

*Annual report
for the year ending 31.12.2025.*

(Free translation)

Budapest, 31 March 2026

31 December 2025

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Statistic code

*Standalone
Financial
Statements*

Prepared under
International Financial Reporting Standards
(IFRS) as adopted by the European Union

Budapest, 31 March 2026

31 December 2025

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STANDALONE STATEMENT OF FINANCIAL POSITION

	Note	31.12.2025	31.12.2024
<i>Assets</i>			
Cash and cash-equivalents	4.9	1 414	1 249
Financial assets measured at fair value through profit or loss		5 434	6 860
Loans and advances to customers mandatorily at fair value through profit or loss	4.10.1	4 553	5 481
Derivative financial assets	4.10.2	881	1 379
Hedging derivative assets	4.11	711	1 431
Financial assets measured at fair value through other comprehensive income		-	47 196
Debt and equity securities	4.12.1	-	47 196
Financial assets measured at amortised cost		767 354	834 702
Loans and advances to banks	4.13.1	581 553	593 463
Loans and advances to customers	4.13.2	13 146	16 468
Debt securities	4.13.3	172 414	224 418
Other financial assets	4.13.4	241	353
Property and equipment	4.14, 4.15	61	104
Intangible assets	4.14	106	150
Income tax assets		611	363
Current income tax assets		37	-
Deferred income tax assets	4.16	574	363
Other assets	4.17	56	256
Total assets		775 747	892 311
<i>Liabilities</i>			
Financial liabilities measured at fair value through profit or loss		105	159
Derivative financial liabilities	4.10.2	105	159
Hedging derivative liabilities	4.11	2 456	3 569
Financial liabilities measured at amortised cost		679 483	803 370
Amounts due to banks	4.19.1	111 790	374 995
Issued debt securities	4.19.2	567 021	427 599
Other financial liabilities	4.19.4	672	776
Provision for liabilities and charges	4.20	99	7
Income tax liabilities		105	200
Current income tax liabilities		105	200
Other liabilities	4.22	410	478
Total liabilities		682 658	807 783
<i>Equity</i>			
Share capital	4.23	10 849	10 849
Treasury shares	4.23	(207)	(207)
Share premium	4.23	27 926	27 926
Retained earnings	4.23	41 841	36 129
Other reserves	4.23	3 831	2 946
Profit for the year	4.23	8 849	6 597
Accumulated other comprehensive income	4.23	-	288
Total equity		93 089	84 528
Total liabilities and equity		775 747	892 311

Approved for issue on behalf of the Board of Directors in Budapest on 31 March 2026.

Dr. Gyula László Nagy
 CEO

Illés Tóth
 Deputy CEO

STANDALONE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest income		59 214	61 507
Interest income calculated using effective interest rate method	4.1	51 931	53 422
Other income similar to interest	4.1	7 283	8 085
Interest expense		(47 415)	(48 672)
Interest expense calculated using effective interest rate method	4.1	(40 577)	(40 665)
Other expense similar to interest	4.1	(6 838)	(8 007)
Net interest income		11 799	12 835
Fee and commission income	4.2	222	186
Fee and commission expenses	4.2	(292)	(288)
Net income from fees and commissions		(70)	(102)
Results from remeasurement and derecognition of financial instruments	4.3	51	(2 206)
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss		(354)	884
Result from derecognition of debt securities measured at fair value through other comprehensive income		193	147
Results from derecognition of loans and debt securities measured at amortised cost		(21)	(3 874)
Results from hedge accounting		287	380
Foreign exchange gains less losses		(54)	257
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	4.4	730	(535)
Expected credit loss on financial assets, financial guarantees and loan commitments		930	(137)
Provisions for litigation, restructuring and similar charges		(92)	10
(Loss) / gain on modification of financial instruments that did not lead to derecognition		(109)	(357)
(Impairment) / reversal of impairment on other financial and non-financial assets		1	(51)
Administrative and other operating expenses	4.5	(3 169)	(2 641)
Other income	4.6	42	9
Other expense	4.6	(8)	(183)
Profit before taxation		9 375	7 177
Income tax income / (expense)	4.7	(526)	(580)
Profit for the year		8 849	6 597

	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<i>Items that may be reclassified to profit or loss</i>	(288)	(274)
Debt instruments at fair value through other comprehensive income	(316)	(235)
Fair value changes	(326)	(118)
Reclassification of accumulated remeasurements to profit or loss upon derecognition	10	(117)
Income tax relating to items that may be reclassified subsequently	28	(39)
<i>Items that will not be reclassified to profit or loss</i>	-	-
Other comprehensive income/ (loss) for the year net of tax	(288)	(274)
TOTAL COMPREHENSIVE INCOME	8 561	6 323
Earnings per share (HUF 100 face value)		
Basic	4.27	73,59
Diluted	4.27	73,59
Weighted average number of shares (piece)	108 236 699	108 236 699

STANDALONE STATEMENT OF CHANGES IN EQUITY

	Share capital	Treasury shares	Share premium	Retained earnings	Other reserves	Profit for the year	Accumulated other comprehensive income	Total equity
01.01.2024	10 849	(207)	27 926	30 126	2 286	6 663	562	78 205
Profit for the year	-	-	-	-	-	6 597	-	6 597
Other comprehensive income/ (loss) for the year net of tax	-	-	-	-	-	-	(274)	(274)
Total comprehensive income for the year	-	-	-	-	-	6 597	(274)	6 323
Transfer of previous year's profit	-	-	-	6 663	-	(6 663)	-	-
General reserve for the year	-	-	-	(660)	660	-	-	-
Transactions with Owners	-	-	-	6 003	660	(6 663)	-	-
01.01.2025	10 849	(207)	27 926	36 129	2 946	6 597	288	84 528
Profit for the year	-	-	-	-	-	8 849	-	8 849
Other comprehensive income/ (loss) for the year net of tax	-	-	-	-	-	-	(288)	(288)
Total comprehensive income for the year	-	-	-	-	-	8 849	(288)	8 561
Transfer of previous year's profit	-	-	-	6 597	-	(6 597)	-	-
General reserve for the year	-	-	-	(885)	885	-	-	-
Transactions with Owners	-	-	-	5 712	885	(6 597)	-	-
31.12.2025	10 849	(207)	27 926	41 841	3 831	8 849	-	93 089

STANDALONE STATEMENT OF CASH FLOWS

	Note	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
<i>Cash flows from operating activities</i>			
Profit/ (Loss) before taxation		9 375	7 177
<i>Adjustments for non-cash income and expenses, interest, dividends and tax:</i>			
Depreciation, amortisation and impairment	4.4, 4.5	107	160
Expected credit loss / (reversal) on financial instruments held for credit risk management	4.4	(862)	156
Impairment / (Reversal of impairment) on securities, associates and other investments	4.4	(69)	(47)
Impairment of other assets / (Reversal of impairment)	4.4	(1)	-
(Reversal of provisions for) / Recognise provisions on other items	4.4	92	(10)
Revaluation of loans and advances to customers mandatorily at fair value through profit or loss	4.10.1	411	(15)
Revaluation of securities	4.13.3	1 230	-
Revaluation of issued bonds	4.19.2	(8)	-
Other revaluation differences	4.3	(4 095)	6 867
Net interest income	4.1	(11 575)	(11 803)
Foreign exchange movement	4.3	(64)	(24)
Interest received	4.1	60 131	62 344
Interest paid	4.1	(41 558)	(45 273)
Income tax	4.7	(869)	(670)
Adjusted profit / (loss) before taxation		12 245	18 862
Change in loans and advances to banks	4.13.1	12 255	(70 680)
Change in loans and advances to customers	4.13.2	4 770	5 150
Change in financial assets measured at fair value through other comprehensive income	4.12.1	46 539	(37 531)
Change in derivative assets	4.10.2	1 218	(605)
Change in other assets	4.17	183	(175)
Change in amounts due to banks (short term)	4.19.1	72 411	(198)
Change in other financial liabilities	4.19.4	(43)	189
Change in other liabilities	4.22	(40)	(477)
Change in derivative liabilities	4.10.2	(1 167)	(2 858)
Net change in assets and liabilities of operating activities		136 126	(107 185)

<i>Net cash (used in) / generated by operating activities</i>		148 371	(88 323)
<i>Cash flow from investing activities</i>			
Purchase of property, equipment and intangible assets	4.14	(4)	(40)
Disposals of property, equipment and intangible assets	4.14	2	1
Purchase of securities measured at amortised cost	4.13.3	-	(97 718)
Redemptions of securities measured at amortised cost	4.13.3	52 385	191 328
<i>Net cash (used in) / generated by investing activities</i>		52 383	93 571
<i>Cash flow from financing activities</i>			
Increase in issued securities	4.19.2	163 801	130 306
Decrease in issued securities	4.19.2	(29 009)	(83 584)
Cash outflows due to leases	4.15	(61)	(50)
Decrease in long term amounts due to banks	4.19.1	(350 384)	(210 000)
Increase in long term amounts due to banks	4.19.1	15 000	140 000
<i>Net cash (used in)/ generated by financing activities</i>		(200 653)	(23 328)
Net increase / (decrease) of cash and cash-equivalents		101	(18 080)
Cash and cash-equivalents at 1 January		1 249	19 305
FX change on cash and cash-equivalents	4.9	64	24
Net cash-flow of cash and cash-equivalents	4.9	101	(18 080)
Cash and cash-equivalents at the end of the year		1 414	1 249

1. GENERAL INFORMATION

The standalone financial statements of MBH Mortgage Bank Public Limited Company (hereinafter: **Bank, Mortgage Bank**) for the year ended 31 December 2025 were approved by the resolution of the Board of Directors as of 31 March 2026. The final approval on the standalone financial statements is provided by the General Meeting.

The Bank was established on 21 October 1997 under the name of FHB Land Credit and Mortgage Bank Company and later under the name of Takarék Mortgage Bank Co. Plc.

The operations of the Bank are provided by the Act XXX of 1997 on Mortgage Loan Companies and Mortgage Bonds as well as Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises. The license of operation, issued by the Hungarian Financial Supervisory Authority, specifies the Bank's activities and their conditions. The Bank's core business as a specialized credit institution includes primarily the refinancing of long-term mortgage loans secured by mortgaged properties, and the issuance of long-term mortgage covered bonds (mortgage bonds).

On September 23, 2015, the Bank joined the Integration of Cooperative Credit Institutions established pursuant to the Act CXXXV of 2013 on the integration of cooperative credit institutions and the amendment of certain economic laws (CCI), therefore the joint and several responsibilities-defined in Section 4 of Article 1 of CCI applies to it.

Bank starting from April 2018 has stopped its own lending activity, operates as pure refinancing mortgage bank, its main activities being the refinancing of mortgage loans for members of the MBH Integration Group and partner banks outside the Group, and the issuance of mortgage bonds.

On 1 April 2022, in accordance with the authorization of the National Bank of Hungary and following the decision of the General Meeting, Budapest Bank and Hungarian Takarék Bankholding Ltd. (MTBH) were merged into MKB Bank Nyrt. (currently MBH Bank Plc.). As a result of the merger, MKB Bank became the Bank's 88.13% indirect owner and indirectly acquired 88.33% of the voting rights exercisable therein.

On 18 October 2022, as a result of the sale and purchase of shares, MKB Bank Plc. acquired 39.8 % direct qualifying stake (voting rights) in the Bank. Hence, MTB Ltd.'s ownership decreased to 48.42%. Magyar Posta Ltd. acquired MKB Bank Plc.'s full stake in the Bank on 2 December 2022. As a result of this transaction based on exchange of shares, Magyar Posta Ltd. acquired a 39.71 % direct qualifying stake (voting rights) in the Bank.

On 10 March 2023, the Extraordinary General Meeting of the Mortgage Bank decided in its Resolution 1/2023 (10.03.2023) to change the name of the Mortgage Bank with effect from 1 May 2023: it will continue to operate under the name MBH Mortgage Bank Public Limited Company.

Despite the still complex geopolitical and macroeconomic environment, MBH Mortgage Bank has maintained its status as an active issuer of mortgage bonds in 2025, while significantly revising its issuance strategy compared to the previous year. In addition to serving the domestic institutional investor base, the Bank has introduced the regular issuance of mortgage bond series specifically tailored to retail investors, and it has entered the international market for the first time with a successful euro-denominated mortgage bond issuance.

As a result, in 2025 MBH Mortgage Bank's issuance activity was already directed toward three investor segments: institutional, retail, and international. During the year, the Bank continued the monthly subscription of its 3-year retail series and further expanded its green mortgage bond portfolio by an additional HUF 8.4 billion. Entering the international market marked a major milestone: in November 2025, the Bank issued its first euro-denominated, fixed-rate, 5-year mortgage bond. The transaction met exceptional demand, the order book closing above EUR 1,165.6 million in orders against the announced

EUR 100 million, thereby strengthening the Bank's international presence and broadening its funding opportunities.

In 2025, mortgage bonds with a nominal value of HUF 93.7 billion were issued in sixteen transactions, including ten retail subscriptions, five auctions, and one international transaction. The Bank's active market presence was supported by its multi-channel issuance strategy, driven by the Group's rising JMM requirements and the increase in mortgage lending. Similar to 2024, an unsecured bond issue of HUF 70 billion was also launched in July 2025.

As of 22 July 2024, Moody's Investor Service again rated MBH Mortgage Bank (Ba3/NP for its long- and short-term issuer ratings and Baa3/P-3 for its long- and short-term Counterparty Risk Ratings (CRRs)), its long and short-term Counterparty Risk (CR) Assessment Baa3(cr)/P-3(cr), and mortgage bonds issued by MBHJ for which it has assigned a long-term A1 rating (the Counterparty Risk (CR) Assessment is Baa3(cr)). The rating of the mortgage bonds is 4 notches higher than the rating of Hungarian sovereign debt. The rating remained unchanged in 2025 despite the downgrade of the outlook on Hungary's sovereign debt rating to negative.

