HUF million unless stated otherwise

Budapest Region	Fehérvári út	Fehérvári út 95
Budapest Region	Gazdagrét	XI. Rétköz u. 7. (Eleven Center)
Budapest Region	Kispest	XIX. Ker. Fő u. 7.
Budapest Region	Kőbánya	X. Kőrösi Csoma sétány 4.
Budapest Region	Mammut	Széna tér 4
Budapest Region	MOM Park	Alkotás utca 53
Budapest Region	Óbuda	II. Lajos u. 30.
Budapest Region	Pesterzsébet	XX. Török Flóris u. 70.
Budapest Region	Pestszentimre	Dózsa György u. 2.
Budapest Region	Pestszentlőrinc	XVIII. Üllői út 396.
Budapest Region	Rákoskeresztúr	XVII. Pesti út 159-163.
Budapest Region	Rákosszentmihály	XVI. Rákosi út 128.
Budapest Region	Székház	Váci utca 38
Budapest Region	Szent István tér	Hercegprímás utca 10
Budapest Region	Újpest	Árpád út 57-59. fsz. 1.
Budapest Region	Váci Greens	Váci út 117-119. A épület
Dél-Keleti Region		
Dél-Keleti Region	Békéscsaba	Andrássy út 18.
Dél-Keleti Region	Kiskőrös	Petőfi tér 18
Dél-Kelet Region	Karcag	Horváth Ferenc u. 3. fsz. 1
Dél-Kelet Region	Nagykőrösi, Rákóczi Fiók	Rákóczi utca 1
Dél-Kelet Region	Heves, Hunyadi Fiók	Hunyadi utca 11-13
Dél-Kelet Region	Békés, Szarvasi Fiók	Szarvasi utca 1
Dél-Kelet Region	Békéscsaba, Mednyánszky Fiók	Mednyánszky utca 8
Dél-Kelet Region	Csorvás, Rákóczi Fiók	Rákóczi utca 1
Dél-Kelet Region	Dévaványa, Árpád Fiók	Árpád utca 1
Dél-Kelet Region	Füzesgyarmat, Mátyás FIók	Mátyás utca 2
Dél-Kelet Region	Gyomaendrőd, Kossuth Fiók	Kossuth utca 20
Dél-Kelet Region	Gyula, Városház Fiók	Városház utca 23
Dél-Kelet Region	Kevermes, Templom Fiók	Templom utca 2/a
Dél-Kelet Region	Kondoros, Csabai Fiók	Csabai út 14
Dél-Kelet Region	Mezőberény, Békési Fiók	Békési út 6
Dél-Kelet Region	Mezőkovácsháza, Árpád Fiók	Árpád utca 188-192
Dél-Kelet Region	Orosháza, Thököly Fiók	Thököly utca 15
Dél-Kelet Region	Sarkad, Kossuth Fiók	Kossuth utca 14-16
Dél-Kelet Region	Szarvas, Szabadság	Szabadság út 30
Dél-Kelet Region	Szeghalom, Tildy Fiók	Tildy Zoltán utca 20-24
Dél-Kelet Region	Tótkomlós, Kossuth Fiók	Kossuth utca 1
Dél-Kelet Region	Újkígyós, Gyulai Fiók	Gyulai út 25
Dél-Kelet Region	Vésztő, Kossuth Fiók	Kossuth Lajos utca 53/a
Dél-Kelet Region	Zsadány, Béke Fiók	Béke utca 92
Dél-Kelet Region	Békéscsaba, Hunyadi Fiók	Szabadság tér 2
Dél-Kelet Region	Csongrád, Fő Fiók	Fő utca 28
Dél-Kelet Region	Domaszék, Köztársaság Fiók	Köztársaság tér 4
Dél-Kelet Region	Hódmezővásárhely, Andrássy Fiók	Andrássy út 50
Dél-Kelet Region	Kistelek, SzentLászló Fiók	Szent László tér 2

Data in HUF million unless stated otherwise

Dél-Kelet Region	Makó, Úri Fiók	Úri utca 1
Dél-Kelet Region	Mindszenti, Csokonai Fiók	Csokonai Vitéz Mihály utca 28
Dél-Kelet Region	Mórahalom, Millenniumi Fiók	Millenniumi sétány 1
Dél-Kelet Region	Sándorfalva, Alkotmány Fiók	Alkotmány krt. 21/A
Dél-Kelet Region	Szeged, Mikszáth Fiók	Mikszáth Kálmán utca 15
Dél-Kelet Region	Szeged, Szőregi Fiók	Szőregi út 80
Dél-Kelet Region	Szentes, Szabadság Fiók	Szabadság tér 2
Dél-Kelet Region	Üllés, Fogarasi Fiók	Fogarasi utca 1
Dél-Kelet Region	Szeged, Széchenyi Fiók	Széchenyi tér 3.
Dél-Kelet Region	Abádszalók, István Fiók	István király utca 8
Dél-Kelet Region	Kunhegyes, Szabadság Fiók	Szabadság tér 11
Dél-Kelet Region	Kunszentmárton, Mátyás Fiók	Mátyás Király utca 1
Dél-Kelet Region	Mezőtúr, Dózsa Fiók	Dózsa György utca 24
Dél-Kelet Region	Tiszaföldvár, Kossuth Fiók	Kossuth Lajos út 139
Dél-Kelet Region	Tiszafüred, Kossuth Fiók	Kossuth tér 17
Dél-Kelet Region	Törökszentmiklós, Kossuth Fiók	Kossuth Lajos utca 142-146
Dél-Kelet Region	Túrkeve, Petőfi Fiók	Petőfi tér 3-5
Dél-Kelet Region	Újszász Erkel Fiók	Erkel Ferenc út 2/A
Dél-Kelet Region	Kisújszállás, Szabadságutca8	Szabadság utca 8
Dél-Kelet Region	Jászapáti, István Fiók	István Király út 3
Dél-Kelet Region	Jászárokszállás, Árpád Fiók	Árpád tér 2
Dél-Kelet Region	Szolnok, Nagy Fiók	Nagy Imre körút 10/A
Dél-Kelet Region	Bócsa, Kecskeméti Fiók	Kecskeméti út 20
Dél-Kelet Region	Kalocsa, Hunyadi Fiók	Hunyadi utca 47-49
Dél-Kelet Region	Kiskunmajsa, Fő Fiók	Fő utca 57. fszt.3.
Dél-Kelet Region	Kecskemét, Dobó Fiók	Dobó körút 15
Dél-Kelet Region	Csengőd, Dózsa Fiók	Dózsa György utca 69
Dél-Kelet Region	Izsák, Szabadság Fiók	Szabadság tér 10
Dél-Kelet Region	Kecskemét, Szabadság Fiók	Szabadság tér 3
Dél-Kelet Region	Kerekegyháza, Fő Fiók	Fő utca 82/a
Dél-Kelet Region	Kiskunfélegyháza, Fekete Pál Fiók	Fekete Pál sétány 2
Dél-Kelet Region	Kunszentmiklós, Kálvin Fiók	Kálvin tér 11
Dél-Kelet Region	Lakitelek, Liget Fiók	Liget utca 2
Dél-Kelet Region	Solt, Posta Fiók	Posta utca 14
Dél-Kelet Region	Szabadszállás, Kálvin Fiók	Kálvin tér 2
Dél-Kelet Region	Tiszakécske, SzentImre Fiók	Szent Imre tér 3
Dél-Kelet Region	Lajosmizse, Szabadság Fiók	Szabadság tér 10
Dél-Kelet Region	Akasztó, Fő Fiók	Fő utca 53
Dél-Kelet Region	Harta, Kossuth Fiók	Kossuth Lajos utca 31
Dél-Kelet Region	Bácsalmás, GrófTeleki Fiók	Gróf Teleki József utca 2
Dél-Kelet Region	Bácsbokod, GrófSzéchenyi Fiók	Gróf Széchenyi István utca 85
Dél-Kelet Region	Hercegszántó, Albert Fiók	Albert Flórián tér 2
Dél-Kelet Region	Jánoshalma, Dózsa Fiók	Dózsa György utca 82
Dél-Kelet Region	Kecel, Fő Fiók	Fő tér 8
Dél-Kelet Region	Mélykút, Petőfi Fiók	Petőfi tér 3
Dél-Kelet Region	Vaskút, Alkotmány Fiók	Alkotmány utca 3/A

Data in HUF million unless stated otherwise

Dél-Kelet Region	Szeged	Kölcsey utca 8
Dél-Kelet Region	Hódmezővásárhely	Kossuth tér 2
Dél-Kelet Region	Baja	Tóth Kálmán tér 1
Dél-Kelet Region	Jászberény	Lehel vezér tér 32-33
Dél-Kelet Region	Kecskemét	Nagykőrösi utca 2.
Dél-Kelet Region	Kecskemét	Katona József tér 1
Dél-Kelet Region	Kiskunhalas	Kossuth u. 10.
Dél-Kelet Region	Szolnok	Hősök tere 1.
Dél-Nyugat Region		
Dél-Nyugat Region	Bátaszék, Budai Fiók	Budai utca 24
Dél-Nyugat Region	Bonyhád, Szabadság9 Fiók	Szabadság tér 9
Dél-Nyugat Region	Dombóvár, Hunyadi Fiók	Hunyadi tér 42
Dél-Nyugat Region	Dunaföldvár, Fehérvári Fiók	Fehérvári utca 4
Dél-Nyugat Region	Hőgyész, Fő Fiók	Fő utca 14
Dél-Nyugat Region	Nagydorog, Kossuth Fiók	Kossuth utca 52
Dél-Nyugat Region	Németkér, Széchenyi Fiók	Széchenyi utca 43
Dél-Nyugat Region	Tamási, Szabadság Fiók	Szabadság utca 41/b
Dél-Nyugat Region	Tolna, Deák Fiók	Deák Ferenc utca 4.
Dél-Nyugat Region	Zomba, Fő Fiók	Fő tér 5
Dél-Nyugat Region	Harkány, Kossuth Fiók	Kossuth Lajos utca 16
Dél-Nyugat Region	Komló, Városház Fiók	Városház tér 5
Dél-Nyugat Region	Kozármisleny, Orgona Fiók	Orgona utca 2
Dél-Nyugat Region	Mecseknádasd, Rákóczi Fiók	Rákóczi Ferenc utca 40
Dél-Nyugat Region	Pécs, Bajcsy Fiók	Bajcsy-Zsilinszky Endre utca 7
Dél-Nyugat Region	Sellye, Mátyás Fiók	Mátyás Király utca 73
Dél-Nyugat Region	Szentlőrinc, Munkácsy Fiók	Munkácsy utca 19
Dél-Nyugat Region	Szigetvár, József Fiók	József Attila utca 19
Dél-Nyugat Region	Vajszló, Kodolányi Fiók	Kodolányi tér 2
Dél-Nyugat Region	Mágocs, Szabadság Fiók	Szabadság utca 23
Dél-Nyugat Region	Pécsvárad, Kossuth30 Fiók	Kossuth Lajos utca 30
Dél-Nyugat Region	Sásd, Rákóczi Fiók	Rákóczi utca 26
Dél-Nyugat Region	Bóly, Hősök Fiók	Hősök tere 8/c
Dél-Nyugat Region	Dunaszekcső, Kossuth Fiók	Kossuth Lajos utca 37
Dél-Nyugat Region	Himesháza, Kossuth Fiók	Kossuth Lajos utca 62
Dél-Nyugat Region	Mohács, Dózsa Fiók	Dózsa György utca 31
Dél-Nyugat Region	Pécs, Páfrány Fiók	Páfrány utca 2/A
Dél-Nyugat Region	Balatonföldvár, Balatonszentgyörgyi Fiók	Balatonszentgyörgyi út 1
Dél-Nyugat Region	Barcs, Bajcsy Fiók	Bajcsy-Zsilinszky utca 83
Dél-Nyugat Region	Csurgó, Csokonai Fiók	Csokonai utca 10-12.
Dél-Nyugat Region	Tab, Kossuth Fiók	Kossuth Lajos utca 84/b
Dél-Nyugat Region	Bak, Széchenyi Fiók	Széchenyi tér 2
Dél-Nyugat Region	Balatonmáriafürdő, GrófSzéchenyi Fiók	Gróf Széchenyi Imre tér 10
Dél-Nyugat Region	Hévíz, Széchenyi Fiók	Széchenyi utca 66
Dél-Nyugat Region	Lenti, Kossuth Fiók	Kossuth út 4
Dél-Nyugat Region	Letenye, Kossuth Fiók	Kossuth utca 15
Dél-Nyugat Region	Marcali, Rákóczi Fiók	Rákóczi utca 16

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Dél-Nyugat Region	Nagyatád, Kossuth Fiók	Kossuth Lajos utca 16
Dél-Nyugat Region	Pacsa, József Fiók	József Attila utca 3
Dél-Nyugat Region	Zalakaros, Petőfi Fiók	Petőfi utca 48
Dél-Nyugat Region	Zalaszentgrót, Nefelejcs Fiók	Nefelejcs utca 1
Dél-Nyugat Region	Nagykanizsa	Erzsébet tér 19.
Dél-Nyugat Region	Pécs	Rákóczi út 60.
Dél-Nyugat Region	Szekszárd	Arany János u. 23-25.
Dél-Nyugat Region	Kaposvár	Fő u. 3.
Dél-Nyugat Region	Balatonboglár	Sétáló u. 3.
Dél-Nyugat Region	Keszthely	Kossuth Lajos u. 103. Fszt.
Dél-Nyugat Region	Paks	Dózsa György út 75
Dél-Nyugat Region	Siófok	Sió utca 2
Dél-Nyugat Region	Zalaegerszeg	Kossuth utca 2.
Észak-Keleti Régió		
Észak-Kelet Region	Debrecen	Vár u. 6/a
Észak-Kelet Region	Miskolc	Széchenyi u. 46.
Észak-Kelet Region	Tiszaújváros	Kazinczy u. 12.
Észak-Kelet Region	Ózd	Gyújtó tér 1.
Észak-Kelet Region	Besenyőtelek, Fő Fiók	Fő út 112
Észak-Kelet Region	Füzesabony, Rákóczi Fiók	Rákóczi út 58
Észak-Kelet Region	Hatvan, Kossuth Fiók	Kossuth tér 23
Észak-Kelet Region	Bélapátfalva, Május1 Fiók	Május 1. út 2/A
Észak-Kelet Region	Pétervására, Szabadság Fiók	Szabadság tér 21
Észak-Kelet Region	Verpelét, Szabadság Fiók	Szabadság tér 8/a
Észak-Kelet Region	Abaújszántó, Béke Fiók	Béke út 32
Észak-Kelet Region	Bükkábrány, Mátyás Fiók	Mátyás király utca 15
Észak-Kelet Region	Cigánd, Fő Fiók	Fő út 75
Észak-Kelet Region	Edelény, Tóth Fiók	Tóth Árpád út 5
Észak-Kelet Region	Encs, Petőfi Fiók	Petőfi út 31.
Észak-Kelet Region	Felsőzsolca, Kassai Fiók	Kassai utca 28
Észak-Kelet Region	Gönc, Kossuth Fiók	Kossuth Lajos utca 42
Észak-Kelet Region	Halmaj, Fő Fiók	Fő út 14
Észak-Kelet Region	Mezőcsát, Kossuth Fiók	Kossuth út 7
Észak-Kelet Region	Mezőkeresztes, Dózsa Fiók	Dózsa György út 37
Észak-Kelet Region	Mezőkövesd, Mátyás Fiók	Mátyás király út 70
Észak-Kelet Region	Miskolc, Gutenberg Fiók	Gutenberg utca 1
Észak-Kelet Region	Miskolc, Vasgyári Fiók	Vasgyári út 3
Észak-Kelet Region	Pálháza, Dózsa Fiók	Dózsa György út 119
Észak-Kelet Region	Putnok, Mohos Fiók	Mohos sétány 2.
Észak-Kelet Region	Sajószentpéter, Kossuth Fiók	Kossuth Lajos út 179
Észak-Kelet Region	Sárospatak, Eötvös Fiók	Eötvös utca 3
Észak-Kelet Region	Sátoraljaújhely, Széchenyi Fiók	Széchenyi tér 8
Észak-Kelet Region	Szendrő, Hősök Fiók	Hősök tere 2
Észak-Kelet Region	Szerencs, Rákóczi Fiók	Rákóczi út 105
Észak-Kelet Region	Szikszó, Bolt Fiók	Bolt utca 11
Észak-Kelet Region	Tarcal, Fő Fiók	Fő út 66

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Észak-Kelet Region	Miskolc, Ady Fiók	Ady Endre utca 16.
Észak-Kelet Region	Tokaj, Bajcsy Fiók	Bajcsy-Zsilinszky Endre út 18
Észak-Kelet Region	Nyíregyháza, Dózsa Fiók	Dózsa György út 11.
Észak-Kelet Region	Baktalórántháza, Köztársaság Fiók	Köztársaság tér 7.
Észak-Kelet Region	Balkány, Fő Fiók	Fő utca 31
Észak-Kelet Region	Bököny, Dózsa Fiók	Dózsa György utca 5
Észak-Kelet Region	Csenger, Ady Fiók	Ady utca 5
Észak-Kelet Region	Fehérgyarmat, Móricz fiók	Móricz Zsigmond utca 19
Észak-Kelet Region	Gávavencsellő, Petőfi Fiók	Petőfi utca 3
Észak-Kelet Region	Hodász, Széchenyi Fiók	Széchenyi út 8
Észak-Kelet Region	Ibrány, Lehel Fiók	Lehel út 3
Észak-Kelet Region	Jánkmajtis, Kossuth Fiók	Kossuth utca 12
Észak-Kelet Region	Kisvárda, SzentLászló Fiók	Szent László utca 68
Észak-Kelet Region	Levelek, Rákóczi Fiók	Rákóczi utca 4
Észak-Kelet Region	Mátészalka, Szalkay Fiók	Szalkay László utca 2
Észak-Kelet Region	Nagyecsed, Rákóczi fiók	Rákóczi út 16
Észak-Kelet Region	Nagykálló, Zrínyi Fiók	Zrínyi Miklós utca 22
Észak-Kelet Region	Nyírbátor, Szabadság Fiók	Szabadság tér 5
Észak-Kelet Region	Nyíregyháza, Kossuth Fiók	Kossuth utca 66/A.
Észak-Kelet Region	Nyírtelek, Arany Fiók	Arany János utca 1
Észak-Kelet Region	Rakamaz, SzentIstván Fiók	Szent István utca 25
Észak-Kelet Region	Tiszaeszlár, Rákóczi Fiók	Rákóczi utca 79
Észak-Kelet Region	Tiszalök, Kossuth Fiók	Kossuth utca 79/b
Észak-Kelet Region	Tiszavasvári, Kossuth Fiók	Kossuth Lajos utca 1
Észak-Kelet Region	Újfehértó, Béke Fiók	Béke tér 4
Észak-Kelet Region	Vaja, Damjanich Fiók	Damjanich utca 70
Észak-Kelet Region	Vásárosnamény, Rákóczi Fiók	Rákóczi utca 1
Észak-Kelet Region	Záhony, Alkotmány Fiók	Alkotmány út 2
Észak-Kelet Region	Balmazújváros, Veres Fiók	Veres Péter utca 3
Észak-Kelet Region	Berettyóújfalu, Dózsa Fiók	Dózsa György utca 3-5
Észak-Kelet Region	Biharkeresztes, Hősök Fiók	Hősök tere 10
Észak-Kelet Region	Debrecen, Bethlen Fiók	Bethlen G. utca 6-8
Észak-Kelet Region	Debrecen, Mátyás Fiók	Mátyás Király utca 29
Észak-Kelet Region	Debrecen, Szentgyörgyfalvi Fiók	Szentgyörgyfalvi utca 9
Észak-Kelet Region	Derecske, Rákóczi Fiók	Rákóczi út 2
Észak-Kelet Region	Hajdúböszörmény, Kossuth Fiók	Kossuth Lajos utca 5
Észak-Kelet Region	Hajdúdorog, Tokaji Fiók	Tokaji út 6
Észak-Kelet Region	Hajdúhadház, Bocskai Fiók	Bocskai tér 2/a
Észak-Kelet Region	Hajdúnánás, Kossuth Fiók	Kossuth Lajos út 17
Észak-Kelet Region	Hajdúsámson, Rákóczi Fiók	Rákóczi utca 6
Észak-Kelet Region	Hajdúszoboszló, Hősök Fiók	Hősök tere 15
Észak-Kelet Region	Hosszúpályi, Bagosi Fiók	Bagosi utca 2
Észak-Kelet Region	Kaba, Rákóczi Fiók	Rákóczi Ferenc út 120
Észak-Kelet Region	Létavértes, Baross Fiók	Baross utca 1
Észak-Kelet Region	Nyíradony, Árpád Fiók	Árpád tér 12
Észak-Kelet Region	Püspökladány, Gagarin Fiók	Gagarin utca 1

Data in HUF million unless stated otherwise

Észak-Kelet Region	Vámospércs, Nagy Fiók	Nagy utca 9
Észak-Kelet Region	Kazincbarcika	Egressy Béni utca 39.
Észak-Kelet Region	Nyíregyháza	Szarvas utca 11
Észak-Kelet Region	Eger	Almagyar utca 5
Észak-Kelet Region	Eger	Érsek utca 6
Észak-Kelet Region	Gyöngyös	Fő tér 19
Észak-Nyugati Régió		
Észak-Nyugat Region	Bábolna, Béke Fiók	Béke út 1
Észak-Nyugat Region	Bokod, Fő Fiók	Fő utca 50/a
Észak-Nyugat Region	Dorog, Bécsi	Bécsi út 33
Észak-Nyugat Region	Kisbér, Kossuth Fiók	Kossuth Lajos utca 14
Észak-Nyugat Region	Komárom, Igmándi Fiók	Igmándi út 45
Észak-Nyugat Region	Lábatlan, Rákóczi Fiók	Rákóczi út 138-140
Észak-Nyugat Region	Nagyigmánd, Kossuth Fiók	Kossuth Lajos utca 2
Észak-Nyugat Region	Oroszlány, Rákóczi Fiók	Rákóczi Ferenc utca 7/a
Észak-Nyugat Region	Tarján, Rákóczi Fiók	Rákóczi utca 8
Észak-Nyugat Region	Tata, Ady Fiók	Ady Endre út 17
Észak-Nyugat Region	Celldömölk, Kossuth Fiók	Kossuth Lajos utca 18
Észak-Nyugat Region	Csepreg, Széchenyi Fiók	Széchenyi tér 4
Észak-Nyugat Region	Körmend, Thököly Fiók	Thököly utca 1
Észak-Nyugat Region	Kőszeg, Rákóczi Fiók	Rákóczi utca 12
Észak-Nyugat Region	Őriszentpéter, Városszer Fiók	Városszer utca 106
Észak-Nyugat Region	Répcelak, Petőfi Fiók	Petőfi Sándor utca 50.
Észak-Nyugat Region	Sárvár, Batthyány Fiók	Batthyány utca 42/C
Észak-Nyugat Region	Szentgotthárd, Hunyadi Fiók	Hunyadi utca 5.
Észak-Nyugat Region	Vasvár, Főszolgabíró Fiók	Főszolgabíró tér 1
Észak-Nyugat Region	Szombathelyi, Petőfi16 Fiók	Petőfi Sándor utca 16.
Észak-Nyugat Region	Badacsonytomaj, Kert Fiók	Kert utca 12
Észak-Nyugat Region	Balatonalmádi, Baross Fiók	Baross Gábor út 11
Észak-Nyugat Region	Balatonfüred, Kossuth Fiók	Kossuth Lajos utca 20
Észak-Nyugat Region	Balatonkenese, Fő Fiók	Fő utca 23
Észak-Nyugat Region	Berhida, Szabadság Fiók	Szabadság tér 6
Észak-Nyugat Region	Devecser, Kossuth Fiók	Kossuth út 2
Észak-Nyugat Region	Nagyvázsony, Kinizsi Fiók	Kinizsi utca 82
Észak-Nyugat Region	Sümeg, Kossuth Fiók	Kossuth utca 17
Észak-Nyugat Region	Herend, Kossuth Fiók	Kossuth Lajos utca 140
Észak-Nyugat Region	Tapolca, Fő Fiók	Fő tér 4
Észak-Nyugat Region	Várpalota, Posta Fiók	Posta út 8
Észak-Nyugat Region	Zirc, József Fiók	József Attila utca 4
Észak-Nyugat Region	Beled, Rákóczi Fiók	Rákóczi utca 131
Észak-Nyugat Region	Csorna, SzentIstván Fiók	Szent Istvén tér 23
Észak-Nyugat Region	Dunakiliti, Kossuth Fiók	Kossuth utca 88
Észak-Nyugat Region	Fertőd, Fő Fiók	Fő utca 62
Észak-Nyugat Region	Győr, Riesz Fiók	Riesz F. utca 11/a
Észak-Nyugat Region	Hegyeshalom, Fő Fiók	Fő utca 135
Észak-Nyugat Region	Kapuvár, Gesztenye Fiók	Gesztenye sor 5

Data in HUF million unless stated otherwise

Észak-Nyugat Region	Mosonmagyaróvár, Palánk Fiók	Palánk utca 8
Észak-Nyugat Region	Nagycenk, Iskola Fiók	Iskola utca 2
Észak-Nyugat Region	Pannonhalma, Petőfi Fiók	Petőfi utca 20
Észak-Nyugat Region	Tét, Fő Fiók	Fő utca 86
Észak-Nyugat Region	Gönyű, Bajcsy Fiók	Bajcsy-Zsilinszky utca 13
Észak-Nyugat Region	Győr, Lehel Fiók	Lehel utca 27
Észak-Nyugat Region	Lébény, Fő Fiók	Fő út 85
Észak-Nyugat Region	Ajka	Szabadság tér 8.
Észak-Nyugat Region	Esztergom	Kossuth Lajos u. 14-18.
Észak-Nyugat Region	Győr	Bajcsy Zs. Utca 36.
Észak-Nyugat Region	Győr	Nagysándor József utca 31
Észak-Nyugat Region	Győr - Árkád	Budai út 1
Észak-Nyugat Region	Pápa	Szent László utca 1.
Észak-Nyugat Region	Sopron	Várkerület 16
Észak-Nyugat Region	Szombathely	Szent Márton utca 4
Észak-Nyugat Region	Tatabánya	Szent Borbála tér 6.
Észak-Nyugat Region	Tatabánya	Fő tér 6
Észak-Nyugat Region	Veszprém	Mindszenty József u. 7.
Észak-Nyugat Region	Veszprém	Óváros tér 3
Közép-Magyarország region		
Közép-Magyarország Region	Gyál, Kőrösi Fiók	Kőrösi utca 116
Közép-Magyarország Region	Dunakeszi	Fő út 16-18
Közép-Magyarország Region	Székesfehérvár	Budai út 36.
Közép-Magyarország Region	Balassagyarmat	Rákóczi u. 14.
Közép-Magyarország Region	Bicske	Kossuth tér 7.
Közép-Magyarország Region	Budaörs	Szabadság út 45
Közép-Magyarország Region	Cegléd	Rákóczi u. 2.
Közép-Magyarország Region	Dabas	Falu Tamás u. 4.
Közép-Magyarország Region	Dunaújváros	Dózsa Gy. út 4/b
Közép-Magyarország Region	Érd	Budai út 11.
Közép-Magyarország Region	Gödöllő	Kossuth út 13.
Közép-Magyarország Region	Monor	Kossuth u. 73.
Közép-Magyarország Region	Nagykáta	Szabadság tér 12.
Közép-Magyarország Region	Ráckeve	Kossuth u. 47.
Közép-Magyarország Region	Salgótarján	Losonci utca 2
Közép-Magyarország Region	Székesfehérvár	Bástya u. 10.
Közép-Magyarország Region	Szentendre	Dunakorzó 18
Közép-Magyarország Region	Vác	Köztársaság u. 10.
Közép-Magyarország Region	Székesfehérvár, Koronázó Fiók	Koronázó tér 2.
Közép-Magyarország Region	Alcsútdoboz, Béke Fiók	Béke utca 1
Közép-Magyarország Region	Enying, Deák Fiók	Deák Ferenc út 1
Közép-Magyarország Region	Ercsi, SzentIstván Fiók	Szent István út 3
Közép-Magyarország Region	Gárdonyi fiók	Szabadság út 24
Közép-Magyarország Region	Káloz, Bajcsy Fiók	Bajcsy-Zsilinszky utca 3
Közép-Magyarország Region	Kápolnásnyék, Fő Fiók	Fő út 29
Közép-Magyarország Region	Martonvásár, Brunszvik Fiók	Brunszvik út 1/B

Data in HUF million unless stated otherwise

Közép-Magyarország Region	Mór, Deák Fiók	Deák Ferenc utca 28
Közép-Magyarország Region	Sárbogárd, Ady Fiók	Ady Endre utca 107
Közép-Magyarország Region	Simontornya, Mátyás Fiók	Mátyás király utca 2-3
Közép-Magyarország Region	Dunavarsány, Kossuth Fiók	Kossuth Lajos utca 38 B fszt 1
Közép-Magyarország Region	Inárcs, Széchenyi Fiók	Széchenyi út 4
Közép-Magyarország Region	Kakucs, Sas Fiók	Sas telep 1
Közép-Magyarország Region	Örkény, Kossuth Fiók	Kossuth Lajos út 34/a
Közép-Magyarország Region	Tököl, József Fiók	József Attila utca 24
Közép-Magyarország Region	Újhartyán, Újsor Fiók	Újsor utca 1
Közép-Magyarország Region	Alsónémedi, Fő Fiók	Fő út 66/A
Közép-Magyarország Region	Budakalász, Petőfi Fiók	Petőfi tér 11
Közép-Magyarország Region	Budakeszi, Fő Fiók	Fő utca 126
Közép-Magyarország Region	Diósd, SzentIstván Fiók	Szent István tér 12
Közép-Magyarország Region	Dunabogdány, Hajó Fiók	Hajó utca 3
Közép-Magyarország Region	Dunaharaszti, Baktay Fiók	BAKTAY TÉR 5
Közép-Magyarország Region	Érd, Hegesztő Fiók	Hegesztő utca 10
Közép-Magyarország Region	Herceghalom, Zsámbéki Fiók	Zsámbéki út 16
Közép-Magyarország Region	Leányfalu, Móricz Fiók	Móricz Zsigmond utca 128 A ép.
Közép-Magyarország Region	Nagykovácsi, Kossuth Fiók	Kossuth Lajos utca 67
Közép-Magyarország Region	Pilisvörösvár, Fő Fiók	Fő út 69
Közép-Magyarország Region	Pomáz, Kossuth Fiók	Kossuth Lajos utca 5
Közép-Magyarország Region	Solymár, Mátyás Fiók	Mátyás Király utca 14
Közép-Magyarország Region	Százhalombatta, Damjanich Fiók	Damjanich utca 23
Közép-Magyarország Region	Tahitótfalu, Petőfi Fiók	Petőfi Sándor utca 27
Közép-Magyarország Region	Tárnok, Rákóczi Fiók	Rákóczi út 91
Közép-Magyarország Region	Törökbálint, Munkácsy Fiók	Munkácsy Mihály utca 11
Közép-Magyarország Region	Üröm, Fő Fiók	Fő tér 1
Közép-Magyarország Region	Abony, Kossuth Fiók	Kossuth tér 3-4
Közép-Magyarország Region	Aszód, Kossuth Fiók	Kossuth Lajos utca 1
Közép-Magyarország Region	Fót, Dózsa Fiók	Dózsa György út 54
Közép-Magyarország Region	Tápiószele	Rákóczi út 2
Közép-Magyarország Region	Tura, Bartók Fiók	Bartók tér 21
Közép-Magyarország Region	Veresegyház, Fő Fiók	Fő út 53
Közép-Magyarország Region	Albertirsa, Pesti Fiók	Pesti út 28
Közép-Magyarország Region	Gyömrő, Táncsics Fiók	Táncsics utca 82
Közép-Magyarország Region	Isaszeg, Kossuth Fiók	Kossuth Lajos utca 15/a
Közép-Magyarország Region	Kistarcsa, Széchenyi Fiók	Széchenyi út 67
Közép-Magyarország Region	Maglód, Fő Fiók	Fő utca 13
Közép-Magyarország Region	Pécel, Ráday Fiók	Ráday Gedeon tér 10
Közép-Magyarország Region	Pilis, Rákóczi Fiók	Rákóczi utca 34
Közép-Magyarország Region	Sülysáp, Malom Fiók	Malom utca 1/A
Közép-Magyarország Region	Tápiószentmárton, Kossuth Fiók	Kossuth Lajos utca 17/A
Közép-Magyarország Region	Üllő, Pesti Fiók	Pesti út 71
Közép-Magyarország Region	Vecsés, Telepi Fiók	Telepi út 50/a
Közép-Magyarország Region	Göd, Pesti Fiók	Pesti út 93
Közép-Magyarország Region	Érsekvadkert, Rákóczi Fiók	Rákóczi út 122

Közép-Magyarország Region	Gyöngyöspata, Dózsa Fiók	Dózsa György út 1-3
Közép-Magyarország Region	Pásztó, Fő Fiók	Fő út 64
Közép-Magyarország Region	Petőfibánya, Mária Fiók	Mária utca 4
Közép-Magyarország Region	Rétság, Korányi Fiók	Korányi út 2
Közép-Magyarország Region	Szécsény, Rákóczi Fiók	Rákóczi út 71
Közép-Magyarország Region	Bátonyterenye, Ózdi Fiók	Ózdi út 47
Közép-Magyarország Region	Szigetszentmiklós	Losonczi u. 1.

16. INFORMATION PURSUANT TO SECTIONS 95/A AND 95/B OF THE ACCOUNTING ACT

INFORMATION RELATED TO SHARES AND OWNERS

The shares of MBH Bank Plc. (hereinafter: "Bank") – under the name of MKB Bank - were added to the product list of the Budapest Stock Exchange (hereinafter: "**BSE**") on 30 May 2019, whereby the shares got listed on the BSE. The first trading date of the Bank's ordinary shares listed on the BSE - in the BSE shares section's Standard category - was 17 June 2019

On 30 October 2020, the Bank sold all its shares representing 33.33% ownership in Magyar Bankholding Zrt. to its shareholders.

Magyar Bankholding Zrt. (hereinafter: "**Hungarian Bankholding**") commenced its effective operation as a financial bankholding on 15 December 2020, after the bank shares of the key owners of Budapest Bank Zrt. (hereinafter: "**Budapest Bank**"), the Bank and MTB Zrt. (hereinafter: "**MTB**") were transferred to the joint holding company in possession of the approval of National Bank of Hungary (hereinafter: "**NBH**"). The owners transferred their shares to Hungarian Bankholding as a result the second largest banking group in Hungary has been established, in which the Hungarian State owned 30.35% of the shares through Corvinus Nemzetközi Befektetési Zrt., the former direct owners of the Bank acquired 31.96% of the shares and the former direct owners of MTB acquired 37.69% of the shares. Magyar Bankholding obtained all the necessary permits to operate as a financial holding company.

On 15 December 2021, the supreme bodies of the Bank, Budapest Bank and Magyar Takarék Bankholding Zrt., which owned MTB, approved the first step of the merger timetable of Budapest Bank, the Bank and MTB. The merger of two member banks, Budapest Bank and the Bank, as well as Magyar Takarék Bankholding Zrt. took place on 31 March 2022 in accordance with the fusion schedule, based on the relevant decisions adopted by the supreme decision-making body and in possession of the necessary official permits and authorisations. From 1 April 2022 the merged credit institution operated temporarily under the name of MKB Bank Nyrt.

On 9 December 2022 the supreme bodies of the Bank and Takarékbank Zrt. adopted – as part of the execution of the second step Hungarian Bankholding's fusion schedule – the proposed decisions regarding the merger of the two member banks. Under the decisions of the respective general meetings and in possession of the necessary official permits and authorisations the two member banks – the Bank and Takarékbank Zrt. – merged with effect from 30 April 2023 and have continued operating under the name of MBH Bank Nyrt., with a single uniform brand name and image. Thereby Hungary's second largest universal major bank was established in terms of balance sheet total, a leader in digitalisation.

The merger did not imply any change in the ownership structure of the banking group, the dominant shareholder of the banks involved in the merger process remained Magyar Bankholding until its division.

As a result of the merger of Takarékbank Plc. into MKB Bank, the subscribed capital of MBH Bank as the acquiring company increased to HUF 322,529,625,000. The Bank's share capital consists entirely of Series „A" ordinary shares, each of which carries the same rights.

The 830,667 pieces of Series "A" ordinary shares with a nominal value of HUF 1,000 each newly issued within the framework of the merger have been originated by KELER, registered in the share register of the Bank and listed to the "Standard" category of BSE as of 1 August 2023. Since the holders of the new shares issued as a result of the merger were the shareholders of Takarékbank as the merging company, the shareholding and voting rights of Magyar Bankholding in MBH Bank decreased from 99.12% to 98.87% as a result of the merger and the shareholding and voting rights of the other shareholders of the Bank increased proportionately from 0.88% to 1.13%.

Data in HUF million unless stated otherwise

MBH Bank's ownership structure and the shareholders' ownership was as the followings as at 31 December 2023:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Magyar Bankholding Zrt	318 883 966	318 883 966 000	98,87%
The free float ratio:	3 645 659	3 645 659 000	1,13%
Total	**322 529 625**	**322 529 625 000**	**100,00%**

On 14 August 2024, the Company's main shareholder, Magyar Bankholding, decided to split into new legal successor companies, as a result of which Magyar Bankholding was dissolved and split into new legal successor companies and its assets were transferred to the legal successor companies (hereinafter: Transformation). The transformation date was 30 November, and the 10 new legal successor companies were established on 1 December 2024.

As a result of the transformation of Magyar Bankholding, which took effect on 30 November 2024, MBH Bank had the following shareholder structure on 1 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)
Corvinus BHG Ltd.	91 131 330	91 131 330 000	28.26%
Zenith Asset Management Ltd.	83 189 017	83 189 017 000	25.79%
CEE Horizon Capital Ltd.	38 110 645	38 110 645 000	11.82%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10.70%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6.21%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6.21%
Total owners individually above 5%	**286 996 205**	**286 996 205 000**	**88.98%**
Other domestic companies*	31 887 761	31 887 761 000	9.89%
Free float before the transformation	3 645 659	3 645 659 000	1.13%
Total free float after transformation	**35 533 420**	**35 533 420 000**	**11.02%**
Total	**322 529 625**	**322 529 625 000**	**100%****

** Total new legal successor companies with less than 5% ownership share each after the Transformation*
*** Rounded value with an accuracy of 0.01%*

With its decision H-EN-I-524/2024, issued on 28 November 2024, Magyar Nemzeti Bank authorised the Company to repurchase, on an individual and consolidated basis, common equity tier 1 capital instruments (treasury shares) with an aggregate nominal value of HUF 22,577,074,000. In accordance with the legislation, the total amount specified in the authorisation is immediately deducted from the own funds. On 11 December 2024, MBH Bank purchased a total of 22,577,074 Series A ordinary own shares issued with a nominal value of HUF 1,000 each, in OTC transactions. As a result of the transactions, the number of treasury shares held by the Company changed to 22,580,867 shares, and the ratio of treasury shares held by the Company changed from 0% to 7%.

Data in HUF million unless stated otherwise

As a result of the above treasury share purchase transaction, MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 31 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)	Voting rights (%)
Zenith Asset Management Ltd.	80 123 046	80 123 046 000	24,84%	26,71%
Corvinus BHG Ltd.	64 524 163	64 524 163 000	20,01%	21,51%
CEE Horizon Capital Ltd.	36 706 059	36 706 059 000	11,38%	12,24%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10,70%	11,50%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6,21%	6,68%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6,21%	6,68%
Repurchased treasury shares	22 580 867	22 580 867 000	7,00%	0,00%
Free float*	44 030 277	44 030 277 000	13,65%	14,68%
Total	**322 529 625**	**322 529 625 000**	**100,00%**	**100,00%**

** Including successor companies with less than 5%.*

The Bank has no ultimate controlling party.

The parties having more than 10% indirect influence in the Bank are presented below, in line with the decisions of the National Bank of Hungary H-EN-I-15/2020., H-EN-I-704/2020., H-EN-I-705/2020., H-EN-I-295/2021., H-EN-I-423/2021, H-EN-I-441/2023 and H-EN-I-490/2024.

The following organisations have more than 10% indirect influence in MBH Bank:

- Corvinus Nemzetközi Befektetési Zrt., Hungarian State
- Magyar Takarék Befektetési és Vagyongazdálkodási Zrt., GLOBAL ALFA Magántőkealap
- Magyar Takarék Holding Zrt., Aurum Magántőkealap
- METIS Magántőkealap, Opus Global Befektetési Alapkezelő Zrt.
- Shihon Magántőkealap, Citadel Alapkezelő, QUARTZ Alapkezelő Zrt., Dry Immo Zrt., FELIS Magántőkealap

The Articles of Association of the Bank do not restrict the transfer of shares representing the subscribed capital of MBH Bank. The Company has no issued shares representing special controlling rights. Voting rights are not restricted at MBH Bank.