In 2025, MBH Mortgage Bank successfully continued its green mortgage bond fundraising activities, which resulted in an increase in its green mortgage bond portfolio to HUF 57.0 billion, representing 13.25% of the Bank's total mortgage bond portfolio.

1.1. Ownership structure

The shareholder structure of MBH Mortgage Bank Plc. is the following as of 31 December 2025:

Shareholder	2025		2024	
	Holding (%)	Number of shares (piece)	Holding (%)	Number of shares (piece)
<i>Ordinary shares listed on BSE (Series "A")</i>				
Domestic institutional investors	52.1	56 520 385	52.1	56 520 385
Foreign institutional investors	0.01	7 278	0.01	7 278
Domestic private investors	2.82	3 056 794	2.82	3 056 794
Foreign private investors	0.03	33 618	0.03	33 618
Treasury shares	0.23	253 601	0.23	253 601
Part of public finance	44.79	48 597 602	44.79	48 597 602
Other	0.02	21 022	0.02	21 022
Subtotal (Series "A")	-	108 490 300	-	108 490 300

MBH Bank's controlling stake in Mortgage Bank is 48,5743%. The MBH Bank has no ultimate controlling party.

Direct owners with more than 5% ownership relating to listed series:

Ownership structure	Custodian Bank (yes/no)	2025	
		Number of shares (piece)	Ownership share (%)
MBH Investment Bank Ltd.	no	52 531 760	48.42
Magyar Posta Ltd.	no	43 076 417	39.71
Total		95 608 177	88.13

Ownership structure	Custodian Bank (yes/no)	2024	
		Number of shares (piece)	Ownership share (%)
MBH Investment Bank Ltd.	no	52 531 760	48.42
Magyar Posta Ltd.	no	43 076 417	39.71
Total		95 608 177	88.13

Direct owners with more than 5% ownership relating to total equity

Ownership structure	Custodian Bank (yes/no)	2025	
		Number of shares (piece)	Ownership share (%)
MBH Investment Bank Ltd.	no	52 531 760	48.42
Magyar Posta Ltd.	no	43 076 417	39.71
Total		95 608 177	88.13

Ownership structure	Custodian Bank (yes/no)	2024	
		Number of shares (piece)	Ownership share (%)
MBH Investment Bank Ltd.	no	52 531 760	48.42
Magyar Posta Ltd.	no	43 076 417	39.71
Total		95 608 177	88.13

Management Bodies and Committees of MBH Mortgage Bank and their main responsibilities
Chairman of the Board of Directors

József Vida

Members of the Board of Directors

Dr. Gyula László Nagy

Illés Tóth

Ildikó Ginzer

Dr. Ilona Török

Szabolcs Károly Brezina

Chairman of the Supervisory Board

Dr. Géza Károly Láng

Members of the Supervisory Board

Dr. Éva Szilvia Gödör

Dr. Ákos Ferenc Tisza-Papp

Dr. Koppány Tibor Lélfa

Péter Krizsanovich
András Bakonyi

1.2. Availability of financial statements and annual report

The annual report, which is prepared by the Bank every year, does not contain the Business Report, while it is available for inspection on the Bank's website and at the registered office.

Registered office: 1117 Budapest, Magyar Tudósok körútja 9. G. ép.

Website address: www.mbhjelzalogbank.hu

Bank prepares its Standalone Financial Statements under IFRS, that is published and available at:
<https://www.mbhmortgagebank.hu/for-investors/financial-data>

Bank, a specialized credit institution subject to the Mortgage Act, does not prepare a separate segment report, the consolidated financial statement of its parent company, MBH Bank Plc. contains segment information related to the group, which are available at the following link:

<https://www.mbhbank.hu/befektetoi/befektetoknek/mkb-bankrol/penzugyi-jelentesek>

1.3. Audit

Auditor company

PricewaterhouseCoopers Auditing Ltd.

Statutory registered auditor

Balázs Árpád Mészáros

Responsible person for the control and management of accounting services:

Gergely Péter Kállay, director (registration number: 202008)

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

	2025	2024
Annual fee of audit services	41	36
Total fee of services provided by the auditor	41	36

* The amounts presented do not include VAT.

With the exception of this engagement, the Bank did not make use of any other statutory audit services during the year.

1.4. Segment reporting

Considering that, Mortgage Bank starting from April 2018 has stopped its own lending activity, operates as pure refinancing mortgage bank, therefore separate segments cannot be identified. MBH Bank Plc. as the parent company publishes the segment report in its consolidated financial statement.

1.5. Changes in the legal and regulatory environment and its effect on the stand-alone financial statements

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

- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, and the Government Decrees on the different application of that;
- Government Decree No 197/2022. (VI.4.) on extra-profit taxes until 19 August 2025, from that Act LIV of 2025 on certain tax obligations and amendments to certain tax laws;
- Government Decree No 782/2021 (24.12.21) on the different application of Act CLXII of 2009 on credit for consumers in emergency situations, which extending the interest rate freeze measure applicable to residential mortgage credit contracts until 30 June 2026;
- Government Decree 424/2022 (X. 28.) on the armed conflict and humanitarian disaster in Ukraine, and in order to prevent and manage their consequences in Hungary, declaration of a state of emergency and certain rules applicable during a state of emergency, which was extended the state of emergency until May 14, 2026, thus also extending the period of application of Government Decree 454/2022. (XI. 9.) on the different application of certain substantive legal provisions relating to default interest.

In 2025, the central bank once again reviewed the regulatory framework applicable to the Mortgage Funding Adequacy Ratio (JMM). Under the amendment, effective from 1 November 2025, the scope of institutions exempted from the JMM requirement has been relaxed: instead of the previous threshold of HUF 40 billion, credit institutions with a net stock of retail mortgage loans with more than one year remaining maturity below HUF 100 billion will not be subject to the JMM compliance obligation.

The same amendment, entering into force on 1 October 2026, expands the range of eligible securities that may be used to meet the JMM requirement. In the future, not only mortgage bonds but also

- other exchange listed covered bonds, and
 - securitised mortgage loan exposures issued by a special purpose entity belonging to the credit institution's group and listed on a stock exchange
- will qualify as recognised long term covered funding instruments.

The amendment also updates the related definitions and terminology throughout the regulation.

Furthermore, the amendment introduces – also with effect from 1 October 2026 – the mandatory application of the cross holding adjustment factor, which modifies the numerator of the JMM ratio in order to reduce the distorting effect of mutual holdings of covered bonds among banks. The value of the adjustment factor is defined in the annex to the regulation and depends on the proportion of covered bonds and/or securitised mortgage loan exposures issued by other banks and held by the institution, relative to its total balance sheet.

As a result of the amendment to the JMM Decree, the demand of commercial banks for mortgage bonds in the market may decrease; however, this regulatory change does not materially affect MBH Mortgage Bank's issuance strategy based on the diversification of market channels, nor does it have a significant impact on the MBH Group's compliance with the JMM requirements.

The members of the banking group are subject to the global minimum tax under Act LXXXIV of 2023, but are temporarily exempted from paying the tax under Article 47 of this Act.

1.6. Sustainability activity (ESG)

MBH Mortgage Bank published its standalone 2024 Sustainability Report in April 2025, in line with the ESG development roadmap.

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 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 financial statement items please see Note 4.

2.1. Basis of reporting

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (hereinafter: “IFRS”).

The functional currency 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 the Bank 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 the 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 National Bank of Hungary (hereinafter: 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 standalone 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 has appropriate access to financial resources.

2.4. Use of estimates and judgements

The preparation of these 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.

The Bank adopts the Parent Company’s Consolidated Accounting Policy and applies it in full, without any modifications. 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 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 at Default (EAD), 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 4.24).

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 4.16.

2.5. Offsetting

The Bank does not offset financial assets and financial liabilities, incomes and expenses unless required or permitted by a standard or an interpretation. (For example, year-end not realized foreign exchange gains and losses, or exceptional financial instruments and cash-flow statements.). Usually, the Bank uses offsetting if the economic events are the same or similar and gains and losses arising from similar transactions are not material or their separation is not material, when offsetting reflects the economic content better.

2.6. Errors

After the balance sheet date of the standalone financial statements of 2025 there were no mistakes or errors discovered which are significant and affect the decision made by the users based on the financial statements.

2.7. Adaptation of revised and new IFRS/IAS Standards

2.7.1. The effect of adopting new and revised IFRS standards effective from 1 January 2025

The following amendment to the existing standard 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 IAS 21 „Lack of Exchangeability”** (issued on 15 August 2023 and effective for annual periods beginning on or after 1 January 2025).

The application of the above amendment to the existing standard has not led to any material changes in the Bank's financial statements.

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

- **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. The introduction of IFRS 18 will primarily result in a structural transformation of the Group’s statement of profit or loss and other comprehensive income, due to the new subtotals required by the standard.

The Bank is currently assessing the impact of adopting IFRS 18 on its financial statements. The assessment focuses primarily on the revised structure of the statement of profit or loss, the new presentation subtotals and the expanded disclosure requirements.

The adoption of IFRS 18 is expected to result in a significant structural transformation of the Bank’s statement of profit or loss, particularly with respect to:

- *the introduction of new mandatory subtotals (e.g., Operating, Investing, Financing),*
- *the separation of financing and non financing activities;*
- *enhanced presentation requirements for interest related and banking activities;*
- *expanded disclosures related to management-defined performance measures (MPMs).*

Given the nature of the Bank’s banking operations, the standard is expected to affect:

- *the presentation of net interest income and the interest margin;*
- *the allocation and presentation of treasury related results;*
- *the presentation of fee and commission income within the new operating structure;*
- *the categorisation of gains and losses arising from FVTPL, FVOCI and amortised cost portfolios under the revised layout.*

- **IFRS 19 „Subsidiaries without Public Accountability: Disclosures”** (issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- **Amendments to IFRS 19 „Subsidiaries without Public Accountability: Disclosures”** (issued on 21 August 2025 and effective from 1 January 2027).

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

2.7.3. 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.
- **IFRS 14 „Regulatory Deferral Accounts”** (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016, only applicable in a first-time adopter's first financial statements under IFRS) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.

The above-mentioned standards have no impact on the Bank.

2.7.4. IASB Standards or interpretations effective from 1 January 2026 or later

- **Amendments to IFRS 9 and IFRS 7** (issued on 30 May 2024, endorsed on 27 May 2025 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).
- **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 standalone financial statements.

3. RISK MANAGEMENT

3.1. Introduction and overview

MBH Mortgage Bank Plc. (in the following: Bank) is a member of the Integration Organization, as well as the management organization of the Integration under Act CXXXV of 2013 on the Integration of Cooperative Credit Institutions (in the following: Szhitv.). As a consequence of its Integration membership, the Bank is subject to the risk management policies of the Integration. The Bank’s risk management operations are governed by the applicable Hungarian and European Union regulations, as well as by additional supervisory requirements. The Bank is a member of the MBH Group, therefore its operation must also comply with the group-wide internal regulations of MBH Bank Plc.

Based on the Section 5/A (1) of the Act on the Integration of Cooperative Credit Institutions the Integration Organization and its members shall be jointly and severally liable for each other's obligations in accordance

with the rules of the Civil Code. Joint and several liability shall extend to all claims against the Integration Organization and its members, irrespective of the date on which they arose.

Based on the Section 5 of Article 1 of Szhiv. the Integration Organisation and its members are under the combined supervision according to Credit Institution Act. Since 1 January 2026, the Bank has been part of the MBH Integration Group, which has been supervised by MBH Duna Bank Ltd. (until 31 December 2025, the integration's business management role was performed by MBH Investment Bank Ltd.). The MBH Integration Group forms part of the MBH Group, which is overseen by MBH Bank Plc.

If the conditions set out in the Article 10 of the EU Regulation No 575/2013 (CRR) of the European Parliament and of the Council are met, then pursuant to Section 5 of Article 1 of the Szhiv., the integration of cooperative credit institutions is exempt from the individual application of the requirements defined in Sections (2)–(8) of Article 10 of the CRR. According to Resolution No. H-JÉ-I-209/2014 dated 3 March 2014, the National Bank of Hungary (MNB) authorised the members of the Integration to apply this individual exemption under Article 10 of the CRR.

The Integration and its member institutions seek to create an integrated and Integration-wide risk culture that ensures the identification, measurement and management of emerging risks in accordance with their risk appetite and their level of risk tolerance.

MBH Bank's group-level risk strategy defines the range of risks that the Bank and other members of the MBH Integration Group can take on, the risk management and measurement tools to be applied, and defines the general risk-taking principles and rules to be followed by the Bank. In the course of its operations, the Bank strives to maintain a risk culture that ensures the identification, measurement and management of emerging risks in accordance with risk appetite. Internal policies, strategies, regulations and guidelines, communication and employee training are the primary tools for a corresponding risk culture.

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 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 MBH Mortgage Bank needs to manage are the followings:

Credit risk

- ***Credit risk***

The risk of lending comprises the potential risk of the business partner failing to fulfil 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 management framework.

- ***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).

- ***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.

- ***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.

- ***Modelling risk***

Modelling 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 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 capital preservation and guarantee the solvency of the Bank at any time.

Committees	Main responsibilities
Supervisory Board	<p>The Supervisory Board controls the management of the Company in order to protect the interests of the Company;</p> <p>It controls the harmonized and prudent operation of the Company and the credit institutions, financial enterprises and investment companies under its controlling influence;</p> <p>The Supervisory Board steers the company's internal audit organization;</p> <p>Its task is to analyse regular and ad-hoc reports prepared by the Board of Directors;</p> <p>It decides on matters conferred to its competence by the Civil Code, Credit Institutions Act or the Articles of Association.</p>
Audit Committee	<p>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.</p>
Nomination Committee	<p>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.</p>
Board of Directors	<p>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;</p> <p>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.</p>
Asset and Liability Committee (J-EFB)	<p>The J-EFB exercises its powers in relation to MBH Jelzálogbank Nyrt. on an individual level within the framework defined by MBH Bank Nyrt. as the group controller, the Integration Organisation and the Integration Business Management Organisation.</p> <p>The Asset and Liability Committee is the primary responsible body for the Bank's asset and liability management. It is responsible for reviewing and discussing the returns, interest expenses and changes in asset holdings, as well as the impact and potential impact on results. Discussion and approval of the Bank's medium and long-term liquidity and financing plans. Preliminary approval of the mortgage bond issuance programme and its parameters, approval of the parameters of individual issues within a given mortgage bond programme. Prior approval of a non-voting or non-convertible private placement programme and its parameters.</p> <p>It decides on the pricing of the Bank's products and services, approving the standard (public) terms and conditions for the Bank's own loan portfolios and approving the terms and conditions applied in refinancing operations.</p> <p>It decides on the setting of limits for market risks and makes proposals to the Board of Directors in accordance with the risk policy/risk strategy, and monitors compliance with the limits.</p>
Methodology Committee (MC)	<p>The JMB cooperates with the MBH Methodology Committee and carries out the tasks assigned to it by this committee. The JMB exercises its powers within the framework defined by MBH Bank Nyrt., the Integration Organisation and the Integration Business Management Organisation.</p> <p>It is responsible for reviewing the Bank's risk profile, approving risk methodologies and setting the internal mortgage bank limit for exposures to a client/counterparty group.</p> <p>Monitoring credit and counterparty risk in treasury and ALM activities, taking the necessary measures, monitoring compliance with credit and counterparty risk for the client or group of clients. Setting limits for country risks, monitoring compliance with the limits.</p> <p>Taking decisions on operational risk management measures.</p> <p>As the NPL Committee, it monitors compliance with the allocated risk limits for the portfolio under its responsibility and takes action in the event of a breach of the limits. Regular review of the NPL portfolio, approval of risk methodologies under its responsibility.</p>
Refinancing Lending Committee	<p>The purpose of the operation of the Refinancing Lending Committee is to make the necessary decisions to establish certain terms and conditions of the Bank's refinancing business that will be concluded with a particular partner bank (framework agreement).</p>
Green Covered Bond Committee	<p>Bank established its Green Covered Bond Committee (hereinafter referred as GCBC) to increase the role of green factors in its business and risk management governance. The Committee consists of the CEO, deputy CEO responsible for the Risk Management – Chairman of GCBC, Heads of Capital Market, Refinancing, ALM, Collateral Registry, Collateral Management. GCBC reports directly to the Management of Board. Pursuant to the internal regulations, the GCBC decides on the 'green' quality if new collateral is involved, and regularly reviews the adequacy of the green collateral behind the issued green mortgage bonds.</p>

*The Nomination Committee was dissolved by the Supervisory Board with effect from 31 December 2025.

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 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 ECL 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 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 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.

By the reporting date, environmental, social and governance (ESG) aspects were integrated into the client rating process, in such a way that the client's ESG risk classification is determined at client level on a five-point scale based on the ESG factors deemed relevant by the Bank in the context of large and upper-medium-sized corporate clients, as well as in structured and project financing. This classification may modify the result of the client rating calculated by the models, ensuring the enforcement of the ESG aspects. However, the MNB's Recommendation No. 7/2025. (VI.23.) narrowed the range of clients for whom it is mandatory to request the minimum ESG questionnaire specified by the supervisor. As a result, the pace of ESG data collection has slowed down, so the availability of data is expected to increase at a slower pace, but in the longer term, the aim remains to incorporate the information into 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. The macro scenarios used at the Bank were provided by the Research Centre, thus ensuring that the macro forecasts used in ECL calculation and the macro parameters used in financial planning are even more closely consistent. Based on the forecasts, the Bank will use the current macroeconomic 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 Centre. At reporting date, the weights used are the following: 15% - stress scenario (2024: 30%), 80% - base scenario (2024: 65%), 5% - optimistic scenario (2024: 5%). The resulting IFRS PD and LGD values, adjusted to the new macroeconomic environment and expectations will be 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.

Monthly 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.

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;
- 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 (30 days);

- 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. In case the conditions for a Stage 2 rating are not met, the transaction may be transferred to Stage 1, if the Bank does not maintain the client or transaction in a higher rating category due to other prudential rules (e.g. recovery).

Financial assets whose default risk has increased to such an extent after initial recognition that there is objective evidence of ECL 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 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).

The amount of impairment and allowance equals to the amount of expected credit loss. 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 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 did not significantly increase 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 Bank if the holder of the loan commitment draws down the loan and the cash flows that the Bank 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, loan commitments and other commitments, if the financial instrument includes both a loan and undrawn component 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 financial statement 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 ECL 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 Group determines the EAD 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.

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. The Bank has not got individually assessed exposures in 2025.

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 Pillar II. capital requirement calculation was modified according to IFRS 9 requirements. Both rating systems use the same default definition and model structure, including the quantitative and qualitative sub-models and the explanatory 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 PDs are estimated. Stage 3 contains the defaulted customers, where the PD equals to 1.

In Stage 2, the one-year PD is transformed into 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.

Collectively assessed exposures of the Bank are the followings:

31.12.2025	Financial assets measured at amortised cost					Off-balance exposures
	Cash and cash-equivalents	Loans and advances to banks	Loans and advances to customers	Securities	Other financial receivables	
Collectively assessed						
Performing	1 415	581 983	13 803	172 548	241	398
Default	-	-	384	-	3	1
<i>Total collectively assessed gross amount</i>	1 415	581 983	14 187	172 548	244	399
ECL on collectively assessed items	(1)	(430)	(1 041)	(134)	(3)	(2)
<i>Total collectively assessed carrying amount</i>	1 414	581 553	13 146	172 414	241	397
Total gross amount	1 415	581 983	14 187	172 548	244	399
Total expected credit loss	(1)	(430)	(1 041)	(134)	(3)	(2)
Total carrying amount	1 414	581 553	13 146	172 414	241	397

31.12.2024	Financial assets measured at amortised cost					Off-balance exposures
	Cash and cash-equivalents	Loans and advances to banks	Loans and advances to customers	Securities	Other financial receivables	
Collectively assessed						
Performing	1 249	594 023	16 848	271 817	353	31
Default	-	-	927	-	3	1
<i>Total collectively assessed gross amount</i>	1 249	594 023	17 775	271 817	356	32
ECL on collectively assessed items	-	(560)	(1 307)	(203)	(3)	(2)
<i>Total collectively assessed carrying amount</i>	1 249	593 463	16 468	271 614	353	30
Total gross amount	1 249	594 023	17 775	271 817	356	32
Total expected credit loss	-	(560)	(1 307)	(203)	(3)	(2)
Total carrying amount	1 249	593 463	16 468	271 614	353	30

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 ECL losses of exposures are made during the monitoring.

Tables below show the breakdown of gross value and credit expected loss of loans and advances to customers and banks measured at amortised cost, by credit quality and stages:

31.12.2025	Gross amount				POCI	Total
	Stage 1	Stage 2	Stage 3			
<i>Loans and advances to banks</i>						
Low risk	581 983	-	-	-	-	581 983
<i>Total loans and advances to credit institutions</i>	581 983	-	-	-	-	581 983
<i>Retail loans</i>						
Low risk	4	-	-	-	-	4
Medium risk	10 907	-	-	-	-	10 907
High risk	264	2 417	-	-	-	2 681
Default	-	-	383	-	-	383
<i>Total Retail loans</i>	11 175	2 417	383	-	-	13 975
<i>Wholesale loans</i>						
High risk	-	212	-	-	-	212
<i>Total Wholesale loans</i>	-	212	-	-	-	212
Total	593 158	2 629	383	-	-	596 170

31.12.2025	Expected credit loss				Total
	Stage 1	Stage 2	Stage 3	POCI	
<i>Loans and advances to banks</i>					
Low risk	(430)	-	-	-	(430)
<i>Total loans and advances to credit institutions</i>	(430)	-	-	-	(430)
<i>Retail loans</i>					
Low risk	-	-	-	-	-
Medium risk	(861)	-	-	-	(861)
High risk	(29)	(49)	-	-	(78)
Default	-	-	(85)	-	(85)
<i>Total Retail loans</i>	(890)	(49)	(85)	-	(1 024)
<i>Wholesale loans</i>					
High risk	-	(17)	-	-	(17)
<i>Total Wholesale loans</i>	-	(17)	-	-	(17)
Total	(1 320)	(66)	(85)	-	(1 471)

31.12.2024	Gross amount				Total
	Stage 1	Stage 2	Stage 3	POCI	
<i>Loans and advances to banks</i>					
Low risk	561 022	-	-	-	561 022
<i>Total loans and advances to credit institutions</i>	561 022	-	-	-	561 022
<i>Retail loans</i>					
Low risk	2	-	-	-	2
Medium risk	13 253	-	-	-	13 253
High risk	402	2 901	-	-	3 303
Default	-	-	927	-	927
<i>Total Retail loans</i>	13 657	2 901	927	-	17 485
<i>Wholesale loans</i>					
High risk	-	290	-	-	290
<i>Total Wholesale loans</i>	-	290	-	-	290
Total	574 679	3 191	927	-	578 797

31.12.2024	Expected credit loss				Total
	Stage 1	Stage 2	Stage 3	POCI	
<i>Loans and advances to banks</i>					
Low risk	(522)	-	-	-	(522)
<i>Total loans and advances to credit institutions</i>	(522)	-	-	-	(522)
<i>Retail loans</i>					
Medium risk	(926)	-	-	-	(926)
High risk	(47)	(98)	-	-	(145)
Default	-	-	(204)	-	(204)
<i>Total Retail loans</i>	(973)	(98)	(204)	-	(1 275)
<i>Wholesale loans</i>					
High risk	-	(32)	-	-	(32)
<i>Total Wholesale loans</i>	-	(32)	-	-	(32)
Total	(1 495)	(130)	(204)	-	(1 797)

3.2.1.3 Forborne assets

During the normal course of business, the Bank initiates 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 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 based on 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 can terminate the forbore 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 forbore 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 forbore 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. For customers under business management where restructuring (contract modification) is considered, it is always necessary, prior to decision-making, to assess the impact of the proposed structure or contract modification on the net present value (NPV).

The table presents the gross and carrying amounts of the Bank's restructured assets:

Gross book value of forbore assets	Non-default	Default	Households
31.12.2025			
Non-financial corporations	51	44	95
<i>Households</i>	<i>51</i>	<i>44</i>	<i>95</i>
31.12.2024			
Non-financial corporations	46	13	59
<i>Total</i>	<i>46</i>	<i>13</i>	<i>59</i>

Net amount of forborne assets	Gross amount	Expected credit loss	Total
31.12.2025			
Non-financial corporations	95	(11)	84
Total	95	(11)	84
31.12.2024			
Non-financial corporations	59	(5)	54
Total	59	(5)	54

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 3674/20254 (XI.26.) 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.

Clients effected by the interest rate cap program

Financial assets modified during the period 31 December 2025 (interest rate cap extend until the end of half year of 2026)	12 month ECL	Lifetime ECL	Total
Net amortised cost before modification	3 758	3 573	7 331
Net modification gain/(loss) (change in gross carrying amount)	(71)	(24)	(95)
ECL gain or loss	3 687	3 549	7 236
Net amortised cost after modification	(81)	(73)	(154)
ECL gain or loss	1	1	2
Net amortised cost after modification	3 607	3 477	7 084

Financial assets modified during the period 31 December 2024 (interest rate cap extend until the end of half year of 2025)	12 month ECL	Lifetime ECL	Total
Net amortised cost before modification	5 491	3 238	8 729
Net modification gain/(loss) (change in gross carrying amount)	(34)	(192)	(226)
ECL gain or loss	5 457	3 046	8 503
Net amortised cost after modification	(114)	(63)	(177)
ECL gain or loss	1	3	4
Total	5 344	2 986	8 330

Clients affected by interest rate cap program/ number of loans:

Interest rate cap extend until the year end 2025	Number of loans	Outstanding balance	% of portfolio
Retail loans	3 851	7 177	55.42%
Total (retail and corporate loans)	3 851	7 177	55.42%

Interest rate cap extend until the year end 2024	Number of loans	Outstanding balance	% of portfolio
Retail loans	4 421	8 330	51.39%
Total (retail and corporate loans)	4 421	8 330	51.39%

Clients affected by interest rate cap program / Carrying amount of the loans:

31.12.2025	Stage 1	Stage 2	Stage 3	Total
<i>Retail loans</i>				
Investment grade	4 777	-	-	4 777
Default grade	-	-	166	166
Non-Investment grade	-	2 234	-	2 234
Gross carrying amount	4 777	2 234	166	7 177
<i>Expected credit loss</i>	(14)	(42)	(37)	(93)
Total (retail and corporate loans)	4 763	2 192	129	7 084

31.12.2024	Stage 1	Stage 2	Stage 3	Total
<i>Retail loans</i>				
Investment grade	5 378	-	-	5 378
Default grade	-	-	492	492
Non-Investment grade	-	2 682	-	2 682
Gross carrying amount	5 378	2 682	492	8 552
<i>Expected credit loss</i>	(34)	(78)	(110)	(222)
Total (retail and corporate loans)	5 344	2 604	382	8 330

3.2.1.5 Collaterals and other means for improving the loans portfolio

Collaterals for lending risk applied by the Bank:

Real estate

The Bank accepts as collateral mortgages, independent or separated liens are established on such real estate that are registered in Hungary and have long term and stable collateral value.