Rights and obligations of the shareholders

Rights of the shareholders at the General Meeting

a) The shareholder is entitled to attend the General Meeting. The Bank’s General Meeting may be attended by the shareholder or the shareholder's proxy specified in Sections 151-155 of the Capital Market Act, who was registered in the Register of Shares at the Closing of the Register of Shares (on the second working day preceding the day of the General Meeting at 6:00 p.m. Budapest time) in accordance with the result of the shareholder matching. The day of closing the Register of Shares is the second business day preceding the starting day of the General Meeting. The Company shall not be liable for the failure of shareholders to participate or to exercise their voting rights attached to their shares if the shareholder was not entered in the share register because

(i) the result of the shareholder verification was received by the Company after the closing of the share register for the General Meeting, or
(ii) the shares and voting rights held by the shareholder violate the provisions of the law or the Articles of Association.

b) The shareholder may also exercise his / her rights at the General Meeting by way of proxy. Member of the Board of Directors, member of the Supervisory Board and the auditor cannot be persons authorised by proxy. Shareholders may authorise an executive employee of the Bank as well to exercise their rights relating to the Shareholders’ Meeting. The proxy authorisation of the authorised representative shall be valid for one Shareholders' Meeting or for the period of time defined therein, but in any case not more than 12 months. The proxy authorisation shall also be valid for the continuation of the suspended Shareholders' Meeting and for the repeated Shareholders' Meeting convoked due to the lack of quorum. The authorisation shall be issued in the form of a private document with full probative force and submitted to the Bank at the place and time indicated in the General Meeting announcement. The proxy shall be drawn up in the form of a public document or a private document providing full evidence and it shall be submitted to the Bank.

c) The shareholder has the right to be informed about cases on the agenda of the General Meeting. In line with which right, in reply to the written request of the shareholder submitted at least eight days before the day of the General Meeting the Board of Directors shall provide information necessary to discuss the agenda item of the General Meeting three days before the day of the General Meeting, the latest. The Board of Directors may make the exercise of the right to information as described above conditional on the submission of a written confidentiality statement by the shareholder requesting the information. The Board of Directors may refuse to disclose information and access to documents if it violated the Bank 's business, banking, securities or other similar secrets, if the person requesting the information abuses their right or fails to make a confidentiality statement even if requested. If the party requesting information considers the refusal of information unjustified, they may request the Court of Registration to order the Bank to provide the information.

d) The Bank ensures that the rights to be informed, to comment and to suggest at the General Meeting are granted to every shareholder attending the General Meeting, on the condition that the exercising of these rights shall not hinder the lawful and proper operation of the General Meeting. In the interest of exercising the shareholder's rights specified in this present point the Chairman of the General Meeting shall grant the right of speech to the shareholder at the General Meeting, on the condition that the Chairman of the General Meeting may specify the duration of the speech, may withdraw the right to speak, especially in case the shareholder is off the point, furthermore he / she can specify the sequence of the speeches, if there are several speeches at the same time, in order to ensure the lawful and proper operation of the General Meeting. The Chairman of the General Meeting may stop the recording of what has been said after the speaker has been cut off and may stop the technical conditions (sound system) for the intervention.

e) Voting rights attached to shares are determined by the nominal value of such shares. The shareholder cannot exercise his / her right to vote until he / she has performed his / her due cash contribution

Minority rights

a) Shareholders jointly representing at least 1% of the voting rights may request the convocation of the General Meeting at any time without specifying the reason or the purpose. If the Board of Directors fails to take action to convene the General Meeting for the earliest possible date within eight days after the receipt of the request, the registering court shall convene the meeting in reply to the application of the shareholders suggesting the meeting or the registering court shall authorise the suggesting shareholders to convene the meeting. The expected costs shall be advanced by the suggesting shareholders.

b) If shareholders jointly representing at least 1% of the votes communicate a proposal to the Board of Directors to supplement the agenda in line with the rules of the levels of detail or a draft resolution concerning an item on the agenda or an item to be added to the agenda within eight days after the announcement of the convocation of the General Meeting is published, the Board of Directors shall publish an announcement about the supplemented agenda, the draft resolutions proposed by the shareholders after the communication of the proposal pursuant to THE Articles of Association. The issue specified in the announcement shall be deemed added to the agenda.

c) If the General Meeting rejected or did not allow the submission to enforce a claim of the Bank from any member, managing officer, member of the Supervisory Board or the auditor for a resolution to be adopted, shareholders representing at least 1% of the voting rights may enforce the claim themselves for the benefit of the Bank and representing the Bank within a thirty-day limitation period.

d) If the General Meeting rejected or did not allow the submission to have the last report or an economic event or commitment related to the activity of the Board of Directors in the last two years audited by a specially commissioned auditor for a resolution, the registering court shall order the audit and appoint an auditor at the cost of the Bank in reply to the application of the shareholders jointly representing at least 1% of the voting rights submitted within the thirty-day limitation period following the General Meeting. The registering court shall reject the fulfilment of the application if the submitting shareholders abuse the minority rights.

Right to dividend

The shareholder shall be entitled to a dividend from the profit of the Bank, which can be shared and which was ordered to be shared by the General Meeting in the proportion of the nominal value of his / her share.

Obligations of the shareholders

a) The shareholder shall provide cash contribution to the Bank in amount corresponding to the nominal or issue value of the shares received or quoted by his / her person. The shareholder may not be validly exempted from his / her obligation - excepting the case of share capital decrease.

b) The shareholder with at least 5% share or the shareholder acquiring such share shall report his / her indirect share and its changes to the Bank providing his / her details suitable for identification at the same time. The National Bank of Hungary shall suspend the exercising of the voting right of a member failing to perform his / her reporting obligation.

MBH Bank is not aware of any agreement concluded between its owners that may result in restrictions on the transfer of issued securities and / or voting rights.

MBH Bank is not aware of any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of the company following a takeover bid, and the effects thereof, except where their nature is such that their disclosure would be seriously prejudicial to the company; this exception shall not apply where the company is not obliged to disclose such information on the basis of other legal requirements.

Information on the Employee Share Ownership Programme (ESOP)

With the modification of the ESOP Act, which came into effect on 28 November 2015, a new type of Employee Share Ownership Programme could be launched. The Bank was one of the first to use this opportunity to establish its own Employee Stock Ownership Plan Organisation (hereinafter :"ESOP Organisation") on 30 May 2016. The launch of the ESOP was closely linked to the Bank's reorganisation efforts, as it created ownership interest among its employees.

The ESOP Performance Remuneration Policy was launched in 2017 and its implementation is currently the sole objective of the ESOP Organisation. In this context, the performance-based remuneration under the Performance Remuneration Policy defined in the Hpt of Identified Employees and the managers of the Bank and of the subsidiaries, who are not Identified MRP Participants but are subject to the ESOP Remuneration Policy takes place through the ESOP Organisation.

The employees concerned make a declaration of participation, with which they become members of the ESOP and fall within the scope of the above rules. The ESOP Organisation purchases and holds in its portfolio subordinated discount bonds of MBH Bank Nyrt and call options on the Bank's ordinary shares subject to financial settlement in order to fund the performance remuneration of the participants. The transaction does not make the participants the owners of the financial assets as they will be owned by the ESOP organisation, but the participants thus acquire a membership share in ESOP Organisation. Once the conditions and holding period set out in the ESOP Performance Remuneration Policy have been met, participants become eligible to receive a settlement from their membership share. Settlement and payment are made in proportion to the performance assessment, following the conversion of financial assets into cash, taking into account the deferral rules.

* * *

As a public limited company, in accordance with market practice and the BSE Corporate Governance Recommendations (Recommendations), the Bank prepares a Corporate Governance Report, which shall be published on the website of the Company (www.mbhbank.hu). In its Corporate Governance Report, the Bank presents its corporate governance practices for the financial year and, on the other hand, details its compliance with each section of the Recommendations.

SUPREME, EXECUTIVE AND MANAGEMENT BODIES, SUPERVISORY BODY, COMPOSITION AND OPERATION OF COMMITTEES

General Meeting

The supreme body of the Bank is the General Meeting. The General Meeting has, inter alia, the exclusive competence to approve and amend the Articles of Association, except for the modification of the Company's headquarters, premises, branches and, except for the core activity of the Company, the activities of the Company as the Board of Directors is entitled to amend the Articles of Association in that regard, make decisions on the Company’s transformation, merger and demerger, termination without legal successor, on increasing or decreasing the share capital authorisation of the Board of Directors to increase the share capital, appoint and remove the chair and members of the Board of Directors, appoint and remove the Supervisory Board and Audit Committee members, determine their remuneration, appoint the auditor, approve the annual report and make decisions on the utilisation of the profit after taxes and the payment of dividend advance. Members of the Board of Directors shall be elected by the General Meeting for a definite term of maximum five years. The members of the Board of Directors, the Supervisory Board and the Audit Committee may be re-elected and may be recalled at any time by the General Meeting without giving reasons, in accordance with the provisions of the Articles of Association.

Board of Directors:	Supervisory Board:	Audit Committee:
Chair person	**Chair person**	**Chair person**
dr. Zsolt Barna	Miklós Vaszily	Rita Feodor
Members:	**Members:**	**Members:**
István Sárváry	Zsigmond Járai	Miklós Vaszily
dr. Balázs Vinnai	Rita Feodor	Zsigmond Járai
Levente László Szabó	Kitti Dobi	
Ádám Egerszegi	dr. Ilona Török	
Marcell Tamás Takács		

(as of 31 December 2024)

Board of Directors

The Board of Directors is the executive body of the Bank. The members of the Board of Directors represent the Bank vis-a-vis third parties and before court and other authorities. The Board of Directors shall develop and manage the work organisation of the Bank.

The scope of authority of the Board of Directors is included in the Articles of Association of the Bank with the proviso that within the framework of effective laws and resolutions adopted by the General Meeting, the Board of Directors shall be entitled to take any actions and make any decisions that do not form part of the exclusive powers of the General Meeting or the Supervisory Board. The decision on the acquisition of own shares, as well as the increase of the registered capital through the issue of shares belongs to the competence of the General Meeting subject to the condition that the General Meeting may authorize the Board of Directors to make decisions. The tasks of the Board of Directors include working out and adopting the Bank’s business policy, strategy and business plan. Moreover, the powers of the Board of Directors include decision making – with the Supervisory Board’s prior approval – on the approval of the Bank’s interim balance sheet and on the payment of dividend advance.

Supervisory Board

The Supervisory Board shall control the management of the Bank in order to protect the interests of the Bank. The powers of the Supervisory Board are laid down in the Articles of Association of the Bank. The board of directors makes sure, inter alia, that the Company has a comprehensive controlling system which is suitable for efficient and effective operation, manages the internal audit organisation, checks the Bank's annual and interim financial reports, makes proposals to the General Meeting for the auditor to be appointed, and for the auditor's remuneration, and performs other tasks assigned to it by the Bank's Articles of Association. The General Meeting may only adopt its resolutions on the report prepared in accordance with the Accounting Act and on the utilisation of the profit after taxes in possession of the Supervisory Board's written report. It may adopt its resolution on the payment of dividend advance only with the Supervisory Board's approval.

Audit Committee

The Audit Committee provides assistance to the Supervisory Board in supervising the financial report regime, in selecting an auditor, and in working with the auditor and, in that context, in particular, it gives its opinion on the annual accounts, makes a proposal for the auditor and their remuneration and prepares the contract to be concluded with the auditor. The powers of the Audit Committee are laid down in the Articles of Association of the Bank.

Personal changes in 2024:

- Dr. Péter Magyar resigned from his position as a member of the Supervisory Board of MBH Bank was of 10 February 2024. The Company received the statement of resignation on 13 February 2024.
- On 14 March 2024, the Extraordinary General Meeting of the Company elected Dr. Árpád Kovács as a member of the Supervisory Board and the Audit Committee until 31 December 2025. In accordance with the resolutions of the Extraordinary General Meeting of 14 March 2024, the membership of Dr. Árpád Kovács in the Supervisory Board took effect as of 26 March 2024.
- On 29 April 2024, the Annual General Meeting of the Company elected Ms Andrea Mager as a member of the Board of Directors for a definite term from 1 September 2024 to 31 August 2026.
- Furthermore, the Annual General Meeting of the Company elected Mr Zsigmond Járai as a member of the Audit Committee for a definite term from 29 April 2024 to 31 December 2025.
- Dr. Andor Nagy, Chairman of the Supervisory Board and Dr. Árpád Kovács, member of the Supervisory Board and the Audit Committee, and Andrea Mager, member of the Board of Directors, resigned from their positions as of 30 November 2024.
- Dr. Géza Károly Láng, member of the Supervisory Board and Balázs Bechtold, employee representative member of the Supervisory Board, resigned from their positions as of 12 December 2024. Following the resignation of Dr. Andor Nagy, the Supervisory Board elected Mr. Miklós Vaszily as the new Chairman of the Board, subject to the approval of the National Bank of Hungary.

Risk Assumption and Risk Management Committee	Remuneration Committee:	Nomination Committee:
Chair person	**Chair person**	**Chair person**
Marcell Tamás Takács	István Sárváry	Zsigmond Járai
Members:	**Members:**	**Members:**
dr. Balázs Vinnai	Marcell Tamás Takács	Rita Feodor
István Sárváry	dr. Balázs Vinnai	Miklós Vaszily

(as of 31 December 2024)

Risk Assumption and Risk Management Committee

As part of its ongoing monitoring of the Bank's risk-taking strategy and risk appetite, the Risk Assumption and Risk Management Committee reviews the risk strategy, remuneration policy and quarterly risk report in advance. It supports the Board of Directors in monitoring the implementation of the risk taking strategy.

Remuneration Committee

The Remuneration Committee is responsible for the preparation of decisions regarding remuneration, taking into account the long-term interests of shareholders, investors and other stakeholders in the company. Within such competence the Remuneration Committee prepares the performance evaluation and ex-post risk assessment of the Chairman and CEO, Deputy CEOs and other board members, it evaluates the achievement of performance goals. The committee ensures the implementation of the remuneration policy. The Remuneration Committee furthermore oversees the remuneration of the senior officers in the risk management and compliance functions, including the employees carrying out internal control functions.

Nomination Committee

The Nomination Committee is responsible for nominating and recommending nominees to the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory Board representing the employees. It is furthermore responsible for determining the skills and tasks required for membership of the management bodies, evaluating the composition and performance of the management bodies and its members. Determining the ratios of the sexes within the managing bodies and the strategy for achieving it. It is also in charge of the regular revision of the Bank's policy concerning selection and appointment of its executive director.

The Committees operate in accordance with the rules laid down in their rules of procedure. Bodies shall meet as often as necessary to carry out their functions and shall take their decisions in the form of a meeting or in writing and without a meeting. The work of the bodies is organized and controlled by the chairman of the body.

In accordance with the Nomination Policy applicable to the selection, members of the management boards of the members of the Bank Group, individuals with different professional skills, versatile regional and industry experience are elected into the managing bodies of the Bank Group and they also take advantage of these differences in their operations in the operation of those bodies, which the members of the Bank Group consider as a key consideration in determining the optimal composition of their bodies. Board appointments are based on the pool of expertise, experience, independence and knowledge represented by the candidates, taking into account what the body as a whole needs to function effectively. The members of the Bank Group pay particular attention to the representation of both genders in executive bodies which is why they strive to reach 15% female members in executive bodies. To this end, they commit themselves to favouring the member of the under-represented gender of the same management body among two candidates of the same capacity who are otherwise suitable, unless otherwise justified by professional judgement.

There is no agreement with an executive officer or an employee that provides for compensation in the event of a manager's resignation or termination by the employee or unlawful termination of the executive officer's or employee's relationship, or termination of the relationship due to a public takeover bid.

MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM OF THE COMPANY

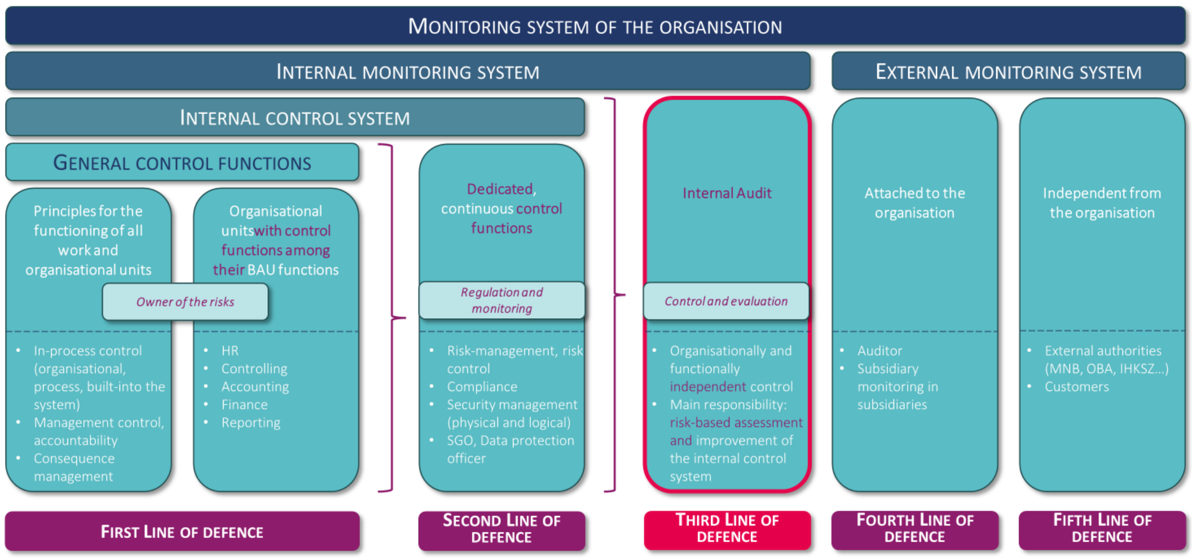
The provisions regarding the operation, management and functions of the internal control system of the Company are set out in the Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter: Hpt.), the provisions of the Civil Code (Act V of 2013, hereinafter referred to as “the Civil Code”) on business companies, Act CXX of 2001 on the Capital Markets; the applicable recommendations of the NBH (primarily Recommendation NBH 12/2022. (11 July) on the establishment and operation of internal lines of defence, the management and control functions of financial organisations), the Bank’s Memorandum of Association and the Bank’s effective rules of organisation and operation, and the Global Internal Control Standards also fall in this category[6].

While the respective provisions of the Hpt, the NBH's Recommendation on internal lines of defence and the Global Internal Control Standards use different definitions of internal control in the heading, it is important that when interpreting all regulatory contexts, the internal control system and the independent internal control function are properly distinguished at the level of definitions and their content.

Section 154 (4) of the Hpt sets out the rules for the internal control system and for the operation of internal control, pursuant to which the Credit institutions “*shall set up the internal control system consistent with the characteristics, magnitude, complexity, and risks of the services they provide*”, and “*shall operate an independent internal control function under the direct supervision of the management body with supervisory powers"*.

Also in view of the NBH recommendation 12/2022. (11 July) referred to above, the system of internal lines of defence is interpreted in the Bank's monitoring framework system, also in line with the Global Internal Control Standards, as illustrated in the figure below.

[6]Published: The Institute of Internal Auditors (IIA), ©2024



The Bank's monitoring system consists of an internal and an external part. The external monitoring system includes an external monitoring (5th line of defence), independent of the Bank (e.g. customers, NBH other authorities) and an external monitoring (4th line of defence linked to the Bank) (e.g. auditor), while the internalmonitoring system includes the internal control system (lines of defence 1 and 2) and the organisationally and functionally independent internal audit function (line of defence 3).

Within the Bank's internal control system, we can distinguish between general principles (for example: consistent responsibility management), practices, organisational solutions (for example: in-process controls or management control[7]), and areas with a control function in addition to their business as usual (BAU) activities (for example: Controlling) and activities (for example: management information system[8]), which together form the first line of defence of the Bank's internal monitoring system. In fact, this line of defence includes all employees and managers who, through their prudent work, protect the Bank's interests and values.

Another element of the Bank's internal control system is all those organisational units, activities and persons responsible for performing dedicated operational functions, activities and control functions (for example: Risk Control, Compliance, Bank Security, Data Protection Officer), which together constitute the Bank's second line of defence.

The function of the second line of defence can also be formulated by overseeing and supporting the activities of the first line of defence, while the main task of the third line of defence (independent internal audit function) is to assess and improve the internal control system, i.e. the first and second lines of defence, on a risk basis.

The organisational and functional independence of internal audit means that (1) the internal audit function is directly managed by the Supervisory Board, i.e. the area is organisationally independent of the other departments, and (2) internal audits must be carried out by persons who are not involved in the Bank's operational work and who are therefore independent of the department or process being audited.[9] According to the definition, internal audit is an independent, objective assurance tool and consulting

[7] *In-process and management controls* are forms of control directly or indirectly integrated into business processes. These controls are performed by persons who are functionally involved in the processes or by those responsible for the final outcome of the audited activities.

[8] *The concept of a management information system* encompasses all information technology based or manual systems that transform data into useful information for decision-makers. Its main tasks are to produce ad hoc and regular reports and to support (in general) decision making.

[9] Based on the above, it is clear that, due to the conflict of interest, i.e. not to control itself, internal audit cannot be understood as part of the internal control system, and the conceptual distinction is therefore justified.

activity that adds value to the Bank's operations and improves its quality. It is responsible for examining the Bank's risk management, governance processes and the internal control system (or the Bank's first and second lines of defence) in a systematic and regulatory manner, evaluating and improving its operation, thereby contributing to the achievement of organisational goals.

BRIEF DESCRIPTION OF THE COMPANY'S RISK MANAGEMENT SYSTEM AND PRINCIPLES APPLIED IN RISK MANAGEMENT

MBH Bank's Risk Control reviews the risk strategy of the Bank Group every year with the involvement of the relevant areas. In line with the current economic environment and in accordance with the Bank's business strategy and capital plan, the Risk Strategy sets out the risk strategy principles and objectives of the Bank Group for each risk type and risk appetite. The approval of the risk strategy falls within the scope of competence of the Board of Directors.

In line with the basic regulatory requirements, a concept for the Bank Group's comprehensive risk-taking processes has been developed and is constantly being fine-tuned.

The main elements of the concept are:

- Group-wide application of risk management principles;
- Applying the Unified Segmentation to the entire clientele of the group;
- A decision-making system that depends on customer quality and risk-taking;
- The use of Basel conform rating tools, in compliance with IRBF (Internal Rating Based Foundation) and analytical and behavioural scorecards, as well as a corresponding client rating regime, which adequately supports the decision-making activities of the bank management;
- Internal, group-level model validation methodology with annual frequency (rating and scoring tools, validation of related processes);
- Monitoring activities with IT support;
- Establishment of a comprehensive system of criteria that includes and takes into account relevant indicators enabling the detection of loans at risk as quickly as possible and, based on this, to determine the various types of customer / exposure management, the related tasks and order of procedure.
- IFRS 9 provisioning system;
- Pillar 1 and pillar 2 capital accounting systems based on IFRS;
- Regular group level management reports, backtesting measurements (Risk Reports, Capital Management Reports, Rating Quality, Rating Monitoring Reports, etc.);
- Definition of a revised recovery plan and its evaluation on a monthly basis.

The key risk management principles include ultimate control at board level, independent control separate from risk areas, and appropriate measurement, diversification, monitoring and reporting of risks.

The effective risk management function of the Bank Group is ensured by the effective communication of risks and the willingness to assume risks within the organisation, continuous development for recognising, measuring, monitoring and managing risks, turning the key risk management processes and procedures up-to-date and user friendly and improving their efficiency, as well as employing adequately trained workforce.

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MBH Bank Nyrt.

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statistical number

Separate
sustainability statement

31 December 2024.

CONTENT

I. GENERAL INFORMATION

1. Basis of preparation of the accounts

Purpose and scope of the statement

MBH Bank Nyrt. (hereinafter referred to as MBH Bank, the Bank or the Company) publishes its separate sustainability statement , which aims to present the Bank's environmental, social and governance (ESG) developments, achievements and short/long term targets for the year 2024, as required by the EU Corporate Sustainability Reporting Directive (CSRD)[1] and the Hungarian Accounting Act .[2]

MBH Bank is a member of the MBH Group (hereafter the Group) as the Group's controlling member, but this sustainability statement focuses exclusively on the Bank's own operations and sustainability performance. The Group's overall sustainability performance is presented in the Group Consolidated Sustainability Report.

The Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS[3]). The statement also draws on industry-specific standards to present the sustainability performance of the Bank's credit institution activities. As part of this, the Sustainability Accounting Standards Board (SASB) standards for commercial banks and the Global Reporting Initiative (GRI) G4 standards for financial services providers have been used as a reference in the preparation of the statement, including in defining the criteria for the double materiality analysis (DMA). Although these standards have not been fully applied, some specific data points and metrics are included in the statement.

Reporting organisation	MBH Bank Nyrt. Registered office: 1056 Budapest, Váci u. 38.
Scope of the report	MBH Bank Nyrt.
Reporting period	1 January 2024 - 31 December 2024.
Reporting cycle	Annual
Date of publication	The Sustainability Statement was approved by the MBH Bank Board of Directors on 3 April 2025.

[1] Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate reporting on sustainability
[2] Act C of 2000 on Accounting, Chapter III/A (Sustainability Reporting) and § 95/E.
[3] Commission Delegated Regulation (EU) No 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards

Disclosures relating to specific circumstances

- **Time horizons**: to fully understand MBH Bank's sustainability performance, it may be appropriate to disclose information outside the reporting period. However, as the Bank is reporting for the first time under ESRS standards, data from earlier periods are not available or are limited. Thus, a time horizon analysis is only possible in the next reporting cycle. For forward-looking disclosures, we use the time horizons defined by ESRS, referring to periods of less than 1 year as short horizon, 1-5 years as medium horizon and more than 5 years as long horizon. Any deviation from this will be indicated with a justification in the disclosure.
- **Value chain:** in addition to the Bank's own activities, our statement also covers sustainability impacts, risks and opportunities in value chains. We have sought to ensure that our analysis of the value chain is comprehensive and does not overlook important linkages. While there are several actors on the upstream side of the value chain that have been taken into account in the statement, energy and digitalisation have been given particular attention, as they are the areas where the most relevant sustainability aspects have been identified. In terms of the downstream value chain, the statement focuses on the Bank's retail and corporate banking products, as the impact on people and the environment along these activities is most significant.
- **Measurement and estimation:** the Bank aims to be as accurate as possible in its measurement, however, some sustainability issues are by their nature only measurable through estimation. In all disclosures where the Bank uses estimates or assumptions, the Bank will draw attention to this in a transparent manner and, where available, indicate the levels of accuracy. Information on measurement estimates and estimation uncertainties can be found in the related tables in the chapters of this statement. In all relevant cases, the data collection process and the sources, techniques and methodologies used to calculate or estimate the data are also described. In order to improve the accuracy of our ESG data in the future, we have launched the ESG Data Marketplace project, which is presented in section 3.2 ESG Governance Structure.
- **Incorporation by reference:** certain disclosure requirements in the ESRS, such as the presentation of the business model, overlap with other disclosure requirements of MBH Bank. As these disclosures are presented in other relevant sections of the annual report, they may not be disclosed or may not be disclosed in detail in the sustainability statement, taking into account the overall coherence of the information presented and the readability of the statement. A list of incorporations by reference can be found in Annex 1 of this statement ("List of ESRS disclosure requirements met").
- **Intellectual property disclosures:** MBH Bank has not taken the opportunity offered by the ESRS to refrain from disclosing certain specific information related to intellectual property, know-how or innovation results. The Bank has disclosed all relevant information to ensure the transparency and completeness of its sustainability reporting.
- **Transitional provision:** for certain data points, MBH Bank has made use of the opportunity of phased disclosure, a list of which is provided in Annex 1.
- **Disclosure of reporting errors and changes:** the Bank is disclosing its sustainability statement under ESRS for the first time, so the presentation of reporting errors and changes relating to the previous reporting period will be relevant for the next reporting period.
- **Electronic reporting format:** Article 95/I of the Accounting Act requires the Bank to prepare the statement in the electronic reporting format (XHTML) as defined in Article 3 of the Commission Delegated Regulation (EU) 2019/815 (ESEF Regulation) and to mark it up in accordance with the electronic reporting format. Given that the ESEF taxonomy for sustainability reporting has not yet been adopted, the Bank has not been able to complete the flagging of disclosures

2. About MBH Bank

2.1 About MBH Bank

MBH Bank Nyrt. is a major player in the Hungarian banking sector. It operates exclusively in Hungary, where it is the second largest in terms of total assets and the largest in terms of branch and ATM network. The creation of the Bank was the result of a two-stage integration process: on 31 March 2022, Budapest Bank was merged into MKB Bank, creating the basis for operational and organisational coherence, and on 1 May 2023, MBH Bank was created by the accession of Takarékbank and the creation of a new, unified brand name and image. The integration combined the knowledge and experience of the former member banks, which greatly contributes to the successful operation of the Bank.

While respecting banking traditions, MBH Bank places a strong emphasis on innovation, which ensures high quality and secure banking services for its customers. Our constantly expanding product range serves both retail and corporate-institutional customers, offering affordable digital solutions. Our services include banking, financial and operational leasing, financial and investment services and other lending.[4] The Bank is a market leader in a number of areas, including lending to corporate clients and the micro, small and medium enterprise sector, which is of high economic importance, serving agricultural and private banking clients, and in the leasing market.

2.2 Strategic objectives and business model

The Bank's overall strategy and business model play a crucial role in identifying and understanding the sustainability issues relevant to MBH Bank. While 2023 was about the merger process, 2024 saw the start of the implementation of a four-year strategic plan focused on internal efficiency gains and strong expansion. In the 2024-2028 plan, the focus will be on simplifying the heterogeneous IT architecture and streamlining business processes to increase efficiency. Expansion will be supported by, among other things, strengthening the universal banking presence, increasing sales efficiency, aligning revenue potential with customer share, developing personal loan products and making service more customer-centric. It will also contribute to the implementation of the strategy through the effective use of analytical methods to examine the Bank's vast amount of data to identify business opportunities (e.g. margin expansion, cross-selling, reactivation of inactive customers).

The Bank's main business objective is to become the most modern financial institution in Hungary, offering value for money to all Hungarian citizens and businesses. We want to actively contribute to the development of the Hungarian economy by supporting segments of national economic importance, such as SMEs, the agricultural sector, and young people, while setting the Bank on a growing financial path with significant profitability, an efficient capital path and high cost reduction. The Bank also aims to maintain the largest network of branches and ATMs in the country and provide high quality customer service through its 8,039 employees, which it aims to facilitate by developing an innovative organisation and a modern corporate culture.

2.3 ESG strategy

A dedicated ESG strategy, closely aligned with the business strategy, is critical for MBH Bank as these factors increasingly determine the long-term success and sustainability of companies. The ESG strategy will enable the Bank to proactively address environmental and social challenges and improve its corporate governance practices, in line with domestic and international expectations. The ESG Strategy is translated into practice through the ESG Policy.

Our ESG Strategy is built around five pillars, which together support the Bank's goal of becoming a leading player in the domestic banking market in terms of sustainability. The ESG Strategy aims to set out a framework for achieving these objectives through detailed guidelines, an action plan aligned with

[4] Certain of the services listed are provided by the Bank through its MBH Group member companies.

the ESRS reporting timelines, key performance metrics and clear roles and responsibilities. Our main achievements to date and our main objectives for the next programming period (2024-2028) are summarised in the table below.

MBH Bank ESG results and strategic objectives along the ESG strategic pillars

ESG strategic pillar	Our key ESG results until 2024	Key ESG strategic objectives
1. Sustainability as a business opportunity and sustainability education	• Developing a Green Bond and Green Lending Framework • Continuous increase in the share of green assets[5] . By the end of 2024, green assets reached 3.49%	• Putting the Green Bond and Green Lending Facility into active practice • Increase the share of green assets by expanding the green product range, reaching 15% by 2028 • Creating household and business carbon calculators • Developing a green incentive scheme • Access to corporate loan schemes • Launch of a loan scheme to finance new and green home purchases • Social bond issue by 2028 at the latest
2. Taking ESG risks into account in risk management decisions	• Methodological underpinning for measuring and managing ESG risks and improving the quality of related prudential disclosures	• Continuous development of risk policy according to ESG criteria, setting risk appetite, setting limits • Data warehouse, Risk Data Marketplace, ESG development
3. Decarbonisation efforts	• Launch of the "Bank for a Sustainable Future" programme • Complete carbon inventory for 2022, including Scope 3 funded emissions based on PCAF methodology • MBH Forest created with around 36 000 saplings	• Joining the Science Based Target initiative and the Net Zero Banking Alliance, preparing and publishing the related Net Zero target (MBH Group) • Developing a green supply chain assessment
4. Corporate governance and transparency	• Obtaining LSEG (formerly Refinitiv) 'B', CDP 'C', MSCI '(p)A' ratings • ESG training at senior management and director level • Extension of the Terms of Reference to include ESG-related tasks in specific areas	• Continuous improvement of ESG ratings • Integration of sustainability KPIs[6] into remuneration policy
5. Employees well-being and attitudinal change	• Mandatory ESG e-learning for employees • Team with the most waste collection at the PET Cup 2024	• Increase the proportion of women in senior management positions to 50%

[5] Green loans and bonds, the financing of which supports green objectives. This includes items included in the capital rebate program and on- and off-balance sheet exposures.
[6] Key Performance Indicator

2.4 Value chain

In addition to our own activities, we also seek to monitor and manage sustainability impacts and risks in our value chains as far as possible. For further understanding of the value chain information in the Sustainability Statement, we disclose below the key features of the company's key upstream and downstream value chains.

Upstream

Due to its size, MBH Bank continued to work with a large number of suppliers during 2024 - more than 1,000 in the year under review. As a result of the Bank's conscious supplier policy, more than 90% of the suppliers were Hungarian again this year. Domestic suppliers are preferred due to ease of contact, the same economic environment, business culture and legal conditions, while the share of foreign suppliers is significant only for cloud services. During 2024, purchases of more than HUF 1 million were made from around 592 suppliers.

MBH Bank's most important upstream business partners are capital and liquidity providers and its main suppliers are service providers. Within the Bank, IT, property management and marketing are the largest value sourcing areas. When working together, suppliers must comply with internal ethical requirements in addition to their legal obligations, which are set out in the Bank's Procurement and Commitment Policy and the Code of Ethics referred to therein. The Code underwent a review in 2023 in connection with the integration and was supplemented in June 2024 with a specific business conduct description describing the current processes and in force. The objective of objectivity, transparency, fair and efficient tendering and legal compliance in procurement remains. In order to ensure this, in the vast majority of cases, we use our own standard contracts for agreements with suppliers, which include the acceptance of the Code of Ethics by the supplier.

According to the regulations, the procurement area is responsible for achieving the right balance between quality, price and reliability in procurement, and for assessing the risks associated with the supplier during the selection process and coordinating their mitigation where appropriate. A supplier risk assessment is carried out for each new engagement in order to guarantee the security of customers and their data with regard to suppliers. The risk assessment is typically carried out at the final stage of contracting, with suppliers being categorised as low, medium or high risk in terms of financial, operational and transactional risk. If any of the risk dimensions is high, the supplier is automatically placed in a high risk category. For a high-risk partner, security elements are built into the contract, depending on the task performed by the supplier. The contract of a high-risk partner is automatically subject to a mandatory annual review and requires senior management approval to continue with the supplier, accompanied by risk mitigation actions where appropriate.

Own activities

The main value-creating sub-processes of our value chain are the activities of MBH Bank, as described in section 2.1, which ensure high quality, full-service financial services in Hungary. The Bank's aim is to continuously expand its sustainability product offering in line with its ESG strategy, and the related product development process has started in 2024. The Bank's product offering and the main customer groups and sales channels are presented in the following downstream paragraph.

Downstream

The Bank's downstream value chain segment is primarily the part of the financial services of the credit institution that is directly linked to its customers. This includes the sale of services, the management of customer relationships, and customer follow-up and support, as well as the maintenance and development of the sales channels that support these processes. The Bank's customers are very diverse, including retail customers, micro and small business customers, corporate and institutional customers and other financial institutions. The Bank aims to provide products and services appropriate to each client group, taking into account the specific needs and financial objectives of each client.

MBH Bank's main services for retail customers[7]

Service category	Service
Account management	• Account management products, online account opening • Retail debit card service • MBH SZÉP Card for employees, mobile app • Safe deposit box • Customized account packages (Private Banking customers) • MBH Premium Account Package (Premium customers) • Mastercard Platinum Metal debit card (Premium customers) • Mastercard Platinum, Platinum Metal, World Elite, Elite Metal (Private Banking customers) • Premium Mastercard benefits *(Flight Delay Pass, Budapest Airport Fast Lane, Mastercard Airport Lounge)* (Premium customers)
Loans	• Housing loans • Personal loan • Baby Expecting loan • Commodity loans • Car leasing • Overdraft facility • Credit cards • Retail MFB Point Plus
Savings	• Fundamenta housing fund • MBH Regular Savings Scheme • MBH Bank bonds • Term deposits • Investment funds *(money market funds, short-term bond, long-term bond, open-ended bond, equity, commodity, absolute return and mixed funds)* • Government securities • Prize deposit • Portfolio Management (Private Banking clients)
Insurance[8]	• Travel insurance • Individouble life and pension insurance • Home insurance • Life insurance • PPI insurance
Digital services	• Apple Pay, Google Pay • Online banking *(MBH Netbank, Digital account)* • Banking from mobile (*MBH Bank App*) • Telebank, Videobank

[7] Certain of the services listed are provided by the Bank through its MBH Group member companies.
[8] The Bank sells the insurance as an intermediary and therefore does not assume any risk in respect of it.

MBH Bank's main services for corporate and institutional clients[9]

Service category	Service
Account management	• HUF and foreign currency account • MBH SZÉP Card for employer • SEPA credit transfer order • EFER (Electronic Payment and Clearing System) • Capital markets and transaction advice • Green flat monthly fee • National Tax and Customs Administration electronic information service (NAV EBÜK) • Safe deposit box • Balance, Scale, META, Global account packages (Micro and small business clients) • MBH Small Business Agricultural Bank Account (Agricultural Business) • Municipal HUF and foreign currency accounts (Local government clients • Cuztomized account management options for churches in HUF and foreign currency (Churches)
Bank cards	• MBH corporate cards *(Mastercard Gold, Silver, Unembossed, Visa Business, Business Unembossed)* • MBH business cards *(Business, Business, Fruity)* • MBH Small Business Business Card (Micro and Small Business customers) • Corporate Visa Business Agricultural Bank Card (Agribusiness) • Corporate Visa Business Unembossed Agricultural Debit Card (Agribusiness)
Funding	• Széchenyi Card Programme MAX+ • MNB NHP Programmes • Export financing • Exim Competitiveness Improvement Loan Programme • Corporate MFB Point Plus • Car and equipment leasing • Agricultural Széchenyi Card MAX+ (Agricultural Enterprises) • Agricultural Széchenyi Investment Loan MAX+ (Agricultural Enterprises) • MBH Agricultural subsidies pre-financing loan (Agricultural enterprises) • MBH Agricultural Subsidies Factoring (Agribusiness) • MBH VP Agro Product Range (Agribusiness) • MBH Farmland Purchase Loan (Agricultural Business) • Treasury operations (Municipal clients and churches) • Pre-financing loan for grants (Municipal customers • Bank guarantee (Municipal customers) • Mortgage-based refinancing loan (Partner commercial banks)
Savings and investments	• Term deposits • Government securities • Investment funds • Prize deposit • (Green) Mortgage bonds
Digital banking services	• Apple Pay, Google Pay • Online banking *(MBH Corporate Netbank, MBH Netbank)* • Direct Bank • Bank card POS/VPOS acceptance • Telebank, Videobank • ViCA authentication application

[9] Certain of the services listed are provided by the Bank through its MBH Group member companies.

Sales channels

MBH Bank uses a variety of sales channels to make its services available to as many customers as possible. In 2024, the Bank still had more than 500 branches, making it one of the largest branch and ATM networks in Hungary. As a result of the merger in 2023, the range of loans and services sold in the branches was standardised, making banking easier and more transparent for customers. The introduction of a unified customer call system and online branch appointment booking reduced customer waiting times, while training for branch staff increased the efficiency of advice-based sales. To keep pace with changing customer needs, we have restructured branches to provide more space for discretionary advice, and created separate areas for premium banking and mortgage advice in larger branches. MBH Bank also operated mobile branches to make financial services available to customers in small communities.

In the spirit of digital transformation, MBH Bank is paying special attention to the expansion and development of digital channels.At the end of 2023, the new unified retail mobile application, available to all customers, was successfully launched to serve their daily banking needs. For corporate customers, digital banking is also a priority, and we aim to achieve high electronic channel penetration, whether through a deployed or cloud-based internet bank or a dedicated corporate mobile app. For remote banking, our TeleBank telephone helpline is available on weekends and public holidays, while our Videobank live video helpline provides face-to-face contact for customers between 9 am and 5 pm on weekdays.

As a result of its efforts to target priority customer groups, MBH Bank has introduced innovative solutions. We made it easier for young people to open a bank account by creating MBH Digital Zones and installing smart capsules, which have been continuously expanded in 2024, for example at the University of Dunaújváros.

To support agricultural businesses, MBH Bank is the only bank in the Hungarian banking sector to operate a separate Agri-Food Business Unit. Our more than 30,000 agricultural clients are directly served by our agricultural experts, who are experienced in structured agri-food investments, in our 38 MBH Agricultural Centres.

In addition to providing a full customer service, we aim to ensure that our services support our sustainability targets. Examples of such services include modern housing loan schemes designed for retail customers to achieve energy-efficient housing (e.g. installing solar panels, heating modernisation support), or the operation of MFB Point Plus branches to increase access to sustainability-related thematic loans (energy efficiency, business development, digital infrastructure development). The expansion of our digitalisation activities (MBH Netbank, Digital Account, MBH Bank App, Telebank, Videobank, online account opening) will contribute to reducing our greenhouse gas emissions, and on behalf of our client who benefits from the Green Monthly Flat Fee, we are installing kestrel nesting place in cooperation with the Hungarian Ornithological and Nature Conservation Association. To fully implement our ESG Strategy, we aim to continue to expand our product range towards sustainability

The Bank provided support through the establishment of the MFB Pont Plus corporate network to those interested in EU-sourced repayable financial instruments, i.e. repayable grants in the form of loans, available through the Hungarian Development Bank (MFB). In some of the sites the full lending and sales process of the products is available, while in some sites the role is limited to providing information and referring customer enquiries.

- **MFB Point**
  The aim was to mediate loan transactions under the 2014-2020 EU-funded loan programmes for both retail and corporate customers.In 2024, we operated 474 MFB Points, of which 284 were lending and 190 were non-lending, information-only locations. Since this programme period ended on 31 December 2023, no new products could be sold here in 2024, and the task was to fully manage and monitor the existing stock.

- **Retail MFB Point Plus**
  The aim is to broker loan transactions under the EU-funded retail lending programmes for the period 2021-2027.155 MFB Pont Plus retail loans were opened in May 2024, with the first loan programme launched in July 2024.
- **Corporate MFB Point Plus**
  The aim is to broker loan transactions under EU-funded corporate lending programmes for the period 2021-2027. In the period December 2023 - January 2024, 154 MFB Pont Plus companies were opened, with the first loan programmes starting in April 2024.