Real estate is valued by independent appraisers who are not involved in decision-making regarding the loan. Collateral Management establish the value of credit collateral conservatively.

State guarantee and GHG Ltd. guarantee

All instances of State guarantee and other guarantee accepted by the Banks involve joint and several liability set forth by law. The rules governing the guarantee are laid down in statutory provisions.

Bail

Deposit can take the form of cash, bank deposit or securities.

Other

In addition to the above the Banks also accept assigned claims, lien on claims.

The table below shows the structure of the collaterals:

	31.12.2025	31.12.2024
Mortgage	2 388 703	2 274 257
Bail	15	15
Guarantee	2 437	24 437
Total	2 391 155	2 298 709

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 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 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 on MBH Integration group level. 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 MBH Integration 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 MBH Integration 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 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.

The below table shows the undiscounted contractual cash flows of the Bank's financial asset:

31.12.2025	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	1 414	1 414	1 414	-	-	-	-
Financial assets measured at FVTPL and hedging derivative assets	6 145	97 772	820	1 834	5 921	33 936	55 261
Loans and advances to customers mandatorily at fair value through profit or loss	4 553	7 956	67	133	585	2 680	4 491
Derivative financial assets *	1 592	89 816	753	1 701	5 336	31 256	50 770
Financial assets measured at FVOCI	-	-	-	-	-	-	-
Debt and equity securities	-	-	-	-	-	-	-
Financial asset measured at amortised cost	767 354	807 791	680	2 767	161 519	187 334	455 492
Loans and advances to banks and customers	594 699	599 335	414	738	123 997	50 957	423 229
Debt securities	172 414	208 215	25	2 029	37 522	136 377	32 263
Other financial assets	241	241	241	-	-	-	-
Total financial assets	774 913	906 977	2 914	4 601	167 440	221 270	510 753

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

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	1 249	1 249	1 249	-	-	-	-
Financial assets measured at FVTPL and hedging derivative assets	8 291	33 612	495	4 435	4 517	14 816	9 348
Loans and advances to customers mandatorily at fair value through profit or loss	5 481	9 038	78	145	639	2 945	5 230
Derivative financial assets *	2 810	24 574	417	4 290	3 878	11 871	4 118
Financial assets measured at FVOCI	47 196	55 829	-	3 259	2 891	46 153	3 526
Debt and equity securities	47 196	55 829	-	3 259	2 891	46 153	3 526
Financial asset measured at amortised cost	834 702	882 983	28 744	7 541	228 150	196 939	421 610
Loans and advances to banks and customers	609 931	614 349	28 367	5 512	168 726	24 647	387 098
Debt securities	224 418	268 281	24	2 029	59 424	172 292	34 512
Other financial assets	353	353	353	-	-	-	-
Total financial assets	891 438	973 673	30 488	15 235	235 558	257 908	434 484

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

The following table shows the breakdown of financial liabilities by contractual maturity. No behavioural model has been applied to interbank items; therefore, the contractual and expected cash flows are identical.

31.12.2025	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 and hedging derivative liabilities	2 561	96 697	371	1 106	6 253	35 647	53 320
Derivative financial liabilities*	2 561	96 697	371	1 106	6 253	35 647	53 320
Financial liabilities measured at amortised cost	679 483	817 950	84 181	8 314	80 646	444 367	200 442
Amounts due to banks	111 790	111 790	82 052	4 917	9 821	15 000	-
Issued debt securities	567 021	706 160	2 129	3 397	70 825	429 367	200 442
Other financial liabilities	672	-					
From which: Lease liabilities	40	40	-	-	40	-	-
Total financial liabilities	682 044	914 647	84 552	9 420	86 899	480 014	253 762
Credit limits	399	399	399	-	-	-	-
Off balance sheet items	399	399	399	-	-	-	-

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

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 and hedging derivative liabilities	3 728	26 866	-	3 160	6 165	13 222	4 319
Derivative financial liabilities*	3 728	26 866	-	3 160	6 165	13 222	4 319
Financial liabilities measured at amortised cost	803 370	914 776	16 598	4 085	236 368	452 926	204 882
Amounts due to banks	374 995	374 995	-	2 000	210 219	162 776	-
Issued debt securities	427 599	539 005	15 822	2 085	26 142	290 074	204 882
Other financial liabilities	776	776	776	-	7	76	-
From which: Lease liabilities	83	83	-	-	7	76	-
Total financial liabilities	807 098	941 642	16 598	7 245	242 533	466 148	209 201
Credit limits	30 711	30 711	30 711	-	-	-	-
Off balance sheet items	30 711	30 711	30 711	-	-	-	-

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

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:

31.12.2025	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 and hedging derivative liabilities	2 561	96 697	371	1 106	6 253	35 647	53 320
Derivative financial liabilities*	2 561	96 697	371	1 106	6 253	35 647	53 320
Financial liabilities measured at amortised cost	679 483	818 622	84 853	8 314	80 646	444 367	200 442
Amounts due to banks	111 790	111 790	82 052	4 917	9 821	15 000	-
Issued debt securities	567 021	706 160	2 129	3 397	70 825	429 367	200 442
Other financial liabilities	672	672	672	-	-	-	-
From which: Lease liabilities	40	40	-	-	40	-	-
Total financial liabilities	682 044	915 319	85 224	9 420	86 899	480 014	253 762
Credit limits	399	399	28	52	36	191	92
Off balance sheet items	399	399	28	52	36	191	92

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

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

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 MBH Integration 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 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 limits, while optimizing returns.

The Bank has only non-trading portfolios.

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, including lending, accepting deposits, and issuing debt instruments.

3.2.3.1 Exposure to 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 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 Bank in foreign exchange at the end of the reporting periods were the following:

Foreign currency positions	31.12.2025				
	HUF	EUR	CHF	Other currency	Total
Assets	737 744	37 985	15	3	775 747
Liabilities	(644 076)	(38 544)	(2)	(36)	(682 658)
Off-balance items	(399)	-	-	-	(399)
Total	93 269	(559)	13	(33)	92 690

Foreign currency positions	31.12.2024				
	HUF	EUR	CHF	Other currency	Total
Assets	892 379	(99)	35	(4)	892 311
Liabilities	(807 722)	(45)	(5)	(11)	(807 783)
Off-balance items	(12 155)	(18 556)	-	-	(30 711)
Total	72 502	(18 700)	30	(15)	53 817

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

VAR status	Average	Maximum	Minimum	15% -stress
31.12.2025				
Currency risk	3	6	0,1	(1)
Total	3	6	0	(1)
31.12.2024				
Currency risk	2	13	1	(14)
Total	2	13	1	(14)

The Bank 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).

Sensitivity test

A 15% adverse movement in foreign exchange rates would result in a loss of HUF 1 million on the open position at the end of the reporting period (2024: HUF 14 million).

3.2.3.2 Exposure to market risks - 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 4.11).

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 the interest-bearing financial instruments of the Bank was the following (HUF, EUR):

Interest rate structure of financial instruments*	31.12.2025		Total
	HUF	EUR	
Fixed rate assets	80 884	65	80 949
Variable rate assets	689 895	-	689 895
from which: transaction affected by the interest rate cap program	7 084	-	7 084
<i>Total assets</i>	<i>770 779</i>	<i>65</i>	<i>770 844</i>
Fixed rate liabilities	(444 201)	(39 762)	(483 964)
Variable rate liabilities	(212 828)	-	(212 828)
<i>Total liabilities</i>	<i>(657 029)</i>	<i>(39 762)</i>	<i>(696 792)</i>

*Table does not include derivative transactions

Interest rate structure of financial instruments*	31.12.2024		Total
	HUF	EUR	
Fixed rate assets	182 236	18	182 254
Variable rate assets	702 123	3 068	705 191
from which: transaction affected by the interest rate cap program	8 330	-	8 330
Total assets	884 358	3 086	887 445
Fixed rate liabilities	(558 104)	-	(558 104)
Variable rate liabilities	(263 468)	-	(263 468)
Total liabilities	(821 572)	-	(821 572)

*Table does not include derivative transactions

Sensitivity tests

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

	31.12.2025		31.12.2024	
	Effect on equity	Effect on P/L*	Effect on equity	Effect on P/L*
HUF				
200 bp increase	922	1 138	939	1 198
200 bp decrease	(62)	(1 138)	1 743	1 198
EUR				
200 bp increase	(64)	-	-	4
200 bp decrease	68	-	-	4

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

A 200 bps change in market interest rates has no impact on net interest income in the case of the USD currency.

3.2.4. Operational risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes and systems, from improper performance of tasks by personnel, or from external events, which includes, among others, legal risk, model risk, and information and communication technology (ICT) risk, but does not include strategic or reputational risk.

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). 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 working 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.

The OpRisk Management prepares reports on the 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.

3.3. Encumbered assets

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

Encumbered assets	31.12.2025		31.12.2024	
	Book value	Fair value	Book value	Fair value
Debt securities	133 211	134 327	271 460	261 399
Loans and advances other than loans on demand	449 109	449 109	417 112	417 112
Total	582 320	583 436	688 572	678 511

Assets, collateral received, and own debt securities issued	Nominal value of collateral received or own debt securities issued non available for encumbrance
31.12.2025	
Other collateral received	448 442
Total	448 442
31.12.2024	
Other collateral received	416 107
Total	416 107

3.4. Capital management

MBH Mortgage Bank Plc. is a member of the Central Body of Integrated Credit Institutions (CBIC). The members of CBIC should examine prudential requirements on consolidated bases. The exemption of individual compliance is ensured by the relevant legislation and the respective resolution of the National Bank of Hungary.

MBH Investment Bank Co. Ltd. publishes audited financial statements on the capital adequacy of the members of the integration in its 2025 disclosure document.

4. DETAILS ON STANDALONE FINANCIAL STATEMENTS LINE 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 amortization 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, or the short-term financial assets (maximum 12 month maturity), if the effect is not material.

Interest income	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest income from deposits	1 535	1 187
Interest income from financial assets measured at AC	49 364	50 333
Interest income from financial assets measured at FVOCI	1 032	1 902
Interest income from financial assets held for trading	51 931	53 422
Interest income calculated using the effective interest rate method	1 443	836
Financial assets held for non-trading purposes measured at FVTPL	498	541
Interest income from derivatives	5 119	5 676
Interest income from other asstes	223	1 032
Other interest income	7 283	8 085
Total interest income	59 214	61 507

Interest expense	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Interest expense from loans and advances measured at AC*	(40 577)	(40 665)
<i>Interest expense calculated using the effective interest rate method</i>	<i>(40 577)</i>	<i>(40 665)</i>
Interest expense from financial liabilities held for trading	(2 605)	(1 848)
Interest expense from derivatives for trading	(4 227)	(6 149)
Interest expense from lease liabilities	(6)	(10)
<i>Other interest expense</i>	<i>(6 838)</i>	<i>(8 007)</i>
Total interest expense and expenses similar to interest expense	(47 415)	(48 672)
Net interest income	11 799	12 835

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 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 fee 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).

Fee and commission income	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Own-disbursement mortgage loans	38	47
Handling commission	1	3
Real estate appraisal fee	30	35
Refinanced mortgage loans	153	101
Total	222	186

Fee and commission expenses	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Fees and commissions to banks and to clearing house	(12)	(11)
Agency fee expense	(133)	(160)
Real estate appraisal fee	(3)	(15)
Treasury services	(142)	(102)
Other	(2)	-
Total	(292)	(288)

Net income from fees and commissions	(70)	(102)
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4.3. Results 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 financial instruments	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Gains/(losses) on derivative instruments	58	869
Changes in fair value of loans mandatorily measured at FVTPL	(412)	15
Result from remeasurement and derecognition of financial instruments measured at FVTPL	(354)	884
Gains/(losses) on debt securities measured at FVOCI	193	147
Result from derecognition of debt securities measured at FVOCI	193	147
Gains/(losses) on loans and advances measured at AC	(74)	(16)
Gains/(losses) on debt securities measured at AC	(58)	(4 138)
Gains/(losses) on mortgage bonds issued	111	280
Results from derecognition of loans and debt securities measured at AC	(21)	(3 874)
Results from hedge accounting	287	380
Foreign exchange gains less losses	(54)	257
Total	51	(2 206)

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

Expected credit loss and provisions	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Loans and advances to banks and customers	861	(183)
Provisions for commitments and guarantees	-	(1)
Investment in securities	69	47
Expected credit loss (-)/gain on financial assets, financial guarantees and loan commitments	930	(137)
Provision for litigation	(92)	10
Provisions for litigation, restructuring and similar charges	(92)	10
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(109)	(357)
(Impairment) / reversal of impairment on other financial and non-financial assets	1	(51)
Total	730	(535)

The tables below present the changes in the Bank's impairment by type of movement:

Movement in impairment	Loans and advances to banks and customers	Investments in securities	Relating to other financial and non-financial assets
<i>Balance at 01.01.2025</i>	(1 866)	(203)	(56)
Net change in impairment due to reclassification	864	69	1
Utilization due to write-off or release	(3)	-	-
<i>Total impairment recognized in the year</i>	861	69	1
Impact of revaluation	1	-	-
Sale or derecognition	81	-	-
Unwinding	(554)	-	-
Other impacts	5	-	-
<i>Balance at 31.12.2025</i>	(1 472)	(134)	(55)

Movement in impairment	Loans and advances to banks and customers	Investments in securities	Relating to other financial and non-financial assets
<i>Balance at 01.01.2024</i>	(746)	(250)	(5)
Net change in impairment due to reclassification	(181)	47	(51)
Utilization due to write-off or release	(2)	-	-
<i>Total impairment recognized in the year</i>	(183)	47	(51)
Impact of revaluation	(5)	-	-
Sale or derecognition	33	-	-
Unwinding	(967)	-	-
Other impacts	2	-	-
<i>Balance at 31.12.2024</i>	(1 866)	(203)	(56)

4.5. Administrative and other operating expenses

Administrative and other operating expenses	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Wages and salaries	(505)	(494)
Other employee benefits	(7)	(7)
Severance pays	(3)	(5)
Compulsory social security obligations	(58)	(53)
<i>Total personnel expenses</i>	(573)	(559)
General and administrative expenses	(2)	(29)
Property costs	(51)	(49)
Legal and advisory services	(349)	(367)
IT costs	(472)	(334)
Marketing and public relations	(8)	(3)
Communication and data processing	(58)	(23)
Postal fee	(13)	(16)
Insurance fees	-	(1)
Membership fees	(382)	(456)
Other services used	(78)	(64)
Bank tax	(374)	(332)
Extra profit tax	(586)	(194)
Non-deductible VAT	(76)	(59)
Other tax related costs	(1)	(1)
Other fees and charges paid	(39)	(45)
<i>Total operating expenses</i>	(2 489)	(1 973)
Amortization of intangible assets	(44)	(55)
Depreciation of property, plant and equipment	(63)	(54)
<i>Total depreciation</i>	(107)	(109)
Total administrative and other operating expenses	(3 169)	(2 641)

In 2025, the Bank's average statistical number of employees was 17 (2024: 17).