The total number of MFB Point Pluses to be operated in 2024 is 158, as there is an overlap between retail and corporate points. In addition, non-MFB Pont Plus branches were also allowed to apply for product training to ensure that incoming customers can be referred to MFB Pont Plus branches with minimal information.

Business segments

Close alignment between MBH Bank's sales channels and business segments ensures that the Bank can provide the highest quality of service to all its customers. A description of the operating segments and the related financial information is provided in the "Segment report" section of the Consolidated Financial Statements[10] , which has been prepared in accordance with IFRS 8.

[10] MBH Bank Nyrt. does not prepare a separate segment report, its consolidated financial statements include segment information for the Group.

3. The role of management in addressing sustainability issues

In order to ensure that this Sustainability Statement is prepared and published in accordance with the legal requirements, the main governing body, the executive body and the supervisory board of MBH Bank have been jointly responsible for the preparation and publication of this Sustainability Statement in accordance with the CSRD and the Hungarian Accounting Act. The following section describes the governance and control procedures of these bodies of MBH Bank, which are used to monitor, manage and oversee sustainability issues. In addition, further corporate governance and ethical disclosures are provided in chapter "IV. Governance information".

MBH Bank's commitment to transparency, in addition to legal compliance, is to ensure that customers, investors and the wider community are provided with appropriate information about MBH Bank's decision-making processes and business practices, including its handling of sustainability issues. The Bank operates a multi-level, integrated corporate governance system, with pre-defined work plans governing the activities of the management bodies. The work plans prescribe the frequency and topics of meetings, so that sustainability issues are included as a specific topic on the agenda of meetings and are discussed in this way. In 2024, the efficiency of the corporate governance system was greatly enhanced by the gradouble introduction of a workflow system, whereby governance processes, workflows and policies were standardised. The main advantage of the system in the area of governance is transparency, with minutes, decisions and other documents being recorded, together with amendments, comments, approvals and signature dates.

3.1 Corporate governance structure

The organisational structure, responsibilities and powers, the rights and obligations of employees and the working arrangements are summarised in our Code of Organisational and Operation. The Code covers all organisational units, officers and employees of MBH Bank and summarises the system and operation of internal control functions commensurate with the nature, scale and complexity of the business model employed by the Bank, its corporate governance and risk management functions, and the Bank's role as Group Controller. It also addresses the relevant issues of "Transparent Ownership, Management and Organisational Structure, Operations" and "Corporate Culture", as presented in Chapter 10 on Corporate Governance. The Board of Directors is responsible for approving the Code.

Board of Directores

The managing body of MBH Bank. The members of the Board of Directors represent the Bank in dealings with third parties, courts and other authorities. The Board of Directors establishes and manages the Bank's work organisation. The powers of the Board of Directors are set out in the Bank's Articles of Association, with the proviso that the Board of Directors is authorised to take any action or decision not falling within the exclusive competence of the General Meeting or the Supervisory Board, within the limits of the legislation in force and the resolutions of the General Meeting. The Board of Directors is responsible for defining and adopting the Bank's business policy, strategy and business plan. The Board of Directors is also responsible, subject to the prior approval of the Supervisory Board, for deciding on the approval of the Bank's interim balance sheet and for deciding on the payment of dividend advances, as authorised by the General Meeting.

The composition of the Board of Directors follows the principles of effective and responsible corporate governance, so that it is composed of at least three and no more than nine natural persons, at least two of whom must be employed by the company. The members shall be elected by the General Meeting for a fixed term of office of up to five years. The Board of Directors currently has six members who play an active role in setting the strategic direction of the company and in day-to-day operational decisions. The Board of Directors is composed of a majority of independent, non-employee members.

General Meeting

The General Meeting is the supreme body of MBH Bank. The General Meeting has the exclusive competence to adopt and amend, inter alia, the Articles of Association, except for the amendment of the registered office, the locations of the Company's branches and subsidiaries, and, except for the Company's core business, the scope of the Company's activities, which is the responsibility of the Board of Directors. It also has the power to decide on the transformation, merger, division, dissolution without legal succession, increase or reduction of the share capital and to authorise the Board of Directors to increase the share capital. The General Meeting shall elect the Chairman and members of the Board of Directors and the members of the Supervisory Board and the Audit Committee and shall decide on their remuneration and, where appropriate, their recall. The members of the Board of Directors shall be elected by the General Meeting for a fixed term of office not exceeding five years. The members of the Board of Directors may be re-elected and may be removed at any time by the General Meeting without justification in accordance with the provisions of the Statutes. The General Meeting shall also be responsible for electing the auditor, approving the annual accounts and deciding on the appropriation of the profit after tax and the payment of dividends.

Supervisory Board

The Supervisory Board supervises the management of the Bank with a view to safeguarding the Bank's interests. The Supervisory Board shall, inter alia, ensure that the Bank has a comprehensive system of controls suitable for effective operation, manage the internal audit organisation, audit the Bank's annual and interim financial reports, propose to the General Meeting the appointment and remuneration of the auditors to be elected, and perform such other duties as are assigned to it by the Bank's Statutes. The General Meeting may decide on the accounts and the appropriation of the profit after tax in accordance with the Accounting Act only after receiving a written report from the Supervisory Board, and on the payment of an advance dividend only with the approval of the Supervisory Board.

The Supervisory Board shall be composed of at least three but not more than nine natural persons, also elected by the General Meeting for a fixed term of office of not more than five years. The Supervisory Board currently has five members, of which three are independent (60%), which ensures its independence and transparency. At least one third of the members of the Supervisory Board are employee representatives nominated by the Works Council, taking into account the opinion of the trade unions in the Company. The General Meeting shall elect these candidates as members of the Supervisory Board, unless there are statutory grounds for disqualification of the candidates. If the nomination is not made, the employee delegates cannot be filled, thus ensuring that employee interests are represented in the management of the company.

Audit Committee

The members of the Audit Committee are selected from among the independent members of the Supervisory Board. The Audit Committee supports the Supervisory Board in the audit of the financial reporting system and in the selection of and cooperation with the auditor. The Audit Committee currently has three members.

Other committees

The Risk Committee supports the Board of Directors in overseeing the implementation of the risk strategy by giving its prior opinion on the risk strategy, the remuneration policy and the quarterly risk report. The Remuneration Committee is responsible for the preparation of decisions on remuneration, including the preparation of the performance appraisal and ex-post risk assessment of the CEO, Deputy CEOs and other Board members, and the assessment of the achievement of performance targets. The Nominating Committee is responsible for nominating and recommending candidates for the Supervisory Board and the Board of Directors, with the exception of the members of the Supervisory Board representing the employees, for specifying the capabilities required for membership in management bodies as well as their task, along with the evalution of the composition and performance of the managing bodies and their members. It is also responsible for determining the gender balance within the management body and developing the strategy to achieve it, and for regularly reviewing the Bank's policy on the selection and appointment of the Executive Officer.

The committees shall carry out their work in accordance with the rules of procedure laid down in their rules of procedure. They shall meet at such intervals as are necessary for the smooth performance of their duties and shall take their decisions in meetings or may take positions and decisions in writing without a meeting. The work of the Boards shall be organised by the chairman of the body.

Composition of the governing bodies

MBH Bank is committed to ensuring that both genders are represented on its boards, and has strived to achieve a 50% representation of women on its boards. To this end, we are committed to giving preference to the under-represented gender on the board of two equally qualified candidates, unless other professional considerations indicate otherwise. In 2024, the proportion of female members was 27%. The gender breakdown of the governing bodies is therefore 38%, which presents the ratio of women to men.

Breakdown of boards by gender

Board	Number of members	Male members	Percentage of male members	Female members	Percentage of female members
Board of Directors	6	6	100%	0	0%
Supervisory Board	5	2	40%	3	60%
Total	11	8	73%	3	27%

In addition to gender diversity, MBH Bank also takes into account other diversity criteria in the composition of its management bodies, such as age, disability, educational and professional background, in line with the MNB recommendation[11] and the Accounting Act[12] . In addition, non-discrimination on the grounds of race, language, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, marital status, health, geographical location or sexual orientation is guaranteed in the selection of board members and key personnel.

3.2 ESG governance structure

ESG governance plays a key role in MBH Bank's corporate governance system, and the Bank also operates prudent internal control procedures for the sustainability reporting process. The ESG strategy, setting out the main directions for progress, is defined by the Bank's highest governance body, the Board of Directors. The broad range of legal, economic, business and digital expertise of the Board members ensures that the Bank is able to consider ESG strategic issues from multiple perspectives ,[13] and that sustainability impacts, risks and opportunities are considered. This reflection is supported by decision support materials and documents written by the Bank's ESG area. András Puskás, Deputy CEO of MBH Bank, is the appointed lead officer in the Management Committee responsible for sustainability aspects

[11]Recommendation No 1/2022 (I.17.) of the Magyar Nemzeti Bank on the assessment of the suitability of members of the governing body and key management personnel
[12] Act C of 2000 on Accounting 95/B § h
[13] CVs of the members of the Board of Directors are available on our website: https://www.mbhbank.hu/befektetoi/befektetoknek/tarsasagiranyitas/igazgatosag

The detailed tasks of the strategy will be developed by the dedicated ESG area, while its implementation will be coordinated by the ESG area, involving the different disciplines concerned. The ESG area is also responsible for carrying out the double materiality assessment, as detailed in Chapter 4. The effectiveness of this area will be reported back to the Management Committee, which is the operational decision making and decision-making body for the overall operations of MBH Bank, in the form of an annual report in recent years and a semi-annual report from 2025 onwards. On the basis of the statement, the Management Committee monitors and assesses the management of material sustainability-related impacts, risks and opportunities, monitors the achievement of sustainability objectives against a predefined set of metrics and may initiate changes to sustainability-related policies and actions where appropriate. The Management Committee, in cooperation with the ESG area, will also involve other internal functions in the process, as appropriate, along relevant themes and tasks. Reporting also provides a channel for the ESG area to communicate to management any acute, critical sustainability issues that may have arisen, which may include, where appropriate, the key sustainability risks identified and strategies to mitigate those risks. The practices and methodology for sustainability risk management are explained in detail in the related chapters, most notably in the sub-chapter 'Climate risks and strategy'.

Last but not least, in order to increase the accuracy of ESG data collection and in line with the requirements of the Green Recommendation of the Magyar Nemzeti Bank (MNB)[14] , we launched the ESG Data Marketplace project. Its aim is to provide MBH Bank with data systems capable of semi-automated, systematic collection, aggregation and channelling of sustainability data, such as ESG risk data, into reports. As an initial step of the project, the ESG area has developed a data structure with the basic objective of harmonising different data sources and systems. The data sets that the ESG area is continuously developing are:

- Data included in the management reports defined in the Green Recommendation,
- ESG strategy performance metrics to measure the company's sustainability targets, Data required for sustainability reporting under the Global Reporting Initiative (GRI) G4 standards for financial services companies.

MBH Bank intends to further strengthen its commitment to sustainability through the involvement of ESG officers across the business. The primary objective of appointing ESG officers is to ensure that sustainability is effectively addressed in all areas of the Bank. The inclusion of ESG officers in the Code of Conduct means that ESG-related tasks will become part of existing job functions, thus enhancing the ESG expertise of existing colleagues. The central ESG competence centre will continue to play a key role in coordinating the ESG strategy and supporting those responsible. The development of the related organisational model has already started following a decision in April 2023. And the amendment to the Code of Organisational and Operation, which entered into force on 11 November 2024, already includes the integration of an ESG approach into MBH Bank's operational processes in order to successfully meet sustainability requirements. It is the responsibility of the Deputy CEO and the Head of Subsidiaries to appoint ESG officers in their areas. The ESG officers shall, in the course of their duties:

- liaise and support the work of the ESG and sustainability area,
- provide data for regular and/or ad hoc reports to meet legal and regulatory compliance,
- participate in mandatory ESG training for ESG officers.

[14]Recommendation No 10/2022 (VIII.2.) of the Magyar Nemzeti Bank on climate change and environmental risks and the integration of environmental sustainability aspects in the activities of credit institutions

3.3 ESG education and awareness raising

ESG training courses

To ensure effective ESG governance, MBH Bank places a special emphasis on sustainability training for the Board of Directors and senior management. . The aim of the training is to provide participants with a deeper understanding of current environmental, social and governance trends and to enable them to integrate these aspects into the Bank's long-term strategy and day-to-day operations. The first phase of the training series took place in autumn 2023 and updated the 107 participants on the following topics:

- **ESG basics**: basic ESG concepts, UN Sustainable Development Goals (SDGs), Paris Climate Agreement, EU Green Deal;
- **Regulatory obligations and recommendations:** EU Taxonomy, SFRD, CSRD, MNB Green Recommendations, European Banking Authority draft regulations;
- **ESG reporting and ratings:** ESRS, GRI, SASB sustainability reporting frameworks, ESG ratings and their data requirements;
- **Double materiality:** the concept of double materiality under ESRS and how it is intended to be implemented;
- **Green finance**: green bond issuance, green credit product development, review options for Green Bond and Green Lending Framework schemes;
- **ESG strategy:** possible directions for further development of MBH Bank's ESG strategy.

In 2024, there was no further ESG training for senior managers, but in October 2024, the ESG Academy, taught and coordinated by the ESG department, was launched, which aims to provide colleagues with a basic but broad ESG knowledge through 7 modules. Anyone can join the ESG Academy.

Sustainability aspects of management incentive schemes

An important tool for the effective implementation of the ESG strategy is to complement the remuneration system with sustainability elements. The principles and review of the remuneration policy are approved by the Supervisory Board, while the Board of Directors is responsible for its implementation, which is subject to at least annual reporting by MBH Bank's internal audit. In addition, in the event of significant changes to the policy, but at least every four years, they must be submitted to the General Meeting for an advisory vote, thus ensuring transparency of the remuneration policy and shareholder involvement.

The structure of the Board of Directors and the Supervisory Board is dominated by independent members who are not employees, which ensures the impartiality of the decision-making process and the primacy of the company's interests. The compensation of these members is in the form of fixed remuneration and does not include performance-related incentives, so that their remuneration does not directly affect the company's performance. For board members, however, the incentive system is different. Their targets are derived from the overall corporate strategic objectives and may therefore include ESG-related targets. Currently, 1 member of senior management has such a KPI. These targets ensure that all managers contribute directly to the long-term success of the company, giving them an interest in receiving variable rewards based on their performance during the annual performance review process. The targets will not be published , however, it is planned that in 2025, management will integrate climate change and ESG performance more deeply into the compensation structure, further incentivising sustainable and ethical business practices.

4. Identifying the material topics

4.1 Involvement of stakeholders

MBH Bank's operations in 2024 continued to affect a number of stakeholder groups who, to varying degrees, influenced the Bank through their activities. We have maintained ongoing, structured, two-way contact with our stakeholders, reflecting their feedback and seeking their views on sustainability issues, among other things. Stakeholder feedback indirectly feeds back into the ongoing development of our strategy and business model , but the Bank does not document changes and planned actions to take account of stakeholder groups and their views. Stakeholder groups can use this Sustainability Statement to inform progress on the sustainability issues they raise, so indirectly taking their views into account may result in improved engagement with them.

The Bank's internal stakeholder groups include owners, managers and employees, and the key external stakeholders are customers and other stakeholders detailed in the table below.In 2024, we have continued to improve the quality of our stakeholder dialogue and to further focus on sustainability issues by conducting the double materiality assessment described in section 4.2. The table below describes the main issues raised by the stakeholder groups and the channels of communication with them.

Contact circle		Channels of contact communication	Key topics
Internal stakeholders	Owners	• General Meeting • annual, quarterly financial reports • reports, analyses • investor relations	• stability • corporate governance • financial performance • ESG
Internal stakeholders	Managers	• everyday work • internal reports	• financial performance • ESG
Internal stakeholders	Employees (including agency workers and trainees)	• representation of interests (Works Council) • intranet, email • management briefings • internal instructions, rules and regulations • internal events • training courses • workshops	• financial performance • ethical operation • responsible employment • volunteering • sustainability in everyday life
External stakeholders	Retail and corporate customers	• website, social media interfaces • newsletter • in person, by telephone and e-customer service • satisfaction measurement • complaint handling • business meetings • customer trainings • public reports • marketing and PR communication	• products and services • data and information protection • financial education • customer-oriented service • complaint handling • digitalisation improvements • sustainability
External stakeholders	Suppliers	• partner meetings • audits, inspections • official correspondence	• correct customer relations • corporate governance • quality control
External stakeholders	Competitors, professional organisations	• professional representation • organisational memberships • associations (e.g. banking associations)	• regulations affecting the industry • fair competition • sustainability
External stakeholders	Authorities, public bodies	• Website • reports, accounts • Checks • official correspondence	• transparency • corporate governance, compliance • pricing • consumer protection, complaint handling

	NGOs, local communities	• strategic partnerships • grants • events • expert opinions	• social engagement • Cooperation • sustainability
	Media	• Website • annual report • press releases • interviews • marketing and PR campaigns • events	• stability • financial performance • business ethics • responsible communication • social engagement • sustainability • innovation, digitalisation

4.2 Double materiality assessment

In addition to ongoing communication with stakeholder groups, MBH Bank conducted a double materiality assessment for the first time in 2024 to identify material impacts, risks and opportunities (IROs) related to sustainability. In practice, these are the areas where the Bank's actual or potential impact on society and the environment is greatest *(materiality of impact)* and the impact of sustainability issues on the company's financial performance is most significant *(financial materiality)*. This double materiality approach helps us to use our resources in the most effective way to achieve sustainability and the survey also identifies the topics to be presented in the sustainability statement, in addition to the mandatory disclosures required for all companies. The double materiality assessment has been prepared following a rigorous process set out by the ESRS and using the non-binding guidance of the European Financial Reporting Advisory Group (EFRAG), the European Commission's technical advisory association, by carrying out the following key steps without assumptions.

1. **Developing a list of themes**

   The sustainability issues assessed in the double materiality assessment were the sub-topics of the table of application requirement 16 of the ESRS 1 "General Requirements" standard. This list was supplemented with organisation-specific topics that are not fully covered by the sustainability topic list designated by the thematic ESRSs and may be material for the banking sector or specifically for MBH Bank.

2. **Identification of data subjects**

   The stakeholders included in the survey were identified on the basis of the Bank's stakeholder map presented in chapter 4.1. To assess the materiality of the impact, we typically identified material stakeholders who are or may be affected by the Bank through its own operations or value chain (internal and external stakeholders). To assess the financial materiality, we consulted stakeholders who may be the primary users of the financial statements and hence of this Sustainability Statement (typically internal stakeholders)

3. **Assessment of the materiality of the impact**

   In order to assess the materiality of the impact, for each element of the sustainability checklist defined in section 1, the related environmental and social impacts of the Bank and its value chain were identified. In this process, not only current impacts but also potential future impacts, as well as positive and negative impacts, were taken into account to obtain a complete picture of the sustainability aspects of our activities. A detailed description of the impacts was presented to the evaluators in the evaluation questionnaire, both in writing and verbally during a workshop to support completion. The questionnaire was conducted online, where respondents could comment on the relevance of an impact and its dominant pole (positive/negative), and then, if marked as material, also rate the extent, scope, irreversibility and likelihood of the impact. The completions were averaged per assessment dimension and per sustainability question using the formula defined by the ESRS. Respondents were given the opportunity to provide additional qualitative comments on the impacts in text form.

4. Financial materiality assessment

Financial materiality was assessed in the same process as impact materiality. In this case, however, the aim was to assess the financial opportunities and risks associated with sustainability issues, along the ESRS assessment categories of magnitude and likelihood. Opportunities and risks were identified descriptively and presented in a workshop with stakeholders who completed the questionnaire. Completions of the online questionnaire were averaged per assessment dimension and per sustainability question according to the ESRS formula. MBH Bank does not currently apply a specific ranking system to assess sustainability risks relative to other types of risks and does not use dedicated risk assessment tools for this purpose.

5. Summary of results, validation and approval

The evaluation of the online questionnaire started with a data cleaning process, which included filtering out incomplete responses, including the definition of a minimum number of respondent items. Thresholds were set for the resulting impact and financial materiality results using a combination of methods (e.g. trend breaking of score differences). The threshold for impact materiality is 2.5, where the threshold is the same for positive and negative impacts , while the threshold for financial materiality is 1.4, where the threshold is the same for risks and opportunities. A sustainability issue is considered material if it exceeds the threshold in terms of impact or financial materiality.

The resulting list of themes was validated against internal and external sources. For example, it has been compared with benchmark research summarising typical sustainability issues in the banking sector to ensure that the Bank does not fall behind current international expectations for the industry. We also compared the thematic list with MBH Bank's overall business and ESG strategy, which presented a high degree of overlap in the short, medium and long term. Addressing the discrepancies was a two-way exercise, i.e. key elements reflected in the strategies could have influenced the results of the double materiality survey and consideration could be given to upgrading high scoring themes identified in the survey to a more strategic level. The resulting list of themes was approved by the Board of Directors, informed by the ESG area. The integration of the results and future double materiality assessments into the overall risk management processes has started following the survey.

List of material topics to MBH Bank in 2024

Material topic	Materiality basis	
	Impact materiality	Financial materiality
1. Sustainable portfolio and fundraising		x
2. Business stability and flexibility		x
3. Climate change adaption	x	x
4. Climate change mitigation	x	x
5. Energy		x
6. Developing a financial culture		x
7. Social inclusion of consumers and/or end users	x	
8. Creating value for customers, increasing customer satisfaction	x	x
9. Transparent and regular communication with stakeholders		x
10. Responsible employer and a balanced working environment	x	x
11. Human capital development		x
12. Access to finance		x
13. Digitisation	x	x
14. Corporate culture	x	x
15. Transparent ownership, management and organisational structure, operations		x
16. Regulatory compliance	x	x
17. Integrating ESG considerations into business strategy		x

List of material impacts, risks and opportunities (IRO) for the MBH Bank in 2024	Type of IRO	Value chain			Timeframe		
		Upstream	Own operation	Downstream	Short-term	Medium term	Long term
E1 - Climate change							
Climate change adaption							
Climate change adaption: the lack of adequate resource allocations to adapt to climate change (e.g. more frequent heat waves, storms, extreme weather) can have negative environmental and social impacts. In addition, the lack of preparedness for the physical risks of climate change at the Bank's own premises, which may result from the Bank's low climate adaption capacity, may have a negative impact on the safety of workers at the premises.	Negative impact		x	x	x	x	x
Climate change adaption: the introduction of financial strategies, lending and investment practices that support climate change adaption can open up new markets, contributing to the Bank's growth and strengthening its market position and the resilience of its asset portfolio.	Opportunity		x	x			x
Climate change mitigation							
Climate change mitigation: the Bank can have a significant negative impact on climate change mitigation by financing carbon-intensive industries. In addition, the greenhouse gas emissions of its own physical assets, such as real estate and vehicles, can also contribute to climate change.	Negative impact		x	x		x	x
Climate change mitigation: through green finance strategies, the Bank can not only support environmental sustainability, but also create new financial opportunities that can help the Bank grow and strengthen its market position. Furthermore, consciously managing the Bank's GHG emissions can achieve significant operational cost savings by improving energy efficiency and switching to lower energy consumption technologies.	Opportunity		x	x	x	x	x
Energy							
Energy: Energy efficiency and renewable energy projects require significant upfront investment and, if not properly managed, can pose operational risks and increase maintenance and repair costs. The use of non-renewable energy sources carries reputational risk as it reflects a lack of commitment to sustainability.	Risk		x		x	x	x
Energy: by optimising energy use, the Bank can reduce its operating costs and take advantage of financial incentives offered by government and utility companies. These actions can increase the value of owned real estate and improve the Bank's sustainability credentials.	Opportunity		x		x	x	x
Entity-specific							
Sustainable portfolio and fundraising: by creating a sustainable portfolio, the Bank can diversify its product offering and differentiate its market position, thereby gaining a competitive advantage and attracting customers and investors seeking responsible financial services.	Opportunity		x			x	x
Operational stability and flexibility: the lack of a stable and resilient banking system can lead to financial instability, including credit risk, operational risk and systemic risk, threatening economic growth.	Risk		x		x	x	x
Business stability and resilience: a stable and resilient banking system increases customer and investor confidence and contributes to economic growth.	Opportunity		x		x	x	x
Integrating ESG considerations into business strategy: integrating ESG considerations into business strategy increases investor confidence and attracts investors committed to sustainability. In the long term, incorporating ESG considerations can reduce operational risks and increase the Bank's competitiveness.	Opportunity		x		x	x	x

List of material impacts, risks and opportunities (IRO) for the MBH Bank in 2024	Type of IRO	Value chain			Timeframe		
		Upstream	Own operation	Downstream	Short-term	Medium term	Long term
S1 - Own workforce							
Working conditions							
Responsible employers and a balanced working environment: inadequate employment practices, such as inadequate pay, can have a significant negative impact on workers' quality of life and attitudes to work. Insufficiently transparent remuneration practices, lack of work-life balance and the failure to create a safe working environment exacerbate workers' dissatisfaction.	Negative impact		x		x	x	x
A responsible employer and a balanced working environment: putting the well-being of employees first can stimulate creativity and innovation, which can lead to better customer service and the development of new financial products and services.	Opportunity		x		x	x	x
Training and skills development							
Developing human capital: conscious investment in the professional and personal development of employees can contribute to increasing their effectiveness and their long-term commitment to the Bank, thereby helping to optimise operational and recruitment costs.	Opportunity		x			x	x
Entity-specific							
Company culture: developing a company culture is essential for effective collaboration and long-term success, as an inadequate culture can reduce employee satisfaction and worsen performance. The integration of companies from different backgrounds can often be met with resistance and it can take time for employees to accept new norms. The uncertainties that arise in integrated banking operations can further complicate this process as different expectations clash.	Negative impact		x				x
Company culture: if employees feel valued and company values are aligned with individual targets, this can lead to higher levels of engagement and productivity	Opportunity		x				x

S4 - Consumers and end users							
Social inclusion of consumers and/or end users							
Social inclusion of consumers and/or end-users: Promoting social inclusion will make banking services more accessible and available to a wider and wider range of people. The development of digital banking services and physical accessibility will both increase financial inclusion.	Positive impact			x		x	x
Creating value for customers, increasing customer satisfaction: inadequate customer service practices and poor complaint handling can have a significant negative impact on the customer experience. Due to MBH Bank's broad customer base and product portfolio, inadequate customer service can lead to frequent customer dissatisfaction. Employee attitudes, misaligned performance expectations, limited digital capabilities and inadequate information transfer can all contribute to customer dissatisfaction.	Negative impact			x	x	x	x
Creating value for customers, increasing customer satisfaction: a lack of customer satisfaction can create financial risks for the Bank. Dissatisfied customers may leave the Bank, reducing revenue and increasing the cost of acquiring new customers. Negative feedback from customers can damage the Bank's reputation, which in the long run can affect its market position and the confidence of potential customers.	Risk			x	x	x	x
Creating value for customers, increasing customer satisfaction: creating value for customers and increasing customer satisfaction has significant financial potential. High customer satisfaction increases loyalty, reduces attrition and lowers the cost of acquiring new customers. Satisfied customers are more likely to recommend the service, which generates organic marketing. In addition, they are more likely to choose additional products or services (upselling, cross-selling), which increases the company's revenues.	Opportunity			x	x	x	x
Entity-specific							
Access to finance: expanding access to finance can increase credit risks, especially if lending is to less creditworthy customers.	Risk			x			x
Access to finance: increasing access to finance provides the Bank with the opportunity to grow its business and expand market share. Involving people from different social and economic backgrounds in economic activities can open up new customer bases and revenue streams for the Bank.	Opportunity			x			x
Developing a financial culture: informed customers are more likely to use different financial products and services, which can increase the Bank's revenues. Financial awareness can help build long-term customer relationships and spread positive organic marketing.	Opportunity			x		x	x
Digitalisation: the proliferation of online and mobile banking services enables faster and more convenient transactions, increases customer satisfaction and reduces the need for traditional branches.	Positive impact		x	x	x	x	x
Digitalisation: digitalisation brings new challenges for banks, which can have a direct negative impact on customers. The growing threat of cyber-attacks and data breaches means that if the	Negative impact		x	x	x	x	x

Bank does not keep pace with the rapid pace of technological developments, customers' data and financial assets may remain unprotected.							
Digitalisation: digitalisation also brings new risks for the Bank, including the increasing risk of cyber-attacks and data breaches. The rapid pace of technological development requires the Bank to continuously update its security protocols to protect its customers' data and financial assets.	Risk		x	x	x	x	x
Digitalisation: big data and analytics help the Bank to better understand its customers' needs and offer personalised products and services. Digital channels enable access to new markets and a global customer base. Innovative payment solutions such as mobile payments and instant transfers can create new revenue streams.	Opportunity		x	x	x	x	x

List of material impacts, risks and opportunities (IRO) for the MBH Bank in 2024	Type of IRO	Value chain			Timeframe		
		Upstream	Own operation	Downstream	Short-term	Medium term	Long term
G1 - Business conduct							
Whistleblower protection, Corruption and bribery							
Legal compliance: compliance awareness and legal compliance create an ethical working environment for employees, reinforcing responsible work. Customers benefit from transparent and reliable services, which increases loyalty and commitment to the Bank. Legal compliance and ethical business practices promote stability in the financial sector, which has a positive impact on the economy as a whole. The fight against corruption and anti-competitive behaviour contributes to the promotion of fair market practices and compliance with the legal framework.	Positive impact		x		x	x	x
Regulatory compliance*:* good compliance practices can prevent legal and financial penalties that lead to fines and business restrictions. Non-compliance undermines the trust of customers and market participants, causing reputational damage.	Risk		x		x	x	x
Regulatory compliance*:* strict compliance and transparency strengthen the Bank's reputation and make it attractive to customers and investors.	Opportunity		x		x	x	x
Entity-specific							
Transparent and regular communication with stakeholders: inadequate communication with stakeholders can pose a reputational risk, which can negatively affect the Bank's financial performance. Stakeholder dissatisfaction and loss of trust can lead to long-term business losses.	Risk	x	x	x		x	x
Transparent and regular communication with stakeholders*:* good and continuous communication with stakeholders can increase trust and satisfaction, which can have a positive impact on the Bank's financial performance. Active stakeholder engagement and support can lead to long-term business benefits and sustainable growth.	Opportunity	x	x	x		x	x
Transparent ownership, management and organisational structure and operations: transparent structure and operations increase investor confidence, which can lead to a more stable financial situation in the long term. Transparency and good corporate governance improve the Bank's image, which can lead to new business opportunities and partnerships.	Opportunity	x	x	x	x	x	x

In addition to the summary table above, a brief description of the significant impacts, risks and opportunities identified in the double materiality assessment is also provided at the beginning of the thematic chapters on the material issues (II. Environmental information, III. Social information, IV. Governance information). In the case of impacts, both negative and positive dimensions, as well as actual and potential impacts, are disclosed in the statement, in accordance with the principle of fair presentation as set out in the ESRS. Impacts arise from the Bank's strategy and natural business operations, but are typically indirect through its financing activities. Furthermore, it is important to note that although the Bank identified biodiversity as an impact area when reporting to the UN Guiding Principles on Responsible Banking, this has been revised in the course of this double materiality assessment, and biodiversity has therefore been excluded from the materiality assessment based on the stakeholder assessment.

The impacts, risks and opportunities identified provide us with an opportunity to review the Bank's business model, business and ESG strategy and decision-making around sustainability issues. The need for such a review is determined by the Board of Directors, the final approver of the double materiality assessment, may include identifying responses to address impacts or risks and exploit opportunities, such as investment and divestment plans (e.g. capital expenditures, significant acquisitions and divestments, joint ventures, business transformation, innovation, new business areas and asset divestments) or the identification of funding sources to implement the strategy. The actual (quantified) financial implications of these possible actions in terms of current and future impacts, risks and opportunities have not yet been determined. One such additional measure could be a resilience analysis to address material impacts and risks, which the Bank has not prepared in 2024 and does not plan to implement until 2025 at the earliest. The MBH Bank aims to integrate the findings of the risk assessment and internal control into the material internal functions and procedures; however, this process is not yet in place. As a result of the 2024 double materiality assessment, the corporate governance approach presented in section 3.2 ESG Governance Structure has not changed.

4.3 Mandatory, subject-specific disclosure independent of double materiality

In addition to the impacts, risks and opportunities identified as material to MBH Bank, there are a number of sustainability issues that are widespread across many industries, and the ESRS sets out mandatory disclosure requirements in this regard, which our Bank complies with in the following section.

The impacts, risks and opportunities associated with air, water and soil pollution were reviewed in the double materiality assessment, but due to the nature of our own sites and business activities, they were not specifically screened , nor were affected communities consulted in addition to the double materiality assessment. A similar approach was taken for the assessment of water and marine resources, resource inflows, resource outflows, waste and biodiversity and ecosystem issues. For the biodiversity theme, no identification and assessment of transition and physical risks and opportunities, consideration of systemic risks, or consultation with affected communities were undertaken. MBH Bank does not have sites in or near biodiversity sensitive areas, thus no mitigation actions for biodiversity were identified.

4.4 Methodological note on the principles for the presentation of policies, actions, metrics and targets

The link between the corporate policies, targets, metrics and actions (ESRS MDR-P, -T, -M, -A) in the statement are not always direct or fully aligned. Some company policies cover several sustainability areas and the actions related to them are presented as part of these. Clear attribution of actions and targets to policies is not always possible, as the ESRS requirements do not fully cover the Bank's internal processes and policies. The actions are nevertheless designed to address the risks, impacts and opportunities (IROs) associated with the issues and are therefore always presented in the statement in the appropriate context.

II. ENVIRONMENTAL INFORMATION

MBH Bank is committed to promoting sustainable economic operations and environmental protection. Our sustainability strategy is closely linked to climate change and energy use and is committed to contributing to the achievement of global and European sustainability targets. In the context of decarbonisation efforts, the Bank aims to make a significant contribution to the achievement of the Paris Agreement climate change targets by reducing its financed carbon emissions as rapidly as possible. In addition, our Bank is also striving to decarbonise its own operations and integrate ESG considerations at all levels, setting an example of responsible corporate behaviour. In the following chapters, we explain how we support sustainable and climate-friendly investments and how we reduce the environmental footprint of our own operations.

Chapter 5 (*Partners in Sustainable Finance*) describes MBH Bank's sustainability efforts and the actions taken to maintain its business stability. We describe how we are developing our sustainable portfolio and our fundraising strategy. We discuss in detail our disclosures under the Taxonomy Regulation, as well as our investments and credit facilities that support green and social sustainability. The Bank has joined the Green Széchenyi, MFB Corporate Energy Efficiency and Eximbank Baross Gábor Re-industrialisation Investment Loan Programmes, which are widely used to support clients' green investments and promote an environmentally conscious economic transition.

In Chapter 6 (*Partners in Green Finance*), we present how we are tackling the challenges of climate change and promoting sustainable banking. We describe the physical and transition risks identified by MBH Bank and the opportunities to gain a competitive advantage by growing the market for sustainable finance and green bonds. For MBH Bank, physical risks, such as damage from extreme weather events, and transition risks associated with the shift away from a carbon-intensive economy are significant factors.

In Chapter 7 (*Reducing our environmental footprint*), we present how to reduce the environmental footprint of our own operations. We describe the steps we are taking to increase energy efficiency and use more renewable energy sources, and the benefits of digitising our operations. We also describe MBH Bank's energy use, the majority of which is accounted for by utility consumption in buildings and fuel consumption in the vehicle fleet. MBH Bank's greenhouse gas emissions and the actions we are taking to contribute to the Paris Agreement targets are discussed in detail.

5. Partner for sustainable finance

MBH Bank's sustainability efforts and the maintenance of business stability are key factors for the future success of the company. By building a sustainable portfolio and leveraging resources, the Bank supports the implementation of international and European sustainability efforts (e.g. UN Sustainable Development GoalsTargets (SDG 7 - Affordable and Clean Energy, SDG 9 - Industry, Innovation and Infrastructure, SDG 13 - Climate Change)[15] , while creating business opportunities to meet growing market demand for sustainable products. Investments that support green and social sustainability and the development of concessional lending schemes promote environmental and social progress, while highlighting the Bank's market position and making it attractive to customers and investors seeking responsible financial services.

At the same time, the tightening of sustainability regulations and expectations is challenging financial institutions, including MBH Bank. In order to comply with regulations and avoid greenwashing, the Bank needs to ensure that its products contribute to sustainability targets.

5.1 Disclosure under the Taxonomy Regulation

The Taxonomy Regulation[16] introduces new requirements and opportunities for banks. It necessitates updates in procedures, data management, and reporting, requiring technological developments and training, as well as the development of financial products in compliance with these regulations. Banks must conduct detailed analyses of their financing activities to ensure their alignment with the technical criteria of the Taxonomy Regulation. They must disclose the proportion of their activities that comply with the taxonomy requirements, which requires a thorough examination of how loans and investments contribute to environmental objectives.

The purpose of this Regulation is to establish a standardised classification system to determine whether an economic activity meets the criteria for environmental sustainability. This is vital for the financial sector, especially banks, as it provides clear guidelines for assessing and disclosing the sustainability of investments and lending. The Regulation identifies six environmental objectives: climate change mitigation; climate change adaption; sustainable use and protection of aquatic and marine resources; transition to a circular economy; prevention and reduction of pollution; and protection and restoration of biodiversity and ecosystems.

The regulation also ensures transparency, allowing investors and clients to make informed decisions based on the environmental sustainability of banking activities. Thus, MBH Bank Group can play a key role in directing capital towards sustainable purposes, supporting environmental targets and the transition to a green economy. This is not merely a compliance obligation but also a strategic tool for the Group to shift its portfolio towards sustainable assets, thereby reducing climate change-related risks and aligning its activities with the EU's 2050 carbon-neutral economic targets.

MBH Bank's green products focus on sustainability and environmental awareness. The Home Renovation Programme supports the financing of energy-efficient homes, with up to 0% interest, combined with a family home creation grant. Green Monthly Flat Rate offers corporate customers predictable banking costs. The MBH ESG Investment Funds (e.g. Greening Corporates, New Energy, Global Equity Fund) offer sustainable investment opportunities for environmentally conscious clients. In addition, MBH Bank supports climate-conscious innovations, for example in the .wave program, where it awards green startups, such as the 2024 winner Fishee's team.

[15] The UN Sustainable Development Goals (SDGs)
[16] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

Mandatory disclosure

Regulation (EU) 2020/852 of the European Parliament and the Council, as well as Articles 19a and 29a of Directive 2013/34/EU, specify the information to be disclosed concerning environmentally sustainable economic activities undertaken by entities subject to their provisions.

The scope of the taxonomy regulation includes financial market participants providing financial products, as well as entities required to publish non-financial statements or consolidated (group) non-financial statements under Articles 19a and 29a of Directive 2013/34/EU ((EU) 2020/852 Chapter I, Article 1, points b and c). MBH Bank Nyrt. publishes its group-level report based on the prudential consolidation scope defined in Chapter II, Section 2 of Title II of Regulation (EU) No 575/2013.

The GAR is based on exposures and balance sheet items within the prudential consolidation scope as defined in Chapter II, Section 2 of Title II of Regulation (EU) No 575/2013, regarding asset types and accounting portfolios specified in Annex 1.1.2 of this regulation, including information on stocks and stock changes, transition and enabling activities, as well as specialized and general-purpose lending.

Based on the regulation, the following disclosures have been made:

a) the aggregate Green Asset Ratio (GAR) for covered assets on the balance sheet; GAR is the proportion of assets held by financial institutions that meet the environmental criteria set by the EU taxonomy.
b) and a breakdown by the following environmental objectives and counterparty types.

The EU taxonomy includes six environmental objectives, namely:

- climate change mitigation
- climate change adaption;
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- preventing and reducing pollution; and
- protecting and restoring biodiversity and ecosystems.

Exposures were assessed along the following types of partners:

- financial corporates
- non-financial corporates
- retail customers (with additional subcategories: retail mortgages, home improvement loans and car loans)
- local municipalities
- collateral obtained by mortgage retail and commercial real estate

The definition of the KPI is based on the following elements:

a) the numerator, which includes loans and advances, debt securities, equity instruments, and collateral reserved for financing taxonomy-aligned economic activities based on the revenue and CAPEX KPIs of the underlying assets;
b) the denominator, which includes all loans and advances, all debt securities, all equity stakes, all reserved collateral, and all other covered balance sheet assets.

The KPI is calculated based on the following rules:

Loans and Advances (GAR L&A)

The total gross carrying amount of loans and advances provided to non-financial corporations, including items measured at amortized cost and fair value:

- Loans and advances with identified use are evaluated based on projects or activities. That is, loans and advances financing environmental objectives are calculated based on taxonomy-aligned economic activities.

- General-purpose loans are weighted according to the CAPEX and revenue KPIs provided by the counterparty.

Debt Securities (GAR DS)

Considering the total gross carrying amount of debt securities issued by non-financial corporations:

- Debt securities financing environmental objectives are calculated based on taxonomy-aligned economic activities. That is, securities with identified use are evaluated based on information provided by the issuer.
- General-purpose securities are weighted according to the CAPEX and revenue KPIs provided by the issuer.

Equity Instruments (GAR EH)

Considering the total gross carrying amount of equity instruments held in non-financial corporations:

- Equity instruments financing environmental objectives are calculated based on taxonomy-aligned economic activities. That is, securities with identified use are evaluated based on information provided by the issuer.
- General-purpose securities are weighted according to the CAPEX and revenue KPIs provided by the issuer.

For financial undertakings where the use of funds is known, the GAR numerator is determined by the gross carrying amount of loans, advances, and debt securities within the relevant accounting portfolios and is considered in proportion to the extent to which these exposures support taxonomy-aligned economic activities.For exposures with an unknown use case, the GAR numerator for financial undertakings is determined based on the key performance metrics calculated by counterparties.

Retail Exposures:

Alignment of exposures to retail property, housing renovation with Regulation (EU) 2020/852 can only be assessed following a simplified approach to the mitigation objective, with technical assessment criteria for buildings, namely the technical criteria set out in Annex I of Delegated Regulation (EU) 2021/2139. of Annex I to Regulation (EU) No 2021/202020, shall be assessed in accordance with points 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7 of Annex I to Regulation (EU) No 2021/2020, on the basis of the energy performance of the underlying security.

The GAR for retail exposures shall be calculated as the ratio of retail mortgage loans and home improvement loans to households, based on the relevant technical assessment criteria.

Institutions shall also report motor vehicle loans as referred to in Annex V, Part 2, point 173(b)(ii) of Implementing Regulation (EU) 2021/451 and other loans for the purchase of motor vehicles. These credits shall be assessed according to the simplified approach to mitigating climate change in accordance with the technical assessment criteria in Section 6.5 of Annex I to Delegated Regulation (EU) 2021/2139 for the financing, rental and leasing of vehicles, based on the energy efficiency of the underlying vehicle.

Summary of published data and information

Credit institutions shall disclose in Table 1 the gross carrying amount of loans and advances, debt securities and equity instruments by counterparty type and the extent to which exposures to mitigation and adaption to climate change are taxonomy-adjustable and related to taxonomy-adjustable activities in relation to the environmental objectives referred to in Article 9(a) and (b) of Regulation (EU) 2020/852. These data shall be used to calculate and publish the green asset ratio referred to in Delegated Regulation (EU) 2021/2178. For loans where the use of the exposure is known (special lending, project finance loans), the Bank should indicate the extent to which the exposure is environmentally sustainable. For loans where the use is not known, the extent to which the exposure is environmentally sustainable shall be indicated on the basis of information on the ratio of revenue and CAPEX from products or services related to economic activities that are considered to be environmentally sustainable in accordance with Article 3 of Regulation (EU) No 2020/852 received from the counterparty in accordance with Article 8 of that Regulation.

In the table, the assets included in the calculation of the GAR are presentedn in three sections: assets included in both the numerator and denominator, assets excluded from the numerator used for the calculation (but included in the denominator), and other assets excluded from both the numerator and denominator. The total value of these assets is equal to the sum of the Bank's total prudential consolidated assets.

Financial corporations, non-financial corporations subject to the Accounting Act, loans to Households and Local Governments, debt securities held for non-trading purposes and equity instruments represent slightly more than one third of total assets.

The mitigation and adaption taxonomic targets and, within them, the sustainability alignment levels are based on the reporting of financial and non-financial reporting partners for the previous year 2023, so the gross book values are set taking into account the ratios they provide. Environmentally Sustainable and Taxonomy Aligned Activities for partners subject to the Accounting Act is 2.67%, which is derived either from the partner's revenue and CAPEX pro-rata reporting or from the Green Product financing detailed above. Where publicly available data on the counterparty concerned was not available or could not be obtained, the Bank did not include the counterparty's exposures in the Taxonomy KPI data for reporting purposes.

In the case of households, the reporting of Taxonomy targetable exposures was calculated on the basis of the energy rating of the financed properties. For households, the identification of Taxonomy targetable exposures was based on the last valid energy rating of the financed properties. The calculation was based on the energy performance of the property (kWh/m²) and/or the Energy Performance Certificate (EPC) code, taking into account the technical assessment criteria for buildings. There was no identifiable housing finance loan target for local government financing.

As can be seen from the data in Table 1, the Bank has typically contributed to climate change mitigation among the Taxonomy Objectives.

The gross book value fields T-1 were completed using the same methodology. Exposures were determined using the Bank's databases, filtered down to the T-1 period. Information on taxonomy alignment has been filled in based on data from the 2023 report, where previously available.

In the additional tables (No 2), the report also covers the sectoral classification, where sectors and their exposures where Taxonomy Alignment Information is currently not available or cannot be established from the studies have not been included, so only reporting partners with Taxonomy KPI data have been included, with their sectoral classification broken down by 4-digit NACE code.

Tables 3 and 4 present the GAR KPI metrics for the Bank's loan portfolio. The metrics are calculated for the covered assets from the data reported in Table 1. The numerator is the exposure amount for the Taxonomy target and the denominator is the total exposure amount for the given line. In disclosing information on changes in stocks, the Bank has reported not only the exposures incurred in the current year, but also the change resulting from the data gap between the two periods.

In calculating the KPIs for off-balance sheet commitments (financial guarantees and assets under management), the Bank has used the formulas suggested in this table to calculate the covered assets based on the data provided in Table 1. The percentages are the ratio of the KPI values for the Taxonomy targets given in Table 1 divided by the amount of off-balance sheet exposures in the same row.

For Table 5, in the case of asset managers, the disclosure under the Taxonomy Regulation (in the tables in Annex IV of Regulation 2021/2178) for asset managers includes a subset of investment funds managed by MBH Fund Management Ltd. and additionally consolidated by the MBH Group (*for reference, which funds exactly*), as only for these funds KPI data are currently available.

As the main KPI (Green Asset Ratio (GAR)) is presented in Table 0 of Annex VI for the funding and investment assets (including the investment assets of the consolidated funds that are reported within the balance sheet) and KPI data are not available for the funds managed by MBH Fund Management Ltd. that are not on balance sheet from the point of view of the consolidated group, the KPI (AuM KPI) for assets under management is 0%.

For the off-balance sheet funds under management, the Company plans to extend the KPI data collection process in 2025 in order to fully present the ratios for assets under management in next year's sustainability statement.

Tables 1 to 5 published in Annex VI to Regulation 2021/2178, which credit institutions are required to publish under Article 8 of the Taxonomy Regulation, are described below.

Table 0 - Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	**Green Asset Ratio (GAR) stock**	**22 594.20**	**0.29%**	**0.45%**	**61.77%**	**5.46%**	**38.23%**

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	*GAR (stock change)*	**22 594.20**	0.48%	0.71%	68.08%		
	Trading book	-	0.00%	0.00%			
	Financial guarantees	-	0.00%	0.00%			
	Assets under management	-	0.00%	0.00%			
	*Fees and commission income***	-	0.00%	0.00%			

Annex VI - Explanatory notes to Table 0

* Value based on partner's revenue KPI
Value based on partner's CAPEX KPI: HUF 35 188.28 Million
** Fee and commission income from services other than lending and asset management.
*** Assets covered by KPI as % of total assets of the bank

Table 1 - Assets taken into account for the calculation of the GAR - Turnover

	Million HUF	T publication reference date - 2024.12.31.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**4 674 616.93**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**
2	**Financial undertakings**	**1 179 038.82**	**29 647.94**	**90.18**	**-**	**1.62**	**6.72**	**3.51**	**0.94**	**-**	**-**
3	Credit institutions	**673 969.71**	**29 647.94**	**90.18**	**-**	**1.62**	**6.72**	**3.51**	**0.94**	**-**	**-**
4	Loans and advances	137 282.91	178.90	4.10	-	0.79	1.84	0.05	0.05	-	-
5	Debt securities, including UoP	536 686.80	29 469.04	86.08	-	0.83	4.88	3.46	0.89	-	-
6	Equity instruments	-	-	-		-	-	-	-		-
7	Other financial corporations	**505 069.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	of which investment firms	**505 058.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	247 304.09	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	238 916.00	-	-	-	-	-	-	-	-	-
11	Equity instruments	18 838.42	-	-		-	-	-	-		-
12	of which management companies	**-**	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-
16	of which insurance undertakings	**10.61**	-	-	-	-	-	-	-	-	-
17	Loans and advances	0.14	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**837 836.99**	**66 682.06**	**22 500.96**	**10 240.57**	**50.06**	**17.04**	**-**	**-**	**-**	**-**
21	Loans and advances	637 599.09	26 388.53	10 240.98	10 240.57	-	-	-	-	-	-
22	Debt securities, including UoP	200 125.25	40 271.72	12 253.14	-	45.74	14.69	-	-	-	-
23	Equity instruments	112.65	21.81	6.84		4.32	2.35	-			-
24	**Households**	**2 624 600.52**	**32 091.01**	-	-	-	-	-	-	-	-
25	of which loans collateralised by residential immovable property	1 303 856.12	32 091.01	-	-	-	-	-	-	-	-
26	of which building renovation loans	18 076.36	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	7 779.30	-	-							
28	**Local governments financing**	**33 140.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	33 140.60	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**193.87**	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4 674 810.80**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - Turnover - continuation of previous table

			T Publication reference date - 31.12.2024.									
Million HUF		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling	
33	**Financial and Non-financial undertakings**	**2 493 937.98**										
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2 490 197.42										
35	Loans and advances	2 441 118.95										
36	of which loans collateralised by commercial immovable property											
37	of which building renovation loans											
38	Debt securities	47 736.47										
39	Equity instruments	1 342.00										
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3 740.56										
41	Loans and advances	3 740.56										
42	Debt securities	-										
43	Equity instruments	-										
44	**Derivatives**	-										
45	**On demand interbank loans**	-										
46	**Cash and cash-related assets**	**99 917.70**										
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**595 759.22**										
48	**Total GAR assets**	**7 864 425.70**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**	
49	**Assets not covered for GAR calculation**	4 867 173.76										
50	**Central governments and Supranational issuers**	3 969 316.24										
51	**Central banks exposure**	897 857.53										
52	**Trading book**	-										
53	**Total assets**	**12 731 599.47**	**128 421.00**	**22 591.14**	**10 240.57**	**51.67**	**23.76**	**3.51**	**0.94**	**-**	**-**	
Off-balance sheet exposures - A												
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-	
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-	
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-	
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-	

Table 1 - Assets taken into account for the calculation of the GAR – Turnover - continuation of previous table

Million HUF		T Publication reference date - 31.12.2024.								
		Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator									
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**298.23**	**2.13**	**-**	**-**	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	**23.76**
2	**Financial undertakings**	**-**	**-**	**-**	**-**	**29 651.45**	**91.11**	**-**	**1.62**	**6.72**
3	Credit institutions	-	-	-	-	**29 651.45**	**91.11**	-	**1.62**	**6.72**
4	Loans and advances	-	-	-	-	178.96	4.15	-	0.79	1.84
5	Debt securities, including UoP	-	-	-	-	29 472.50	86.96	-	0.83	4.88
6	Equity instruments	-	-		-	-	-		-	-
7	Other financial corporations	-	-	-	-	-	-	-	-	-
8	of which investment firms	-	-	-	-	-	-	-	-	-
9	Loans and advances	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
11	Equity instruments	-	-		-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-		-	-	-		-	-
16	of which insurance undertakings	-	-	-	-	-	-	-	-	-
17	Loans and advances	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-
19	Equity instruments	-	-		-	-	-		-	-
20	**Non-financial undertakings**	**298.23**	**2.13**	**-**	**-**	**66 980.29**	**22 503.09**	**10 240.57**	**50.06**	**17.04**
21	Loans and advances	-	-	-	-	26 388.53	10 240.98	10 240.57	-	-
22	Debt securities, including UoP	295.48	1.84	-	-	40 567.20	12 254.97	-	45.74	14.69
23	Equity instruments	2.75	0.29		-	24.55	7.13		4.32	2.35
24	**Households**	-	-	-	-	**32 091.01**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	-	-	-	-	32 091.01	-	-	-	-
26	of which building renovation loans	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans					-	-	-	-	-
28	**Local governments financing**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-
30	Other local government financing	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	-	-	-	-	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**298.23**	**2.13**	**-**	**-**	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	**23.76**

Table 1 - Assets taken into account for the calculation of the GAR - Turnover - continuation of previous table

			T Publication reference date - 31.12.2024.								
Million HUF		Total gross carrying amount	Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	**2 493 937.98**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2 490 197.42									
35	Loans and advances	2 441 118.95									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3 740.56									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	-									
45	**On demand interbank loans**	-									
46	**Cash and cash-related assets**	**99 917.70**									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	**595 759.22**									
48	**Total GAR assets**	**7 864 425.70**	**298.23**	**2.13**	-	-	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	
49	**Assets not covered for GAR calculation**	4 867 173.76									
50	**Central governments and Supranational issuers**	3 969 316.24									
51	**Central banks exposure**	897 857.53									
52	**Trading book**	-									
53	**Total assets**	**12 731 599.47**	**298.23**	**2.13**	-	-	**128 722.75**	**22 594.20**	**10 240.57**	**51.67**	
Off-balance sheet exposures - A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - Turnover based - continuation of previous table

Million HUF		T-1 publication reference date - 31.12.2023.										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3 185 300.50**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
2	**Financial undertakings**	**1 124 164.00**	**-**	**-**	**-**	**-**	**-**	-	-	-	-	-
3	Credit institutions	**639 619.97**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
4	Loans and advances	116 865.35	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	522 754.62	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-						-	-		-	-
7	Other financial corporations	**484 544.03**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	of which investment firms	**484 533.56**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	230 555.16	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	251 015.52	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	2 962.88	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-		-	-
16	of which insurance undertakings	**10.47**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
17	Loans and advances	0.00	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-	-
20	**Non-financial undertakings**	**114 866.07**	-	-	**-**	**-**	**-**	-	-	-	-	-
21	Loans and advances	24 203.30	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	90 601.93	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	60.83	-	-		-	-	-	-		-	-
24	**Households**	**1 916 797.98**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	708 667.02	14 828	-	-	-	-	14 828.47	-	-	-	-
26	of which building renovation loans	18 221.69	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	14 115.24	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**29 472.45**	-	**-**	**-**	**-**	**-**	-	-	-	-	-
29	Housing financing	**-**	-	**-**	**-**	**-**	**-**	-	-	-	-	-
30	Other local government financing	29 472.45	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**193.87**	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47-**	**-**	**-**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - Turnover based - continuation of previous table

Million HUF		T-1 publication reference date										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**											
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations											
35	Loans and advances											
36	of which loans collateralised by commercial immovable property											
37	of which building renovation loans											
38	Debt securities											
39	Equity instruments											
40	Non-EU country counterparties not subject to NFRD disclosure obligations											
41	Loans and advances											
42	Debt securities											
43	Equity instruments											
44	**Derivatives**											
45	**On demand interbank loans**											
46	**Cash and cash-related assets**											
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**											
48	**Total GAR assets**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**											
50	**Central governments and Supranational issuers**											
51	**Central banks exposure**											
52	**Trading book**											
53	**Total assets**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
Off-balance sheet exposures - A												
54	Financial guarantees	101 022.2	-	-	-	-	-	-	-	-	-	-
55	Assets under management	no data available	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX

	Million HUF	T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**4 674 616.93**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	**-**	**-**
2	**Financial undertakings**	**1 179 038.82**	**28 910.50**	**24.67**	**-**	**2.12**	**12.66**	**1.70**	**0.18**	**-**	**-**
3	Credit institutions	**673 969.71**	**28 910.50**	**24.67**	**-**	**2.12**	**12.66**	**1.70**	**0.18**	**-**	**-**
4	Loans and advances	137 282.91	184.03	-	-	1.11	6.81	0.26	0.18	-	-
5	Debt securities, including UoP	536 686.80	28 726.47	12.54	-	1.01	5.85	1.44	-	-	-
6	Equity instruments	-	-	12.12		-	-	-	-		-
7	Other financial corporations	**505 069.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	of which investment firms	**505 058.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	247 304.09	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	238 916.00	-	-	-	-	-	-	-	-	-
11	Equity instruments	18 838.42	-	-		-	-	-	-		-
12	of which management companies	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
13	Loans and advances	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-	-	-	-	-	-		-
16	of which insurance undertakings	**10.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
17	Loans and advances	0.14	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-
20	**Non-financial undertakings**	**837 836.99**	**52 580.17**	**35 163.61**	**10 240.57**	**1 475.97**	**18.81**	**-**	**-**	**-**	**-**
21	Loans and advances	637 599.09	25 669.87	13 186.88	10 240.57	-	-	-	-	-	-
22	Debt securities, including UoP	200 125.25	26 870.25	21 946.60	-	1 446.16	18.81	-	-	-	-
23	Equity instruments	112.65	40.05	30.13		29.81	-	-	-		-
24	**Households**	**2 624 600.52**	**32 091.01**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1 303 856.12	32 091.01	-	-	-	-	-	-	-	-
26	of which building renovation loans	18 076.36	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	7 779.30	-	-	-	-	-				
28	**Local governments financing**	**33 140.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	33 140.60	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	**193.87**	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4 674 810.80**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)			
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))			
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)		
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling
33	**Financial and Non-financial undertakings**	**2 493 937.98**									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	**2 490 197.42**									
35	Loans and advances	2 441 118.95									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3 740.56									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	-									
45	**On demand interbank loans**	-									
46	**Cash and cash-related assets**	99 917.70									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	595 759.22									
48	**Total GAR assets**	**7 864 425.70**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	**-**	**-**
49	**Assets not covered for GAR calculation**	4 867 173.76									
50	**Central governments and Supranational issuers**	3 969 316.24									
51	**Central banks exposure**	897 857.53									
52	**Trading book**	-									
53	**Total assets**	**12 731 599.47**	**113 581.67**	**35 188.28**	**10 240.57**	**1 478.09**	**31.47**	**1.70**	**0.18**	-	-
Off-balance sheet exposures – A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

	Million HUF	T Publication reference date - 31.12.2024.									
		Total gross carrying amount	Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator										
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**4 674 616.93**	**759.81**	**-**	**-**	**-**	**115 661.36**	**35 188.46**	**10 240.57**	**1 478.09**	**31.47**
2	**Financial undertakings**	**1 179 038.82**	**-**	**-**	**-**	**-**	**30 230.38**	**24.84**	**-**	**2.12**	**12.66**
3	Credit institutions	**673 969.71**	**-**	**-**	**-**	**-**	**30 230.38**	**24.84**	**-**	**2.12**	**12.66**
4	Loans and advances	137 282.91	-	-	-	-	**184.28**	**0.18**	**-**	**1.11**	**6.81**
5	Debt securities, including UoP	536 686.80	-	-	-	-	**30 046.09**	**12.54**	**-**	**1.01**	**5.85**
6	Equity instruments	-	-	-		-	**-**	**12.12**		**-**	**-**
7	Other financial corporations	**505 069.11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
8	of which investment firms	**505 058.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
9	Loans and advances	247 304.09	-	-	-	-	**-**	**-**	**-**	**-**	**-**
10	Debt securities, including UoP	238 916.00	-	-	-	-	**-**	**-**	**-**	**-**	**-**
11	Equity instruments	18 838.42	-	-		-	**-**	**-**		**-**	**-**
12	of which management companies	-	-	-	-	-	**-**	**-**	**-**	**-**	**-**
13	Loans and advances	-	-	-	-	-	**-**	**-**	**-**	**-**	**-**
14	Debt securities, including UoP	-	-	-	-	-	**-**	**-**	**-**	**-**	**-**
15	Equity instruments	-	-	-		-	**-**	**-**		**-**	**-**
16	of which insurance undertakings	**10.61**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
17	Loans and advances	0.14	-	-	-	-	**-**	**-**	**-**	**-**	**-**
18	Debt securities, including UoP	-		-	-	-	**-**	**-**	**-**	**-**	**-**
19	Equity instruments	10.47	-	-		-	**-**	**-**		**-**	**-**
20	**Non-financial undertakings**	**837 836.99**	**759.81**	**-**	**-**	**-**	**53 339.97**	**35 163.61**	**10 240.57**	**1 475.97**	**18.81**
21	Loans and advances	637 599.09	759.81	-	-	-	**25 669.87**	**13 186.88**	**10 240.57**	**-**	**-**
22	Debt securities, including UoP	200 125.25	-	-	-	-	**27 630.05**	**21 946.60**	**-**	**1 446.16**	**18.81**
23	Equity instruments	112.65	-	-		-	**40.05**	**30.13**		**29.81**	**-**
24	**Households**	**2 624 600.52**	-	-	-	-	**32 091.01**	**-**	**-**	**-**	**-**
25	of which loans collateralised by residential immovable property	1 303 856.12	-	-	-	-	**32 091.01**	**-**	**-**	**-**	**-**
26	of which building renovation loans	18 076.36	-	-	-	-	**-**	**-**	**-**	**-**	**-**
27	of which motor vehicle loans	7 779.30					**-**	**-**	**-**	**-**	**-**
28	**Local governments financing**	**33 140.60**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
29	Housing financing	-	-	-	-	-	**-**	**-**	**-**	**-**	**-**
30	Other local government financing	33 140.60	-	-	-	-	**-**	**-**	**-**	**-**	**-**
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	193.87	-	-	-	-	**-**	**-**	**-**	**-**	**-**
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**4 674 810.80**	**759.81**	**-**	**-**	**-**	**114 343.17**	**35 188.46**	**10 240.57**	**1 478.09**	**31.47**

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF			T Publication reference date - 31.12.2024.								
		Total gross carrying amount	Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))				Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**	2 493 937.98									
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	2 490 197.42									
35	Loans and advances	2 441 118.95									
36	of which loans collateralised by commercial immovable property										
37	of which building renovation loans										
38	Debt securities	47 736.47									
39	Equity instruments	1 342.00									
40	Non-EU country counterparties not subject to NFRD disclosure obligations	3 740.56									
41	Loans and advances	3 740.56									
42	Debt securities	-									
43	Equity instruments	-									
44	**Derivatives**	-									
45	**On demand interbank loans**	-									
46	**Cash and cash-related assets**	99 917.70									
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	595 759.22									
48	**Total GAR assets**	7 864 425.70	759.81	-	-	-	**114 343.17**	35 188.46	10 240.57	1 478.09	**31.47**
49	**Assets not covered for GAR calculation**	4 867 173.76									
50	**Central governments and Supranational issuers**	3 969 316.24									
51	**Central banks exposure**	897 857.53									
52	**Trading book**	-									
53	**Total assets**	**12 731 599.47**	**759.81**	**-**	**-**	**-**	**114 343.17**	**35 188.46**	**10 240.57**	**1 478.09**	**31.47**
Off-balance sheet exposures - A											
54	Financial guarantees	107 547.62	-	-	-	-	-	-	-	-	-
55	Assets under management	4 838 260.82	-	-	-	-	-	-	-	-	-
56	Of which debt securities	4 821 557.07	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	16 703.75	-	-	-	-	-	-	-	-	-

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		T-1 publication reference date - 31.12.2023.										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	**3 185 300.50**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
2	**Financial undertakings**	**1 124 164.00**	-	-	-	-	-	-	-	-	-	-
3	Credit institutions	**639 619.97**	-	-	-	-	-	-	-	-	-	-
4	Loans and advances	116 865.35	-	-	-	-	-	-	-	-	-	-
5	Debt securities, including UoP	522 754.62	-	-	-	-	-	-	-	-	-	-
6	Equity instruments	-	-	-				-	-		-	-
7	Other financial corporations	**484 544.03**	-	-	-	-	-	-	-	-	-	-
8	of which investment firms	**484 533.56**	-	-	-	-	-	-	-	-	-	-
9	Loans and advances	230 555.16	-	-	-	-	-	-	-	-	-	-
10	Debt securities, including UoP	251 015.52	-	-	-	-	-	-	-	-	-	-
11	Equity instruments	2 962.88	-	-		-	-	-	-		-	-
12	of which management companies	-	-	-	-	-	-	-	-	-	-	-
13	Loans and advances	-	-	-	-	-	-	-	-	-	-	-
14	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
15	Equity instruments	-	-	-		-	-	-	-	-	-	-
16	of which insurance undertakings	**10.47**	-	-	-	-	-	-	-	-	-	-
17	Loans and advances	0.00	-	-	-	-	-	-	-	-	-	-
18	Debt securities, including UoP	-	-	-	-	-	-	-	-	-	-	-
19	Equity instruments	10.47	-	-		-	-	-	-		-	-
20	**Non-financial undertakings**	**114 866.07**	-	-	-	-	-	-	-	-	-	-
21	Loans and advances	24 203.30	-	-	-	-	-	-	-	-	-	-
22	Debt securities, including UoP	90 601.93	-	-	-	-	-	-	-	-	-	-
23	Equity instruments	60.83	-	-		-	-	-	-		-	-
24	**Households**	**1 916 797.98**	**14 828.47**	**-**	-	-	-	**14 828.47**	-	-	-	-
25	of which loans collateralised by residential immovable property	708 667.02	14 828.47	-	-	-	-	14 828.47	-	-	-	-
26	of which building renovation loans	18 221.69	-	-	-	-	-	-	-	-	-	-
27	of which motor vehicle loans	14 115.24	-	-	-	-	-	-	-	-	-	-
28	**Local governments financing**	**29 472.45**	-	-	-	-	-	-	-	-	-	-
29	Housing financing	-	-	-	-	-	-	-	-	-	-	-
30	Other local government financing	29 472.45	-	-	-	-	-	-	-	-	-	-
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	193.87	-	-	-	-	-	-	-	-	-	-
32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	**3 185 494.37**	**14 828.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**

Table 1 - Assets taken into account for the calculation of the GAR - CAPEX - continuation of previous table

Million HUF		T-1 publication reference date - 31.12.2023.										
		Total gross carrying amount	Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible))					Of which towards taxonomy relevant sectors (Taxonomy-eligible))				
				Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
33	**Financial and Non-financial undertakings**											
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations											
35	Loans and advances											
36	of which loans collateralised by commercial immovable property											
37	of which building renovation loans											
38	Debt securities											
39	Equity instruments											
40	Non-EU country counterparties not subject to NFRD disclosure obligations											
41	Loans and advances											
42	Debt securities											
43	Equity instruments											
44	**Derivatives**											
45	**On demand interbank loans**											
46	**Cash and cash-related assets**											
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**											
48	**Total GAR assets**	**3 185 494.37**	**14 282.47**	**-**	**-**	**-**	**-**	**14 828.47**	**-**	**-**	**-**	**-**
49	**Assets not covered for GAR calculation**											-
50	**Central governments and Supranational issuers**											-
51	**Central banks exposure**											-
52	**Trading book**											
53	**Total assets**	**3 185 494.37**	**14 282.47**					**14 828.47**				
Off-balance sheet exposures - A		**Off-balance sheet exposures - A**										
54	Financial guarantees	101 220.2	-	-	-	-	-	-	-	-	-	-
55	Assets under management	no data available	-	-	-	-	-	-	-	-	-	-
56	Of which debt securities	-	-	-	-	-	-	-	-	-	-	-
57	Of which equity instruments	-	-	-	-	-	-	-	-	-	-	-

The KPI data in the tables are reported on the basis of revenue and CAPEX data.

Table 2 - GAR - Sector information – Turnover based

c	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CE)	Million HUF	Of which environmentally sustainable (CE))	Million HUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	MillionHUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Kőolaj-feldolgozás	18807.10	30.09							18 807.10	30.09		
2	3513 - Villamosenergia-elosztás	45312.28	10 240.58							45 312.28	10 240.58		
3	3514 - Villamosenergia-kereskedelem	710.18	48.29			710.18	2.13			710.18	50.42		
4	3523 - Gázkereskedelem	1.79	0.39							1.79	0.39		
5	6110 -Vezetékes távközlés	9117.39	9.12							9 117.39	9.12		
6	6420 - Vagyonkezelés (holding)	54288.80	12 172.49							54 288.80	12 172.49		

Table 2 - GAR - Sector information – CAPEX

	Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CCM)	Million HUF	Of which environmentally sustainable (CE)	Million HUF	Of which environmentally sustainable (CE))	Million HUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Million HUF	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
1	1920 - Kőolaj-feldolgozás	18807.10	1 623.05							18 807.10	1 623.05		
2	3513 - Villamosenergia-elosztás	45312.28	13 185.87							45 312.28	13 185.87		
3	3514 - Villamosenergia-kereskedelem	710.18	216.60							710.18	216.60		
4	3523 - Gázkereskedelem	1.79	1.00							1.79	1.00		
6	6420 - Vagyonkezelés (holding)	54288.80	20 137.08							54 288.80	20 137.08		

The KPI data in the tables are reported on the basis of revenue and CAPEX data and the NACE code classification of the partner.

Table 3 - GAR KPI stock - CAPEX

	% (compared to total covered assets in the denominator)	T Publication reference date - 31.12.2024.														
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total assets covered
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	2.43%	0.75%	0.22%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	2.45%	0.75%	0.22%	0.03%	0.00%	2.45%
2	**Financial undertakings**	2.45%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.45%	0.00%	0.00%	0.00%	0.00%	2.45%
3	Credit institutions	4.29%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.29%	0.00%	0.00%	0.00%	0.00%	4.29%
4	Loans and advances	0.13%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.13%	0.01%	0.00%	0.00%	0.00%	0.13%
5	Debt securities, including UoP	5.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.35%	0.00%	0.00%	0.00%	0.00%	5.35%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	6.28%	4.20%	1.22%	0.18%	0.00%	0.00%	0.00%	0.00%	0.00%	6.37%	4.20%	1.22%	0.18%	0.00%	6.37%
21	Loans and advances	4.03%	2.07%	1.61%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.03%	2.07%	1.61%	0.00%	0.00%	4.03%
22	Debt securities, including UoP	13.43%	10.97%		0.72%	0.01%	0.00%	0.00%	0.00%	0.00%	13.81%	10.97%		0.72%	0.01%	13.81%
23	Equity instruments	35.56%	26.75%	0.00%	26.47%	0.00%	0.00%	0.00%	0.00%	0.00%	35.56%	26.75%	0.00%	26.47%	0.00%	35.56%
24	**Households**	1.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.22%	0.00%	0.00%	0.00%	0.00%	1.22%
25	of which loans collateralised by residential immovable property	2.46%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.46%	0.00%	0.00%	0.00%	0.00%	2.46%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%										0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**															
32	**Total GAR assets**	1.44%	0.45%	0.13%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%	1.45%	0.45%	0.13%	0.02%	0.00%	1.45%

Table 3 - GAR KPI stock - CAPEX - continued

	% (compared to total covered assets in the denominator)	T-1 publication reference date -31.12.2023.										
		Climate Change Mitigation (CCM)					TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Proportion of total assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	0.47%	0.00%	0.00%	0.00%	0.00%	0.47%	0.00%	0.00%	0.00%	0.00%	25.02%
2	**Financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	8.83%
3	Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.02%
4	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.92%
5	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.11%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.81%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.81%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.81%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.97%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.02%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.90%
21	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.19%
22	Debt securities, including UoP	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.71%
23	Equity instruments	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
24	**Households**	0.77%	0.00%	0.00%	0.00%	0.00%	0.77%	0.00%	0.00%	0.00%	0.00%	15.06%
25	of which loans collateralised by residential immovable property	2.09%	0.00%	0.00%	0.00%	0.00%	2.09%	0.00%	0.00%	0.00%	0.00%	5.57%
26	of which building renovation loans	0.00%					0.00%	0.00%	0.00%	0.00%	0.00%	0.14%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.11%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.23%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**											
32	**Total GAR assets**	0.47%	0.00%	0.00%	0.00%	0.00%	0.47%	0.00%	0.00%	0.00%	0.00%	25.02%

The figures in the tables are pro-rated to take account of turnover and CAPEX data.

Table 4 GAR KPIs flow - Turnover

	% (compared to flow of total eligible assets)	T Publication reference date -31.12.2024.														
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					Percentage of total new assets covered
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	7.63%	1.52%	0.69%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	7.65%	1.52%	0.69%	0.00%	0.00%	31.83%
2	**Financial undertakings**	54.03%	0.16%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	54.03%	0.17%	0.00%	0.00%	0.01%	1.17%
3	Credit institutions	86.31%	0.26%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	86.32%	0.27%	0.00%	0.00%	0.02%	0.73%
4	Loans and advances	0.88%	0.02%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.88%	0.02%	0.00%	0.00%	0.01%	0.44%
5	Debt securities, including UoP	211.52%	0.62%	0.00%	0.01%	0.04%	0.01%	0.00%	0.00%	0.00%	211.54%	0.62%	0.00%	0.01%	0.04%	0.30%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.26%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.34%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	9.22%	3.11%	1.42%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	9.26%	3.11%	1.42%	0.01%	0.00%	15.45%
21	Loans and advances	4.30%	1.67%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.30%	1.67%	1.67%	0.00%	0.00%	13.11%
22	Debt securities, including UoP	36.77%	11.19%		0.04%	0.01%	0.00%	0.00%		0.00%	37.04%	11.19%		0.04%	0.01%	2.34%
23	Equity instruments	42.08%	13.20%	0.00%	8.33%	4.54%	0.00%	0.00%	0.00%	0.00%	47.38%	13.77%	0.00%	8.33%	4.54%	0.00%
24	**Households**	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.44%	0.00%	0.00%	0.00%	0.00%	15.13%
25	of which loans collateralised by residential immovable property	2.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	0.00%	0.00%	0.00%	0.00%	12.72%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%										0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.14%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.43%	0.48%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.43%	0.48%	0.22%	0.00%	0.00%	68.08%

Table 4 GAR KPIs flow - CAPEX

	% (compared to flow of total eligible assets)	T Publication reference date 31.12.2024.														
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Percentage of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator		Of which Use of Proceeds	Of which transitional	Of which enabling											
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	6.63%	2.36%	0.69%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%	6.68%	2.36%	0.69%	0.10%	0.00%	31.83%
2	**Financial undertakings**	52.68%	0.04%	0.00%	0.00%	0.02%	0.00%	0.00%	0.00%	0.00%	52.69%	0.05%	0.00%	0.00%	0.02%	1.17%
3	Credit institutions	84.17%	0.07%	0.00%	0.01%	0.04%	0.00%	0.00%	0.00%	0.00%	84.17%	0.07%	0.00%	0.01%	0.04%	0.73%
4	Loans and advances	0.90%	0.06%	0.00%	0.01%	0.03%	0.00%	0.00%	0.00%	0.00%	0.90%	0.06%	0.00%	0.01%	0.03%	0.44%
5	Debt securities, including UoP	206.19%	0.09%	0.00%	0.01%	0.04%	0.01%	0.00%	0.00%	0.00%	206.20%	0.09%	0.00%	0.01%	0.04%	0.30%
6	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
7	Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
8	of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.44%
9	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.36%
10	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.26%
11	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.34%
12	of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
15	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
16	of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
17	Loans and advances	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
18	Debt securities, including UoP	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
19	Equity instruments	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%		0.00%	0.00%	0.00%		0.00%	0.00%	0.00%
20	**Non-financial undertakings**	7.27%	4.86%	1.42%	0.20%	0.00%	0.00%	0.00%	0.00%	0.00%	7.38%	4.86%	1.42%	0.20%	0.00%	15.45%
21	Loans and advances	4.18%	2.15%	1.67%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	4.18%	2.15%	1.67%	0.00%	0.00%	13.11%
22	Debt securities, including UoP	24.53%	20.04%		1.32%	0.02%	0.00%	0.00%		0.00%	25.23%	20.04%		1.32%	0.02%	2.34%
23	Equity instruments	77.30%	58.15%	0.00%	57.54%	0.00%	0.00%	0.00%	0.00%	0.00%	77.30%	58.15%	0.00%	57.54%	0.00%	0.00%
24	**Households**	2.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.44%	0.00%	0.00%	0.00%	0.00%	15.13%
25	of which loans collateralised by residential immovable property	2.90%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2.90%	0.00%	0.00%	0.00%	0.00%	12.72%
26	of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%										0.00%
27	of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-0.14%
28	**Local governments financing**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
29	Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
30	Other local government financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.08%
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
32	**Total GAR assets**	2.11%	0.75%	0.22%	0.03%	0.00%	0.00%	0.00%	0.00%	0.00%	2.13%	0.75%	0.22%	0.03%	0.00%	68.08%

The data in the tables are reported on the basis of turnover and CAPEX data.

Table 5 KPI off-balance sheet exposures - Turnover

	% (compared to total eligible off-balance sheet assets)	T disclosure reference - 31.12.2024.																	
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Table 5 KPI off-balance sheet exposures - CAPEX

	% (compared to total eligible off-balance sheet assets)	T disclosure reference - 31.12.2024.																	
		Climate Change Mitigation (CCM)					Climate Change Adaption (CCA)				Circular economy (CE)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			of which use of revenue	of which changeover	of which enabling
1	Financial guarantees (FinGuar KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
2	Assets under management (AuM KPI)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which debt securities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	of which capital assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

The Bank has published this table on the basis of turnover and CAPEX.

The tables 1 to 5 to be published in Annex XII to Decree 2021/2178 are described below.

The Bank makes the following disclosures under Article 8(6) to (7) of Regulation 2021/2178, which we have prepared on the basis of the data published and taken into account by the stakeholders:

Table 1: Activities related to nuclear energy and fossil gases

Line	Activities related to nuclear energy	
1	The undertaking carries out, finances or has exposure to research, development, demonstration and practical implementation activities for innovative electricity generation facilities that produce energy from nuclear processes and in which a minimum amount of waste is generated in the nuclear fuel cycle.	YES
2	The undertaking carries out, finances or has exposures to the construction and safe operation of new nuclear installations using best available technologies or the upgrading of such installations from a safety point of view, for the purpose of generating electricity or process heat, including district heating and energy production for industrial processes such as hydrogen production.	YES
3	The undertaking carries out, finances or has exposures to the construction and safe operation of existing nuclear installations or the safety-related upgrading of such installations for the purpose of generating electricity or process heat from nuclear energy, including district heating and power generation for industrial processes such as hydrogen production.	YES
Line	**Activities related to fossil gases**	
4	The undertaking carries out, finances or has exposure to the construction or operation of electricity generating installations which produce electricity from fossil gaseous fuels.	YES
5	The undertaking carries out, finances or has exposures to the construction, conversion and operation of combined heat and power and cooling and electricity generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, finances or has exposure to the construction, conversion or operation of heat generating installations which produce heating or cooling energy from fossil gaseous fuels.	YES

Qualitative disclosure to disclose whether the Bank has exposure to nuclear and/or fossil gas activities.

Table 2: Taxonomy-adjusted economic activities (denominator)

Line	Economic activity (AB)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	**Sum and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI**	128 238	100%	128 238	100%	0	0%
8	**The total applicable KPI**	128 238	100%	128 238	100%	0	0%

Line	Economic activity (CAPEX)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the denominator of the applicable KPI, as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	**Sum and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI**	119 120	100%	119 120	100%	0	0%
8	**The total applicable KPI**	119 120	100%	119 120	100%	0	0%

Examination of "taxonomy-adjusted lending" for nuclear, fossil-based gas and other activities relative to total taxonomy-adjusted covered assets (denominator). The Bank has published this table on a revenue and CAPEX basis.

Table 3: Economic activities adapted to taxonomy (numerator)

Line	Economic activity (AB)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the numerator of the applicable KPI	22 500	18%	22 500	18%	0	0%
8	Total amount and share of taxonomy-adjusted economic activities in the numerator of the applicable KPI	22 500	18%	22 500	18%	0	0%

Line	Economic activity (CAPEX)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of the taxonomy-adjusted economic activity in the numerator of the applicable KPI as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjusted economic activities not mentioned in rows 1 to 6 in the numerator of the applicable KPI	35 163	29%	35 163	29%	0	0%
8	Total amount and share of taxonomy-adjusted economic activities in the numerator of the applicable KPI	35 163	29%	35 163	29%	0	0%

Examination of "taxonomy-adjusted" lending for nuclear, fossil-based gas and other activities relative to the total taxonomy-adjusted covered assets (numerator). The Bank has published this table on a revenue and CAPEX basis.

Table 4: Economic activities that are taxonomy-adjustable but not taxonomy-adjustable

Line	Economic activity (AB)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjustable but non-taxonomy-adjustable economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI	71 603	36%	71 603	36%	0	0%
8	Total amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activities in the denominator of the applicable KPI	71 603	36%	71 603	36%	0	0%

Line	Economic activity (CAPEX)	Amount and percentage (information to be provided in monetary amount and percentage)					
		CCM + CCA		Climate Change Mitigation (CCM)		Climate Change Adaption (CCA)	
		Total	%	Total	%	Total	%
1	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
2	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
3	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
4	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
5	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
6	Amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activity in the denominator of the applicable KPI as set out in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%	0	0%	0	0%
7	Amount and share of other taxonomy-adjustable but non-taxonomy-adjustable economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI	31 771	16%	31 771	16%	0	0%
8	Total amount and share of taxonomy-adjustable but non-taxonomy-adjustable economic activities in the denominator of the applicable KPI	31 771	16%	31 771	16%	0	0%

Examination of 'taxonomy-adjustable but not taxonomy-adjustable' lending in relation to the taxonomy-adjustable covered assets for nuclear, fossil-based gas and other activities covered in the full report. The Bank has published this table on a revenue and CAPEX basis.

Table 5: Economic activities not adaptable to taxonomy

Line	Economic activity	Total	Percentage
1	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 1 of Table 1 but not adaptable to taxonomy according to Section 4.26 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
2	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 2 of Table 1, but which cannot be adjusted to a taxonomy according to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139	0	0%
3	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 3 of Table 1, but which cannot be adjusted to taxonomy according to Section 4.28 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
4	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 4 of Table 1, but which cannot be adjusted to taxonomy according to Section 4.29 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
5	Amount and share of economic activity in the denominator of the applicable KPI defined in row 5 of Table 1, but which cannot be adjusted to taxonomy according to Section 4.30 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
6	Amount and share of economic activity in the denominator of the applicable KPI, as defined in row 6 of Table 1, but which cannot be adjusted to a taxonomy according to Section 4.31 of Annexes I and II of Delegated Regulation (EU) 2021/2139	0	0%
7	**Amount and share of other non-taxonomic economic activities not mentioned in rows 1 to 6 in the denominator of the applicable KPI**	637 996	76%
8	**Total amount and share of non-taxonomy-adjustable economic activities in the denominator of the applicable KPI**	637 996	76%

Examination of "non-taxonomy-adjustable" lending for nuclear, fossil gas and other activities as a percentage of total reporting obligated counterparty assets.

5.1.2 Disclosure under the Taxonomy Regulation for asset managers

The information to be published by asset managers in Annex IV of Regulation 2021/2178 is set out below.

MBH Bank Plc. publishes its group level report on the basis of its prudential consolidation scope defined in accordance with Section 2 of Chapter 2 of Title II of Regulation (EU) No 575/2013, and therefore this reporting is done at the subsidiary level. Reference date for the reporting: 31.12.2024.

The KPI considered covers the equity and bond assets in the consolidated funds and portfolios managed by the Fund Manager, and does not include collective investment schemes that may represent a significant proportion of the portfolios, due to the lack of available data.