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 contributions 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.

In 2017 MKB started its ESOP Remuneration Policy and implemented it through the ESOP Organisation. The Bank's remuneration policy is determined jointly by the CRD/HPT (Capital Requirements Directive/ Credit Institutions and Financial Enterprises) 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.

The purchase options are cash-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. Settlement and payment are carried out by redeeming participants' membership interests following the conversion of the financial instrument into cash by the ESOP organization, taking into account the deferral cycles and in proportion to the awarded performance remuneration.

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 basis for calculating the bank tax is the total assets reported in the annual financial statements prepared in accordance with the Hungarian accounting regulations as modified, as of the end of the second year preceding the tax year.

Under Act LIV of 2025 on Extraordinary Profit Taxes, credit institutions and financial enterprises remain subject to the extraordinary profit tax in 2025. For the determination of the 2025 tax liability, the tax base is the adjusted profit before tax reported in the annual financial statements for the 2023 financial year. The tax rate is 7% on the portion of the tax base not exceeding HUF 20 billion, and 18% on the portion above this threshold.

The 2025 extraordinary profit tax liability may be reduced by up to 50% if the Bank's daily average holdings of government securities, as defined in Section 7 of Act LIV of 2025, increase when comparing (i) the higher of the daily average balances for the periods from 1 January 2023 to 30 April 2023 and from 1 September 2024 to 30 November 2024 with (ii) the daily average balance for the period from 1 January 2025 to 30 November 2025. If such an increase is achieved, the Bank may decrease its extraordinary profit tax payable due by 10 December 2025.

The Bank was not able to make use of the extraordinary profit tax allowance in 2025.

Since the bank tax is based on non-net revenue measures, it does not meet the criteria for corporate income tax under IFRS; accordingly, the Bank presents it within 'Administrative and Other Operating Expenses' in the Statement of Profit or Loss.

4.6. Other income and expense

Other income and expense	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Sales of property, plant, equipment	1	-
Income from enforcement and recovery operations	5	7
Income from tax refunds	2	2
Income arising from lapsed customer overpayments	10	-
Settlement of epidemic surtax	20	-
Other income	4	-
Total	42	9
Grants given*	(1)	(161)
Fines, penalty for late payment	(6)	(4)
Loss on damages compensations paid	-	-
Other expense	(1)	(18)
Total	(8)	(183)

*Foundation grants and grants provided against the bank tax are presented under the 'Grants provided' line.

4.7. Income tax income / (expense)

Income tax comprises of 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 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.

Income tax expense recognized in the Standalone Statement of Profit or Loss and Other Comprehensive Income:

Income tax income / (expense)	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024
Corporate income tax expense on current year's profit	(409)	(308)
Corporate income tax expense - effect of self-revision of previous years	1	3
Local business tax	(262)	(295)
Innovation contribution	(39)	(44)
<i>Current tax income / (expense)</i>	(709)	(644)
Origination (reversal) of temporary differences	-	(1)
Recognize (reversal) of carry forward and unused tax losses	183	65
<i>Deferred tax income / (expense)</i>	183	64
Income tax income / (expense)	(526)	(580)

For further information on deferred tax assets and liabilities please see Note 4.16

The members of the Group are considered subjects of the global minimum tax under Act LXXXIV. of 2023, however, they are temporarily exempted from paying the tax under Article 47 of this Act.

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	01.01.2025 - 31.12.2025		01.01.2024 - 31.12.2024	
	%	million HUF	%	million HUF
<i>Profit before income tax</i>		9 375		7 177
Income tax using the domestic corporation tax rate	9.00%	(844)	9.00%	(646)
Local business tax	2.79%	(262)	4.11%	(295)
Innovation contribution	0.42%	(39)	0.61%	(44)
Non-deductible expense	0.01%	(1)	0.01%	(1)
Tax exempt income	-0.29%	27	(0.43%)	31
Change of unrecognised tax loss carry forwards*	-6.31%	592	(5.18%)	372
Effect of corporate tax group	0.00%	-	0.00%	-
Previous year's corporate tax adjustment	-0.01%	1	(0.04%)	3
Income tax / (expense)	5.61%	(526)	8.08%	(580)

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

In recognising deferred tax income, the Bank accounted for the amount calculated on the basis of the available forecast figures.

Under the statutory regulations, tax loss carried forward from prior years may be utilised only up to 50% of the tax base in future periods.

The Bank has the following amounts of unused tax loss available for carry forward with the following expiry dates:

Unused tax losses	31.12.2025	31.12.2024
Without maturity	14 205	18 744
Total	14 205	18 744

Under the regulations governing the utilisation of tax loss carry forwards, tax losses incurred in 2015 or in subsequent periods may be utilised within the following five years, provided that a tax expense arises in the respective tax year.

Tax losses incurred by the Bank prior to the 2015 tax year may be utilised without any time limitation.

The tax authority may audit the Bank's books and records at any time within six years following the 2025 tax year. No tax inspections were carried out at the Bank in 2025.

4.8. 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 of Principal and Interest) test. Interest income and interest expense should be determined using the effective interest rate method and then recognised in the standalone statement of profit or loss and other comprehensive income.

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 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 (FVOCI);
- amortised cost (AC).

The Bank uses in accordance with IFRS 9 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 the maturity is within one year.
- **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 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,
- at amortised cost – in case of all other financial liabilities.

Derecognition of financial instruments

Financial asset transfer

When the Bank transfers a financial asset, it performs the measurement in accordance with the provisions of 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 effective 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.

Write-off of financial assets under legal proceeding

In case of enforcement of collateral related to loans that are subject to legal proceedings (such as bankruptcy, liquidation or other judicial processes):

- 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 derecognize such items entirely from its books but may partially derecognize 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 classified as uncollectible or written off according to the relevant internal rules (in this case there is no legal claim).

The Bank derecognises financial liability (or a part of a financial liability) from its standalone statement of financial position when the obligation specified in the contract is fulfilled, cancelled or expired.

4.9. 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.

The most part of Cash reserves are the bank account and term deposits at MNB, the rest of it are the nostro accounts at other banks and sweep account related to cash reserves.

Cash and cash-equivalents	31.12.2025	31.12.2024
Receivables from central banks	1 181	1 134
Other current receivables from banks	234	115
Expected credit loss	(1)	-
Total	1 414	1 249

4.10. Financial assets measured at fair value through profit or loss

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

There are no observable market transactions available to determine the fair value of customer receivables, as the product is not actively traded. In the absence of observable market transactions, fair value is estimated using discounted cash flow models, applying observable market data (interest rates, yield curves) as input parameters. 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 main activity of MBH Mortgage Bank is the refinancing of mortgage loans; it does not engage in its own lending operations.

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:

Loans and advances to customers measured at FVTPL	
<i>Opening fair value at 01.01.2025</i>	<i>5 481</i>
Fair value and other movements	(411)
Financial assets derecognized during the period	(517)
<i>Closing fair value at 31.12.2025</i>	<i>4 553</i>
<i>Opening fair value at 01.01.2024</i>	<i>6 310</i>
Fair value and other movements	15
Financial assets derecognized during the period	(844)
<i>Closing fair value at 31.12.2024</i>	<i>5 481</i>

4.10.2. 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 and expense 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	31.12.2025		31.12.2024	
	Assets	Liabilities	Assets	Liabilities
Interest rate swaps	877	105	1 369	159
Foreign exchange swaps	4	-	10	-
Total	881	105	1 379	159

4.11. 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 applied, the type of the hedge designated by the Bank is a 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 standalone 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 standalone statement of financial position the fair value change of hedging instruments recorded in

- Hedging derivative assets and
- Hedging derivative liabilities.

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Type of hedging transaction	Type of hedged transaction	Fair value of hedging transaction	Fair value of hedged transaction	Result of hedging transaction	Result of hedged transaction
Interest rate swaps	Mortgage bonds issued	(637)	60 073	(315)	309
Interest rate swaps	Covered bonds issued	(336)	25 551	331	(333)
Interest rate swaps	Securities purchased	383	3 406	383	(337)
Cross-currency interest rate swaps	Mortgage bonds issued	(1 155)	(38 404)	915	(942)

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Type of hedging transaction	Type of hedged transaction	Fair value of hedging transaction	Fair value of hedged transaction	Result of hedging transaction	Result of hedged transaction
Interest rate swaps	Mortgage bonds issued	(615)	45 008	(591)	591
Interest rate swaps	Securities purchased	(1 522)	27 776	1 595	(1 640)

4.12. Financial assets measured at fair value through other comprehensive income

4.12.1. Debt and equity securities

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 FVOCI 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 the standalone statement of profit or loss and comprehensive income. When these securities are sold, cumulative gains or losses are recognised in the standalone 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 FVOCI:

Debt and equity securities	31.12.2025	31.12.2024
Debt securities	-	47 232
Equity instruments	-	-
<i>Total securities measured at FVOCI (gross)</i>	-	47 232
<i>Breakdown of securities</i>		
Government bonds	-	44 043
Domestic corporate bonds	-	3 189
Non-listed shares	-	-
Expected credit loss	-	(36)
Total	-	47 196

The Bank's credit institution bond matured in February 2025, and the government securities were sold in May 2025.

During the reporting period, the Bank did not recognise dividends on investments in equity instruments measured at fair value as opposed to other comprehensive income.

The amount of ECL of the FVOCI 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 following tables show the composition of debt securities measured at FVOCI by stage in 2024:

Debt and equity securities measured at FVOCI by Stage	Stage 1	Stage 2	Stage 3	Total
31.12.2024				
Government bonds	44 043	-	-	44 043
Domestic corporate bonds	3 189	-	-	3 189
Expected credit loss	(36)	-	-	(36)
Total	47 196	-	-	47 196

The Bank's securities portfolio has changed in accordance with the strategy of the Asset and Liability Committee.

Gross book value				
Debt and equity securities	Stage 1	Stage 2	Stage 3	Total
01.01.2025	47 232	-	-	47 232
Change in EAD*	(47 232)	-	-	(47 232)
31.12.2025	-	-	-	-

Expected credit loss (ECL)				
Debt and equity securities	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2025	(36)	-	-	(36)
Change in EAD*	36	-	-	36
31.12.2025	-	-	-	-

Gross book value				
Debt and equity securities	Stage 1	Stage 2	Stage 3	Total
01.01.2024	9 996	-	-	9 996
Change in EAD*	37 236	-	-	37 236
31.12.2024	47 232	-	-	47 232

Expected credit loss (ECL)				
Debt and equity securities	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2024	(7)	-	-	(7)
Change in EAD*	(29)	-	-	(29)
31.12.2024	(36)	-	-	(36)

4.13. 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 standalone statement of profit or loss and other comprehensive income. Impairment and impairment reversal is included in the line are “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”.

State interest subsidy- retail loans

Interest subsidy is available to clients who have been granted loans in accordance with the specific provisions of the Hungarian legislation (Government Decree 12 of 2001). There are two types of interest subsidy: mortgage bond’s interest subsidy and supplementary interest subsidy. Both methods are designed to reduce the interest payable by the client. The mortgage bond’s interest subsidy being based indirectly on the bank’s costs (mortgage bond’s interest subsidy), and the supplementary interest subsidy on the actual amount of interest payable by the client (asset side subsidy). Both types of subsidies are presented in the Bank’s revenues, thus the Bank only passes on these subsidies to the clients as they pay a lower-than-market interest rate to the Bank. The interest subsidy is available for a period not exceeding the first 20 years of a loan.

Mortgage bond interest subsidy

The mortgage bond interest subsidy is available for housing loans up to the stipulated amounts and based on conditions as specified in the government decree 12/2001 and calculated in accordance with the criteria set. The condition of the maximum interest percentage payable by the customer also has to be met. The subsidy is available for housing loans eligible for subsidy as specified in the decree such as:

- Mortgage loans granted by the Bank or with partner banks; and
- Independent and separated liens purchased by the Bank then repurchased by the partner bank under refinancing arrangements, and for receivables from the repurchased part(s) of lien packages.