Narrowing the coverage, the reporting obligation under Articles 19a and 29a of Directive 2013/34/EU covers only a limited number of target companies receiving the Manager's investments, so for a significant part of the investments the Manager does not have usable data. Furthermore, the background data supporting the qualitative metrics, including the range of assets and activities covered by the KPIs and the necessary data sources were limited.

Exposures to central governments, central banks and supranational issuers, including derivatives, are also excluded in the calculation of the numerator and denominator of the KPI.

The definition of the KPI is based on the following elements:

a) the numerator, which includes debt securities, equity instruments, underlying assets, based on the taxonomy of economic activities according to the taxonomy of the turnover and CAPEX KPIs of the investee;

b) the total holdings of the denominator, taking into account any exclusions, of the following three underlying shares or bonds included in the scope of consolidation.

Fund name
MBH Vállalati Stabil Abszolút Hozamú Kötvény Befektetési Alap (MBH Corporate Stable Absolute Return Bond Investment)
MKB Ingatlan Befektetési Alap (MKB Real Estate Investment Fund)
MBH High-Risk Származtatott Részvény Befektetési Alap (MBH High-Risk Derivative Equity Investment Fund)

Single disclosure table for Article 8 of Regulation (EU) 2020/852 (asset managers)

The weighted average value of the total of financial investments and investments related to taxonomy-adjusted economic activities **in relation to the value of total assets covered by the KPI**, with the following weights for investments in the following enterprises: Turnover-based: 1.32% CAPEX-based: 1.70%	The weighted average value of the total of investments for financing purposes and investments related to taxonomy-adjusted economic activities, with the following weights for investments in the following enterprises: Turnover-based: HUF 3 857 163 228 CAPEX-based: HUF 4 966 524 333
The percentage of assets covered by the KPI as a percentage of total investments (assets under management). Excluding investments related to sovereign entities, coverage ratio: 0.009 %	The monetary value of the assets covered by the KPI. Excluding investments related to sovereign entities. Coverage: 995 794 350 Ft
Further, additional disclosures: breakdown of **the denominator of the** KPI	
Derivatives as a percentage of total assets covered by the KPI 0 %	The monetary value of derivatives: - Ft
Exposures to EU financial and non-financial corporates not covered by Articles 19a and 29a of Directive 2013/34/EU as a percentage of total assets covered by the KPI: For non-financial businesses: 0% For financial companies: 0%	Value of **exposures to EU financial and non-financial corporates not covered by Articles 19a and 29a of Directive 2013/34/EU**: For non-financial enterprises: - Ft For financial companies: - Ft

<table>
<tr><td colspan="2">Exposures to financial and non-financial non-EU entities not covered by Articles 19a and 29a of Directive 2013/34/EU as a percentage of total assets covered by the KPI:

For non-financial businesses: 0%

For financial companies: 0%</td><td>Value of exposures to financial and non-financial non-EU entities not covered by Articles 19a and 29a of Directive 2013/34/EU:

For non-financial enterprises: - Ft

For financial companies: - Ft</td></tr>
<tr><td colspan="2">Exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU as a percentage of total assets covered by the KPI:

For non-financial businesses: 8%

For financial companies: 22%</td><td>Value of exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU:

For non-financial undertakings: HUF 12 566 774 628

For financial undertakings: HUF 4 500 319 301</td></tr>
<tr><td colspan="2">Exposures to other counterparties and assets as a percentage of total assets covered by the KPI:</td><td>Exposures to other counterparties and assets: - Ft</td></tr>
<tr><td colspan="2">Value of total investments financing economic activities not adaptable to taxonomy in the value of total assets covered by the KPI: 83%</td><td>Total investments financing economic activities not adaptable to taxonomy: HUF 14 241 823 420</td></tr>
<tr><td colspan="2">Value of total investments financing taxonomy-adjustable but non-taxonomy-adjustable economic activities as a share of total assets covered by the KPI: 11%</td><td>Total value of investments financing taxonomy-adjustable but non-taxonomy-adjustable economic activities: HUF 1 829 476 159</td></tr>
<tr><td colspan="3">Further, additional disclosures: breakdown of the KPI numerator</td></tr>
<tr><td colspan="2">Proportion of taxonomy-adjusted exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU in the total assets covered by the KPI:

For non-financial businesses:

Turnover-based: 100%

Capital expenditure-based: 100%

For financial businesses

Turnover-based: %

Capital expenditure-based: %</td><td>Value of taxonomy-adjusted exposures to financial and non-financial corporates covered by Articles 19a and 29a of Directive 2013/34/EU:

For non-financial businesses:

Turnover-based: HUF 225 049 523

Capital expenditure-based: HUF 289 776 156

For financial businesses:

Revenue-based: [amount of money]

Capital expenditure-based: [amount of money]</td></tr>
<tr><td colspan="2">Taxonomy-adjusted exposures to other counterparties and assets as a proportion of total assets covered by the KPI:
Turnover-based: 0%
Capital loss-based: 0%</td><td>Value of taxonomy-adjusted exposures to other counterparties and assets:
Revenue-based: -
Capital expenditure-based: -</td></tr>
<tr><td colspan="3">Breakdown of the KPI counter by environmental objectives</td></tr>
<tr><td colspan="3">Activities adapted to taxonomy:</td></tr>
<tr><td>1. Climate change mitigation</td><td>Turnover: 22,6 %
CAPEX: 29.1%</td><td>Transitional activities: A% (Turnover; CAPEX)
Enabling activities: B% (Turnover; CAPEX)</td></tr>
<tr><td>2. Climate change adaption</td><td>Turnover: 0%
CAPEX: 0%</td><td>Enabling activities: B% (Turnover; CAPEX)</td></tr>
<tr><td>3. Sustainable use and protection of aquatic and marine resources</td><td>Turnover: 0%
CAPEX: 0%</td><td>Enabling activities: B% (Turnover; CAPEX)</td></tr>
<tr><td>4. The transition to a circular economy</td><td>Turnover: 0%
CAPEX: 0%</td><td>Enabling activities: B% (Turnover; CAPEX)</td></tr>
<tr><td>5. Pollution prevention and reduction</td><td>Turnover: 0%
CAPEX: 0%</td><td>Enabling activities: B% (Turnover; CAPEX)</td></tr>
<tr><td>6. Protecting and restoring biodiversity and ecosystems</td><td>Turnover: 0%
CAPEX: 0%</td><td>Enabling activities: B% (Turnover; CAPEX)</td></tr>
</table>

5.1.3 Disclosure under the Taxonomy Regulation for investment firms

The information to be disclosed by investment firms, as published in Annex VIII to Regulation 2021/2178, is set out below.

MBH Bank Plc. publishes its group level report on the basis of its prudential consolidation scope defined in accordance with Section 2 of Chapter 2 of Title II of Regulation (EU) No 575/2013, and therefore this reporting is done at the subsidiary level. Reference date for the reporting: 31.12.2024.

Background information supporting the quality metrics, including the range of instruments and activities covered by the KPIs, information on data sources and limitations.

The KPI considered covers a portion of the equity and bond assets in the portfolio managed by MBH Investment Bank. The Bank's current record keeping logic does not allow for detailed income data from the portfolios, and due to a lack of data and information, data on total collective investment schemes and investments in government securities are not yet complete. The audit of securities has not been complete this year, with the securities included in the audit weighted according to CAPEX and revenue KPIs provided by the issuer.

Annex VIII - 0. Summary of key performance metrics to be disclosed by investment firms under Article 8 of the Taxonomy Regulation

		Total environmentally sustainable assets	KPI***	KPI****	% coverage (of total assets)
Main KPI (for own account trading)	Green asset ratio	64 631.78	0.01%	0.01%	1.34%
		Total revenue from environmentally sustainable services and activities	KPI	KPI	% coverage (of total revenue)
Key KPI (for services and activities other than trading on own account)	Revenue KPI*	-			

Annex VIII - Explanatory notes to Table 0

* fees, commissions and other cash benefits)
** Assets covered by KPI as a percentage of total assets
***based on the partner's turnover KPI
**** is based on the contractor's CapEx KPI.

KPI 1 IF - Sales of own-account services - Turnover

		Total (million HUF)	of which amount covered by KPI (HUF million)	Climate Change Mitigation (CCM)				Circular economy (CE)			TOTAL (CCM + CCA+WTR+CE+PPC+BIO)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
						of which transitional (%)	of which s enabling (%)			of which s enabling (%)			of which transitional (%)	of which s enabling (%)
1	**Total assets invested by investment firms in the context of their own account trading activity (as defined in Section A of Annex I to Directive 2014/65/EU)**	4 836 030.24												
2	Of which: on own behalf	146 608.86	42.94	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
3	Of which: on behalf of customers	4 689 421.38	64 588.84	1.02%	0.32%	0.02%	0.01%	1.39%	0.00%	0.00%	2.41%	0.32%	0.02%	0.01%

KPI IF 1 - Trading of own-account services - CAPEX

	Total (million HUF)	of which amount covered by KPI (HUF million)	Climate Change Mitigation (CCM)				Circular economy (CE)			TOTAL (CCM + CCA+WTR+CE+PPC+BIO)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
					of which transitional (%)	of which enabling (%)			of which enabling (%)			of which transitional (%)	of which enabling (%)
Total assets invested by investment firms in the context of their own account trading activity (as defined in Section A of Annex I to Directive 2014/65/EU)	4 836 030.24												
Of which: on own behalf	146 608.86	39.81	0.02%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%	0.00%	0.00%
Of which: on behalf of customers	4 689 421.38	68 309.37	0.80%	0.51%	0.14%	0.00%	0.49%	0.00%	0.00%	1.30%	0.51%	0.14%	0.00%

KPI IF 1 - Trading of own account services

	Total (million HUF)	of which amount covered by KPI (HUF million)	Climate Change Mitigation (CCM)				Climate Change Adaption (CCA)			TOTAL (CCM + CCA+WTR+CE+PPC+BIO)			
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
					of which transitional (%)	of which s enabling (%)			of which s enabling (%)			of which transitional (%)	of which s enabling (%)
Revenue from activities other than trading on own account (e.g. fees, commissions and other monetary benefits) (as defined in Annex I, Section A of Directive 2014/65/EU)	24 547.19	64 588.84	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Recording and transmission of an order for a financial instrument	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Execute orders on behalf of the client	132.10	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Portfolio management	24 415.09	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investment advice	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Subscription and/or placement of a financial instrument on a firm commitment basis	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Subscription and/or placement of a financial instrument without a firm commitment	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operating multilateral trading systems	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Operation of organised trading systems	-	-	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

In the MBH Investment Bank Plc's records, the assets covered by the Taxonomy KPIs related to the activities cannot currently be further broken down into the revenue lines defined in the table, so the data were only provided on the basis of the general ledger records for the existing rows.

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5.2. Sustainable portfolio and fundraising

Material topic	**Sustainable portfolio and fundraising**	
Standard used	**SASB FN-CB-410**	
Presentation	The chapter describes the growth of MBH Bank's green product range, including the Green Recommendation of the Hungarian National Bank. It also describes the Green Lending and Green Bond Framework established by the Bank and how the Bank integrates ESG considerations into its risk management processes to achieve sustainability targets.	
Sustainable Development Goals (UN SDGs) supported	8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	By creating a sustainable portfolio, the Bank can diversify its product offering and differentiate its market position, thereby gaining a competitive advantage and attracting customers and investors who are looking for responsible financial services.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy • Putting sustainability guidelines into practice • Green Lending Framework, Green Bond Framework [17]
	Priority actions	• Green Bond Framework • Sustainable product development (Green Home Programme, ECO soft loans) • Access to corporate loan schemes (KAVOSZ, Exim, MFB) • Joining the Garantiqa InvestEU guarantee scheme • Obtaining ESG certifications
	Metrics	• Number of customers reached with green products and annual growth (number, %) • Number of green products introduced last year, total value (units, HUF bn) • Increase the share of green corporate portfolio in corporate debt (pcs/%) • ESG ratings
	Targets	• Increase the credit share (to 5%) contributing to climate change mitigation and transition processes, but not aligned with Taxonomy • Social bond issue by 2028 at the latest • Continuous improvement of ESG ratings

[17] The Green Lending and Bond Framework does not currently operate at the corporate policy level, but these documents set out how IROs related to the Bank's material issues are managed.

Increasing the green product range

MBH Bank's activities are subject to both the European Union and Hungarian legislation, so the Bank has paid particular attention to the application of the EU Taxonomy when formulating its ESG strategy. At the same time, it has also taken into account the Green Recommendation of the Hungarian National Bank, which provides guidance for the development of sustainable banking practices and reporting. The Bank has accordingly acted in line with international standards in establishing its own Green Lending and Bond Framework, in line with market expectations and regulations governing the selection and evaluation of projects, the management of resources and the preparation of reports.

The Bank not only focuses on regulatory compliance, but also pursues a number of other initiatives to support sustainability and the green economy: we have joined the Green Szechenyi, MFB Corporate Energy Efficiency and Eximbank Baross Gábor Re-industrialisation Investment Loan Programmes, which provide broad support for green investments and promote an environmentally conscious economic transition.

In addition to the Taxonomy Statements presented in chapter 5.1, the data reported in the CRR disclosures are an important measure of our green lending activity. These include other sustainable financing actions not covered by the Taxonomy Regulation, which are detailed in the published Table 10[18] . This table includes exposures that do not qualify as taxonomy aligned items but contribute to climate change mitigation and transition processes. Examples include renewable energy, sustainable transport infrastructure, sustainable real estate and financing green innovations in agriculture. The Bank will support the transition to a low-carbon and sustainable economy by supporting these areas. According to this classification, MBH Bank's green loans amounted to HUF 223.5 billion in 2024, representing a green loan ratio of 3.49% of the Bank's total loan portfolio.

Increasing the share of green assets

In order to promote environmentally conscious investments and support the green economy, MBH Bank created its own Green Bond Framework last year. This framework allows MBH Bank to support the financing and refinancing of sustainable real estate, sustainable transport, renewable energy and sustainable agricultural investments through the issuance of green bonds. Established in 2023, the Framework aims to align the Bank's financing activities with the Sustainable Development Goals. By establishing the Framework, the Bank is committed to supporting projects that contribute to environmental sustainability and social well-being. By issuing Green Bonds under the Framework, we assure our clients that their financial resources are being used to finance projects that have a positive environmental impact.

In 2025, we will review our Green Bond Framework to bring it in line with the new EU bond regime and to include new funding targets. This move will ensure that our framework remains up to date and that we can make the most of the opportunities offered by green financing. The Bank aims to issue its first green bond in 2025. This will be a significant milestone in the Bank's history and will demonstrate our commitment to sustainable financing. A successful issue will further strengthen the Bank's market position and contribute to the development of the green economy.

The Bank's long-term strategy also includes the launch of a social bond, which we aim to implement by 2028 at the latest. These bonds are specifically aimed at financing social projects such as education, health or housing. By issuing a social bond, the Bank can further expand its sustainable financing portfolio and contribute to increasing social welfare.

[18] Disclosure (under CRR and Credit Institutions Act)

The establishment of the Green Bond Framework and the planning of future issuances are key steps in the Bank's sustainable development strategy. The continuous development of the framework and its adaption to market needs will allow us to facilitate the financing of green and social projects.

The Bank is committed to continuously improving its ESG performance and aims to maintain and further improve its ESG ratings. These steps not only strengthen the Bank's sustainability profile, but also contribute to the overall development of the financial sector.

Our 'B+' LSEG (formerly Refinitiv) rating in 2023 was a significant recognition for the Bank, reflecting our progress on ESG criteria. Our LSEG rating for 2024 was upgraded to 'B'. We retained our 'C' rating for 2024 from the environment-focused CDP rating we obtained in 2023. Another important milestone in 2024 was the acquisition of the MSCI ESG rating. The rating assesses the management of ESG risks and opportunities relative to its industry peers and placed MBH Bank in a "(p)A"[19] category. MBH Bank's long term goal is to obtain and continuously improve further ESG ratings. This ambition shows that the Bank is not only striving to maintain its current results, but also to continuously improve and expand its ESG performance. To this end, we are paying increased attention to our climate change strategy, reducing our emissions and managing climate risks. ESG ratings are not only a sign of progress in the Bank's ESG performance, but also a positive signal for our investors and customers.

Sustainable product development

In order to reduce the environmental footprint of the activities financed, the Bank has developed green loan schemes and online loan products that support the sustainability targets of its retail and corporate customers. The “greening” of financial products is now an expectation, and at MBH we have launched a number of initiatives in this area.

The introduction of the Green Bond Framework was a key step in aligning MBH Bank's financing strategy and sustainability commitments. The Framework provides an opportunity to communicate with investors and market participants and contributes to the diversification of green financing instruments.

MBH Bank aims to be a leader in corporate green lending, particularly in the areas of renewable energy production and green bond purchasing. The Bank's green bond portfolio exceeded HUF 101.2 billion by the end of 2024. The Bank also aims to increase the share of green lending, and experience has shown that clients with ESG considerations have lower credit risk. Corporate lending products include renewable energy lending, green real estate development support, paperless account management and other green corporate products.

The bank also offers a number of sustainability products and initiatives for retail customers, such as the Growth Loan Programme, Green Home Programme or ECO preferential home loans. The Bank's aim is to familiarise retail customers with green products and support them in creating a sustainable home.

Corporate policy

MBH Bank applies a corporate policy to prevent, mitigate and correct actual and potential impacts, manage risks and take advantage of opportunities in the "Sustainable Portfolio and Borrowing" and other material topics in the statement (Climate Change Adaption, Climate Change Mitigation, Energy, Transparent and regular communication with stakeholders, Integration of ESG aspects into business strategy). The Sustainability Policy, also known as the Environmental, Social Responsibility and Governance (ESG) Policy, is managed by the ESG and Sustainability area, while the Board of Directors is responsible for approval at the highest level. The Corporate Policy covers all members of the MBH Bank Accounting Group

[19] The MSCI Provisional Rating is a preliminary review of a company's sustainability performance and practices, without the company being included in the MSCI's standard universe of coverage.

5.3 Business stability and flexibility

Material topic	**Business stability and flexibility**	
Standard used	**SASB FN-CB-000, SASB FN-CB-410, SASB FN-CB-550**	
Presentation	Demonstrate the Bank's commitment to balancing economic activities with sustainability objectives - environmental, social and governance. The chapter details the Bank's core policies and strategies for credit risk management processes and describes the risk self-assessment process, regular stress tests and risk limit reviews.	
Sustainable Development Goals (UN SDGs) supported	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and financial opportunity)*
	Impacts	The Bank has not identified any significant positive or negative related to this topic
	Financial risks	The lack of a stable and resilient banking system can lead to financial instability, including credit risk, operational risk and systemic risk, threatening economic growth.
	Financial opportunity	A stable and resilient banking system increases customer and investor confidence and contributes to economic growth and the integrity of the financial system.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Risk Strategy • Putting sustainability guidelines into practice
	Priority actions	• Adding ESG aspects to risk policy • Detailed ESG risk management roadmap
	Metrics	• Number and value of current and savings accounts (in HUF million) • Number and value of loans issued by segment (in HUF million)
	Targets	• Integrating ESG factors into bank risk management

Maintaining business stability and resilience is essential for the Bank to operate reliably in a volatile economic environment. Diversification is a key risk management tool that allows MBH Bank to reduce excessive exposure to any single market or investment vehicle. Investing in different economic sectors and asset classes helps to spread potential losses, thereby reducing financial risks

A diversified portfolio helps the Bank to ensure a stable and continuous flow of business, which is essential to meet the needs of customers without interruption. In this way, the Bank contributes to economic stability and growth, increasing the confidence of customers and investors.

Number and value of current and savings accounts in 2024
(Data in millions of HUF

Current and savings accounts	Retail	Small business	Corporate
Number	2 073 366	135 665	5 265
Value*	1 819 186 Ft	2 020 710 Ft	496 472 Ft

Number and value of loans issued by segment in
(Data in millions of HUF

Credits	Retail	Small business	Corporate
Number	657 999	28 042	1 457
Value*	1 747 207 Ft	1 573 794 Ft	920 192 Ft

** Gross value. The gross value of loans measured at fair value includes the fair value of the loans.*

MBH Bank conducts a comprehensive self-assessment of its risks at least once a year as part of the ICAAP process, when reviewing its Risk Strategy. This assessment includes an analysis and update of the Group-wide risk matrix, which is performed based on analytical data and detailed analysis. The self-assessment is controlled, organised and evaluated by the group's credit institution and is an essential step in the annual risk strategy review. The purpose of the self-assessment is to identify, examine and, if necessary, modify the risks that are significant for the Group, the results of which are summarised in the Risk Strategy.

MBH Bank uses different stress scenarios in its risk analysis to assess the material risks. These include the following scenarios: institution-specific stress, which focuses specifically on reputational risks affecting the Bank; market-level stress, which looks at factors affecting the banking sector in general; and combined stress, which combines elements of the previous two scenarios. The liquidity stress test framework and the assumptions used in the scenarios are reviewed annually to reflect the current market environment and the specific needs of the Bank.

Based on the assessment of the risk categories, the Bank determines the risks that are considered material to it. The risk appetite for each risk type and the review of materiality are approved by the Bank's Methodology Committee, Board of Directors and Supervisory Board. The review will be carried out at least annually as part of the ICAAP process, during the review of the Risk Strategy.

Risk limits are regularly reviewed in coordination with the ICAAP and Validation area and with the involvement of limit holders, in line with the annual financial planning cycle. In the event of significant events, an extraordinary limit analysis may be carried out if the change has a material impact on the relevance of the limit levels. Currently, MBH Bank does not yet quantify ESG risks in the framework of ICAAP and ILAAP. These risks do not currently have a direct impact on the Bank's solvency, regulatory capital requirements and liquidity risk profile, but may require further attention in the future to ensure deeper integration of sustainability considerations.

Integrating sustainability risks into bank financing

MBH Bank is committed to integrating ESG factors into its credit analysis processes to promote the achievement of sustainability targets. An annual ESG assessment of clients and transactions is essential for the ESG assessment and regular monitoring of the corporate portfolio. This has become part of the corporate underwriting process and plays an important role in project finance. The ESG risk level of both clients and individual transactions is assessed in the submissions, so that the sustainability risk of the risk-taking process at client-transaction level can be determined together.

In the retail segment, MBH Bank focuses on environmental sustainability and sets several priorities. These include the reduction of emissions related to the activities of retail clients, in line with the taxonomic targets of the Paris Climate Agreement, the European Union Green Deal and the Climate Bonds Initiative. We will strive to reduce lending for environmentally unsustainable retail activities and increase the share of green loans in new lending

MBH Bank's key objective is to develop a consistent data taxonomy in both the retail and corporate segments, which will allow for a consistent consideration of ESG aspects in credit risk processes. This taxonomy will fundamentally support the standardised collection, analysis and assessment of ESG information, thus supporting a more accurate assessment of credit risk and a move towards sustainable financing.

In order to promote sustainability objectives, MBH Bank has developed an ESG assessment methodology over the past year. A policy for large corporate and specialised lending is already in place, and a policy for retail lending and for the micro, small and medium enterprise segment will be published in 2024. The main objective of the ESG assessment of the corporate segment is to enable the Bank to demonstrate the sustainability performance of its portfolio and measure its compliance with domestic and international sustainability requirements, including the EU Taxonomy, the CBI Taxonomy and the MNB's Green Corporate and Municipal Capital Allowance Program.

Currently, ESG factors do not independently influence credit risk decisions, and the Bank does not take their impact into account when estimating losses. However, MBH Bank is committed to incorporating ESG principles to continue to provide sustainable solutions for its clients and to support the sustainability of the economy.

MBH Bank uses ESG data from the EBRD Heatmap and the OPTEN database to assess the ESG aspects of its corporate clients, which allows for a comprehensive ESG risk assessment of the clients' main business activities. The ESG risk assessment of the client and the transaction is supported by Excel-based data prompts, where clients provide data on their business, operations and the sustainability impact of the financing target along different ESG principles.

It is essential that a regular annual assessment is carried out as an integrated part of the retail lending process to assess and continuously monitor the ESG aspects of the portfolioThe assessment process includes an evaluation of the ESG risk of the property securing the mortgage loan based on its energy certification. For green loan products, this risk assessment plays an important role in the decision-making process, while for other transactions it is more informative, supporting transparency.

For the environmental component of the ESG assessment of corporate clients, MBH Bank uses 11 environmental metrics based on the OPTEN ESG Index. These metrics include factors such as emissions of pollutants (e.g. CO_2, particulate matter, hazardous waste), the level of environmental taxes, energy consumption in relation to sales and the environmental impact of the sector. The customer assessment can be corrected manually, if necessary, by the Risk Area staff, based on the data request. An automatic adjustment of the risk is also possible if the client meets certain criteria: for example, the taxonomic alignment of turnover exceeds 50%, the company's activities support sustainability objectives, it is ESG certified or at least 25% of its annual energy consumption comes from renewable sources.

No manual correction is possible in the context of the automatic ESG assessment, nor is it possible to make any adjustment during the transaction assessment. The Bank's Board of Directors oversees the Group's environmental risk management policies and procedures and is regularly informed about MBH Bank's environmental risks and the actions taken to address them. This activity is supported by the ESG department, ensuring a high professional standard of environmental risk management

In line with the MNB's Green Recommendation 10/2022 (VIII.2), the Bank aims to ensure that risk management committees have adequate expertise and resources to monitor and review environmental risks, including physical, transfer and liability risks. To this end, MBH Bank is expanding its internal reporting system to include environmental risk metrics and metrics, including the type of data sources used and the frequency of reporting. The integration of environmental aspects into risk assessment and stress testing processes, as well as internal reporting systems to identify and measure environmental risk exposures, can all contribute to strengthening ESG risk management. The Bank has also set up an ESG Competence Centre and will continue to deepen the integration of sustainability principles by complementing the ESG framework

The risk assessment of clients and transactions and the ESG risk assessment are currently carried out independently. ESG risk assessment is not a decision driver in itself (except for retail lending), but an informative input to transparency. However, the OPTEN ESG Index and the EBRD Heatmap, used as part of the automatic ESG risk assessment in the corporate sector, take into account the ESG risk of the sectors of the national economy. And the OPTEN ESG Index also takes into account microeconomic factors such as operating profit, tax liability or revenue per headcount.

The Bank's long-term goal is to fully integrate ESG considerations into the calculation of internal capital requirements. This move will further our commitment to sustainable financing and support our risk management strategy.

Corporate policy

The internal documents guiding the credit risk management processes are the Risk Strategy and the practical application of the Sustainability Guidelines. The Risk Strategy contains the risk objectives common to the members of the MBH Bank Prudential Group and the objectives assigned to each risk category, as well as the main principles of risk management and the Group and member institution risk limits for each risk category. The Risk Strategy is approved by the Board of Directors and is complemented by specific policies. The practical application of the Sustainabilitywas made necessary by the credit risk management requirements of Recommendation 10/2022 (VIII.2) of the National Bank of Hungary on climate and environmental risks and the integration of environmental sustainability aspects in the activities of credit institutions. The regulation covers the ESG assessment of transactions in the retail segment in the Retail Lending Manual and the ESG assessment of customers and transactions in the micro, small, medium and large corporate, structured, real estate and special LTV financing, municipal and financial institution segments, as a supplement to the Individual Lending Process Operating Rules, the Micro and Small Corporate Assessment Rules and the Retail Lending Manual Rules. The scope of the Code covers the entities involved in the credit risk underwriting activities of the MBH Bank Prudential Group. It is managed by the Risk Methodology and Reporting area and approved at the highest level by the Deputy Chief Risk Officer.

6. Partner in green finance

Today, the global challenge of climate change has a significant impact on all economic actors, including MBH Bank. Through our role in creating sustainable banking and our "Partner in Sustainable Finance" initiative, the Bank places a high priority on addressing climate change, as the associated risks and opportunities directly affect our operations and long-term stability.

For MBH Bank, physical risks, such as damage caused by extreme weather events, as well as the transition risks that come with moving away from a carbon-intensive economy, are serious factors. These risks can increase credit risk, reduce property values and affect the performance of businesses, affecting the Bank's financial performance.

With the growth of the sustainable finance and green bond markets, MBH Bank can gain a competitive advantage if it recognises and exploits these opportunities in time. Sustainable financing and investment products that support climate change mitigation and adaption not only have a positive impact on society and the environment, but also enhance MBH Bank's reputation and brand value.

MBH Bank is committed to creating an infrastructure, a range of products and services, a risk framework and a customer education platform that support the achievement of sustainability targets, taking into account both retail and corporate customers. In addition to supporting sustainable social and economic transformation, the introduction and continuous development of ESG-oriented products and services to promote competitiveness is a priority.

MBH Bank pays particular attention to environmental sustainability and the fight against climate change. We develop lending and investment policies that support environmentally friendly projects and exclude business activities that cause environmental damage. Green finance aims to promote sustainable economic growth and minimise environmental damage.

In order to join the green financing scheme, MBH Bank is committed to moving towards well-defined values, setting measurable targets and continuously measuring its activities. By promoting a shift towards a sustainable economy, MBH Bank aims to ensure its long-term stability as a key player in the domestic financial market and to contribute to a more sustainable future.

6.1 Developing a business model for climate change mitigation and adaption

Material topic	**Climate change mitigation, Climate change adaption**	
Standard used	**ESRS E1, SASB FN-CB-410**	
Presentation	A description of MBH Bank's climate change risks and how they are integrated into the business model, in particular how physical and transition risks are identified, assessed and managed to achieve sustainability objectives, in line with the interests of stakeholders.	
Sustainable Development Goals (UN SDGs) supported	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION	
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	***Climate change adaption:*** the lack of adequate resource allocations to adapt to climate change (e.g. more frequent heat waves, storms, extreme weather) can have negative environmental and social impacts. In addition, the lack of preparedness for the physical risks of climate change at the Bank's own premises, which may result from the Bank's low climate adaption capacity, may have a negative impact on the safety of workers at the premises. ***Climate change mitigation***: the Bank can have a significant negative impact on climate change mitigation by financing carbon-intensive industries. In addition, the greenhouse gas emissions of its own physical assets, such as real estate and vehicles, can also contribute to climate change.
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	***Climate change adaption***: the introduction of financial strategies, lending and investment practices that support climate change adaption can open up new markets, contributing to the Bank's growth and strengthening its market position and the resilience of its asset portfolio. ***Climate change mitigation***: through green finance strategies, the Bank can not only support environmental sustainability, but also create new financial opportunities that can help the Bank grow and strengthen its market position.
Addressing a material topic	Link to ESG strategy	Taking ESG risks into account in risk management
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy • Risk Policy
	Priority actions	• Identification of physical and transition risks based on Pillar 3 requirements • Science Based Target initiative (SBTi) accession, Net Zero Banking Alliance (NZBA) accession in 2025 (MBH Group) • Script analysis • Bank for a Sustainable Future programme
	Metrics	• Share of green assets (%)
	Targets	• Developing a transition plan

Integrating climate change risks into the business model

MBH Bank is committed to engaging only in activities that do not violate legal prohibitions, ethical standards, environmental harm or threaten the Bank's long-term sustainability objectives, and are consistent with the Bank's business strategy and the interests of stakeholders, including owners and customers. The Bank avoids taking risks with individuals known to have caused losses to creditors in the past. In addition, the Bank annually reviews and identifies those sectors that it does not favour and seeks to progressively reduce the proportion of risk exposure in these sectors, with a particular focus on sustainability risks, and applies more rigorous risk management procedures in these sectors. Significant risks include credit risk, operational risk, market risk, liquidity risk and other risks, including ESG risks. Mitigation and adaption to climate change is supported by the Environmental, Social Responsibility and Governance (ESG) Policy and the Practical Application of Sustainability Guidelines and Risk Policy, respectively, the content, purpose, scope and the responsible department for implementation of which are detailed in chapters 5.2 Sustainable Portfolio and Fundraising and *5.3 Business Stability and Resilience*

Scenario analysis

MBH Bank has conducted scenario analyses to identify physical risks based on the Bank's Climate Scenario, in particular for the Zero Action and Deferred Action scenarios. These risks included negative impacts on agricultural production and risks related to food security, which are closely linked to the vulnerability of agricultural production. In addition, the results also highlighted the importance of taking into account labour market risks, which have an impact on human health, the reduction of agricultural employment and the decline in productivity. This analysis is currently not part of the current risk management and identification processes.

ESG risks are currently identified and managed in a decentralised and systematic manner through a risk taking process that includes the identification of non-preferred activities that are in conflict with environmental, social and governance principles, in line with and beyond the Risk Strategy, and the development of a methodology for the ESG assessment and analysis of customers and transactions.

No specific limits are set for ESG risk in the Risk Strategy, but their development is a medium-term objective for which preparations have started. However, sector-specific ESG trends are already qualitatively incorporated in the sector strategies.

The examination of the linkages between ESG risks and other risks has started, and the objective for 2025 is to develop an ESG risk heat map that reflects the extent of ESG risks according to a sufficiently in-depth criteria framework, with well-defined thresholds, and that indicates the need for risk actions.

Transition risks are risks that affect credit institutions in the transition to a low-carbon and climate resilient economy. Within this category of risks, a distinction can be made between policy-regulatory risks, such as energy efficiency requirements, carbon pricing mechanisms that increase the price of fossil fuels, or the impact of policies that promote sustainable land use. They also include technological risks, which arise when a less climate-damaging technology replaces a more climate-damaging technology, and market risks, when consumers' and business customers' preferences shift towards less climate-damaging products and services

During 2022, MKB Bank prepared a climate scenario in accordance with Article 431(3) of Regulation (EU) No 575/2013 of the European Parliament and of the Council (hereinafter: CRR), based on which the transition risks were identified for the ambitious and deferred action scenarios. Switchover is affected by a variety of regulations, rules, taxes and incentives, so that some raw materials or production processes, such as oil, utilities, automotive, logistics, steel and cement, may be subject to specific taxes. In addition, there are risks of switching to other products and raw materials, such as oil and batteries, and price developments of their raw materials, which will also affect manufacturing technologies

In its most recent comprehensive scenario analysis, MKB Bank used the IEA 450 (ambitious action), IPCC RCP4.5 (deferred action) and IEA Current Policies (zero action) scenarios. It is important to note that our approach is continuously evolving and through our prudential compliance we plan to monitor the alignment of the most exposed sectors of our portfolio to transition risks using the IEA NZE 2050 scenario. We plan to monitor the alignment of the most exposed sectors in our portfolio to transition risks using the IEA NZE 2050 scenario. In preparing the scenario analysis, the Bank has not used climate-related scenario analysis (e.g. the IEA scenario) consistent with the Paris Agreement and the limitation of climate change to 1.5°C to identify transition events and assess exposure.

MBH Bank has prepared a questionnaire to assess which companies in its portfolio are excluded from the EU benchmarks aligned with the Paris Agreement. Within our exposure to sectors that contribute significantly to climate change, our exposure to these types of sectors is negligible, so almost all of our portfolio has the potential to transition to a climate neutral economy.

Climate risks and strategy

The Bank also quantifies its physical and migration risks as part of its Pillar 3 disclosure requirements. Our adaption metrics and associated decarbonisation pathways have been defined for the most carbon-intensive industries. To assess the physical risks, we used the National Adaption Spatial Information System climate vulnerability assessment models, which represent the exposure of the building stock to climate impacts, such as projected temperature, precipitation and wind patterns, under different scenarios, for the time horizon 2021 to 2050. The Bank has not identified explicit climate-related adaption and physical opportunity. Our analysis is not portfolio-based, but is based on a territorial classification, so portfolio-level risk assessment and classification has not yet been carried out in this form.

To examine chronic risks, taking into account their specificities, temporal extent and impact, we focused on two main risks - water scarcity and extreme heat - based on the Bank's available data, using GFDRR climate models. The identified risks were not categorized into physical and transition risks. The data were aggregated at NUTS3 level and disaggregated by region and national economy sector. resulting compiled data from multiple sources were qualified and interpreted for the Bank's portfolio.

The results present that 28% of our partners' sites or (in the absence of such sites) their headquarters are located in geographical areas (NUTS5 level) that are exposed to high acute or medium chronic climate risks. By industry, the mining, quarrying, construction and real estate sectors are more exposed to climate change risks. The wholesale and retail trade, manufacturing and construction sectors feature prominently in the portfolio vulnerable to acute risks

MBH Bank is not excluded from the EU benchmarks aligned with the Paris Agreement. The Bank's operations and strategy are in line with the directives supporting the climate objectives, and it is therefore not one of the companies excluded from these benchmarks due to its adverse environmental impact.

The part of our portfolio that is sensitive to the impacts of physical events caused by climate change will run out in more than half of the timeframe of 5 years, while about 25% of our portfolio is for a timeframe of 5-10 years. This means that almost half of our portfolio will run out in the medium term, so that emerging climate risks do not pose an immediate threat to the Bank in the long term, as long as they are replaced by low climate risk assets. Currently, we have not made any climate critical assumptions in financial statements.

Our commitment to sustainability is not just a modern business trend, but a necessary response to the challenges of global climate change. For the year under review, MBH Bank does not yet have a climate change transition plan in line with European sustainability reporting standards , but our sustainability efforts and decarbonisation tools clearly reflect this commitment, and the integration of the Net Zero project results into our business strategy and financial planning is already partially implemented. Our priorities include developing our current ambition and developing a group-wide transition plan in a phased approach, in line with NZBA and SBTi guidelines, up to 2027.

The integration of potential risks of climate change and the precise complementarity of the ESG strategy with decarbonisation efforts is also underway, with subtasks identified until the end of 2024. These include a green supply chain assessment and an assessment of decarbonisation projects. This year, the aim is to change the way we think about procurement and operations, based on baseline calculations to see through emissions.

Transition to sustainable operations

MBH Bank is actively engaged in the transition to sustainable operations, as evidenced by its comprehensive efforts to comply with the Green Recommendation of the Magyar Nemzeti Bank (MNB). The bank has launched an ESG data market project focusing on expanding the scope and improving the quality of ESG data with software support. The project is driven by the need for the Bank to have a data system capable of aggregating ESG risks as required by the MNB. The project will also provide the opportunity to identify concentrations of ESG risks (e.g. carbon-related assets, water scarcity regions, cyber security risks), a categorisation that was not yet available in 2024. In the initial phase , an ESG data structure has been created to harmonise different data sets and systems. This will include meeting the data requirements for management reporting as defined by the Green Recommendation, compliance with Global Reporting Initiative (GRI) standards and later the European Sustainability Reporting Standards (ESRS), and tracking the performance metrics of the ESG strategy. The Bank is also working on additional datasets, such as harmonisation of vehicle taxonomies and setting emission reduction targets. The data marketplace has been developed based on a CSRD-ready principle, with documented processes and defined roles (ESG Data Provider, Data Host Manager, Data Host Completer, Validator) to support validation through data path management.

The Bank has established a set of KPIs focusing on portfolio risk, including exposure to the MNB climate targets and exposure to the Green Lending Framework. The automated process for generating the KPIs is designed to minimise errors and ensure data integrity. The affected area provides the data, which is then validated and processed in an automated data preparation function, the solution supports ESG management reporting. Some reports in the ESG data marketplace are generated automatically while others are generated manually. However, a semi-automated data collection solution already exists to manage ESG risks at portfolio level.

Policies, actions and targets for climate change mitigation and adaption

MBH Bank, as one of the leading financial institutions in the country, takes responsibility and implements a number of actions in its corporate policies to promote climate change adaption and mitigation.

Products and policies for climate change mitigation are being developed. The initial step is to continuously screen the portfolio and identify products that already meet sustainability criteria but are not registered as such. Categorizations resulting from reporting obligations are a high priority, so our goal is to align GHG emissions reductions with financial targets (e.g., capital expenditure plan) based on ESRS expectations.

MBH Bank has committed to increase the proportion of green loans by the end of 2024 as part of its "Bank for a Sustainable Future" programme. This commitment reflects the Bank's commitment to green financing and contributes to climate change mitigation. Ongoing product development, portfolio redesign and the alignment of non-financial and financial objectives will all contribute to the Bank's sustainability targets. In the coming years, the Bank will continue to focus on increasing the share of green lending and achieving sustainability leadership in the financial sector.

7. Reducing our environmental footprint

Although MBH Bank's greatest environmental impact is indirectly through its portfolio, it also pays attention to reducing its environmental footprint in its own operations. It seeks to improve energy efficiency and increase the use of renewable energy sources in its owned properties and, where possible, in its leased properties, as well as to promote environmentally friendly mobility solutions. The digitisation of operations is another step towards reducing its environmental footprint by reducing paper use, making banking processes more efficient and potentially reducing operating costs by automating routine tasks. These actions also serve to reduce our greenhouse gas (GHG) emissions related to our own operations, which we aim to contribute to the achievement of the Paris Agreement targets. Reducing our environmental footprint not only protects the environment, but also contributes to the long-term sustainability and competitiveness of the Bank.

7.1 Energy use

Material topic	**Energy**	
Standard used	**ESRS E1**	
Presentation	A presentation of MBH Bank's energy use, energy efficiency and renewable energy initiatives related to its own operations.	
Sustainable Development Goals (UN SDGs) supported	13 CLIMATE ACTION	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and financial opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	Energy efficiency and renewable energy projects require significant upfront investment and, if not properly managed, can pose operational risks and increase maintenance and repair costs. The use of non-renewable energy sources carries reputational risks as it reflects a lack of commitment to sustainability.
	Financial opportunity	By optimising energy use, the Bank can reduce its operating costs and take advantage of financial incentives offered by government and utility companies. These actions can increase the value of the Bank's owned real estate and improve its sustainability credentials.
Addressing a material topic	Link to ESG strategy	Decarbonisation efforts
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy
	Priority actions	• Replacement of mechanical equipment • Energy efficiency renovation of 3 bank branches • Energy efficient design of MBH Bank's new headquarters
	Metrics	• Rate of own energy consumption (MWh) • Share of renewable energy sources in total energy consumption (%)
	Targets	• Energy efficiency renovation of 11 more bank branches in 2025

Characteristics of energy use

The majority of MBH Bank's energy consumption in 2024 was still accounted for by utility consumption in buildings, followed by fuel consumption in the vehicle fleet. Energy consumption in MBH Bank Nyrt's headquarters, in all office buildings and in a significant part of the branches is monitored and controlled by a building control department. In accordance with Act LVII of 2015 on Energy Efficiency, the Bank's large companies have carried out energy audits in accordance with the timing specified in the Act, and in addition, energy specialist reports have been prepared on a monthly and annual basis for the purpose of analysing energy consumption.

The integration process has presented the Bank with a number of challenges in managing energy consumption and collecting related data. The Bank's central operations department aims to improve the uniform centralised visibility and efficient management of energy consumption. We also strive to continuously increase the share of green energy in MBH Bank's energy mix

Energy use is supported by an Environmental, Social and Governance (ESG) Policy, the content, purpose, scope and the department responsible for its implementation are detailed in chapter 5.2 Sustainable portfolio and fundraising.

MBH Bank's total energy consumption and energy mix (2024)

Total fossil energy consumption (MWh)	**43 117,99**
Share of fossil sources in total energy consumption (%)	*71%*
Consumption from nuclear sources (MWh)	**9 249,54**
Share of energy consumption from nuclear sources in total energy consumption (%)	*15%*
Fuel consumption from renewable sources, including biomass (MWh)*	0,00
Consumption of electricity, heat, steam and cooling purchased or acquired from renewable sources (MWh)	7 741,30
Consumption of self-produced non-fuel renewable energy (MWh)	576,00
Total renewable energy consumption (MWh)	**8 317,30**
Share of renewable sources in total energy consumption (%)	*14%*
Total energy consumption (MWh)	**60 684,84**

**including biomass (which includes industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)*

Energy efficiency actions

Major energy efficiency investments within the Bank in 2024 included the renovation of the mechanical and lighting systems in the branches. In the year, 3 branches were completely renovated and 5 branches moved to new, more modern locations. In 2025, we plan to renovate a further 11 branches and move 8 branches to more modern locations. In the case of office buildings, we plan to implement an energy saving project in 2025 by investing in heat pumps in the main building of the former Budapest Bank. As part of the Bank's ESG strategy to involve employees in sustainability efforts, energy efficiency was also part of the internal communication campaign, which included a number of eye-catching visual elements - elevator and stair stickers, posters - in MBH Bank's headquarters to encourage energy saving.

We will also provide targeted energy efficiency training for all our employees from 2025. In the long term, the Bank's energy consumption will be greatly affected by the new energy-efficient and modern headquarters of MBH Bank, which is described in detail in chapter 7.2.

Our fleet management aims to support efficiency improvements while reducing the environmental impact of vehicles. We take into account the EU CO_2 emission levels, and thus, taking into account the available annual fleet CAPEX budget, we will in the future aim to develop a fleet that allows for the purchase of vehicles with lower fuel consumption and emissions, either with internal combustion engines or hybrid powertrains. Furthermore, when purchasing a driver's car in a location with sufficient infrastructure (typically the Budapest conurbation), we will encourage drivers to opt for a pure electric car. In addition, we aim to eliminate the use of typically lightly used cars, which will further reduce emissions across the entire fleet. The Bank also encourages environmentally friendly transport, and public transport is the recommended and encouraged mode of transport for its employees. In addition, electric car-sharing is available for employees and charging stations for plug-in hybrids and electric cars are available in the underground garages of MBH Bank office buildings.

7.2. Greenhouse gas emissions

<table>
<tr><th>Material topic</th><th colspan="2">Climate change mitigation</th></tr>
<tr><th>Standard used</th><th colspan="2">ESRS E1</th></tr>
<tr><td>Presentation</td><td colspan="2">A presentation of MBH Bank's direct and indirect greenhouse gas emissions (hereafter GHG emissions) and related emission reduction initiatives.</td></tr>
<tr><td>Sustainable Development Goals (UN SDGs) supported</td><td colspan="2"></td></tr>
<tr><td rowspan="4">Material topic link to MBH Group</td><td>The basis of materiality</td><td>Impact (negative effect) and financial materiality (financial opportunity)</td></tr>
<tr><td>Impacts</td><td>By financing carbon-intensive industries, the Bank can have a significant negative impact on climate change mitigation. In addition, the greenhouse gas emissions of its own physical assets, such as real estate and vehicles, may also contribute to climate change.</td></tr>
<tr><td>Financial risks</td><td>The Bank has not identified any material financial risks related to this topic.</td></tr>
<tr><td>Financial opportunity</td><td>Conscious management of the Bank's GHG emissions can achieve significant operational cost savings by improving energy efficiency and switching to lower energy consumption technologies.</td></tr>
<tr><td rowspan="5">Addressing a material topic</td><td>Link to ESG strategy</td><td>Decarbonisation efforts</td></tr>
<tr><td>Corporate policies</td><td>• Environment, Social Responsibility and Governance (ESG) Policy</td></tr>
<tr><td>Priority actions</td><td>• Definition of Scope 3 funded emissions (category 15)
• Join NZBA and SBTi initiatives in 2025
• Low emission design of MBH Bank's new headquarters</td></tr>
<tr><td>Metrics</td><td>• Scope 1, 2 emission rate (tCO_2equivalent)
• Scope 3 financed emissions (category 15) (tCO_2equivalent)</td></tr>
<tr><td>Targets</td><td>• Setting science-based Scope 1, 2 and 3 (category 15) emission reduction targets
• Definition of decarbonisation instruments</td></tr>
</table>

Climate change mitigation efforts are supported by commitments in the Environmental, Social and Governance (ESG) Policy, the content, purpose, scope and the responsible department for implementation of which are detailed in chapter 5.2 Sustainable portfolio and fundraising

Characteristics of our own GHG emissions

The primary metric for measuring and monitoring a company's environmental impact is its greenhouse gas emissions, also known as its carbon footprint. For the calculation, we used the methodology of the ESRS and the GHG Protocol[20] , whose terminology is used to calculate both direct (Scope 1) and own indirect (Scope 2) emissions. Scope 1 emissions typically came from natural gas use, fuel consumption by company vehicles, and refrigerant leaks from cooling equipment, while Scope 2 emissions include emissions associated with purchased electricity and district heating use. The Bank does not have any contracted assets and therefore did not use them to calculate Scope 2 GHG emissions

In accordance with ESRS requirements, the calculation is wider than the scope of the Sustainability Statement, so the Bank also calculates and assumes responsibility for GHG emissions from its subsidiaries included in the group accounting consolidation, as well as from companies, real estate or vehicles under operational control outside the group accounting reporting scope.

The calculation is included in Annex V.2 of Regulation (EU) 2018/1999 of the European Parliament and of the Council (13). of Annex V to Regulation (EC) No .../2009 (EU) No .../2009, such as carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), sulphur hexafluoride (SF6), nitrogen trifluoride (NF3), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), expressed in tonnes of carbon dioxide equivalent for aggregation and comparability.

MBH Bank's GHG emissions in 2024 totalled 5 412 159.64 tCO2e, consisting of own (Scope 1-2, Scope 2 locally calculated) and financed (Scope 3) emissions. Scope 2 emissions include indirect emissions associated with the production of purchased electricity, heat and steam. Scope 2 electricity emissions were calculated in two ways.

- **Location-based calculation**: emissions based on average emission coefficients for Hungary, reflecting the national energy mix.
- **Market-based issues:** issues calculated on the basis of the issue coefficients specific to MBH Bank. No emission coefficients were requested from the electricity suppliers in 2024, therefore the *residouble* energy mix was used to calculate the market-based emissions based on the GHG Protocol. This figure is by definition higher than the site-based emission coefficient, and we will therefore seek to obtain emission coefficients from electricity suppliers in 2025, thus more credibly demonstrating MBH Bank's informed choice of supplier. For district heating, a locality-based emission factor was used due to the unavailability of a market-based factor.

[20] Greenhouse Gas Protocol's Corporate Accounting and Reporting Standard

MBH Bank GHG emissions in Scope 1 and Scope 2 (2024, t CO_2e)*

Scope 1 GHG emissions	
Scope 1 GHG emissions	8 291.18
Scope 1, GHG emissions from non-financially consolidated operationally controlled enterprises and assets	4 351.26
Percentage of GHG emissions from regulated emissions trading schemes (%)	*0*
Scope 2 GHG emissions	
Scope 2, locally based GHG emissions	4 470.39
Scope 2, market-based GHG emissions	7 584.20
Scope 2, locally based GHG emissions from non-financially consolidated operationally controlled enterprises and assets	683.81
Scope 2, market-based GHG emissions from non-financially consolidated operationally controlled enterprises and assets	1 181.83
Scope 3 GHG emissions	
Scope 3, total GHG emissions	4 876 181.00
15. Investments	4 876 181.00
Total GHG emissions	
Total GHG emissions (for local Scope 2)	4 893 977.64
Total GHG emissions (for market-based Scope 2)	4 897 589.47

**In 2024, there were no GHG emissions from biogas emissions and installations covered by emissions trading schemes (ETS).*

GHG emissions from subsidiaries included in group accounting consolidation and from companies, property or vehicles under operational control outside the group accounting scope

MBH Bank has also been responsible for GHG emissions from investee companies, such as associates, joint ventures, or unconsolidated subsidiaries, that are not subject to full consolidation in the financial statements. In addition, for contractual arrangements that are not structured as joint arrangements through a legal entity (i.e. jointly controlled activities and assets) over which the Bank has operational control. These total emissions in 2024 were 5,035.07 t CO_2e on a local basis and 5,533.09 t CO_2e on a market basis.

Subsidiaries included in group accounting consolidation and companies under operational control outside the group accounting reporting scope:

Companies included in group accounting consolidation
Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.
Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft.
Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Kft.

MBH DOMO Ltd.
MBH Investment Fund Management Ltd.
Budapest Leasing Zrt.
Euroleasing Real Estate Zrt.
Euroleasing Zrt.
Budapest Eszközfinanszírozó Zrt.
MBH Real Estate Development Ltd.
MBH Bank MRP Organisation
MBH Investment Bank Zrt.
MBH Duna Bank Zrt.
MBH Mortgage Bank Nyrt.
Takarék Faktorház Zrt.
Takinfo Ltd.
TAKARÉK Real Estate Ltd.
MBH Blue Sky Ltd.
MITRA Informatikai Zrt.
MBH Services Ltd.
Hungarian Strat-Alfa Investment Ltd.

Funds included in group accounting consolidation
BÉTA Private Equity Fund
MBH Corporate Stable Absolute Return Bond Investment Fund
MBH Private Equity Fund (formerly Equilor II Private Equity Fund)
MBH Private Equity Fund for Agricultur and Development
MKB Real Estate Investment Fund
OPUS TM-1 Base
Takarék Closed-end Investment Fund
Takarék Venture Capital Fund I.
MBH High-Risk Investment Fund

Companies under operational control not included in group accounting consolidation
Kocsi.hu Informatikai Kft.
Central European Credit dd Zagreb
Euroleasing Kft.

I.C.E. Ltd.
MKB Real Estate Ltd. "v.a."
Erste Értékpapírosítási Tanácsadó Zrt. "v.a." (ELÉT Zrt.)
MBH Incubator Ltd.
Fintech Factory Zrt. "v.a."
Arete Zrt.
MBH Forrás Zrt.
Solus Capital Venture Capital Fund Management Ltd.
Central Organisation of Integrated Credit Institutions
ANTAK 2000 Ltd.
F HOUSE Real Estate Construction and Trade Ltd.

In addition to absolute emissions, the GHG intensity provides guidance in interpreting the contribution of MBH Bank's own Scope 1-2 GHG emissions to climate change. This metric relates the total GHG emissions presented in the table above to the total net revenues (HUF 1 206 933 M) reported in the financial statements , thus providing a year-on-year comparison even when the Bank's size changes. The local GHG intensity per net revenue of MBH Bank in 2024 was 4.055tonnes CO_2 equivalent/Mt, and the market-based GHG intensity per net revenue was 4.058 tonnes CO_2 equivalent/Mt. The Bank has not set specific emission reduction targets for 2024, either in absolute terms or in terms of intensity, which it plans to do in 2025.

The new MBH Bank headquarters

Another milestone in the decarbonisation efforts of MBH Bank will be the construction of the MBH headquarters , which will be built in the XIII district, in the central location of Budapest. building complex is expected to contribute to the reduction of our GHG emissions with its modern, energy-efficient solutions, while it is also important to us that the new headquarters is built in line with EU Taxonomy objectives and obtains the most important green building certificates (LEED, BREEAM). Accessibility was an important factor in the choice of the location, so the headquarters will be easily accessible by car and public transport from almost any point in the city.

Characteristics of financed GHG emissions

The environmental impact of our bank is not only reflected in our own operations, but also indirectly in our value chain, where we strive to monitor our GHG emissions as a responsible corporate citizen. These so-called Scope 3 GHG emissions are the result of complex calculations, and it is therefore appropriate to prioritise the calculation of the categories of emissions expected to have the greatest impact, based on the GHG Protocol's methodological recommendations. In the case of MBH Bank, this highest impact focus area is the financed emissions of its credit union member companies (Scope 3, category 15). Other Scope 3 emission categories and biogenic carbon emissions from biomass combustion or biodegradation the upstream and downstream value chains have not been quantified for 2024.

MBH Bank was the first among the first Hungarian banking system players to carry out a survey of its funded issuance in 2023 for the year 2022. The calculation was repeated for the year 2024, following the methodological guidelines of the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Disclosure Standard. The PCAF is a global partnership of financial institutions that collaborate to develop and implement a harmonised approach to the assessment and disclosure of

GHG emissions from their loans and investments. The harmonised carbon accounting approach provides financial institutions with the starting point needed to set science-based targets and align their portfolios with the Paris Agreement. The range of asset classes covered by the methodology is being expanded, and the standard has been extended to cover the seven asset classes that we have funded at the time of calculation.

Issues financed by MBH Bank (2024)

PCAF Asset Class	Exposure portfolio included in the calculation (billion HUF)	Scope 1+2 emissions financed (tCO_2e)	Scope 3 emissions financed (tCO_2e)	PCAF minimum total emissions per PCAF (tCO_2e)[21]	Emission intensity (tCO_2e PCAF-minimum/FtB)	PCAF data quality (weighted
Shares, bonds listed on the stock exchange	316	111 336	935 662	1 046 997	3 309	3.19
Corporate loans and capital not listed on the stock exchange[22]	1 751	591 728	415 852	1 007 581	575	4.16
Project finance	267	262 799	43 417	306 216	1 145	4.00
Commercial real estate finance[23]	577	464 292	-	464 292	805	4.21
Retail mortgage loans[24]	1 327	150 444	-	150 444	113	3.76
Vehicle loans (leasing)[25]	564	192 451	-	192 451	341	3,48
Sovereign debt	3 100	1 323 371	384 829	1 708 200	551	1,00
Total	**7 902**	**3 096 420**	**1 779 760**	**4 876 181**	**617.05**	**2.76**

Among the Bank's aggregate funded issues, *Sovereign Debt, Corporate Debt* and *Listed Equities and Bonds* are the main asset classes, as they cover a significant share of the funded portfolio in terms of both exposure and issuance intensity. Following the identification of the emission hot-spots, the decarbonisation instruments have been identified within the "*Net Zero*" project, which will enable the Bank to make significant progress towards Net Zero in the coming years.

Methodological background

Due to the fact that in many cases the necessary factual data for the calculation were not available, the data were produced using average values, proxies. These were necessarily subject to a high degree of uncertainty, for which, in order to ensure adequate transparency, the PCAF defined a 5-item data quality scale to indicate the accuracy of the calculation. The scale is based on a score of 1 indicating the highest

[21] *Sectors to be covered under (EU) 2020/1818*
[22] 43.6 bn (2.5% of asset class; 0.5% of total exposure stock) non PCAF methodology compliant
[23] 162 billion (28% of asset class, 2% of total exposure stock) non PCAF methodology compliant
[24] 65 billion (5% of asset class; 0.8% of total exposure) not PCAF methodology compliant
[25] In the Vehicle loans asset class, 6.08%, approximately 34 billion HUF, was subject to a simplified methodology for calculating financed emissions. The calculation took into account the average emission intensity for the entire asset class.

quality (e.g. published, externally verified GHG inventory) and a score of 5 indicating the lowest (e.g. emissions calculated from carbon intensity per industry revenue) MBH Bank has endeavoured to produce the highest possible data quality in all cases and will strive to improve the PCAF data quality score in the future.

For each asset category, our calculation mostly met at least the lowest (5) data quality accepted by the PCAF methodology. The exceptions to this are *Corporate Loans and Unquoted Equity*; *Commercial Real Estate; and Mortgage Loans*, where a portion of the exposure (exposure ratio figure is shown in footnote after the summary table) was not calculated in accordance with the PCAF methodology. In the case of corporate loans, in these cases the sectoral classification of the companies was not known, so we had to use the average for the whole portfolio to calculate their financed issuance. In the case of asset classes related to real estate, in many cases the database only contains data on another property serving as collateral for the loan, rather than the building directly financed by the Bank. In these cases, we had to extrapolate the emission intensity of the financed properties, which also does not meet the data quality required by the PCAF.

Other assumptions were made in the calculation of financed emissions, but these did not affect the quality of the PCAF data. For corporate loans and unquoted shares, sectoral averages were used to estimate total assets and turnover in all cases where these data were not available. For emission factors, sectoral averages were also used to fill the data gap. For the project finance asset class, when the expected production of electricity (MWh) of a project was not known, the average HUF/MWh was used to calculate the electricity production for solar PV projects. If technology-specific data was not available, the average for all technologies was used. If the project phase was not clearly defined, the operational phase, i.e. the period when the technology is already operational, was used as default. For technologies other than solar PV projects, the EY EEIO 42 - Emission Factor for Engineering Construction Works was used to calculate the emissions of the construction phase, based on the total project cost (HUF).

For commercial properties and mortgages, where the property area was less than 10 m² or the baseline data was considered unreliable, emission factors for the entire property were applied as opposed to emissions per square metre to increase the accuracy of the estimated emissions. For attribution factors, a multiplier of 0.8 was used for values between 1 and 2, and the average attribution factor was used for values above 2. For vehicle loans and leases, an attribution factor of 100% was used for values between 1 and 2. If the asset value was most likely incorrect, we corrected the data with external sources. If both the vehicle category and the asset value were missing or the attribution factor was still above 2 after correcting the asset values, we calculated the weighted average of the total attribution factor exposures by vehicle category. In the context of Commercial real estate finance, Retail mortgage loans, and Vehicle loans, no financed Scope 3 value was calculated.[26]

Decarbonisation targets

Currently, the Bank has no policies in place that specifically address climate change mitigation. However, in order to extend the targets to the group level and set annual progress targets, MBH Bank plans to join the Net Zero Banking Alliance (NZBA) in 2025, an initiative that encourages financial institutions to support the achievement of carbon neutrality in their business operations. Also in 2025, the Bank plans to join the Science Based Target initiative (SBTi), which aims to ensure that companies' decarbonisation targets are science-based. Targets will be set no later than 2027, according to the timeline set by the initiative. Both accessions demonstrate the Bank's commitment to significantly reduce its financed emissions, which will contribute to the fight against climate change

The planned objectives are intended to be in line with the expectations of the ESRS. Accordingly, we will ensure consistency between these targets and the GHG inventory limits. For joint GHG emission

[26] Financial leasing is reported as part of Scope 3 - 15., using Scope 3 - 15. methodology.

reduction targets, we will specify which GHG emissions are covered by the target. GHG emission reduction targets are gross targets, which means that we will not consider GHG removals, carbon credits or avoided emissions as a means of achieving GHG emission reduction targets. The GHG emission reduction targets will build on the climate change scenarios presented in Chapter 6.1, to ensure that they are scientifically sound and consistent with limiting global warming to 1.5°C. Our aim is to thereby describe the expected and achieved GHG emission reductions, as well as the decarbonisation instruments and their aggregate quantitative contribution to the GHG emission reduction targets. In line with the requirements of the ESRS 2 MDR-A, we want to examine whether and to what extent the ability to implement actions depends on the availability and allocation of resources. This will enable us to link the CapEx and OpEX significant funds required to implement the actions taken or planned to the material line items or notes in the financial statements; and to the key performance metrics required by Article 8 of Commission Delegated Regulation (EU) 2021/2178. Also until the decarbonisation targets are set, MBH Bank will calculate its Scope 1-2 and Scope 3 financed emissions from year to year and monitor their annual change.

III. SOCIAL INFORMATION

Social responsibility is a key priority for MBH Bank. The purpose of the Social Information chapter is to present the Bank's actions and achievements in the area of social responsibility, with a special focus on responsible employment (Chapter 8) and responsible service provision (Chapter 9.)

MBH Bank is committed to respecting the interests and rights of its employees and integrating them into its business model and strategies. In the framework of responsible employment, the Bank strives to increase positive impacts, create a safe working environment, promote work-life balance and provide competitive remuneration. By increasing employee satisfaction, MBH Bank strives to develop an innovative corporate culture that contributes to high customer service and the development of new financial products and services. To support employee wellbeing, the Bank offers a range of programmes and benefits designed to ensure occupational health and safety and effective grievance handling processes. MBH Bank pays special attention to generational diversity and the specific needs of different life cycles, such as trainees, early career, pregnant and returning mothers, and employees over 60. In the area of training and development, MBH Bank aims to provide its employees with the necessary professional knowledge and competencies to support their personal development and career progression. The Bank has launched various programmes, such as the MBH Academy, the Talent Management Programme, the Leadership Academy and the Mentoring Programme, which aim to nurture talent and provide a pipeline of managers.

MBH Bank is committed to providing high quality customer service, continuously improving customer satisfaction, creating value and promoting social inclusion. In the framework of responsible service delivery, the Bank aims to provide its customers from all social groups and with different needs with a specific, personalised service that contributes to strengthening customer loyalty. MBH Bank regularly conducts customer satisfaction surveys to understand and ensure prompt responses to customer needs. These surveys include the analysis of the metrics of willingness to leave, repurchase intention, overall satisfaction and Net Promoter Score (NPS). In order to improve social inclusion and financial literacy, MBH Bank has launched a number of initiatives aimed at ensuring equal access to financial services and raising financial awareness. The Bank pays special attention to disadvantaged groups, such as people with disabilities, and offers targeted products for young people. These actions aim to ensure fair and equal access to financial services for all customers and contribute to social inclusion.

8. Responsible employment

MBH Bank, as one of the largest employers in Hungary, is committed to integrating the interests, views and rights of its employees, including respect for their human rights, into its business model and business and ESG strategies. The majority of our own employees work in branch or central back-office functions. Our Bank's operations can also have a significant impact on groups of employees who perform administrative tasks as temporary workers or trainees through student unions.

Our Bank strives to increase its positive impact on its employees, create a safe working environment, promote work-life balance and offer competitive remuneration, in line with the principles of responsible employer. By enhancing employee satisfaction, we strive to create an innovative corporate culture that provides opportunities to deliver high levels of customer service and develop new financial products and services. The actual and expected positive effects of responsible employer practices are not limited to specific regions of Hungary, but can be felt by all our employees, regardless of their geographical location.

As with all employers, employee efficiency and satisfaction are at the heart of MBH Bank's reliability. Low quality performance can result in the loss of customers, while high turnover due to employee dissatisfaction increases recruitment, training and therefore operating costs. Furthermore, a lack of responsible employment can lead to a poor reputation in the labour market.

As well as identifying general risks, we seek to identify why people with particular characteristics, those working in particular circumstances or those carrying out particular activities may be at greater risk. The identification of these risks is ensured by the direct participation of our own employees, rather than through representatives, in the double materiality survey presented in section 4.2, and by the MBH Bank Employee Satisfaction Survey (Pulzus), which includes a number of segmentation analyses for this purpose. The analyses present that the risk of high turbulence is more prevalent among young employees, which is addressed, among other things, through conscious career planning. Other groups at specific risk are employees over 60 and employees with families, for whom we offer a number of targeted programmes and benefits (e.g. the Generation Diversity programme and the MBH Baby+ programme.) Due to the geographical location and nature of the work, there are no more serious risks than this, such as forced or child labour. The Bank has not prepared a transition plan for 2024 and has therefore not identified any significant impacts on its own workforce. No specific resources have been allocated to address material impacts on employees beyond the amount required to ensure the normal functioning of the HR area.

8.1 Supporting employee well-being

Material topic	**Responsible employer and a balanced working environment**	
Standard used	**ESRS S1**	
Presentation	A description of MBH Bank's employees and the compensation, benefits and other programs that promote employee well-being, health and safety, and grievance procedures.	
Sustainable Development Goals (UN SDGs) supported	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	Inappropriate employment practices, such as the lack of adequate pay, can have a significant negative impact on workers' quality of life and attitudes to work. Insufficiently transparent remuneration practices, lack of work-life balance and the absence of a safe working environment exacerbate workers' dissatisfaction
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	Focusing on the well-being of employees can stimulate creativity and innovation, which can lead to better customer service and the development of new financial products and services.
Addressing a material topic	Link to ESG strategy	Worker well-being and attitudinal change
	Corporate policies	• HR sub-strategy • Code of Ethics, • Remuneration Policy
	Priority actions	• Generational Diversity Programme • Employee recognition programme • #20minuteshealth programme
	Metrics	• Staff turnover (%) • Employee satisfaction (multiple actions, %) • Talent retention (%) • IT and network turnover (%) • Internal promotion rate (%)
	Targets	• Reducing staff turnover (continuous) • Increasing employee satisfaction (continuous) • Maintaining talent retention (above 90%) • Reduce IT and network turnover (below 15%) • Increase the internal promotion rate (to at least 20%)

One of the cornerstones of MBH Bank's ESG strategy is "Ensuring Employee Wellbeing and Shaping Mindsets". Particular attention is paid to creating a balanced work environment, which includes promoting work-life harmony and mental health, encouraging healthy lifestyles and developing a transparent benefits system. By completing the bank merger of the past few years, we aim to align employees from different organisations. This process aims not only to increase operational efficiency, but also to harness synergies between colleagues. Bringing together professionals with different backgrounds and expertise brings new perspectives and innovative solutions to the Bank's operations. We believe that by pooling resources and pursuing common objectives, we can become even stronger and more competitive in the market. The new structure created by the merger will allow us to make better use of the knowledge and experience of our colleagues, while continuing to support their professional development and career development.

Introducing our employees

MBH Bank employed 8,039 people in 2024[27] , with no employment outside the country. The total number of employees is expressed in headcount as of the reporting period closing date (31.12.2024). Gender equality was also an important objective in 2024. This year, International Women's Day was another excellent opportunity to further strengthen the engagement of our female colleagues. During our full Women's Week in March, we sought to reach out and engage as many colleagues as possible through professional messages and content specifically for women, in person, online and in hybrid formats.

Number of MBH Bank employees by gender[28]

	Male	Female	Total number of employees
MBH Bank Nyrt.	2506	5533	8039

Gender of senior management at MBH Bank

	Male (pcs)	Male (%)	Female (pcs)	Female (%)
MBH Bank Nyrt.	51	76%	16	24%

In line with the requirements of ESRS, the Bank defines senior management as positions one or two levels down in the management bodies. Senior management positions one level down include the Boards of Directors (CXO level), including the CEO and Deputy CEO. Two levels down, executive officers and directors belonging to boards of directors are included. In addition to ensuring women's equality and strengthening women's participation in society, our Bank places particular emphasis on building long-term working relationships. Our generational diversity HR strategy aims to cover the whole spectrum of employee life-cycles, with a particular focus on the specific needs of each employee life-cycle, such as trainees, early career, pregnant and returning mothers, small fathers and support for employees over 60. We work to create a healthy and non-discriminatory working environment for our employees, so that they can balance family life with work and professional development. We provide an extra day of parental leave for employees with children under the age of 14. In addition, can apply once a year at the start of the school year for a school enrolment grant, and we have also tried to help them with a camping grant for the summer holidays.

[27] Information on the number of employees can be found in the financial statements in chapter 4.6, which presents the average statistical number of employees.
[28] In 2024, the number of employees in the ESRS designated category "Other" was 0.

Number of MBH Bank employees by age

	under 30 years old	30-50 years old	Over 50 years old
MBH Bank Nyrt.	1167	5060	1812

MBH Bank is also committed to offering employment opportunities that are tailored to the needs of its employees. In this way, we aim to help those who may not have the capacity to work full-time due to childbirth or other reasons. The distribution of these workers is presented in the following table, with a gender breakdown

Number of MBH Bank employees by gender and employment type

Employment type	Male	Female	Total number of employees
Number of employees	2506	5533	8039
Number of permanent staff	2497	5524	8021
Number of temporary staff	9	9	18
Number of staff employed under the availability obligation	0	0	0
Number of full-time employees	2457	5313	7770
Number of part-time employees	49	220	269

The number of employees who left the Bank on their own initiative or voluntarily before the retirement date and the number of employees who left the Bank involuntarily, i.e. due to retirement or death, totalled 1,674 in the reporting year 2024. This figure also includes terminations of employment resulting exclusively from intra-Group transfers. As a percentage of the total number of employees, the turnover rate is therefore 20.77%, which we are constantly striving to reduce in line with our long-term employment approach

Employee representation

99% of employees are covered by collective bargaining agreements, demonstrating the company's commitment to prioritising workers' rights. The only employees excluded from the scope of the collective agreement are those who qualify as managerial employees under Article 208 of the Labour Code. The proportion of employees covered by employee representation is 99%, which indicates the company's efforts to strengthen employee representation. There is currently no agreement on employee representation within the European Works Council (EWC), the Works Council of a European Company (SE) or a European Cooperative Society (SCE). The company aims to continue to strengthen employee representation and to strive for continuous improvement of working conditions and employment conditions.

Creating ethical operations

As a leading employer in Hungary, we set an example by introducing best practices in the domestic labour market and by operating in a lawful, ethical and responsible business conduct. Respect for human rights and equal opportunities is one of our core principles, and our commitment to this is framed by the Code of Ethics that applies to all employees of the Bank. The Code serves as a guide for our staff in their daily work. Its observance can contribute to the maintenance of MBH Bank's reputation and the achievement of corporate objectives, while at the same time promoting the development and operation of fair and mutually beneficial business and working relationships. The scope of the Code of Ethics applies to all employees and other persons in employment of MBH Bank, as well as to all its specialised staff and all members of its governing and supervisory bodies.

In their day-to-day work, our colleagues must act in accordance with the principles and rules set out in the Code of Ethics in force. The Code of Ethics is in line with the main internationally recognised instruments, including the UN Guiding Principles on the Responsibility of Businesses with regard to Human Rights and accordingly excludes all forms of human trafficking, forced or compulsory labour and child labour.

The Board of Directors is responsible for the approval of the Code of Ethics . Board members and managers are responsible for the strict application and compliance with the Code of Ethics in their respective areas and for setting an example to the rest of the area, and compliance with the Code of Ethics is also the personal responsibility of each individual employee. In 2024, the Compliance area continued to monitor and control the implementation of the Code of Ethics within the Bank. Internal regulations, information material, mandatory training and staff in the Compliance area ensured that the principles of business ethics were applied in the day-to-day work. The mandatory training for all, which culminated in an examination, focused on honest business conduct, the fight against corruption, non-discrimination and respect for human rights, which all newcomers were required to master and all employees were required to repeat as refresher training.

The Code of Ethics states that any discrimination against employees should be rejected and diversity and inclusion should be promoted. It guarantees non-discrimination on grounds of race, language, colour, ethnic or social origin, genetic features, religion or belief, membership of a national minority, property, birth, marital status, health, geographical location or sexual orientation. However, the Bank has not made a specific commitment on diversity in 2024.

Remuneration and allowances

At MBH Bank, we believe that in a rapidly changing external environment and a difficult labour market, we need to develop a modern remuneration system that offers market-leading value to all members of our highly diverse employee base. Following the completion of the second phase of the bank merger process, a new Remuneration Policy has been introduced and will be effective from May 2023. The purpose of the policy is to recognise and incentivise the performance of MBH Bank Nyrt's executives in line with the risk profile and legal requirements of the MBH Bank Prudential Group. This policy sets out the principles for remuneration, taking into account the specificities of the company and the applicable national and European Union legislation. Taking into account the Bank's risk profile, the policy supports effective risk management, prevents the Bank from exceeding its risk exposure limits and is in line with the recommendations of the Magyar Nemzeti Bank on the prohibition of excessive risk taking. In addition, the policy is consistent with MBH Bank's business strategy, objectives and long-term interests, facilitating their achievement. The Remuneration Policy of MBH Bank Nyrt. Supervisory Board approves the Remuneration Policy.

The Bank's remuneration system is based on the principle of fair and performance-related remuneration. The continuous pursuit of these objectives is essential for the achievement of our ambitious targets and for our dynamic development. Our unified performance management system covers all our staff and is designed to help set individual objectives to be achieved during the year, so that we can assess their achievement at the end of the year by continuously monitoring them. The process includes goal setting, uniform performance appraisal, career management, training and development opportunities and performance-related remuneration. In 2024, ESG aspects of this performance-based remuneration will only be included at senior management level.

In line with the Bank's Remuneration Policy and Code of Ethics, we strive to ensure equal basic pay conditions for our male and female employees. We do not discriminate between full-time employees and temporary or part-time employees in terms of entitlement to benefits. Our Remuneration Policy states that all remuneration elements should be classified as either Basic Remuneration or Performance Remuneration. Base Remuneration includes basic salary, cafeteria and other fringe benefits. Under pay, various forms of bonuses, bonuses, entry bonuses, commissions, project bonuses, target bonuses and retention bonuses are available.

Our multi-component fringe benefits package not only includes monetary elements, but also promotes the improvement of the working environment, healthy lifestyles and employee well-being, thus fostering motivation and a sense of belonging to the community. Certain benefits, such as life insurance and parental leave, are available to all our employees, whether they are full-time, part-time or temporary. Cafeterias are available to most of our employees but are not available above a certain income level. The Bank also offers employees the opportunity to participate in the Employee Share Ownership Programme (ESOP), which is run by the ESOP Organisation. The purpose of the scheme is to provide performance-related remuneration to employees. Importantly, employees do not become direct shareholders but are entitled to share ownership through the MRP Organisation. Remuneration will be paid in accordance with the holding period and deferral cycles set out in the MRP Act and in accordance with the rules of the Remuneration Policy.

In addition, extended accident and life insurance is available to Bank employees. In 2024, in addition to occupational health care, our employees had access to the discounted health insurance that has been provided for many years, with diagnostic services and extended occupational medical services available at the Bank seven days a week. In addition, social protection against loss of income due to major life events applies to all Bank employees.

The Bank is committed to ensuring that its employees at all levels receive appropriate remuneration. The Bank conducts market research several times a year to establish benchmarks for appropriate pay. In 2024, no employees have been identified who earn below the applicable benchmark for appropriate pay. Closing the gender pay gap is a key objective of the Bank and is reflected in the Group-wide remuneration policy. The company's gender pay gap stands at 36.69%, indicating that, on average, female employees earn 36.69% less than their male counterparts. This figure is derived by comparing the average salaries of male and female employees, with the difference expressed as a percentage of the average male salary.The ratio of the total annual remuneration of the highest paid person in the company to the median of the total annual remuneration of all employees (excluding the highest paid person) was 32.71.

Recognising our workers

Rewarding our employees for outstanding performance is part of the Employee Recognition Programme. We have created a transparent recognition framework to reward commitment to MBH Bank and exemplary individual and team performance that goes far beyond the job. In addition to moral recognition, employees who are rewarded at individual or team level also receive significant financial recognition.

Our Employee Recognition programme is based on on-the-spot and formalised recognition elements. On-the-spot team-level rewards are designed to provide quick recognition of collective achievements based on a community experience. Under the formalised recognition scheme, the Employee of the Quarter is regularly rewarded based on the achievement of targets and performance, and the Employee of the Year and Team of the Year are also elected and rewarded. Our Holiday Scheme also serves to recognise high performance - and at the same time to provide recreational opportunities for staff and their families - by providing recognition in the form of vouchers for accommodation and hospitality for staff who perform outstandingly. In addition to performance, we also offer a range of employee loyalty rewards for our 5, 10, 15, 20 (...) year anniversary celebrations in the form of accommodation and hospitality vouchers. Long-term commitment of employees is rewarded with a Retirement Bonus after 10 years of service.

Health and safety at work

MBH Bank pays particular attention to the health and safety of its employees. In compliance with legal requirements, we have laid down in our Health and Safety at Work Policy the personal, material and organisational conditions for safe working conditions, which cover not only employees but also those working in the relevant area. In addition, the MBH Bank has an OHS representative appointed by the Works Council, who is entitled to verify that the requirements of safe and healthy working conditions are met in the workplace.

Our health and safety actions include regular training, health and safety inspections and a wide range of health promotion programmes. The Bank aims to ensure that employees are aware of safe working practices and the precautions they need to take. The Bank complies with the relevant legal requirements and does not operate a health and safety management system. The number of workplace accidents in 2024 remains typically low due to the nature of office work, the preparedness of colleagues and responsible behaviour. During the reporting period, there were a total of 11 work-related accidents, resulting in a work-related injury rate of 0.86.[29] There were no work-related fatalities. The total number of days lost due to work-related injuries and illnesses was 384 days. In order to maintain a low incidence of work-related accidents, employees are required to attend mandatory health and safety and fire training every year. Special training material has been prepared for bank branch staff on what to do in the event of an attack on the branch

Continuing the Year of Health programme launched in 2018, we organised screening tests to prevent workplace illnesses in 2024. There were no recordable work-related illnesses in the reporting year.

In addition, to support the health of our employees, the Bank offers hobby and recreation rooms in several of its buildings, and fitness menus and other special dietary meals are available in the canteens at the workplace. We promote the spirit of health promotion and health maintenance through various sports and health campaigns, such as the #20minuteshealth programme. We also support our employees' sporting activities with additional opportunities: the MBH Sports Club runs several sports clubs, which are tailored to the interests and activities of our employees.[30]

Supporting a new work-life balance

As part of MBH Bank's Generational Diversity programme, we support our employees through different life stage challenges. As a priority group, we support families and have created a complex benefits package for our employees who have children. MBH's Baby+ maternity programme provides financial and other benefits for families, and the Bank contributes to the equipment of the baby room or, if necessary, to mobility training. We also operate multiple digital communication channels that allow for close, seamless coordination and collaboration between maternity staff and HR in all situations. Currently, the entire Bank's staff can participate in this scheme without discrimination , as well as family leave, which includes maternity leave, paternity leave and parental leave.

The new MBH Bank headquarters

The design of the new MBH Bank headquarters, presented in chapter 7.2, was not only designed with environmental sustainability in mind, but also employee well-being. The planned design of the office space promotes the physical and mental health of employees, for example through the ample supply of natural light, ergonomically designed workstations and areas for relaxation and socialising. Our aim is

[29] The injury rate is the ratio of the number of work-related injuries to the number of hours worked per million hours.
[30] Our departments are: squash, volleyball, fishing, go-karting, dragon boat, cycling, running, table tennis, men's and women's football, hiking, bowling, bowling, boxing, basketball, throwing sports, swimming, wall climbing, spartan/crossfit, kayak-kenu and SUP, shooting sports, dodgeball.

for the new headquarters to achieve WELL's People Focus certification in addition to the green building certification

Employee information and consultation

MBH Bank maintains a number of channels to ensure that two-way communication with employees is effective. We believe that open and two-way communication is one of the foundations for smooth working. General guidance to employees is provided through internal policies and instructions, management briefings, circulars and the intranet platform, while operational information is provided through face-to-face and online meetings. Addition, internal newsletters, magazines, leaflets, internal events, face-to-face training and webinars help to keep colleagues up-to-date and well-informed.

In order to address the impact on employees in a meaningful way, it is essential to listen to their views, which we also place great emphasis on. In 2024, the Works Council continued to be the primary representative forum, as required by the Labour Code. Through the Works Council, our employees were involved in issues and decisions affecting them and were informed of changes to these. The Works Council met a total of 18 times in 2024, and the Council and its committees (Ethics and Conciliation Committee, Welfare Committee, Sport and Health Committee) met a total of 66 times, ensuring that the voice of employees is heard and that workplace issues are discussed in a constructive way. In addition, our colleagues were able to voice their comments, concerns and suggestions directly to their superiors or to HR staff. The HR area of MBH Bank, and therefore the area manager, is operationally responsible for the implementation of the cooperation. The effectiveness of the implementation is evaluated within the framework of the annual employee satisfaction survey and through the employee reporting lines.

Employee satisfaction

Employee satisfaction is a key indicator of MBH Bank's HR sub-strategy. The annual *Pulse* survey aims to understand the Bank's employee satisfaction as accurately as possible. To achieve this objective, a high participation rate is needed to channel a broader insight from employees. Unlike the Sustainability Statement period, the survey completion period does not follow a calendar year, so the data aggregated in February 2024 will reflect results from 2023-2024. Pulse survey results for 2024-2025 will be published in the 2025 Sustainability Statement.

A total of 6068 responses were received during the survey completion period, which means that 75% of the Bank's employees shared their views. The report clearly reflects the high level of employee satisfaction, with 76% of the Bank's employees engaged with the Bank, an improvement of 16% compared to the previous year. Three key areas emerged from the survey that we intend to focus on to further improve employee satisfaction in the future:

1) timely decision making and information sharing - frequency, effective use of channels, further expansion, deepening
2) Efficient and lean operations - clear processes, increased collaboration, clear lines of responsibility and accountability, increased predictability and ability to execute
3) increasing customer focus - through programmes, training and management tools.

Employee reporting lines

The Bank has established several channels for reporting any complaints that may arise, giving our staff the opportunity to make their complaints orally or in writing, in person or by proxy, within a strictly regulated framework. Written complaints can be sent by post or email to the designated departments (Compliance and Anti-Money Laundering, Banking and Business Security, Internal Audit), and employees can also lodge complaints in the Anonymous Box on the Bank's server. The reports are seen and handled only by the heads and dedicated staff of the designated departments. The Bank will acknowledge receipt of the written report within 7 days of receipt. Oral notifications shall be recorded in writing and a copy shall be given to the notifier, with the possibility of verification, correction or acceptance by the notifier. Our internal whistleblowing system is designed in the manner set out in the framework of Act XXV of 2023 on Complaints, Public Interest Reports and Rules on Reporting Abuse (hereinafter referred to as the Complaints Act). In addition to employees, the system also allows former employees, job applicants, contractors, owners and members of supervisory boards, contractors and suppliers, trainees and volunteers, prospective employees and former contractors to report abuse.