The subsidy is available on a monthly basis up to the total of mortgage bonds outstanding in the given month. The underlying calculation is based on the daily balance of subsidized loans or mortgage bonds.

Supplementary interest subsidy- own loans

The amount of supplementary interest subsidy and the underlying calculation method thereof (reflecting the maximum interest) are laid down in the contract between the Bank and the client. The monthly interest subsidy is one-twelfth of the prevailing subsidized outstanding principal as determined by the amount of the non-due repayable principal as of the date of the transaction.

4.13.1. Loans and advances to banks

The Bank has a substantial refinanced mortgage loans portfolio. As part of the refinancing arrangements, the partner credit institutions sell independent mortgage rights to the Bank to cover the retail mortgage loans it provides, or – in case of applying a separate mortgage right – in addition by the transfer of the mortgage rights, uses a refinancing mortgage loan from the Bank.

The repurchase of the stand-alone mortgage and the repayment of the refinancing mortgage loan are carried out by the partner credit institution during the period of the refinanced loan transactions in such a way that the repurchase or repayment is adjusted to the partner bank's client's principal repayment schedule.

Refinanced mortgages are classified as performing because by purchasing a stand-alone line or a separate line, the Bank lends a long-term loan to the partner commercial bank and the customer risk is recognised entirely at the partner bank, the Bank is only exposed to the partner bank's credit risk. The Bank presents refinanced mortgage loans at amortized cost less ECL (if there is any).

Loans and advances to banks	31.12.2025	31.12.2024
Interbank term deposits	-	33 000
Interbank loans granted	581 983	561 022
Expected credit loss	(430)	(559)
Total	581 553	593 463

The following tables show of deposits and loans to banks at AC by stage:

Loans and advances to banks at AC by stage	Stage 1	Stage 2	Stage 3	Total
31.12.2025				
Interbank term deposits	-	-	-	-
Interbank loans granted	581 983	-	-	581 983
Expected credit loss	(430)	-	-	(430)
Total	581 553	-	-	581 553

31.12.2024				
Interbank term deposits	33 000	-	-	33 000
Interbank loans granted	561 022	-	-	561 022
Expected credit loss	(559)	-	-	(559)
Total	593 463	-	-	593 463

Gross book value - Loans and advances to banks	Stage 1	Stage 2	Stage 3	Total
01.01.2025	594 022	-	-	594 022
Change in EAD*	(80 159)	-	-	(80 159)
Assets derecognized except write off	(30 585)	-	-	(30 585)
Financial assets originated or purchased	98 705	-	-	98 705
31.12.2025	581 983	-	-	581 983

Expected credit loss (ECL) - Loans and advances to banks	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2025	(559)	-	-	(559)
Change in EAD*	170	-	-	170
Assets derecognized except write off	27	-	-	27
Financial assets originated or purchased	(68)	-	-	(68)
31.12.2025	(430)	-	-	(430)

Gross book value - Loans and advances to banks	Stage 1	Stage 2	Stage 3	Total
01.01.2024	523 285	-	-	523 285
Change in EAD*	25 897	-	-	25 897
Assets derecognized except write off	(17 188)	-	-	(17 188)
Financial assets originated or purchased	62 028	-	-	62 028
31.12.2024	594 022	-	-	594 022

Expected credit loss (ECL) - Loans and advances to banks	Stage 1 12- month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2024	(13)	-	-	(13)
Change in EAD*	(510)	-	-	(510)
Assets derecognized except write off	1	-	-	1
Financial assets originated or purchased	(37)	-	-	(37)
31.12.2024	(559)	-	-	(559)

4.13.2. Loans and advances to customers

Movement of loans measured at amortised cost

In line with the recommendation of NBH, the latest macroeconomic information is incorporated into the risk parameters twice a year. As a result, the ECL coverage of certain segments may change significantly. The Bank performed the latest parameter update as at 30 November 2025.

The tables below present the breakdown, by Stage, of the gross carrying amount and the expected credit loss of loans to customers measured at amortised cost:

Gross book value - retail				
Retail segment	Stage 1	Stage 2	Stage 3	Total
01.01.2025	13 657	2 901	927	17 485
Reclassifications				
from Stage 1 to Stage 2	(122)	122	-	-
from Stage 1 to Stage 3	(146)	-	146	-
from Stage 2 to Stage 1	254	(254)	-	-
from Stage 2 to Stage 3	-	(71)	71	-
from Stage 3 to Stage 1	136	-	(136)	-
from Stage 3 to Stage 2	-	96	(96)	-
Change in EAD	(1 500)	(205)	(179)	(1 884)
Assets derecognized except write off	(1 104)	(172)	(350)	(1 626)
31.12.2025	11 175	2 417	383	13 975

Expected credit loss (ECL)				
Retail segment	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2025	(973)	(98)	(204)	(1 275)
Reclassifications				
from Stage 1 to Stage 2	1	(1)	-	-
from Stage 1 to Stage 3	16	-	(16)	-
from Stage 2 to Stage 1	(11)	11	-	-
from Stage 2 to Stage 3	-	10	(10)	-
from Stage 3 to Stage 1	(28)	-	28	-
from Stage 3 to Stage 2	-	(22)	22	-
Change in EAD	16	43	21	80
Assets derecognized except write off	89	8	74	171
31.12.2025	(890)	(49)	(85)	(1 024)

*Line includes the effect of repayments for the period.

Gross book value - retail				
Retail segment	Stage 1	Stage 2	Stage 3	Total
01.01.2024	14 432	4 671	1 790	20 893
Reclassifications				
from Stage 1 to Stage 2	(167)	157	-	(10)
from Stage 1 to Stage 3	(131)	-	124	(7)
from Stage 2 to Stage 1	1 569	(1 804)	-	(235)
from Stage 2 to Stage 3	-	(51)	44	(7)
from Stage 3 to Stage 1	264	-	(344)	(80)
from Stage 3 to Stage 2	-	267	(306)	(39)
Change in EAD	(1 246)	(171)	(81)	(1 498)
Assets derecognized except write off	(1 064)	(168)	(300)	(1 532)
31.12.2024	13 657	2 901	927	17 485

Expected credit loss (ECL)				
Retail segment	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2024	(102)	(193)	(401)	(696)
Reclassifications				
from Stage 1 to Stage 2	1	(8)	-	(7)
from Stage 1 to Stage 3	2	-	(24)	(22)
from Stage 2 to Stage 1	(13)	75	-	62
from Stage 2 to Stage 3	-	4	(10)	(6)
from Stage 3 to Stage 1	(4)	-	76	72
from Stage 3 to Stage 2	-	(17)	69	52
Change in EAD	(865)	35	19	(811)
Assets derecognized except write off	8	6	67	81
31.12.2024	(973)	(98)	(204)	(1 275)

Gross book value - retail	Stage 1	Stage 2	Stage 3	Total
Wholesale segment				
01.01.2025	-	290	-	290
Change in EAD	-	(78)	-	(78)
31.12.2025	-	212	-	212

Expected credit loss (ECL)	Stage 1	Stage 2	Stage 3	Total
Wholesale segment	12-month ECL	Lifetime ECL	Lifetime ECL	
01.01.2025	-	(32)	-	(32)
Change in EAD	-	15	-	15
31.12.2025	-	(17)	-	(17)

Gross book value - retail	Stage 1	Stage 2	Stage 3	Total
Wholesale segment				
01.01.2024	-	375	-	375
Change in EAD	-	(85)	-	(85)
31.12.2024	-	290	-	290

Expected credit loss (ECL)	Stage 1	Stage 2	Stage 3	Total
Wholesale segment	12-month ECL	Lifetime ECL	Lifetime ECL	
01.01.2024	-	(32)	-	(32)
Change in EAD	-	-	-	-
31.12.2024	-	(32)	-	(32)

The table below presents the eligible collateral value of the Bank's non-performing loan portfolio:

Stage 3	31.12.2025	31.12.2024
Loans and advances to customers		
Carrying amount	298	723
Collateral value	369	886

4.13.3. Debt securities

Debt securities	31.12.2025	31.12.2024
Government bonds	163 934	196 325
Corporate bonds	1 528	2 759
Credit institution bonds	1 310	19 687
Mortgage bonds	5 776	5 814
Expected credit loss	(134)	(167)
Total	172 414	224 418

The following tables show the composition of debt instruments measured at amortised cost by stage (all of the securities have low credit risk):

Debt securities_Stage	Stage1	Stage2	Stage3	Total
31.12.2025				
Government bonds	163 934	-	-	163 934
Corporate bonds	1 528	-	-	1 528
Credit institution bonds	1 310	-	-	1 310
Mortgage bonds	5 776	-	-	5 776
Expected credit loss	(134)	-	-	(134)
Total	172 414	-	-	172 414

31.12.2024				
Government bonds	196 325	-	-	196 325
Corporate bonds	2 759	-	-	2 759
Credit institution bonds	19 687	-	-	19 687
Mortgage bonds	5 814	-	-	5 814
Expected credit loss	(167)	-	-	(167)
Total	224 418	-	-	224 418

Gross book value Debt securities	Stage 1	Stage 2	Stage 3	Total
01.01.2025	224 585	-	-	224 585
Change in EAD	348	-	-	348
Assets derecognized except write off	(52 385)	-	-	(52 385)
Financial assets purchased	-	-	-	-
31.12.2025	172 548	-	-	172 548

Expected credit loss of assets (ECL)				
Debt securities	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total

01.01.2025	(167)	-	-	(167)
Change in EAD	-	-	-	-
Assets derecognized except write off	33	-	-	33
Financial assets purchased	-	-	-	-
31.12.2025	(134)	-	-	(134)

Gross book value				
Debt securities	Stage 1	Stage 2	Stage 3	Total

01.01.2024	324 218	-	-	324 218
Change in EAD	(6 023)	-	-	(6 023)
Assets derecognized except write off	(191 328)	-	-	(191 328)
Financial assets purchased	97 718	-	-	97 718
31.12.2024	224 585	-	-	224 585

Expected credit loss of assets (ECL)				
Debt securities	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total

01.01.2024	(243)	-	-	(243)
Change in EAD	4	-	-	4
Assets derecognized except write off	144	-	-	144
Financial assets purchased	(72)	-	-	(72)
31.12.2024	(167)	-	-	(167)

4.13.4. Other financial assets

Other financial assets	31.12.2025	31.12.2024
Other receivables related to lending activities	123	235
Accounts relating to subsidised loans	9	35
Trade receivables (Customers)	8	8
Advance payments	-	1
Accounting for the MRP program	104	77
Various other financial receivables	-	-
Expected credit loss	(3)	(3)
Total	241	353

The following tables show the composition of other financial assets measured at amortised cost by stage:

Other financial assets at AC by stage	Stage 1	Stage 2	Stage 3	Total
31.12.2025				
Other financial assets	241	-	3	244
<i>Expected credit loss</i>	-	-	(3)	(3)
Total	241	-	-	241

31.12.2024				
Other financial assets	353	-	3	356
<i>Expected credit loss</i>	-	-	(3)	(3)
Total	353	-	-	353

Gross book value Other financial assets	Stage 1	Stage 2	Stage 3	Total
01.01.2025	353	-	3	356
Change in EAD	(111)	-	(1)	(112)
31.12.2025	242	-	2	244

Expected credit loss (ECL) Other financial assets	Stage 1 12- month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2025	-	-	(3)	(3)
31.12.2025	-	-	(3)	(3)

Gross book value Other financial assets	Stage 1	Stage 2	Stage 3	Total
01.01.2024	188	-	3	191
Change in EAD	165	-	-	165
31.12.2024	353	-	3	356

Expected credit loss (ECL) Other financial assets	Stage 1 12- month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
01.01.2024	-	-	(3)	(3)
31.12.2024	-	-	(3)	(3)

4.14. Property and equipment and Intangible assets

Items of property and equipment 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:

Property and equipment

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 equipment	7% - 50%

Intangible assets

Software	5% - 50%
Rights	3.5% - 25%

Property and equipment and 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 that have an indefinite useful life, or are not yet ready for use, are tested for impairment annually. Depreciation of property and equipment and intangible assets are included in the “Administrative and other operating expense” line in the standalone statement of profit or loss and other comprehensive income.

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 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.

Tangible assets and intangible assets	Softwares	Intangible assets	Own Properties	Equipment	Right of use assets	Total
<i>Cost or deemed cost</i>	-	-				
Opening balance at 01.01.2025	1 071	-	36	73	169	1 349
Additions – including internally developed	-	-	-	4	3	7
Disposals	-	-	-	(7)	-	(7)
Other modifications	-	-	-	-	13	13
Closing balance at 31.12.2025	1 071	-	36	70	185	1 362
<i>Depreciation and impairment losses</i>						
Opening balance at 01.01.2025	(921)	-	(36)	(45)	(93)	(1 095)
Depreciation charged for the year	(44)	-	-	(4)	(58)	(106)
Impairment loss	-	-	-	-	-	-
Disposals	-	-	-	4	-	4
Other modifications	-	-	-	-	2	2
Closing balance at 31.12.2025	(965)	-	(36)	(45)	(149)	(1 195)
<i>Carrying amounts</i>						
01.01.2025	150	-	-	28	76	254
31.12.2025	106	-	-	25	36	167

Tangible assets and intangible assets	Softwares	Intangible assets	Own Properties	Equipment	Right of use assets	Total
<i>Cost or deemed cost</i>						
	-	-				
Opening balance at 01.01.2024	1 261	30	36	76	153	1 556
Additions – including internally developed	39	40	-	1	3	83
Disposals	(229)	(70)	-	(4)	-	(303)
Other modifications	-	-	-	-	13	13
Closing balance at 31.12.2024	1 071	-	36	73	169	1 349
<i>Depreciation and impairment losses</i>						
Opening balance at 01.01.2024	(1 044)	-	(36)	(46)	(40)	(1 166)
Depreciation charged for the year	(54)	-	-	(2)	(53)	(109)
Impairment loss	(52)	-	-	-	-	(52)
Disposals	229	-	-	3	-	232
Closing balance at 31.12.2024	(921)	-	(36)	(45)	(93)	(1 095)
<i>Carrying amounts</i>						
01.01.2024	217	30	-	30	113	390
31.12.2024	150	-	-	28	76	254

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 4.15.