	MBH Bank Nyrt.
Number of discrimination cases	1
Number of complaints submitted and handled through the abuse reporting system (excluding discrimination cases)	23
Number of complaints to national contact points for the OECD Guidelines for Multinational Enterprises	0
Amount of fines imposed (HUF)	3.000.000 Ft.

The total number of discrimination and harassment cases reported within the Bank during the reporting period was 1. There were 23 complaints through the abuse reporting channels. There were 4 cases of ethical misconduct. There were no complaints reported to the National Contact Points under the OECD Guidelines beyond the above cases. The fines, sanctions and compensation imposed as a result of the above incidents and complaints were set at HUF 3 million. There were no serious labour-related human rights incidents during the reporting period, including cases of non-compliance with relevant international guidelines.

Corporate policy and objectives

The prevention, mitigation and remediation of actual and potential impacts, as well as the management of risks and the exploitation of opportunities, arising from the material themes of "Responsible employer and a balanced working environment" and "Human capital development" are integrated into corporate policies through the HR sub-strategy. The MBH Bank-wide strategy is approved by the Management Committee.

The HR sub-strategy is based on a three-pillar vision, with the strategic objective of achieving a leading position in Hungary by serving all customer segments and maintaining local community interests. The three pillars are: sustainable value creation in line with ownership expectations by managing banking market risks; building an integrated bank to maximise synergies and reduce uncertainties; and a modern banking culture and workforce strategy to retain and develop the workforce. An HR strategy built to support the above objectives will take into account post-merger operational challenges such as enhancing execution capacity or operational security. External challenges include wage inflation, a tight labour market, brand recognition and the declining attractiveness of the banking sector. Internal factors that may affect operations include operational duplication, limited digital capabilities, a multi-generational organisation and the retention of top talent.

Increasing the automation and up-to-dateness of HR systems is a further objective for HR system innovation and the effective use of artificial intelligence; data-driven decision support is also a priority. The corporate culture is built on five core attitudes: partnership, credibility and professionalism, a desire to learn, value creation, and controlled and stable operations. The business strategy focuses on cost control and a transparent management approach and accountability.

The Bank's HR strategy is closely linked to the business objectives, ensuring that employee objectives are aligned with the organisational strategy. The quantified objectives of the HR area include maintaining talent retention above 90%, reducing IT and network turnover below 15% and developing the internal talent market with a target of 20% internal promotion rate. Employee involvement in the development of these targets is implemented at multiple levels, starting with the organisational strategy, which unfolds through area sub-strategies at the management and employee levels. On the basis of the applicable group-wide incentive and performance management policies and management expectations, individual targets are set by employees in their own target proposals, which are finalised by their managers. Targets are set and agreed in the HR Master system. Regular pulse surveys and other feedback mechanisms are used to take into account employee opinions and suggestions. The monitoring of the achievement of the objectives set is carried out at two levels: the control of the territorial objectives is carried out by the Controlling area, while the control of the objectives broken down to the employee level is the responsibility of the direct managers. The annual performance appraisal process and continuous management feedback ensure that the achievement of objectives is regularly reviewed.

8.2 Training and development

<table>
<tr><th>Material topic</th><th colspan="2">Human capital development</th></tr>
<tr><th>Standard used</th><th colspan="2">ESRS S1</th></tr>
<tr><td>Presentation</td><td colspan="2">Presentation of MBH Bank's training, talent and career management</td></tr>
<tr><td>Sustainable Development Goals (UN SDGs) supported</td><td colspan="2">4 QUALITY EDUCATION
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH</td></tr>
<tr><td rowspan="4">Material topic link to MBH Group</td><td>The basis of materiality</td><td>Financial materiality (financial opportunity)</td></tr>
<tr><td>Impacts</td><td>The Bank has not identified any material positive or negative impacts related to this topic.</td></tr>
<tr><td>Financial risks</td><td>The Bank has not identified any material financial risks related to this topic.</td></tr>
<tr><td>Financial opportunity</td><td>Investing consciously in the professional and personal development of employees can contribute to increasing their efficiency and long-term commitment to the Bank, thereby helping to optimise operational and recruitment costs.</td></tr>
<tr><td rowspan="5">Addressing a material topic</td><td>Link to ESG strategy</td><td>Worker well-being and attitudinal change</td></tr>
<tr><td>Corporate policies</td><td>• HR sub-strategy</td></tr>
<tr><td>Priority actions</td><td>• MBH Academy (of which the ESG Academy is part)
• Talent Management Programme
• Leadership Academy
• Mentoring Programme</td></tr>
<tr><td>Metrics</td><td>• Number of participants in vocational training (persons)
• Percentage of employees participating in regular performance and career reviews (%)</td></tr>
<tr><td>Targets</td><td>• Increasing the number of participants in vocational training</td></tr>
</table>

In 2024, the Bank organised a total of more than 370,000 hours of internal training. In addition to the mandatory training, we have sought to ensure a diversity of professional training by inviting external experts to give lectures. We provided all our employees with the mandatory professional training required for their job role, as well as general mandatory training for legal compliance across the company, and soft skills and leadership development programmes to promote career awareness.

In line with our core values, the Bank is committed to maintaining equal opportunities in its training, for employees of all gender identities and in all types of employment. To achieve this objective, we have established measurement points to provide a transparent view of the extent to which this objective is being met, including in terms of the average number of training hours completed by our employees.

Training average of MBH Bank employees by gender

Gender	Average training hours
Male	48,95
Female	45,52
Total employees	46,59

The onboarding of new entrants was supported by a digital and gamified pre-boarding programme, focusing in particular on staff who had already accepted our offer but had not yet started work. This online solution not only supported the engagement of new talent, but also provided them with ongoing opportunities to connect, reinforcing the experience of being part of a team. The Change Management Academy, established in 2022, was further expanded during 2024, reinforcing MBH Bank's corporate culture. Within the Academy, we not only developed change management skills, but also introduced an interactive approach to communicating corporate values, working with colleagues in workshops to understand and embrace them. Within the training opportunities listed, we have supported talent development through a number of programmes such as Mentoring and Leadership Development, our Key Talent Programme.

In addition to training and talent management, the Bank seeks to monitor the performance of its employees in order to provide more accurate guidance to promote their development. In line with its principles, the Bank also strives to ensure equal opportunities during these reviews. Employees, irrespective of gender identity and employment type, are given the opportunity to participate in targeted and comprehensive career path incentives

MBH Bank employees participating in regular performance and career reviews gender

Gender	Number of participants in performance reviews	Percentage of participants in performance reviews (%)
Male	2278	91%
Female	5079	92%
Total	7357	92%

Talent management

A key element of our organisational culture is to promote talent management and lifelong learning. Talent management is a way of ensuring that we continually raise individual performance and professional standards, developing and retaining internal talent, and identifying and preparing future leaders, ensuring succession in key positions within the Bank. Properly implemented, talent management contributes to the implementation of our modern banking culture and workforce strategy in line with our values

Our Talent Management Programme (Leadership Succession and Key Talent Programme) is open to colleagues who are already in some level of management or expert position. The aim of the programme is both to identify key talent across the company and to develop a framework for leadership succession. Colleagues were recruited through a senior management nomination and a development centre-based selection process, supported by a specific training plan to prepare them for a broader and more diverse range of roles at the highest possible level in the future. The programme has not only promoted the development of a cohesive company culture but has also had an impact on the personal development of the individual s who have received training.

Our Leadership Academies have been an integral part of preparing managers for the transition to the new way of banking. Our leadership training programme was modular, with different solutions and topics (inspirational leadership, heterogeneous generational teams, transparent leadership, motivational leadership, etc.) to support the continuous development of talented leaders. A specific programme helped to train newly appointed managers.

By introducing the **Mentoring Programme**, we aim to multiply high quality professional knowledge and further build a consistent knowledge base. The Mentoring Programme will be open to mentor colleagues who are outstanding professionals in a particular area of banking and who are willing to share this professional knowledge with other colleagues in a more formal mentor-mentee relationship. The programme was launched on a pilot basis in 2023 and continued to operate in 2024.

9. Responsible provision of services

MBH Bank is committed to providing high quality customer service, continuously improving customer satisfaction, creating value and promoting social inclusion. This chapter describes the Bank's strategies and actions that enable us to further this commitment. Customer focus is essential for the long-term success of the Bank and our aim is to provide a specific, personalised service to customers from all social groups and with different needs, which will help to strengthen customer loyalty.

The Bank's customer policies address sustainability issues and cover the entire customer base. These policies include the Complaints Handling Policy, the Code of Ethics, the CSR Strategy and the Privacy Policy. The Complaints Handling Policy ensures that customer feedback and concerns are handled effectively, while the Code of Ethics and CSR Strategy promote ethical, responsible operations that are consistent with sustainability considerations. The Privacy Policy is designed to protect the personal data of consumers, contributing to a safe and reliable user experience. These policies ensure that the company provides transparent and sustainable operations for all customers.

MBH Bank's Data Protection area ensures compliance with data protection and ethics rules through regular and ad hoc training, annual policy reviews and targeted investigations. Process improvement recommendations are also made to mitigate risks, and area seeks to promote compliance through continuous feedback Complaints Management continuously evaluates comments, defines issues that generate complaints, and makes recommendations for system improvements. If several complaints are received within a given period, a specific indication of the problem is given to the department concerned, thus preventing further complaints. Provide ad hoc feedback on negative customer feedback when new services are introduced

9.1 Customer satisfaction

Material topic	**Creating value for customers, increasing customer satisfaction**	
Standard used	**ESRS S4**	
Presentation	MBH Bank's relationship with its customers - customer satisfaction metrics, complaints handling mechanisms and a presentation of the assessment of the specific needs of different social groups.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial risk and financial opportunity)*
	Impacts	Poor customer service practices and poor complaint handling can have a significant negative impact on the customer experience. Given MBH Bank's broad customer base and product portfolio, inadequate customer service can lead to frequent customer dissatisfaction. Employee attitudes, misaligned performance expectations, limited digital capabilities and inadequate information transfer can all contribute to customer dissatisfaction.
	Financial risks	Lack of customer satisfaction may pose financial risks to the Bank. Dissatisfied customers may leave the Bank, reducing revenue and increasing the cost of customer acquisition. Negative feedback from customers can damage the Bank's reputation, which in the long term can affect its market position and the confidence of potential customers.
	Financial opportunity	There are significant financial opportunities to create value for customers and increase customer satisfaction. High customer satisfaction increases loyalty, reduces churn and lowers the cost of acquiring new customers. Satisfied customers are more likely to recommend the service, which generates organic marketing. In addition, they are more likely to choose additional products or services (upselling, cross-selling), which increases the company's revenues.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Complaints Handling Policy • Marketing strategy • Sector-level business strategies
	Priority actions	• Annual review of the Code of Ethics (MBH Bank) • Trial purchases • Integrating customer feedback into our service and service development processes
	Metrics	• NPS (Net Promoter Score) • Branch and customer service customer experience index • Number of customer complaints
	Targets	• Improving customer satisfaction metrics • Reducing the number of customer complaints

MBH Bank is one of the largest financial institutions in Hungary, serving millions of customers every day. In this chapter we focus on our customers, with a special focus on our retail and corporate customers, who are the most important stakeholders in our business. Our aim is to provide them with a consistently high quality and experiential service that enhances customer satisfaction. Transparent and responsible communication with our customers is a key priority for us, to meet their expectations and provide them with the best possible customer experience.

The Bank pays particular attention to transparency in information, marketing and sales in all its activities. The Bank's products and services do not present any direct risk or adverse impact on customers. In complying with the disclosure requirements under ESRS 2, MBH Bank emphasises its commitment to providing security to its customers and to those involved in the value chain arising from the Bank's operations, including transparency and privacy in its business relationships with third parties

MBH Bank also discloses that these services do not pose any risk of chronic disease or personal rights violation to its customers who use the financial products and services provided by the Bank. In addition, the Bank ensures that all product and service information is accessible, accurate and easy for customers to understand, which contributes to ensuring that the proper use of financial products and services does not carry any risk

Our bank regularly conducts customer satisfaction surveys to understand and respond to customer needs. These surveys include willingness to leave, intention to repurchase, overall satisfaction and Net Promoter Score (NPS) metrics. The results present that our customer-centric approach has a positive impact on customer satisfaction and help identify opportunities for further improvement and continuously improve the customer experience.

Our Bank is constantly working to incorporate consumer feedback effectively into our decision-making processes. We regularly interact with our customers to understand their needs and expectations and take these into account in our service development processes. This practice is central to ensuring that we continuously improve and tailor the services we provide to our customers. Operational responsibility for this process lies with the senior person responsible for maintaining and updating material policies such as the Complaints Handling Policy, Code of Ethics, CSR Strategy and Privacy Policy. He/she is responsible for ensuring that customer feedback and perspectives are properly reflected in the company's strategy and operations, thus ensuring sustainable and responsible customer relationships

In the event of a case where a customer or other data subject suffers harm or negative impact, the Bank has specific mechanisms in place to address these. One of these mechanisms is an abuse reporting system for our customers, which allows them to report violations or other abuses, even anonymously. Through this, customers can report their concerns directly, which are promptly investigated and addressed. The Bank's complaints handling processes also allow vulnerable customers, such as people with disabilities, to report their needs and concerns directly. We monitor the effectiveness of these systems on an ongoing basis and ensure that these customers receive appropriate support.

A detailed description of the complaint handling mechanisms, systems and methods described, as well as the related data management and documentation describing the process, can be found in the Bank's Complaints Handling Policy (the Group Complaints Handling Policy contains paragraphs and information on data management, but the detailed rules of data management are set out in a separate policy, the Privacy Policy, which defines the precise framework for data management and compliance with applicable legislation.) The purpose of the Policy is to ensure that the Bank handles customer complaints in an efficient and transparent manner, ensuring prompt and mutually acceptable resolutions. The process of handling, investigating, recording and evaluating complaints is an integral part of the Bank's operations, contributing to the continuous improvement of the dispute resolution process and to a higher level of service to our customers.

The complaints system provides several channels for customers to submit complaints, either orally, in writing, in person or by proxy. The policy also sets out a strict set of procedures for dealing with complaints received, ensuring transparency, effective investigation and appropriate feedback, and providing redress or redress where necessary to ensure customer satisfaction. In 2024, the Bank received 72,828 customer complaints, of which not all were substantiated. The complaints received were mainly related to the termination of inactive accounts and product consolidation projects. Customer problems were mainly due to lack of information and inadequate handling of contractual status. The Bank holds weekly meetings with the Product Department to address the problems related to product consolidation. In all cases where a Bank failure has affected a larger customer, it has been decided to remedy the contractual status of customers through the complaints handling process.

The Complaints Handling Policy is approved by the Deputy CEO for Digitalisation and Operations. Our policies for customers are not explicitly aligned with the UN Guiding Principles on the Responsibility of Business to respect Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, but many elements are in line with them. In 2024, MBH Bank was fined in one case for a human rights incident. The Bank continuously monitors potential risks so that it can take the necessary action in a timely manner.

51 cases of inadequate information and labelling on products and services resulted in MNB consumer and management warnings, of which 33 cases resulted in fines being imposed on the Bank. Most of the fines were imposed by the MNB as a result of customer-initiated procedures related to complaint handling and customer service processes through various channels. There was only one case of non-compliance with the Bank's internal voluntary rules. The findings have been forwarded to the relevant departments, which have immediately started implementing corrective actions. In the case of individual complaints, if a reprimand is received, Consumer Protection forwards it to the Complaints Handling area for information and to fulfil the obligations imposed, in particular with regard to educational actions. There were three cases of non-compliance with marketing communications that resulted in warnings, which did not entail any penalty.

In order to mitigate social impacts, the Bank is continuously working to pay special attention to groups that are particularly vulnerable to negative impacts, such as young people or customers in financial difficulty, in its product development and marketing strategies. Throughout these processes, we will also take care to ensure that our own practices do not cause or exacerbate material negative impacts on our customers. For example, accessibility and fair marketing are prioritised in the design of products and services. Where there is a tension between business pressures and the prevention of negative impacts, the Bank will prioritise the protection of consumers' rights. To reduce financial risks, the Bank is continuously developing its digital security systems and customer financial awareness programmes to reduce the risks arising from a lack of financial literacy. Effectiveness is monitored by measuring customer satisfaction and reducing fraud and erroneous transactions.

MBH Bank is also committed to identifying risks in its customer relationships and integrating them into its sustainability strategy. The Bank has launched extensive financial awareness programmes aimed at promoting informed financial decision-making. These programmes focus primarily on disadvantaged groups and the younger generation, thus having a direct positive social impact on financial stability and promoting equal opportunities. As part of our corporate social responsibility, our Bank regularly monitors and evaluates the effectiveness of initiatives in achieving positive impacts on consumers. The Bank has introduced various actions to improve the accessibility of its services, particularly for the less financially literate and people with disabilities. Our programmes and initiatives to support disadvantaged and marginalised social groups are also described in more detail in subsections 9.2 and 9.3.

The Bank will set periodic targets to improve customer experience and satisfaction, ensuring continuous and traceable improvement of services. These include the extension of the branch test purchases to the entire branch network (for all former member banks). This will cover the entire branch network (over 500 branches) from the first quarter of 2024, with the results of the test purchases and identified gaps being monitored on a monthly basis, under the guidance of the Customer Experience and Process Management area. A related additional objective was to incorporate at least two-thirds of the findings from branch test purchases into regular management feedback. In this respect, the target was exceeded and the commitment was met in 80% of cases.

Another key task of the Customer Experience and Process Management area was to build an end-to-end (E2E) process host network for MBH Bank Nyrt. and identify high priority processes, which we successfully completed. The policy supporting this workflow and its annexes detail the customer impact assessment methodology and emphasise its importance in decision making. These methodologies are based primarily on indirect feedback from customers and disciplines, ensuring a customer-centric approach.

The Bank's strategic focus is closely linked to the processes that have the greatest impact on customers. To this end, we place a strong emphasis on regularly collecting and analysing customer voice so that this valuable feedback can be incorporated into our process improvement programmes, helping us to continuously improve our services. In line with this, also organised by the Customer Experience and Process Management area, we invited nearly thirty customers to management forums attended by managers directly involved in customer service. These events provided an opportunity for direct dialogue and provided an important basis for defining improvement directions for customer experience.

9.2 Social inclusion

<table>
<tr><th>Material topic</th><th colspan="2">Social inclusion of consumers and/or end users</th></tr>
<tr><th>Standard used</th><th colspan="2">ESRS S4</th></tr>
<tr><td>Presentation</td><td colspan="2">This chapter describes MBH Bank's initiatives for social inclusion and equal financial access, with a particular focus on vulnerable, underrepresented and disadvantaged groups, and accessibility.</td></tr>
<tr><td>Sustainable Development Goals (UN SDGs) supported</td><td colspan="2">8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION</td></tr>
<tr><td rowspan="4">Material topic link to MBH Group</td><td>The basis of materiality</td><td>Impact materialities (positive impact)</td></tr>
<tr><td>Impacts</td><td>Promoting social inclusion will make banking services more accessible and available to a wider and wider section of society. Both the development of digital banking services and physical accessibility will increase financial inclusion.</td></tr>
<tr><td>Financial risks</td><td>The Bank has not identified any material financial risks related to this topic.</td></tr>
<tr><td>Financial opportunity</td><td>The Bank has not identified a material financial opportunity related to this topic.</td></tr>
<tr><td rowspan="5">Addressing a material topic</td><td>Link to ESG strategy</td><td>Sustainability as a business opportunity and sustainability education</td></tr>
<tr><td>Corporate policies</td><td>• Code of Ethics</td></tr>
<tr><td>Priority actions</td><td>• Annual review of the Code of Ethics</td></tr>
<tr><td>Metrics</td><td>• Touch Card cards issued (pcs)
• Percentage of branches with accessibility (%)</td></tr>
<tr><td>Targets</td><td>• Increasing financial access
• Further developing physical and digital accessibility</td></tr>
</table>

In the feedback on customer satisfaction and other banking services presented in chapter 9.1, MBH Bank places a strong emphasis on socially vulnerable and marginalised communities and groups. Accordingly, it is important to ensure equal access to financial services for those who have found it difficult to connect to the traditional banking system. We pay particular attention to disadvantaged groups, such as people with disabilities (e.g. visual, hearing or mobility impairments), and offer targeted products for young people. These actions aim to ensure fair and equal access to financial services for all customers and contribute to social inclusion. For MBH Bank, a core value is responsible service delivery, ensuring that everyone has the opportunity to benefit from an accessible customer service, whether digital or in person. commitment to social inclusion is encapsulated in the principles set out in our Code of Ethics, the content, purpose, scope and the department responsible for its implementation are detailed in chapter 8.1 Supporting Employee Well-being.

In August 2023, MBH Bank took a significant step in the field of accessibility of financial services when it was the first in Hungary to introduce the Mastercard Touch Card. This solution was developed for blind and partially sighted people, with the aim of facilitating everyday financial transactions. The cards have different sized notches for touch, so that visually impaired people can easily distinguish between debit, credit or prepaid cards without having to see the surface. The reception of the accessibility cards has been very positive and the programme has continued in 2024, with 179,618 Mastercard Standard debit cards and 95,854 credit cards issued with this feature during the year, which has contributed significantly to the financial independence of the people concerned.

As part of the Bank's accessibility efforts, we believe it is important to take into account not only technological solutions, but also consumer feedback. For this reason, MBH Bank has started a cooperation with the National Association of the Hungarian Blind and Visually Impaired (MVGYOSZ) and we have conducted a comprehensive research on the banking habits of visually impaired people. The aim of the research was to better understand the specific needs of these customers and to make further improvements based on their feedback, ensuring that financial services are easily and safely accessible to all customers.

Digital accessibility is also a priority area for MBH Bank and our websites are designed to comply with various accessibility regulations and standards. For visually impaired users, we have ensured that the site is fully compatible with screen reader software, which makes navigation much easier. We have also made the content available in high-contrast view, so that our colour-blind and colour-defying customers can use the site without problems. The Bank is constantly working to improve its digital platforms and offer more effective solutions in all areas of accessibility.

In 2024, no significant changes have been made to the physical accessibility of our branches. The percentage of accessible branches was 100% in 2021, but due to the increase in the number of branches resulting from the merger, this percentage decreased to 88.56% in 2022 and 72% in 2023. Although further steps are needed to achieve full accessibility, the Bank is committed to continue its efforts in this area, with a particular focus on the continuous improvement of accessibility and the creation of an inclusive financial environment. As a proof of this, since 2021, 11 branches have been certified Bronze thanks to an external expert audit by Access4you. To promote equal access, we have made available a Service Map on our website, which provides information on the administrative options available to people with disabilities. It is also possible to make an appointment in advance in our branches and to book a dedicated meeting room. Visually impaired customers can also enter with a guide dog, while hearing impaired customers can use a sign language interpreter. As part of the accessible information service, we provide special communication tools for our disabled customers, such as reading documents or interpreting written information.

9.3 Developing a financial culture

Material topic	**Developing a financial culture**	
Standard used	**GRI G4 FS16, SASB FN-CB 240**	
Presentation	To present MBH Bank's financial education programmes and initiatives, including opportunities specifically launched for different social groups. A description of the Bank's overall strategic level objectives to develop financial culture and awareness.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	Informed customers are more likely to use different financial products and services, which can increase the Bank's revenues. Financial awareness can help build long-term customer relationships and spread positive organic marketing.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• CSR strategy
	Priority actions	• MBH Conscious Help Programme • Big Student Banker Test • European Finance Week
	Metrics	• Number of financial education programmes (pcs) • Number of participants in financial literacy initiatives (persons)
	Targets	• Increasing the number of participants in financial education programmes • Financial education for specific age groups (e.g. young people)

Developing financial awareness among young people

Bank is also strategically developing financial and digital services to effectively reach young people. However, alongside these developments, it is crucial to provide them not only with the tools, but also with the knowledge to do so.

In May 2024, the cooperation between MBH Bank and Corvinus University of Budapest reached a one-year milestone. Our common goal is to provide students with in-depth yet practice-oriented knowledge during their university education, and to give them a taste of how theory translates into real work. MBH Bank supports them with various initiatives - Corvinus University students can apply for internships at the bank and the Start+ programme for recent graduates, allowing them to gain useful and concrete work experience at an early stage.

Strategic partnership with the Ecumenical Relief Organisation - MBH Aware Help Programme

The celebration of the one-year strategic partnership between MBH Bank and the Ecumenical Relief Organization in 2024 marks a significant milestone in the field of social responsibility and sustainability.Over the past year, more than 35,000 families in need have received assistance through the MBH Conscious Assistance Program, based on the three pillars of the bank's social responsibility strategy: energy and financial awareness, support for the sustainability of the Relief Organization, and assistance in crisis situations. In order to increase energy efficiency, 200 families have had their homes upgraded, while a further 5,022 people have received crisis assistance and 25,000 additional people in need have been helped under the programme.

We also help to raise financial awareness through a range of publications that provide disadvantaged people with targeted knowledge on how to manage their finances. Around 2,000 financial publications are available, covering a wide spectrum from personal finance to investments. In addition, a video podcast has been created to provide further information and guidance on developing financial awareness. The financial information will help to increase financial literacy among disadvantaged groups.

In the second year, MBH Bank and OED will develop additional programme elements, including assistance to reduce household costs, a financial awareness comic book and a financial family mentoring programme. These new elements will further strengthen sustainability and long-term social impact.

MBH Bank and the Biatorbágy Innovative Technical School and Secondary School, run by the Ecumenical Aid Organisation, have also entered into a strategic partnership to ensure that the students of the technical school acquire competitive skills recognised by economic operators.

Through the partnership, the Bank will support innovative education at the institution with HUF 20 million, in addition to its practical involvement in financial education and the development of students' financial literacy. In addition to the financial support, the partners will jointly develop a high-quality, innovative and practical financial education module for young people, which will provide the institution's students with a secure and competitive knowledge base. In this way, the company will make a significant contribution to the marketable skills of the students.

In 2024, the Bank and Skool Foundation for Technology Education's comprehensive digital literacy programme reached a total of 1,579 children and 317 disadvantaged young people through awareness sessions delivered by Bank experts. The programme aims to provide opportunities for young people from primary and secondary schools and disadvantaged youth to develop digital and financial literacy.

Big Student Banker Test

The DUE Media Network, with the support of MBH Bank, launched the 2024 Big Student Banker Test, focusing on responsible financial decisions and banking, financial planning practices and the financial dangers of the online space. The two-round quiz is both an opportunity for students to test their skills for valuable prizes and an opportunity to gauge young people's skills, strengths and weaknesses in the ever-changing and often complex world of financial products. More than 15,000 students completed the online quiz. As part of the Bank's corporate social responsibility strategy, we are paying close attention to current issues of concern - for example, with cybercrime and online card fraud set to rise sharply in 2024, we have placed a particular emphasis on ensuring that young people are not only aware of the threats they face, but also able to monitor the constantly evolving methods of fraudsters

European Finance Week

European Money Week is an annual initiative that takes place in nearly 30 European countries. Known in Hungary as Money7, the Entrepreneurship and Finance Week 2024 will take place from 4-8 March 2024. Once again, we participated in this series, with the aim of contributing our expertise to developing young people's financial literacy so that they can better understand how financial institutions work and how banking works. Money7's experiential and informal lessons take into account the different needs of different generations and age groups, providing the knowledge necessary for sound decision-making and fostering creative problem-solving skills in a playful way. The interest in this year's programme was again strong and we are proud that 18 of our staff members contributed to the success of the initiative as volunteer financial mentors.

MBH Bank's other initiatives are aimed at corporate clients. The BSE&MBH Bank Mentor HUB programme supports the development and listing of Hungarian companies. Treasury breakfasts were organised as part of a nationwide series of events offering information on macro and treasury topics to our medium and large corporate clients. A total of 480 people attended the programmes. Some of them attended several events, bringing the total number of unique participants to 455.

Corporate policy

The aim of the CSR strategy is to bring together our existing operational CSR initiatives into a comprehensive strategic framework. To this end, we have identified four main pillars, which have been developed along the lines of previous Member Bank initiatives, customer and employee surveys and the ESG strategy. Dr Zsolt Barna, CEO and President, is responsible for developing the strategy.

The first pillar is social inclusion, which focuses on helping disadvantaged people, supporting local communities and fostering a culture of social solidarity and volunteering. The second pillar is financial literacy, which aims to raise financial awareness among secondary and university students, as well as female entrepreneurs, and to promote digital literacy. The third pillar is sustainability and ESG mainstreaming, where the Bank is committed to sustainable economic operations through employee engagement and internal education programmes. Finally, the fourth pillar focuses on supporting Hungarian art.

9.4 Supporting access to financial services

Material topic	**Access to financing**	
Standard used	**GRI G4 FS13, SASB FN-CB-240**	
Presentation	Describe the Bank's efforts to expand financial services; describe its activities to reach out to geographically isolated social groups with little access to banking.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and financial opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	Expanding access to finance may increase credit risks, especially if lending is to less creditworthy customers.
	Financial opportunity	Increasing access to finance will give the Bank the opportunity to grow its business and expand market share. Involving people from different social and economic backgrounds in economic activities can open up new customer bases and revenue streams for the Bank.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• CSR strategy • Sector-level business strategies
	Priority actions	• Mobile branches programme • MBH Digital Zones
	Metrics	• Number (number) and value of SME and social development loans in the portfolio (HUF million) • Number of institutions providing banking services in underdeveloped regions (number) • Number of mobile branches (number)
	Targets	• Expand access to banking, increase financial services for underrepresented customers

MBH Bank actively supports small and medium-sized enterprises (SMEs) and underserved segments of the population with a variety of financial products and services, including Mobile Banking Branches, which provide an innovative solution for customers in less accessible rural areas. The initiatives are linked to the CSR strategy, the content, purpose, scope and the department responsible for implementation of which are detailed in chapter 9.3 Developing a Financial Culture

Mobile Branches and MBH Digital Zones

MBH Bank's Mobile Banking Branches offer new opportunities for customers living far from cities and financial centres, who have previously found banking difficult. These mobile units offer basic services such as cash withdrawals, account management and personal advice, providing a bridge between the financial world and people living far from cities. Mobile branches are particularly important in rural areas where permanent branches are rarely found. In addition to innovative services, these units will be complemented by digital solutions, further increasing accessibility and facilitating transactions.

The Bank has a network of branches and ATMs throughout the country, ensuring that financial services are reasonably accessible to all customers within the regions where the financial institution operates. MBH Bank Nyrt. operates a total of 509 branches, providing access to services nationwide. The number of ATMs is 960 machines.

Central Statistical Office "Gross domestic product per capita by county and region" and "Area, settlement density, population density, 1 January 2024" the Bank has identified the counties of Somogy, Békés Szabolcs-Szatmár-Bereg and Nógrád as operating areas with both population density and gross domestic product per capita well below the national average. As a bank with national coverage, it is particularly important to provide commercial financial services through a sufficient number of access points in these areas. The number of branches and ATMs available in the four counties, as well as changes in these numbers, are summarised in the table below.

	Hungary	Somogy county	Békés county	Szabolcs-Szatmár-Bereg county	Nógrád county
Number of accounts 2024	509	16	28	30	9
Change in number of accounts* (number)	-4	-1	0	0	0
Change in number of accounts (%)	-0,8	-6	0	0	0
Number of ATMs	960	29	46	60	24
Change in number of ATMs* (number)	-144	4	8	12	5
Change in number of ATMs (%)	18	16	21	25	26

** Change between 2024 and 2023 closing stock of accounts and ATMs*

The accessibility of Mobile Branches helps to reduce financial inequalities by using modern technologies to provide financial access to customers who are geographically isolated or less accessible. Currently, 14 Mobile Banking Branches are spread across areas of the country, making a significant contribution to strengthening social inclusion and raising financial awareness across the country.

MBH Bank will provide access to financial services not only for rural customers, but also for younger generations. By the end of 2024, 7 MBH Bank Digital Zones will be set up on university campuses, where students will be able to manage their finances in a modern, digital environment. These zones will not only enable convenient and fast transactions, but will also increase the financial awareness of young people, helping them to use banking services more easily and confidently in their everyday lives.

Business growth and social impact

MBH Bank pays particular attention to supporting small and medium-sized enterprises (SMEs), recognising that the SME sector plays a vital role in economic growth and job creation. The Bank has developed various loan programmes aimed at increasing the competitiveness and development opportunities of small businesses. These loans enable businesses to expand their activities, reach new markets and increase their efficiency and innovation capacity through investment. This will also help to keep the domestic SME sector on a sustainable growth path in the long term.

The number of qualified loans granted by MBH Bank for small business and community development programmes currently stands at 1,671, with a total amount of HUF 102,983,404,778 in subsidised loans. The grants are covered by the Széchenyi Investment Loan MAX+, Vision Investment Loan and the Value Creation Investment Loan. The initiative will help small businesses to acquire, develop and expand real estate. These loans support not only the short-term financing needs of businesses, but also long-term, strategic objectives such as creating new jobs, introducing technological improvements or even making investments in sustainability. The Bank believes it is important to contribute to the stability of SMEs by providing a wide range of financing opportunities, thereby strengthening the economic potential of local communities.

The Bank is committed to supporting small businesses and community development, and therefore pays particular attention to good lending practices. The number of qualified loans for small business and community development programs that were delinquent, in default of interest or in forbearance was 45 during the reporting year, amounting to HUF 7,589,918,903. The low rate of delinquent loans indicates that the majority of small businesses assisted are financially stable and able to meet their obligations on time. This represents a low risk for the Bank, allowing it to develop more favourable lending conditions and expand its lending activities. Well-performing small businesses contribute to local economic development, create jobs and improve public services, which has a positive impact on the community as a whole. Small business lending creates an environment conducive to sustainable growth and long-term partnerships between the Bank and businesses.

9.5 Digitalisation and data protection

Material topic	**Digitisation**	
Standard used	**SASB FN-CF-220, SASB FN-CF-230**	
Presentation	This subsection describes MBH Bank's innovations in digitalisation, its data protection policy and the actions the Bank has taken to ensure effective cybersecurity and protect its customers' data from modern threats.	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Impact (positive and negative impact) and financial materiality (financial risk and financial opportunity)*
	Impacts	**Positive impact**: the proliferation of online and mobile banking services allows for faster and more convenient transactions, increases customer satisfaction and reduces the need for traditional bank branches. **Negative impact:** digitalisation presents new challenges for banks, which can have a direct negative impact on customers. Due to the increasing risk of cyber-attacks and data breaches, if the Bank does not keep pace with the rapid pace of technological development, customers' data and financial assets may remain unprotected.
	Financial risks	Digitalisation also brings new risks for banks, including the growing threat of cyber-attacks and data breaches. The rapid pace of technological advances means banks need to constantly update their security protocols to protect their customers' data and financial assets.
	Financial opportunity	With big data and analytics, banks can better understand their customers' needs and offer personalised products and services. Digital channels allow them to enter new markets and reach a global customer base. Innovative payment solutions such as mobile payments and instant transfers can create new revenue streams.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Policies on digitisation *(Procedures in the area of Digitalisation are defined by several policies, and the topic of digitalisation is addressed horizontally in the policies on data protection, risk management, product and process policy, cash and value management, operational and adjudication rules and accounting procedures*
	Priority actions	• Annual review of information security policy • MBH mobile apps and digital solutions
	Metrics	• Number of data breaches (pcs) • Number of MBH Mobilapp users (number) • Refunds related to fraudulent use of bank card data (HUF) • Refunds resulting from fraudulent use of physical cards (HUF)
	Targets	• New digital products launched (pcs)

In recent years, the digital revolution in the financial sector has fundamentally transformed the way customer services work. For MBH Bank, the integration of digital solutions is not only a matter of competitiveness, but also a fundamental requirement today. By offering digital services, MBH Bank aims to provide customers with easier, faster and more convenient access to financial instruments. At the same time, maintaining data security and privacy is key to maintaining customer confidence, as data protection challenges and cyber security risks are increasing significantly.

Digitalisation and data protection are closely intertwined, especially for a large, integrated financial services provider like MBH Bank. Modern technologies not only make banking services more efficient, but also bring new risks that are critical to manage. In this chapter, we describe the Bank's digitalisation efforts, its data protection strategy and the actions the Bank is taking to protect itself against cybersecurity threats.

In 2024, MBH Bank has continued to make significant progress in the development of its digital services. In 2023, our bank successfully launched Google Pay, which continued to operate in 2024, enabling customers to make contactless payments quickly and easily. In the future, we will continue to support this popular solution, which, in line with the growing trend of mobile payments, offers users a fundamental convenience and has become an important pillar of our modern financial services

At the core of MBH Bank's digital development is the continuous expansion and refinement of mobile applications, which aim to make everyday banking easier, faster and more convenient for all customers. Two key apps have been highlighted: the MBH Mobilapp and the soon-to-be fully launched MBH Next.

MBH mobile apps

For MBH Bank, mobile applications play a central role in customer interactions and the Bank plans to further develop these applications to better meet modern user needs.

The single MBH Mobilapp was launched in 2023, with the aim of unifying the separate applications of the former member banks. With this app, users can manage their daily finances conveniently and quickly. The Bank is currently integrating the users of the mobile apps of the former member banks into this unified platform, which offers different banking functions and services in one place. The number of users is steadily increasing: by 2024, 100% of the users of the old Budapest Bank app will have migrated to the new app, while around 50-60% of MKB customers are already using the new system. On the other hand, only 20-30% of Takarékbank's customers have so far switched to the unified application, but it is planned to migrate all customers to the new system by the beginning of 2025. According to current data, around 380,000 users are using the unified application.

MBH Next is a brand new development that complements the MBH Single Mobile App. The app is already available in digital stores and will be fully rolled out in 2024. One of the key features of MBH Next will be an onboarding process that will allow new customers to become customers of the Bank simply through an identification process, similar to the system used by today's modern fintech financial institutions. During the onboarding process, customers will not only be able to open a bank account, but will also receive a physical bank card. MBH Next aims to target primarily the younger generations, generations Z and Alpha. The app will also allow users to log in with social media accounts and will offer a range of features, such as various discounts and job applications.

Digital carbon footprint

The Bank continued its collaboration with external digital carbon expert Carbon.Crane this year. An action plan has been developed to reduce CO_2e emissions by approximately 10 tonnes per year, identified for the year 2023. In line with this, we are continuously working to reduce the carbon footprint of our websites: optimising visual and animated content and introducing more efficient formats such as webpics and more sustainable video elements.

From 2024 onwards, the infrastructure serving the websites will be located in a server park powered by renewable energy. The results of the action plan are already impressive: compared to the first eight months of 2023, the website's carbon footprint has been reduced by 20% in the same period in 2024, from 6.5 tonnes of CO_2e to 5.2 tonnes of CO_2e.

This saving is equivalent to the annual carbon sequestration capacity of about 65 trees. In addition, reducing the digital carbon footprint is not only important from a sustainability point of view, but also leads to significant energy savings: every 1 kg CO_2e reduction means saving 4 kWh of energy.

Data protection and information security

The security of customers' personal data and financial transactions is a top priority for MBH Bank, ensured by strict regulations and internal policies.In 2024, the Bank has paid special attention to information security and system integrity, both for customer data and internal information. The protection of digital data and information, i.e. a high and reliable level of cybersecurity, is essential in the modern banking environment.

Security plays a key role in our daily lives and in managing our finances. To this end, we make it a priority to create an environment where both customers and employees feel safe and secure. To ensure the confidentiality of sensitive data held by the Bank, in particular customer data, we operate a comprehensive information security framework in line with the relevant legal requirements. MBH Bank has established a dedicated information security unit responsible for data protection and has written rules to this effect, including clarification of roles and responsibilities.

Appropriate data management is ensured by the Data Protection Policy, which supports compliance with the legislation and recommendations on the processing of personal data by data controllers subject to it throughout the entire data processing process. The policy sets out specific processes, responsibilities and deadlines that all data processing areas must take into account, from the planning of data processing to its deletion. The Management Committee is responsible for approving the policy.

Information security principles are governed by the Bank's Information Security Policy 2024, which is reviewed annually. The Information Security Unit works closely with the Data Protection Officer to ensure that actions are taken in compliance with data protection regulations. The policy aims to provide a framework for the conditions and environment for data and information security, prescribes the preparation of related internal policies and instructions, sets out expectations and procedures, management and control frameworks through which proportionate actions are taken to mitigate operational risk in MBH Bank's information management processes and ensure that ICT risks are managed effectively and prudently to achieve a high level of digital operational resilience.

The Bank conducts its data protection activities in accordance with the recommendations of the European Data Protection Board, the National Authority for Data Protection and Freedom of Information (NAIH) and the best practices of the European Data Protection Authorities. MBH Bank complies with the GDPR by employing an independent Data Protection Officer and ensuring that its data protection policies are regularly reviewed. The data protection standards cover the entire operation, including the procurement policy and the outsourcing policy, which also include data protection aspects. For MBH Bank, there were 9 data breaches. All of the registered incidents were related to breaches of customers' personal data pursuant to Articles 33-34 of the General Data Protection Regulation (GDPR). The number of account holders affected by data breaches was 9. The total amount of financial losses incurred as a result of the data breach legal proceedings was HUF 5 million.

Bank card fraud

Card fraud and abuse is an increasing challenge in today's financial world, as the proliferation of digital transactions and online purchases means that fraudsters are constantly developing new ways to obtain cardholder data. Card-not-present fraud, where card details (card number, security code, cardholder details) are used for unauthorised online transactions, as well as physical card fraud, can all cause serious losses for the Bank and our customers. The Bank has refunded HUF 54 203 805 to affected customers in relation to fraudulent card data usage. 484 789 053 HUF has been credited to customers' accounts as a result of fraud related to physical card usage.

The Bank pays particular attention to preventing card fraud and protecting cardholders. We employ a range of security actions and technologies to minimise the risk of fraud, including real-time monitoring of transactions, identification and prompt reporting of suspicious activity. Our goal is to make our customers feel safe and secure and ensure that their financial data is protected from fraudsters. In addition to these actions, we will keep our customers informed about best practices and what they need to know about card fraud so that we can work together to protect against fraud.