The Bank has estimated the recoverable amount of its property, equipment and intangible assets. Based on this assessment, the Bank, did not identify any asset for which the recoverable amount was lower than its carrying amount; therefore, no impairment was recognised on these assets in 2025.

4.15. Leases

In accordance with the requirements of IFRS 16, the Bank, as lessee, uses a 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 value of contracts for which the Bank does not expect to exercise the extension and / or exercise option is immaterial. 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.

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.

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

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 other operating expense".

The following tables show the right-of-use assets and lease liabilities movements during the period:

Right-of use assets	Properties	Vehicles	Total
<i>Cost or deemed cost</i>			
Opening balance at 01.01.2025	140	29	169
Additions	-	3	3
Remeasurement	2	(2)	-
Contract amendment	-	13	13
Closing balance at 31.12.2025	142	43	185
<i>Depreciation and impairment losses</i>			
Opening balance at 01.01.2025	(74)	(19)	(93)
Depreciation charged for the year	(45)	(13)	(58)
Remeasurement	-	2	2
Closing balance at 31.12.2025	(119)	(30)	(149)
<i>Carrying amounts</i>			
01.01.2025	66	10	76
31.12.2025	23	13	36
Right-of use assets	Properties	Vehicles	Total
<i>Cost or deemed cost</i>			
Opening balance at 01.01.2024	134	19	153
Additions	-	3	3
Remeasurement	6	-	6
Contract amendment	-	7	7
Closing balance at 31.12.2024	140	29	169
<i>Depreciation and impairment losses</i>			
Opening balance at 01.01.2024	(29)	(11)	(40)
Depreciation charged for the year	(45)	(8)	(53)
Closing balance at 31.12.2024	(74)	(19)	(93)
<i>Carrying amounts</i>			
01.01.2024	105	8	113
31.12.2024	66	10	76

Lease liabilities	31.12.2025	31.12.2024
Short-term	40	7
Long-term	-	76
Total	40	83

Maturity analysis - undiscounted contractual payments	31.12.2025	31.12.2024
Up to 1 year	41	61
1 year to 5 years	-	28
Total	41	89

The Bank has no significant sub-lease contracts.

Total cash outflows related to leases	2025	2024
Interest expense recognized on lease liabilities	(6)	(10)
Payments related to the capital component of a lease liability	(61)	(50)
<i>Items presented in the cash-flow statement</i>	<i>(67)</i>	<i>(60)</i>

The Bank elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery with a lease term of 12 months or less and for leases of low-value assets (e.g. printers, and IT equipment). 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 the separate statement of profit or loss and other comprehensive income.

4.16. 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 loss 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 carry forward, please refer to Note 4.7.

Deferred tax assets and liabilities arise under the following grounds:

Net deferred tax assets / (liabilities)	31.12.2024	Credited/ (charged) to profit or loss	Credited/ (charged) to other comprehensive income	31.12.2025
Tangible assets and intangible assets	5	-	-	5
Securities	(28)	-	28	-
Tax loss carry forward	386	183	-	569
Total	363	183	28	574
Recognised deferred tax asset	363	183	28	574
Recognised deferred tax liability	-	-	-	-
Total	363	183	28	574

Net deferred tax assets / (liabilities)	31.12.2023	Credited/ (charged) to profit or loss	Credited/ (charged) to other comprehensive income	31.12.2024
Tangible assets and intangible assets	6	(1)	-	5
Securities	10	-	(38)	(28)
Tax loss carry forward	321	65	-	386
Total	337	64	(38)	363
Recognised deferred tax asset	337	64	(38)	363
Recognised deferred tax liability	-	-	-	-
Total	337	64	(38)	363

4.17. Other assets

Other assets	31.12.2025	31.12.2024
Assets received in exchange of claims	-	3
Inventories	4	4
Advance payments for investments	2	-
Prepaid cost and accrued income	28	171
Taxes, duties and other fiscal items*	22	2
Several other assets	-	77
Expected credit loss	-	(1)
Total	56	256

* 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.

4.18. Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at FVTPL	31.12.2025	31.12.2024
Derivative financial liabilities	105	159
Total	105	159

4.19. Financial liabilities measured at amortised cost
4.19.1. Amounts due to banks

Amounts due to banks	31.12.2025	31.12.2024
Borrowings	37 776	373 392
Deposits	74 014	1 603
Total	111 790	374 995

4.19.2. 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	31.12.2025		31.12.2024	
	Net book value	Nominal value	Net book value	Nominal value
Bonds issued				
Floating rate	140 963	140 000	70 348	70 000
Total	140 963	140 000	70 348	70 000
Mortgage bonds issued				
Fixed rate	353 955	357 359	304 136	311 459
Floating rate	72 103	72 828	53 115	53 468
Total	426 058	430 187	357 251	364 927
Total issued securities	567 021	570 187	427 599	434 927

Book value of securities issued currency	31.12.2025		31.12.2024	
	Net book value	Nominal value	Net book value	Nominal value
Denominated in EUR	37 663	38 540	-	-
Denominated in HUF	529 358	531 647	427 599	434 927
Total	567 021	570 187	427 599	434 927

The MEJ31NF1 (ISIN: XS3205725255) euro-denominated mortgage bond, with a remaining maturity of slightly more than five years (21 February 2031) and a fixed annual coupon of 3.172%, was issued in a total nominal amount of EUR 100 million at a net price of 100% (mid-swap + 80 basis points) on 5 November 2025 (settlement date: 12 November 2025).

Mortgage bonds

Mortgage bonds are strictly regulated transferable, registered securities and, pursuant to the Act XXX of 1997 on Mortgage Loan Companies and on Mortgage Bonds (Mortgage Act), can be issued only by mortgage banks.

Special status in case of liquidation and resolution

The obligations arising from the Mortgage Bonds are equal in rank to each other (pari passu) in the event of the liquidation or resolution of the Issuer. Unlike the Issuer's other unsecured, non-subordinated obligations, they enjoy a special status under the Section 20 Subsection (5) and Section 21 Subsection (2) of the Mortgage Act, given that these claims do not form part of the liquidation assets.

Security of Mortgage Bonds

According to the Section 14 Subsection (1) Mortgage Act Mortgage loan companies shall at all times have sufficient cover assets to ensure that all liabilities of the mortgage bonds are covered. The liabilities referred to in Subsection (1a) shall include:

- a) the obligations for the payment of the principal amount of outstanding mortgage bonds;
- b) the obligations for the payment of any interest on outstanding mortgage bonds;
- c) the obligations attached to derivative contracts held in accordance with the requirements set out in this Act; and
- d) the expected costs related to maintenance and administration for the winding-down of the mortgage bond program.

According to the Section 14 Subsection (1b) Mortgage Act the following cover assets shall be considered to contribute to the coverage requirement:

- a) *ordinary assets*; principal, interest, costs according to Section 14 subsection (3). The amount of ordinary collaterals must always reach 80% of outstanding mortgage bonds with a remaining maturity of longer than 180 days. In case of loans secured by a residential real estate the principal arising from a mortgage loan can be considered as ordinary collateral up to 70% of the mortgage lending value of the property. In case of loans secured by commercial real estate the limit is 60%.
- b) *complementary assets* serve to complement ordinary security and shall contain assets set out in Section 14 subsection (11)
- c) *liquid assets* held in accordance with Section 14/B, other than those mentioned in Section 14. Subsection (1b) sub-subsection b) hereof; and
- d) claims for payment attached to *derivative contracts* held in accordance with the requirements set out in the Mortgage Act (Section 14 subsection (6))

According to Section 14/B Subsections (1) and (2) in order to cover the net liquidity outflow, the mortgage bond program shall contain a cover pool liquidity buffer composed of liquid assets. The cover pool liquidity

buffer shall cover the maximum cumulative net liquidity outflow over the next 180 days. The Subsection (3) regulates which types of segregated assets shall the cover pool liquidity buffer consist of.

According to Section 14 Subsection (4) collaterals of mortgage bonds have to be calculated and monitored based on both on nominal and present value calculation.

In accordance with Section 14 subsection (17) the overcollateralization of outstanding mortgage bonds have to be least 2 percent.

The independent property supervisor monitors and certifies the permanent availability of the collateral for the mortgage bonds, as well as the registration of the collateral providing the ordinary collateral of the mortgage bonds, of their real estate registration data and loan to value, as well as of the ordinary and additional collateral.

Based on its decision no., H-KE-III-533/2022 dated September 12, 2022. of the Hungarian National Bank, mortgage bonds issued by MBH Mortgage Bank Co. Plc. are entitled to use the "European (premium) covered bond" logo.

Claims based on the Mortgage Bond against the Issuer do not expire.

Bonds

In addition to issuing mortgage bonds, the Issuer can also appear on the securities market by issuing unsecured bonds. The Bank issued Senior Bonds again in 2024 for the first time since 2019, which provide the structural, long-term unsecured resource requirements for mortgage banking operations.

Bonds are registered, dematerialized, transferable debt securities issued on the basis of Act CXX of 2001 on Capital Markets as amended and of Government Decree No. 285 of 2001 (26 December).

The Issuer may issue (i) Senior Unsecured Bonds and (ii) Subordinated Contributory Capital Instrument Bonds.

The Senior Unsecured Bonds incorporate the Bank's direct, unconditional, non-subordinate unsecured liabilities, which are equal in rank (*pari passu*) to the Bank's other outstanding unsecured non-subordinate liabilities at any time in the hierarchy of repayment in the event of bankruptcy, voluntary liquidation or foreclosure except for liabilities, which have precedence on the basis of the governing laws on voluntary liquidation or other relevant statutory provisions.

Claims based on the Unsecured Bond against the Issuer do not expire.

The Subordinated Contributory Capital Instrument Bonds are classified as collateral capital instruments of the Issuer in accordance with the provisions of Article 63 of the CRR, and in the event of the liquidation of the Issuer, the debt arising from the Subordinated Contributory Capital Instrument Bonds can only be satisfied after the debt arising from the subordinated debt instruments that do not qualify as a solvency capital instrument has been satisfied, pursuant to Section 57, Paragraph (2) b.) of the Credit Institutions Act.

4.19.3. 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	Other financial liabilities	Total
31.12.2023	445 316	374 647	637	820 600
Cash flow from financing activities	(70 000)	46 722	(50)	(23 328)
New leases	-	-	9	9
Other changes	(321)	6 230	180	6 089
31.12.2024	374 995	427 599	776	803 370
Cash flow from financing activities	(335 384)	134 792	(61)	(200 653)
New leases	-	-	3	3
Other changes	72 179	4 630	(46)	76 763
31.12.2025	111 790	567 021	672	679 483

4.19.4. Other financial liabilities

Other financial liabilities	31.12.2025	31.12.2024
IFRS 16 lease liability	40	83
Trade payables	65	26
Other liabilities related to lending activities	316	438
Other financial liabilities to customers	14	14
Accruals for other costs	237	215
Total	672	776

For further information about lease liability, see Note 4.15.

4.20. 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 01.01.2025	Provisions made during the year	Use of provision	Release of provision	Closing at 31.12.2025
Expected credit loss (IFRS9)	2	-	-	-	2
Provisions allocated for unused vacation days	5	5	-	(5)	5
Provision for litigation	-	93	(1)	-	92
Other provision	-	-	-	-	-
Total	7	98	(1)	(5)	99

Provisions	Opening at 01.01.2024	Provisions made during the year	Use of provision	Released of provision	Release of provision	Closing at 31.12.2024
Expected credit loss (IFRS9)	1	2	-	(1)	(1)	2
Provisions allocated for unused vacation days	4	6	(5)	-	-	5
Provision for litigation	11	6	-	(17)	(17)	-
Other provision	-	-	-	-	-	-
Total	16	14	(5)	(18)	(18)	7

Provision for Expected Credit Losses

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 model.

Provisions for Litigation

Provisions for litigation are made for those contingent obligations where external parties have initiated or may initiate claims against the Bank. The outcome and timing of these legal cases are inherently uncertain, and the provision represents management's best estimate of the expected outflow required to settle the obligations.

Provision for accrued but unused annual leave

The Bank recognises a provision for annual leave entitlements that were not taken and not paid out during the year.

4.21. Contingent liabilities

Contingent liabilities defined by IAS 37 are not recognised in the standalone financial statements but are disclosed in the additional notes.

Commitments related to loans include commitments to extend credit lines, guarantees and other commitments provided, 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.

Contingent liabilities	31.12.2025	31.12.2024
Loan commitments	399	30 711
Total	399	30 711

The Bank has only contingent liabilities with a Stage 1 and low credit risk rating regarding the available limit under the loan agreement.

4.22. Other liabilities

Other liabilities	31.12.2025	31.12.2024
Tax liabilities	65	53
Accrued expenses	343	401
Jubilee benefit obligation	2	2
Wage liabilities to employees	-	22
Total	410	478

4.23. 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. Consideration paid or received is recognised directly in equity.

Treasury shares	12.31.2025	12.31.2024
Opening balance	207	207
Repurchase	-	-
Closing balance	207	207

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.

General reserve	12.31.2025	12.31.2024
General reserve	3 831	2 946
Closing balance	3 831	2 946

Retained earnings

Retained earnings comprise the accumulated profit after taxes earned in the course of the operating life 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.