IV. GOVERNANCE INFORMATION

MBH Bank is committed to good corporate governance, ensuring legal compliance, ethical business conduct and effective implementation of anti-corruption actions. In the following chapters, we present those aspects of corporate governance that were not discussed in detail in subchapter 3 (Management's role in addressing sustainability issues) of General Chapter I.

Chapter 10.1 (Regulatory Compliance) sets out MBH Bank's compliance principles. We describe the Bank's three layers of protection and the compliance activities that ensure compliance with legislation and internal regulations. Particular attention is given to ethical business conduct and the whistleblowing system, as well as anti-corruption actions aimed at proactively managing corruption risks. We present MBH Bank's internal control and risk management systems, which are in compliance with legal requirements and the recommendations of the Magyar Nemzeti Bank. These systems ensure prudent operations, compliance with legislation and internal regulations, and the maintenance of confidence in the Bank. The independence of internal control functions and their separation from the controlled entities are key to ensuring objective and effective control processes. Compliance awareness and legal compliance create an ethical working environment for employees, reinforcing responsible work. Customers benefit from transparent and reliable services, which increases loyalty and commitment to the Bank. Legal compliance and ethical business practices promote stability in the financial sector, which has a positive impact on the economy as a whole.

We also present the principles and practices of MBH Bank's ethical conduct. MBH Bank pays special attention to the continuous training of its employees, ensuring compliance with legal and internal regulations. The training materials developed by the Compliance area contain a broad and in-depth knowledge base, which is implemented through the digital training platform provided by Human Resources Management. Knowledge assessment from the educational materials is an integral part of the training process, ensuring that employees acquire and apply the corporate and legal standards in sufficient depth. MBH Bank operates a whistleblowing system, which allows whistleblowers to report publicly or anonymously, and whistleblowers are entitled to be informed of the status of the process. Whistleblower reports are investigated in accordance with the Bank's internal regulations and in compliance with the principles of corporate policy.

10. Responsible corporate governance

Material topic	**Regulatory compliance**	
Standard used	**ESRS G1**	
Presentation	This chapter discusses MBH Bank's compliance principles. In addition to describing the Bank's three tiers of protection and compliance activities, it also describes the ethical business conduct and whistleblowing system. The chapter pays particular attention to anti-corruption actions, emphasising the proactive management of corruption risks.	
Sustainable Development Goals (UN SDGs) supported	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Impact (positive effect) and financial materiality (financial risk and financial opportunity)*
	Impacts	Compliance awareness and legal compliance creates an ethical working environment for employees, reinforcing responsible work. Customers benefit from transparent and reliable services, which increases loyalty and commitment to the Bank. Legal compliance and ethical business practices promote stability in the financial sector, which has a positive impact on the economy as a whole. The fight against corruption and anti-competitive behaviour contributes to the promotion of fair market practices and compliance with the legal framework.
	Financial risks	Good compliance practices can prevent legal and financial sanctions that lead to fines and business restrictions. Non-compliance undermines the trust of customers and market participants, causing reputational damage.
	Financial opportunity	Strict compliance and transparency strengthen the Bank's reputation and make it attractive to customers and investors.
Addressing a material topic	Link to ESG strategy	Corporate governance and transparency
	Corporate policies	• Group Compliance Policy • Conflict of Interest Policy, • Code of Ethics • Anti-corruption policy • Abuse Reporting Policy
	Priority actions	• Operation of an internal monitoring system • Review of internal regulations (MBH Bank) • Annual review of the Code of Ethics • Compliance-focused risk assessment • Providing training
	Metrics	• Participation rate in anti-corruption training (%)
	Targets	• Increase participation in anti-corruption training

10.1 Regulatory compliance

MBH Bank's internal control and risk management systems operate in accordance with the legal requirements and the recommendations of the Magyar Nemzeti Bank, ensuring prudent operation, compliance with the law and internal regulations, and maintaining confidence in the Bank. The independence of internal control functions and their separation from the controlled entities are key to ensuring objective and effective control processes.

The Bank expects ethical behaviour, and this includes reporting activities that go against corporate values. It sets out its primary anti-fraud and anti-corruption policy in the Group Anti-Corruption Policy and, where appropriate, in additional policies. MBH Bank is committed to the principle of "zero tolerance" of corruption and aims to create a legal and ethical environment through internal regulations that encourages employees to report suspected cases of corruption, thereby safeguarding the security of the Bank and its stakeholders. The anti-corruption procedures are designed and resourced to ensure that investigations are carried out in full detail.

MBH Bank's Anti-Corruption Policy ensures business integrity, ethical conduct, transparency and the preservation of good reputation. The policy sets out the principles for preventing corruption, identifies activities at higher risk and provides guidance for policy development and day-to-day operations. Internal standards, such as leading by example, transparency, the four-eyes principle and controls built into work processes, aim to create a corporate culture that prevents acts of corruption. The policy applies to all employees, managers, contractors and any contributors of MBH Bank. The Board of Directors is responsible for approving the policy.

Three lines of defence

The internal control system is based on three pillars: a management information system, in-process and management controls, and an independent internal audit organisation. Together, these form the Bank's internal monitoring system, which distinguishes three lines of defence:

- The first line of defence is the prudent performance of staff and managers. Control functions for audit, management control, HR, Accounting and Control functions are built into the processes.
- The second additional line of defence was provided by dedicated control functions. Preventive and proactive preventive actions and advice were provided to the business areas and the management bodies of MBH Bank's member banks. Examples of such functions are the Compliance or Compliance Assurance area, Risk Management, Data Protection Officer and the Bank Security area.
- The third line of defence is the Internal Audit Service, which is both organisationally and functionally independent

In addition to the Corruption Policy, the main internal rules for compliance activities detailed in this chapter are:

- Group Compliance Policy,
- Conflict of Interest Policy,
- Code of ethics and rules for investigating ethics complaints,
- Abuse-reporting policy.

Other internal rules governing compliance activities are not detailed in the chapter:

- Complaints handling principles
- Employee transactions policy,
- General operating rules based on the principles set out in the Policies,
- Administrative instructions containing the rules for implementing the provisions of the regulations, as well as internal instructions for each area.

The Group Compliance Policy promotes compliance with laws and internal regulations, protects the economic interests and social objectives of owners and customers, and maintains confidence in MBH Bank. It focuses on the identification and management of compliance risks that may arise from non-compliance with legislation, supervisory recommendations, internal regulations and self-regulatory bodies' policies. The Policy sets out the framework for ensuring compliance, defines the organisational environment and the principles governing operations, taking into account MBH Bank's business needs and the interests of its customers. The implementation of the Group-wide Policy for the Integration Group is always carried out in accordance with the principles set out in the Policy issued by the Group's governing MBH Bank Nyrt. The Board of Directors is responsible for the approval of the Policy.

The MBH Bank's Conflict of Interest Policy sets out the general principles for the management of conflicts of interest and conflicts of interest and provides a common framework for them. The purpose of the Conflict of Interest Policy is also to establish general principles, processes, and procedures for managing conflicts of interest in order to prevent conflicts from arising and to identify and address any existing conflicts. This is done in accordance with the relevant legal provisions (in particular, but not exclusively, Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, hereinafter: Hpt.), supervisory recommendations (in particular, but not exclusively, MNB Recommendation No. 12/2022 (VIII.11.) on the establishment and operation of internal defense lines and on the governance and control functions of financial institutions), and taking into account the related regulations of the MBH Bank, to support the achievement of the MBH Bank’s objectives. The scope of application of this policy is identical to that of the Compliance Policy. The Board of Directors is responsible for approving the policy.

In addition to internal regulation, the independent auditor provided external oversight, while the client base and regulatory oversight could also flag discrepancies and contribute to ensuring a high level of compliance.

The Bank's compliance and anti-money laundering units carry out an annual risk-focused assessment in accordance with the Bank's internal regulations. In this process, the areas identify activities that are of particular relevance to corruption risks, as well as key processes for prevention. A comprehensive set of procedures is in place to ensure prompt, independent and objective investigations of incidents of business conduct, including corruption and bribery. Where misconduct is found, the Bank's procedures ensure that cases are promptly and thoroughly investigated and, where necessary, appropriate sanctions are applied.

Training policy

The training materials developed and made available by our General Compliance area provide a broad and in-depth knowledge of the regulatory topics overseen by our area. As part of this training programme, all employees of the company receive systematic training through a digital training platform provided by Human Resources Management. The training programme also covers the principles and practical application of the Code of Ethics and the Anti-Corruption Policy. Knowledge assessment from the training materials is an integral part of the training process, ensuring that employees acquire and apply the corporate and legal standards in sufficient depth. Completion of the training materials and associated examinations is required as an annual recurring obligation, ensuring that staff knowledge is kept up to date and that corporate regulatory requirements are continuously met

In addition to employees, contractors who sell banking products and/or require access to any banking system must also complete the training required by the policy and take an annual recurrent examination on their knowledge of the material. The training is aimed at developing a culture of corruption prevention, raising risk awareness and familiarisation with the policy and related internal regulations

To prevent and effectively detect cases of corruption, all Bank employees are required to undergo annual anti-corruption training. During the training, employees are familiarised with the concept of corruption, the content of the corruption policy and the process for detecting, reporting and investigating cases of corruption. In addition, the different types of fraud and abuse in the financial sector will be covered in detail. The training can be completed online and 96% of employees in 2024 will have successfully completed it.

Preventing corruption and bribery

The Bank's Code of Ethics also sets out the ethical business practices that all Bank employees are required to follow. Under the Code, the Bank prohibits corruption in all its forms and expects employees to maintain high ethical standards in building and maintaining business relationships.

In line with the Code of Ethics, we apply an Anti-Corruption Policy, which aims to set out the principles for preventing corruption, identify activities at higher risk of corruption and guide the development of policies and day-to-day operations. The Anti-Corruption Policy is in line with the relevant guidelines of the United Nations Convention against Corruption.

The Bank conducts an annual risk-based assessment based on its internal procedures. As part of this process, the Bank has identified the following, among others, as the activities most exposed to corruption risk and the processes relevant for prevention:

- the employee selection process;
- screening external partners, liaising with external partners and clients;
- gift giving and invitations/representations;
- charity and sponsorship;
- the process of valuation and sale of assets, receivables and collateral.

The Bank monitors not only the priority activities, but also any other areas that may be identified as a source of risk of corruption, with a strict risk focus. Corruption and bribery are prevented and detected through the three lines of defence

Investigations into possible cases of corruption and bribery are the responsibility of the Bank Security area, which reports to the Board of Directors and the Supervisory on a regular quarterly basis or, if necessary on a risk basis, in ad hoc reports.

There are several steps to ensure that the anti-corruption and anti-bribery policy is accessible and that employees, contractors and other stakeholders understand its implications.

- **Education and awareness raising:** MBH Bank expects all employees to be familiar with the anti-corruption policy and related internal rules.
- **Declaration of awareness of the content of the policy:** other contractors and contributors declare their awareness of the content of the policy and their acceptance of it at the time of contracting.
- **Open publication**[31] : By openly publishing the policy, the Bank ensures that its contents are made available to external partners as well as to staff.
- **Immediate awareness-raising:** where necessary, the relevant areas will also contribute to the dissemination of lessons learned and expectations of risks identified in the context of corruption activities, for example through intranet or newsletters to employees.
- **Constant updating:** the range of knowledge to be acquired is constantly expanded and updated by adding to the teaching materials.

Our priority is to maintain a high level of compliance with the legal provisions in force. There were no confirmed cases of corruption or anti-bribery in 2024. Thus, there were no corruption cases involving

[31]An extract from the Anti-Corruption Policy is available at https://www.mbhbank.hu/az-mbh-bankrol-kozlemenyek-compliance.

the dismissal of the company's own employees or the termination of a contract with a business partner. There were no legal cases of corruption or bribery closed during the reporting period.

The Bank reviews its anti-corruption policy annually to ensure proper risk assessment, legal compliance and effective prevention. The General Compliance area implements an annual work plan, which includes ad hoc monitoring and feedback on the effectiveness of controls and processes. In addition, it provides training to promote compliance with corruption rules as detailed in the "Training Policy" paragraph.

Anti-competitive behaviour

MBH Bank is committed to maintaining its compliance with competition law at the highest possible level. The Bank's Competition Policy is designed to achieve this objective by ensuring that all its employees strictly comply with Hungarian and EU competition rules. These rules encourage companies to compete fairly, thereby promoting fair market conditions. Through its Competition Policy, MBH Bank seeks to minimise the risk of competition law infringements, recognising that breaches of the rules can have serious consequences, such as fines from the authorities, loss of reputation, damages actions and additional costs of litigation.

As part of the competition compliance programme, the Bank will focus on the following key elements:

- increasing employee engagement through incentives and sanctions,
- continuous evaluation and development of the programme,
- monitoring and auditing compliance.

Training programmes are an important part of the compliance framework. We believe that professional development of employees and extensive training in competition law are essential. The aim of the training is to enable employees to recognise situations relevant to competition law and to act or refrain from acting correctly, or to seek help from the relevant areas if necessary. New entrants are obliged to learn about and accept the Policy at the beginning of their employment, while existing employees can acquire the necessary knowledge through training in competition law.

The Bank also has an anonymous reporting system that allows employees to safely report competition concerns in case of suspicion. The procedures for investigating whistleblowers strictly ensure the anonymity and protection of the whistleblower. The Bank is committed to competition law compliance at all levels and has taken a number of actions to ensure that its employees are aware of competition law and the importance of complying with it. Comprehensive training programmes, regulatory frameworks and internal controls combine to help prevent anti-competitive behaviour and promote fair market practices.

Ethical operation

Our principles and values support the creation of a positive environment for the Bank's employees to work in. The ethical standards and core values are set out in the Code of Ethics, which came into force in May 2023 and is publicly available on the website in Hungarian and English.[32]

In addition to the provisions of the applicable laws and internal regulations governing the Bank's operations, the Code of Ethics sets out additional requirements that are essential for fair business practices. We strive to implement the Code of Ethics in the daily work of our staff, and the Compliance and HR departments are primarily responsible for the development of an ethical corporate culture. Board members and managers are responsible for the application and enforcement of the Code of Ethics in their respective areas. As leaders, they must also set an example in this respect.

The Board of Directors is the executive body of MBH Bank, representing MBH Bank in dealings with third parties, courts and other authorities. The Board of Directors establishes and directs the working organisation of MBH Bank and is authorised to take all actions or decisions which do not fall within the exclusive competence of the General Meeting or the Supervisory Board. The Board of Directors shall report to the General Meeting at least once a year and to the Supervisory Board at least every three months on the management, assets and business policy of MBH Bank. The Supervisory Board shall monitor the management of the Bank with a view to safeguarding the interests of MBH Bank. In the context of its management control, it may request reports or explanations from members of the Board of Directors and senior employees of MBH Bank.

Detailed professional biographies of our Board members are available on the MBH Bank website[33] , and in our Corporate Governance Report. Our colleagues have outstanding professional competence in their fields and in-depth knowledge of business conduct. Dr. Zsolt Barna, Chairman of the Board, has significant experience in the financial sector, including senior positions at the PSZÁF and involvement in crisis management in the banking sector. He has also held a number of senior positions at OTP Group, including Chairman and CEO of OTP Real Estate Investment Fund Management Ltd. The members of the Supervisory Board include a number of experts, such as Dr Andor Nagy, Chairman of the Supervisory Board, who has held several government positions and served as Ambassador of Hungary.

Report whistleblowing

In order to report, investigate and remedy any unlawful or suspected unlawful acts, omissions or other misconduct committed by MBH Bank's Employees, MBH Bank operates an Abuse Reporting System based on the Group-wide Abuse Reporting Policy. The purpose of the Policy is to set out a framework and certain procedural rules for reporting, detecting and investigating misconduct within MBH Bank. It applies to MBH Bank in general and to its Employees and other Whistleblowers who have the opportunity to make a report or to remedy or eliminate the conduct or omission that is the subject of the report. It also extends to the persons concerned by the notification, the disciplines responsible for investigating the notification and their employees

The investigation of notifications is carried out in accordance with the principles of the Policy. Whistleblowers have the right to be informed of the status of the procedure and anonymous reporting is also possible. To ensure the independence of investigations, the persons investigating cases are separated from the management chain concerned.

Notifiers can choose between written and oral notification. Written reports can be sent by post or by e-mail. Bank employees can also use the Anonymous Box via the Bank's server. According to the Whistleblowing Policy, whistleblowing reports received may only be handled by the managers and designated staff of the departments responsible for the investigation, such as the Compliance and Anti-Money Laundering, Bank and Business Security and Internal Audit teams. For written reports, the Bank

[32] https://www.mbhbank.hu/sw/static/file/MBH_Etikai_Kodex_20230501.pdf
[33] https://www.mbhbank.hu/befektetoi/befektetoknek/tarsasagiranyitas/igazgatosag

will send a written acknowledgement to the whistleblower within 7 days of receipt of the report. Verbal reports will be documented by the Bank and a copy will be provided to the whistleblower to enable him/her to verify, correct and accept. The Bank guarantees that bona fide whistleblowers will not be discriminated against or treated unfairly

During the investigation, the whistleblower is protected by all available legal means:

- The notifier shall not be liable for the notification if the notifier had reasonable grounds to believe that the notification was necessary. The notifier shall not be held liable for lawfully making the notification if he had reasonable grounds to believe that the notification was necessary to disclose the circumstances to which the notification relates.
- The whistleblower's protection against discrimination and unfair treatment is guaranteed throughout the procedure and beyond, without time limit. Any form of retaliation for reporting, whether official or private, is in itself an ethical violation, regardless of the significance of the original problem.
- The Bank will keep the identity of the notifier confidential at all stages of the investigation, if the notifier has provided the necessary data to establish it.

MBH Bank pays particular attention to the detection and handling of abuses, in particular fraud, corruption and other unethical behaviour. To this end, the Bank provides various reporting channels that allow employees, customers and other stakeholders to report irregularities in confidence.

In the last quarter of 2024, in addition to a comprehensive training, the General Compliance area prepared and published a targeted training on the Code of Ethics as a priority topic for the entire staff, including the whistleblowing possibilities available to employees, as set out in the Whistleblowing Policy, and the General Disclosure on the system is publicly available on the Bank's website.[34]

Notifications by subject and by jurisdiction in accordance with the Bank's Code of Organisational and Operation 2024

Territory	Topic	Example
Banking and business security	Fraud	Fraud and suspected corruption, etc.
Capital Markets DDC and Sanctions Compliance	Capital Markets DDC and Sanctions Compliance	Suspicion of insider trading, abuse of investment advice, etc.
Organisation and data protection	Organisation and data protection	Suspected data breach, etc.
General Compliance	General Compliance/Ethics/Integrity	Suspicion of harassment and intimidation, conflict of interest issues, discrimination, violation of human dignity, etc.

Notifications and the results of the resulting investigations are reported to the Bank's governing bodies on a regular and ad hoc basis, ensuring transparency of processes and good governance. In 2024, no ethical misconduct reports were received by the Bank's General Compliance area.

In addition to the activities of the General Compliance area, the implementation of ethical operations and a clean corporate culture is supported by the *Pulse* employee survey conducted by the HR area, in which our employees cited the outstanding trust in their line managers, team cohesion and cooperation between colleagues as strengths in the Bank. Colleagues also identified areas for improvement, along which we are continuously striving to shape our culture.

[34] https://www.mbhbank.hu/sw/static/file/Alt.tajekoztatoVisszaeles-bejelentesirendszerrol.pdf

Material topic	**Transparent ownership, management and organisational structure, operation**	
Standard used	**ESRS 2, ESRS G1**	
Presentation	An overview of the ownership, management and organisational structure of MBH Bank from a sustainability perspective. *The related information is presented in detail in Chapter 3: The role of management in addressing sustainability issues, and the table below contains the ESRS data points that are required to be presented separately.*	
Sustainable Development Goals (UN SDGs) supported		
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	Transparent structures and operations increase investor confidence, which can lead to a more stable financial situation in the long term. Transparency and good corporate governance improve the Bank's image, which can lead to new business opportunities and partnerships.
Addressing a material topic	Link to ESG strategy	Corporate governance and transparency
	Corporate policies	Code of Organisational and Operation, Code of ethics, Anti-corruption policy, Conflict of interest policy
	Priority actions	• Responsible corporate governance reporting • Updating the Code of Organisational and Operation, assigning ESG roles
	Metrics	• Supervisory Board independent members (number) • Breakdown of boards by gender (%)
	Targets	• The Bank had no numerical targets for 2024 related to this material topic.

Material topic	**Transparent and regular communication with stakeholders**	
Standard used	**ESRS 2, ESRS G1**	
Presentation	MBH Bank's values and corporate culture *The related information has been presented in detail in chapter 4.1 Stakeholder involvement, the table below contains the ESRS data points that must be displayed separately.*	
Sustainable Development Goals (UN SDGs) supported	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial risk and opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	Inappropriate communication may pose a reputational risk, which could negatively affect the Bank's financial performance. Stakeholder dissatisfaction and loss of confidence may lead to long-term business losses.
	Financial opportunity	Good and continuous communication with stakeholders can increase trust and satisfaction, which can have a positive impact on the Bank's financial performance. Active stakeholder engagement and support can lead to long-term business benefits and sustainable growth.
Addressing a material topic	Link to ESG strategy	Corporate governance and transparency
	Corporate policies	ESG Policy
	Priority actions	• Conduct a double materiality assessment
	Metrics	• Double materiality survey participation rate (%)
	Targets	• Re-conducting a double materiality study in 2025 • Increasing participation in a double materiality survey

Material topic	**Integrating ESG considerations into business strategy**	
Standard used	**ESRS E1**	
Presentation	MBH Bank's values and corporate culture *The related information is presented in detail in chapters 2.3 ESG Strategy and 5 Partners in Sustainable Finance, and the table below contains the ESRS data points that are required to be presented separately.*	
Sustainable Development Goals (UN SDGs) supported	13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Financial materiality (financial opportunity)*
	Impacts	The Bank has not identified any material positive or negative impacts related to this topic.
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	Integrating ESG considerations increases investor confidence and attracts investors committed to sustainability. In the long term, ESG considerations can reduce operational risks and increase the Bank's competitiveness.
Addressing a material topic	Link to ESG strategy	Sustainability as a business opportunity and sustainability education
	Corporate policies	• Environment, Social Responsibility and Governance (ESG) Policy
	Priority actions	• Green Bond Framework • Sustainable product development (Green Home Programme, ECO soft loans) • Obtaining ESG certifications
	Metrics	• ESG ratings
	Targets	• Continuous improvement of ESG ratings

Material topic	**Corporate culture**	
Standard used	**ESRS G1**	
Presentation	MBH Bank's values and corporate culture *The related information has been presented in detail in chapters [8. Responsible Employment] and [10.1 Regulatory Compliance], and the table below contains the ESRS data points that are required to be separately disclosed.*	
Sustainable Development Goals (UN SDGs) supported	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	
Material topic link to MBH Group	The basis of materiality	*Impact (negative effect) and financial materiality (financial opportunity)*
	Impacts	Developing a corporate culture is essential for effective collaboration and long-term success, as an inadequate culture can reduce employee satisfaction and worsen performance. The integration of companies from different backgrounds can often be met with resistance and it can take time for employees to accept new norms. The uncertainties that arise in integrated banking operations can further complicate this process as different expectations clash.
	Financial risks	The Bank has not identified any material financial risks related to this topic.
	Financial opportunity	Where employees feel valued and company values are aligned with individual targets, this leads to a higher level of commitment and productivity at Bank level.
Addressing a material topic	Link to ESG strategy	Employee well-being and attitudinal change
	Corporate policies	Code of Organisational and Operation, HR sub-strategy, Code of Ethics
	Priority actions	• Generational Diversity Programme • Employee recognition programme • #20minuteshealth programme
	Metrics	• Staff turnover (%) • Employee satisfaction (multiple metrics, %) • Talent retention (%) • IT and network turnover (%) • Internal promotion rate (%)
	Targets	• Reducing staff turnover (continuous) • Increasing employee satisfaction (continuous) • Maintaining talent retention (above 90%) • Reduce IT and network turnover (below 15%) • Increase the internal promotion rate (to at least 20%)

Annexes

Annex 1

List of ESRS disclosure requirements

Disclosure requirement		Chapter	Site	Additional information
ESRS 2 General communications				
BP-1	General basis for preparing sustainability statements	1. Basis of preparation of the accounts	3	
BP-2	Disclosures relating to specific circumstances	1. Basis of preparation of the accounts	3	
GOV-1	The role of the administrative, management and supervisory bodies	3.1 Corporate governance structure	13	
GOV-2	Information provided to the company's administrative, management or supervisory bodies and the sustainability issues they address	3.1 Corporate governance structure	13	
GOV-3	Building sustainability performance into incentive mechanisms	3.2. ESG governance structure	15	
GOV-4	Statement on due diligence	Annexes	127	
GOV-5	Risk management and internal control over sustainability reporting	3.1 Corporate governance structure	13	
SBM-1	Strategy, business model and value chain	2.3 Strategic objectives and business model	5	
SBM-2	Interests and views of interested parties	4.1 Involvement of stakeholders	18	
SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4. Identifying the material topics	18	

IRO-1	Description of procedures for identifying and assessing significant impacts, risks and opportunities	4. Identifying the material topics	18	
IRO-2	Disclosure requirements under ESRS covered by an entity's sustainability statements	Annexes	127	

Disclosure requirement		Section	Site	Additional information
ESRS E1 Climate change				
ESRS 2, GOV-3	Building sustainability performance into incentive mechanisms	3.2. ESG governance structure	15	
E1-1	Climate change mitigation transition plan	6.1 Developing a business model for climate change mitigation and adaption	69	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2 Double materiality assessment	19	
ESRS 2 IRO-1	Description of procedures for identifying and assessing relevant climate-related impacts, risks and opportunities	4.2 Double materiality assessment	19	
E1-2	Climate change mitigation and adaption policies	5.2 Sustainable portfolio and fundraising; 6.1 Developing a business model for climate change mitigation and adaption	61 69	
E1-3	Actions and resources related to climate change policies	7.2. Greenhouse gas emissions	77	
E1-4	Targets set for climate change mitigation and adaption	6.1 Developing a business model for	69	

		climate change mitigation and adaption		
E1-5	Energy consumption and structure	7.1 Energy consumption	74	
E1-6	Gross and total GHG emissions in scope 1, 2, 3	7.2. Greenhouse gas emissions	77	
E1-7	GHG mitigation projects financed through GHG removals and carbon credits	N/A	N/A	Not a material topic
E1-8	Internal carbon pricing	N/A	N/A	Not a material topic
E1-9	Expected financial impacts from significant physical and transition risks and potential climate-related opportunities	N/A	N/A	Phase-in disclosure

Disclosure requirement		Section	Site	Additional information
ESRS S1 Own labour force				
ESRS 2 SBM-2	Interests and views of interested parties	4.1 Involvement of stakeholders	18	
ESRS 2 SBM-3	Material impacts, risks and opportunities and their interaction with the strategy and business model	4.2 Double materiality assessment	19	
S1-1	Policies on own resources	8.1 Supporting employee well-being	87	
S1-2	Processes in place to engage with own employees and employee representatives on impacts	8.1 Supporting employee well-being	87	
S1-3	Processes for correcting negative impacts and channels for employees to raise concerns	8.1 Supporting employee well-being	87	
S1-4	Actions on the material impacts on own workforce and approaches to mitigate material risks and exploit material opportunities related to own workforce and the effectiveness of these actions	8.1 Supporting employee well-being	87	

S1-5	Objectives to address significant negative impacts, promote positive impacts and manage significant risks and opportunities	8.1 Supporting employee well-being	87	
S1-6	Characteristics of the enterprise's employees	8.1 Supporting employee well-being	87	
S1-7	Characteristics of non-employees in own-account employment	N/A	N/A	Phase-in disclosure
S1-8	Coverage by collective bargaining and social dialogue	8.1 Supporting employee well-being	87	
S1-9	Diversity metrics	8.1 Supporting employee well-being	87	
S1-10	Adequate wages	8.1 Supporting employee well-being	87	
S1-11	Social protection	8.1 Supporting employee well-being	87	
S1-12	People with disabilities	N/A	N/A	Not a material topic
S1-13	Training and skills development metrics	8.2 Training and development	96	
S1-14	Health and safety metrics	8.1 Supporting employee well-being	87	
S1-15	Work-life balance metrics	8.1 Supporting employee well-being	87	
S1-16	Income actions (pay gap and total income)	8.1 Supporting employee well-being	87	
S1-17	Incidents, complaints and serious human rights impacts	8.1 Supporting employee well-being	87	

Disclosure requirement		Section	Site	Additional information
ESRS S4 Consumers and end users				
ESRS 2 SBM-2	Interests and views of interested parties	4.1 Involvement of stakeholders	18	
ESRS 2 SBM-3	Key impacts, risks and opportunities and their interaction with the strategy and business model	4.2 Double materiality assessment	19	
S4-1	Policies for consumers and end-users	9.1 Customer satisfaction	100	
S4-2	Processes in place to engage with consumers and end-users on impacts	9.1 Customer satisfaction	100	
S4-3	Processes to correct negative impacts and channels for consumers and end-users to raise concerns	9.1 Customer satisfaction	100	
S4-4	Actions to address the significant impacts on consumers and end-users, and approaches to managing the significant risks and exploiting the significant opportunities for consumers and end-users, and the effectiveness of these actions	9.1 Customer satisfaction	100	
S4-5	Objectives to address significant negative impacts, promote positive impacts and manage significant risks and opportunities	9.1 Customer satisfaction	100	

Disclosure requirement		Section	Site	Additional information
ESRS G1 Business Conduct				
ESRS 2 GOV-1	The role of administrative, supervisory and management bodies	3.1 Corporate governance structure	13	
ESRS 2 IRO-1	Description of the processes for identifying and assessing material impacts, risks and opportunities	4.2 Double materiality assessment	19	
G1-1	Policies on corporate culture and business conduct, and corporate culture	10.1 Regulatory compliance	117	

G1-2	Managing relationships with suppliers	N/A	N/A	Not a material topic
G1-3	Preventing and detecting corruption and bribery	10.1 Regulatory compliance	117	
G1-4	Confirmed cases of corruption and bribery	10.1 Regulatory compliance	117	
G1-5	Political influence and lobbying	N/A	N/A	Not a material topic
G1-6	Payment practices	N/A	N/A	Not a material topic

Annex 2

Statement on due diligence

In order to understand the due diligence process applied by MBH Bank with regard to sustainability issues, the Bank's due diligence process is presented in a table format at with cross-references.

Basic elements of due diligence	Paragraphs of the sustainability statement
a) embedding due diligence into governance, strategy and business model	3.2 ESG governance structure 4.2 Double materiality assessment
b) cooperation with relevant stakeholders at all key steps of the due diligence process	4.1 Involvement of stakeholders 4.2 Double materiality assessment 8.1 Supporting employee well-being 9.1 Customer satisfaction
c) identification and assessment of adverse effects	4.2 Double materiality assessment
(d) taking actions to address those adverse effects	E: 6.1 Developing a business model for climate change mitigation and adaption; 7. Reducing our environmental footprint S: 8.1 Promoting employee well-being; 9.1 Customer satisfaction; 9.2 Social inclusion G: 10.1 Regulatory compliance
e) monitoring and communicating the effectiveness of these efforts	E: 6.1 Developing a business model for climate change mitigation and adaption; 7. Reducing our environmental footprint S: 8.1 Promoting employee well-being; 9.1 Customer satisfaction; 9.2 Social inclusion

3. Annex

List of data points from other EU legislation in horizontal and thematic standards

Disclosure requirement and associated data point	Reference to the Regulation on sustainability disclosures	Reference to Pillar 3	Reference to the Regulation on benchmarks	Reference to the EU Climate Agenda	Chapter	Site
ESRS 2 GOV-1 Gender composition of the Management Board Paragraph 21(d)	Indicator No 13 in Table 1 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		3.1 Corporate governance structure	13
ESRS 2 GOV-1 Percentage of independent directors referred to in paragraph 21(e)			Annex II to Delegated Regulation (EU) 2020/1816		3.1 Corporate governance structure	13
ESRS 2 GOV-4 Due diligence declaration paragraph 30	Indicator No 10 in Table 3 of Annex I				Annexes	127
ESRS 2 SBM-1 Participation in fossil fuel-related activities Paragraph 40(d)(i)	Indicator No 4 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Quality information on environmental risk and Table 2: Quality information on social risk	Annex II to Delegated Regulation (EU) 2020/1816		N/A	N/A
ESRS 2 SBM-1 Participation in activities related to the manufacture of chemicals Paragraph 40(d)(ii)	Indicator No 9 in Table 2 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816"		N/A	N/A
ESRS 2 SBM-1 Participation in activities related to disputed weapons Paragraph 40(d)(iii)	Indicator No 14 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1818 ([29]), Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		N/A	N/A
ESRS 2 SBM-1 Participation in activities linked to tobacco growing and production Paragraph 40(d)(iv)			Delegated Regulation (EU) 2020/1818, Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II		N/A	N/A

ESRS E1-1 A plan for a climate neutral transition by 2050 Paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	6.1 Developing a business model for climate change mitigation and adaption	69
ESRS E1-1 Companies excluded from the EU benchmarks aligned to the Paris MOU Paragraph 16(g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 1: Banking book - Climate change adaption risk: credit quality of exposures by sector, by emission volume and by remaining maturity	Delegated Regulation (EU) 2020/1818, Articles 12(1)(d)-(g) and 12(2).		6.1 Developing a business model for climate change mitigation and adaption	69
ESRS E1-4 GHG emission reduction target paragraph 34	Indicator No 4 in Table 2 of Annex I	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 3: Banking Book - Climate Change Convergence Risk: Adjustment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Not material	
ESRS E1-5 Energy use from fossil sources, by source (only sectors with significant climate impact) Paragraph 38	Indicator 5 of Table 1 and Indicator 5 of Table 2 of Annex I				Not material	
ESRS Energy consumption and structure, paragraph 37	Indicator No 5 in Table 1 of Annex I				7.1 Energy consumption	74
ESRS E1-5 Energy intensity in relation to activities in sectors with high climate impact Paragraphs 40-43	Indicator No 6 in Table 1 of Annex I				Not material	
ESRS E1-6 Gross and total GHG emissions in scope 1, 2, 3 paragraph 44	Indicator 1 and 2 of Table 1 of Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) No 2022/2453, Table 1: Banking book - Climate change adaption risk: credit quality of exposures by sector,	Delegated Regulation (EU) 2020/1818, Article 5(1), Articles 6 and 8(1)		7.2. Greenhouse gas emissions	77

		emission volume and remaining maturity				
ESRS E1-6 Gross GHG emission intensity Paragraphs 53-55	Indicator No 3 in Table 1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Table 3: Banking Book - Climate Change Convergence Risk: Adjustment metrics	Regulation (EU) 2020/1818, Article 8(1)		7.2. Greenhouse gas emissions	77
ESRS E1-7 GHG emissions and carbon credits Paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	N/A	N/A
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks Paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II, Delegated Regulation (EU) 2020/1816, Annex II		N/A	N/A
ESRS E1-9 Amounts broken down by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of significant assets exposed to significant physical risk paragraph 66(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Recitals 46 and 47; Table 5: Banking Book - Physical Risk: Exposure to Physical Risks.			N/A	N/A
ESRS E1-9. Breakdown of book value of real estate property by energy efficiency class paragraph 67(c)		Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453 , Recital 34; Table 2: Banking Book - Climate Change Convergence Risk: Loans secured on real estate - Energy efficiency of collateral			N/A	N/A
ESRS E1-9 Portfolio exposure to climate-related opportunities Paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		N/A	N/A
ESRS E2-4 The quantity of each pollutant released to air, water and soil listed in Annex II of the European PRTR (Pollutant Release and	Indicator No 8 in Table 1 of Annex I, Indicator No 2 in Table 2 of Annex I, Indicator No 1 in				Not material	

Transfer Register) Regulation, paragraph 28	Table 2 of Annex I, Indicator No 3 in Table 2 of Annex I					
ESRS E3-1 Water and marine resources, paragraph 9	Indicator No 7 in Table 2 of Annex I				Not material	
ESRS E3-1 Targeted policy, paragraph 13	Indicator No 8 in Table 2 of Annex I				Not material	
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator No 12 in Table 2 of Annex I				Not material	
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Indicator 6.2 in Annex I, Table 2				Not material	
ESRS E3-4 Total water consumption from own activities in m^3/million EUR net revenue Paragraph 29	Indicator 6.1 in Annex I, Table 2				Not material	
ESRS 2 - IRO 1 - E4 paragraph 16(a)(i)	Indicator No 7 in Table 1 of Annex I				Not material	
ESRS 2 - IRO 1 - E4 paragraph 16(b)	Indicator No 10 in Table 2 of Annex I				Not material	
ESRS 2 - IRO 1 - E4 paragraph 16(c)	Indicator No 14 in Table 2 of Annex I				Not material	
ESRS E4-2 Sustainable land use/agricultural practices or policies Paragraph 24(b)	Indicator No 11 in Table 2 of Annex I				Not material	
ESRS E4-2 Sustainable ocean/marine practices or policies Paragraph 24(c)	Indicator No 12 in Table 2 of Annex I				Not material	
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Indicator No 15 in Table 2 of Annex I				Not material	

ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator No 13 in Table 2 of Annex I				Not material	
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator No 9 in Table 1 of Annex I				Not material	
ESRS 2 - SBM3 - S1 Risk of incidence of forced labour, paragraph 14(f)	Indicator No 13 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS 2 - SBM3 - S1 Risk of child labour paragraph 14(g)	Indicator No 12 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-1 Political commitments on human rights Paragraph 20	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-1 Due diligence policies on matters covered by ILO core conventions 1-8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		8.1 Supporting employee well-being	87
ESRS S1-1 Procedures and actions to prevent trafficking in human beings Paragraph 22	Indicator No 11 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-1 an occupational injury prevention policy or management system, paragraph 23	Indicator 1 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-3 complaints/grievance mechanisms, paragraph 32(c)	Indicator No 5 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-14 Number of deaths and number and rate of work-related accidents, paragraph 88(b) and (c))	Indicator No 2 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		8.1 Supporting employee well-being	87

ESRS S1-14 Number of days lost due to injury, accident, death or sickness 88(e)	Indicator No 3 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-16 Unadjusted gender pay gap point 97(a)	Indicator No 12 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II			
ESRS S1-16 Excessive CEO remuneration rates Point 97(b)	Indicator No 8 in Table 3 of Annex I				N/A	N/A
ESRS S1-17 Incidence of discrimination, point 103(a)	Indicator No 7 in Table 3 of Annex I				8.1 Supporting employee well-being	87
ESRS S1-17 Ignoring UN Guidelines on the Human Rights Responsibilities of Business and the OECD paragraph 104(a)	Indicator 10 in Table 1 and Indicator 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818 , Article 12(1)		8.1 Supporting employee well-being	87
ESRS 2 - SBM3 - S2 Significant risk of child labour or forced labour in the value chain, point 11(b)	Annex I, Table 3, metrics 12 and 13				Not material	
ESRS S2-1 Political commitments on human rights Section 17	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				Not material	
ESRS S2-1 Value chain policies for employees Section 18	Annex I, Table 3, metrics 11 and 4				Not material	
ESRS S2-1 Failure to comply with UN Guiding Principles on the Responsibilities of Businesses with regard to Human Rights and OECD Guidelines Paragraph 19	Indicator No 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		Not material	
ESRS S2-1 Due diligence policies on matters covered by ILO core conventions 1-8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material	

ESRS S2-4 Human rights issues and incidents related to upstream and downstream value chains Paragraph 36	Indicator No 14 in Table 3 of Annex I				Not material	
ESRS S3-1 Political commitments on human rights, paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				Not material	
ESRS S3-1 failure to comply with UN Guiding Principles on the Human Rights Responsibilities of Business Enterprises, ILO principles or OECD Guidelines Section 17	Indicator No 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816 Annex II, Delegated Regulation (EU) 2020/1818 Article 12(1)		Not material	
ESRS S3-4 Human rights issues and incidents, paragraph 36	Indicator No 14 in Table 3 of Annex I				Not material	
ESRS Policies for consumers and end-users, paragraph 16	Indicator 9 in Table 3 and Indicator 11 in Table 1 of Annex I				9.1 Customer satisfaction	100
ESRS S4-1 Ignoring the UN Guiding Principles on the Responsibilities of Businesses with regard to Human Rights and the OECD Guidelines Section 17	Indicator No 10 in Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II, Delegated Regulation (EU) 2020/1818, Article 12(1)		9.1 Customer satisfaction	100
ESRS S4-4 Human rights issues and incidents, paragraph 35	Indicator No 14 in Table 3 of Annex I				9.1 Customer satisfaction	100
ESRS G1-1 UN Convention against Corruption, paragraph 10(b)	Indicator No 15 in Table 3 of Annex I				10.1 Regulatory compliance	117
ESRS G1-1 Protection of whistleblowers Paragraph 10(d)	Indicator No 6 in Table 3 of Annex I				N/A	127

ESRS G1-4 Fines for breaches of the anti-corruption and anti-bribery laws, paragraph 24(a)	Indicator No 17 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		N/A	127
ESRS G1-4 Anti-corruption and anti-bribery standards Paragraph 24(b)	Indicator No 16 in Table 3 of Annex I				10.1 Regulatory compliance	117

3.

Issuer decleration for financial statements

MBH Bank Plc. (hereinafter: Bank) **as issuer** (represented by: Dr. Zsolt Barna Chairman and CEO, and Péter Krizsanovich Deputy CEO for Strategy and Finance), hereby declares that the ***2024 Annual report*** of the Bank have been prepared in accordance with the applicable accounting standards, its best knowledge and accordance with the International Financial Reporting Standards adopted by the European Union. The included ***separate financial statements*** and ***consolidated financial statements*** give a true and reliable view of assets, liabilities, financial position and profit of the Bank furthermore the ***separate management report*** *(including the separate sustainability statement)* and ***consolidated management report*** *(including consolidated sustainability statement)* give a fair view of the position, development and performance of Bank disclosing the main risks and the factors of uncertainty.

Budapest, 28 March 2025

MBH Bank Plc.

Dr. Zsolt Barna	Péter Krizsanovich
Chairman and CEO	Deputy CEO for Strategy and Finance

4.

Contacts

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