The changes in equity of the Bank based on paragraph 114/B § of Act on Accounting:

Equity based on Hungarian Accounting Law	Share capital	Capital reserve	General reserve	Retained earnings and other reserve	Revaluation reserve	Tied-up reserve	Treasury shares	Profit for the year	Total equity
31.12.2025									
<i>Total equity under IFRS as adopted by EU</i>	<i>10 849</i>	<i>27 926</i>	<i>-</i>	<i>45 672</i>	<i>-</i>	<i>-</i>	<i>(207)</i>	<i>8 849</i>	<i>93 089</i>
Accumulated other comprehensive income				-	-				-
Repurchased treasury shares				(207)		207			-
General reserve			3 831	(3 831)					-
<i>Total equity under Accounting Act 114/B §</i>	<i>10 849</i>	<i>27 926</i>	<i>3 831</i>	<i>41 634</i>	<i>-</i>	<i>207</i>	<i>(207)</i>	<i>8 849</i>	<i>93 089</i>
31.12.2024									
<i>Total equity under IFRS as adopted by EU</i>	<i>10 849</i>	<i>27 926</i>	<i>-</i>	<i>39 363</i>	<i>-</i>	<i>-</i>	<i>(207)</i>	<i>6 597</i>	<i>84 528</i>
Accumulated other comprehensive income	-	-	-	(288)	288	-	-	-	-
Repurchased treasury shares	-	-	-	(207)	-	207	-	-	-
General reserve	-	-	2 946	(2 946)	-	-	-	-	-
<i>Total equity under Accounting Act 114/B §</i>	<i>10 849</i>	<i>27 926</i>	<i>2 946</i>	<i>35 922</i>	<i>288</i>	<i>207</i>	<i>(207)</i>	<i>6 597</i>	<i>84 528</i>

Reconciliation of the value of Share capital registered on the Registry Court and the value of Share capital in accordance with IFRS adopted by EU:

Reconciliation of share capital registered at registry Court and share capital under IFRS as adopted by the EU	31.12.2025	31.12.2024
Share capital in accordance with IFRS as adopted by the EU	10 849	10 849
Share capital registered at the Registry Court	10 849	10 849
Difference	-	-

Schedule of the profit reserves available for dividend	31.12.2025	31.12.2024
Retained earnings and other reserve	45 672	39 363
Accumulated other comprehensive income	-	(288)
Repurchased treasury shares	(207)	(207)
General reserve	(3 831)	(2 946)
Profit for the year	8 849	6 597
Total profit reserves available for dividend	50 483	42 519

4.24. 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 standalone statement of profit or loss and other comprehensive income. Instead, it 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.

The following tables set out the carrying amounts and fair values of the Bank's financial assets and financial liabilities and the applied evaluation method/fair value levels:

	Total carrying amount	Total fair value	Quoted market prices in active markets Level 1	Valuation techniques - with observable inputs Level 2	Valuation techniques - with significant non-observable parameters Level 3
31.12.2025					
Cash and cash equivalents	1 414	1 414	-	1 414	-
Financial assets measured at fair value through profit or loss	5 434	5 434	-	881	4 553
<i>Loans and advances to customers mandatorily at FVTPL</i>	4 553	4 553	-	-	4 553
<i>Derivative financial assets</i>	881	881	-	881	-
Hedging derivative assets	711	711	-	711	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-	-
<i>Debt and securities</i>	-	-	-	-	-
Financial assets measured at amortised cost	767 354	764 193	164 403	6 543	593 247
<i>Loans and advances to banks</i>	581 553	581 553	-	-	581 553
<i>Loans and advances to customers</i>	13 146	11 453	-	-	11 453
<i>Debt securities</i>	172 414	170 946	164 403	6 543	-
<i>Other financial assets</i>	241	241	-	-	241
Total financial assets	774 913	771 752	164 403	9 549	597 800
Financial liabilities measured at fair value through profit or loss	105	105	-	105	-
<i>Derivative financial liabilities</i>	105	105	-	105	-
Hedging derivative liabilities	2 456	2 456	-	2 456	-
Financial liabilities measured at amortised cost	679 483	611 012	-	498 550	112 462
<i>Amounts due to banks</i>	111 790	111 790	-	-	111 790
<i>Issued debt securities</i>	567 021	498 550	-	498 550	-
<i>Other financial liabilities</i>	672	672	-	-	672
Total financial liabilities	682 044	613 573	-	501 111	112 462

	Total carrying amount	Total fair value	Quoted market prices in active markets Level 1	Valuation techniques - with observable inputs Level 2	Valuation techniques - with significant non-observable parameters Level 3
31.12.2024					
Cash and cash equivalents	1 249	1 249	-	1 249	-
Financial assets measured at fair value through profit or loss	6 860	6 860	-	1 379	5 481
<i>Loans and advances to customers mandatorily at FVTPL</i>	5 481	5 481	-	-	5 481
<i>Derivative financial assets</i>	1 379	1 379	-	1 379	-
Hedging derivative assets	1 431	1 431	-	1 431	-
Financial assets measured at fair value through other comprehensive income	47 196	47 196	44 009	3 187	-
<i>Debt and securities</i>	47 196	47 196	44 009	3 187	-
Financial assets measured at amortised cost	834 702	828 291	195 254	24 813	608 224
<i>Loans and advances to banks</i>	593 463	593 463	-	-	593 463
<i>Loans and advances to customers</i>	16 468	14 408	-	-	14 408
<i>Debt securities</i>	224 418	220 067	195 254	24 813	-
<i>Other financial assets</i>	353	353	-	-	353
Total financial assets	891 438	885 027	239 263	32 059	613 705
Financial liabilities measured at fair value through profit or loss	159	159	-	159	-
<i>Derivative financial liabilities</i>	159	159	-	159	-
Hedging derivative liabilities	3 569	3 569	-	3 569	-
Financial liabilities measured at amortised cost	803 370	765 963	-	390 192	375 771
<i>Amounts due to banks</i>	374 995	374 995	-	-	374 995
<i>Issued debt securities</i>	427 599	390 192	-	390 192	-
<i>Other financial liabilities</i>	776	776	-	-	776
Total financial liabilities	807 098	769 691	-	393 920	375 771

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 items listed on a stock exchange or having an active market, such as bonds, investment units, equity instruments, and derivative currency and stock futures contracts.

- 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, cross 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 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 case of which significant unobservable modifications or assumptions are necessary to reflect the differences between the instruments.

The determination of fair value hierarchy levels and the transfers between levels are consistent with the Bank's Accounting Policy. 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 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 4.10.2.

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, and the calculated net asset value is checked by the Custodian. 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 an independent expert and a report containing the findings of the evaluation is issued. The value of the investments in the standalone financial statements is determined based on the mentioned business valuations.

There is no active quotation of treasury bills when they reach within 3-month maturity. For treasury bills within the maturity of 3 months, 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 and advances 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.

Amounts due to other banks

For the purpose of estimating fair value, amounts due to other banks 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 its own PD and LGD used also for risk purposes which is also in line with the DVA calculation method for negative fair value derivatives. For demand deposits, the Bank considers the amount payable on demand as their fair value at the reporting date.

Issued debt securities

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.

4.25. 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 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.

The table below presents the potential effect of the not implemented offsetting as well.

31.12.2025	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	
Financial assets for trading	881	-	881	105	-	-	776
Total assets subject to offsetting	881	-	881	105	-	-	776
Financial liabilities for trading	105	-	105	105	-	-	-
Total liabilities subject to offsetting	105	-	105	105	-	-	-

31.12.2024	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	
Financial assets for trading	1 379	-	1 379	159	-	-	1 220
Total assets subject to offsetting	1 379	-	1 379	159	-	-	1 220
Financial liabilities for trading	159	-	159	159	-	-	-
Total liabilities subject to offsetting	159	-	159	159	-	-	-

4.26. 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	2025
Short-term employee benefits	66
Other long-term benefits	3
Share-based payment transactions	7
Total	76

Compensation for managers in a key position - without the social security contributions:

	31.12.2025		31.12.2024	
	Headcount	The amount of compensation	Headcount	The amount of compensation
Members of Board of Directors	6	99	6	78
Members of Supervisory Board	6	78	6	57
Total	12	177	12	135

The following table presents the Bank's related parties from the perspective at 31 December 2025. The Bank has no subsidiaries or associates.

Company	31.12.2025	
	Relationship type	Core business
Significant shareholders		
MBH Bank Nyrt.	Ultimate Parent Company	Other monetary intermediation
MBH Befektetési Bank Zrt.	Parent Company	Other lending
Magyar Posta Zrt.	Related company	Postal services
Related companies*		
MBH Duna Bank Zrt.	Related company	Other lending
Euroleasing Ingatlan Zrt.	Related company	Other lending
MBH Blue Sky Kft.	Related company	Asset management
MBH Szolgáltatások Zrt.	Related company	Own renting and operating real estate
MBH DOMO Kft.	Related company	Own property real estate buying and selling
Takarék Zártkörű Befektetési Alap	Related company	Investment fund
Takarék Mezőgazdasági és Fejlesztési Magántőkealap	Related company	Investment fund
OPUS Tm1	Related company	Investment fund
MBH Vállalati Stabil Abszolút		
Hozamú Kötvény Befektetési Alap	Related company	Investment fund
MBH High-risk Befektetési Alap	Related company	Investment fund
MITRA Informatikai Zrt.	Related company	Data services, web hosting services
MBH Ingatlanfejlesztő Kft.	Related company	Own renting and operating real estate
Euroleasing Zrt.	Related company	Financial leasing
MBH Bank MRP Szervezet	Related company	Other tangible assets leasing
MBH eFin Technologies Zrt.	Related company	Other lending
Budapest Lízing Zrt.	Related company	Financial leasing
MBH Befektetési Alapkezelő Zrt.	Related company	Investment fund management activity

Fundamenta-Lakáskassza Lakás-takarékpénztár Zrt.	Related company	Other lending
Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft.	Related company	Financial intermediation
Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Kft.	Related company	Real estate brokerage
Takarék Kockázati Tőkealap	Related company	Investment fund
MBH Ingatlan Befektetési Alap	Related company	Investment fund
MBH Magántőkealap	Related company	Investment fund
Magyar Strat-Alfa Befektetési Zrt.	Related company	Investment fund
Béta Magántőkealap	Related company	Investment fund

The details of transaction in 2025 and 2024 between the Bank and other related parties are disclosed in the next table.

31.12.2025	Parent and Ultimate Parent Company	Related companies	Key Management
Loans and advances to banks	575 036	-	
Loans and advances to customers	-	-	
Other assets	1 182	2	
Total assets	576 218	2	-
Amounts due to banks	88 016	-	
Issued debt securities	219 052	23 031	
Other liabilities	2 782	165	
Total liabilities	309 850	23 196	-
Interest income	44 612	15	
Interest expense	(28 165)	(1 570)	
Net interest income	16 447	(1 555)	-
Fee and commission income	143	36	
Fee and commission expenses	(179)	-	
Net income from fees and commissions	(36)	36	-
Net other operating income	2 899	5	
Net other operating expense	(1 112)	-	
Operating income	1 787	5	-
Administrative and other operating expenses	(189)	(475)	177
Profit/loss on transaction with related parties	18 009	(1 989)	177

31.12.2024	Parent and Ultimate Parent Company	Related companies	Key Management
Loans and advances to banks	582 140	3 655	-
Loans and advances to customers	-	-	-
Other assets	2 167	136	-
Total assets	584 307	3 791	-
Amounts due to banks	140 000	-	-
Issued debt securities	155 929	15 588	-
Other liabilities	4 205	7	-
Total liabilities	300 134	15 595	-
Interest income	44 020	157	-
Interest expense	(28 666)	(1 075)	-
Net interest income	15 354	(918)	-
Fee and commission income	126	1	-
Fee and commission expenses	(162)	-	-
Net income from fees and commissions	(36)	1	-
Net other operating income	4 621	-	-
Net other operating expense	(1 256)	(5)	-
Operating income	3 365	(5)	-
Administrative and other operating expenses	(183)	(347)	135
Profit/loss on transaction with related parties	18 500	(1 269)	135

Magyar Posta Zrt holds a 39.71% direct controlling interest (voting rights) in MBH Mortgage Bank. There are no material transactions between the two entities. The Bank presents its holdings of Hungarian government bonds in Notes 4.12.1 and 4.13.3, and the related effects on profit or loss are disclosed in Note 4.3.

4.27. 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. There was no dilution factor in the periods presented.

For the normal earnings per share figure the profit attributable to shareholders means the result for the year decreased by the amount of the general reserves which is divided by the number of the shares excluding the number of the treasury shares by the Bank. The Bank has no dilutive potential ordinary shares. Earnings per share figure therefore equals to the diluted earnings per share figure.

Basic earnings per share of 31 December 2025 was calculated based on attributable profit available to ordinary shareholders of HUF 7,964 million (2024: HUF 5,937 million) and the weighted average number of ordinary shares outstanding of 108,237 thousand pieces (2024: 108,237 thousand pieces).

	31.12.2025	31.12.2024
Profit of shareholders of the Bank	8 849	6 597
Change of general reserve	(885)	(660)
Attributable profit	7 964	5 937
Weighted average number of shares	108 236 699	108 236 699

4.28. Events after the reporting period

Events after the balance sheet date are those events that occur between the balance sheet date and the date when the financial statements are authorised by management (Board of Directors, Supervisory Board) for issue.

The Bank identifies adjusting events after the balance sheet date and non-adjusting events after the balance sheet date. Adjusting events after the balance sheet date are incidences that provide evidence of conditions that existed at the balance sheet date, but information was received after the balance sheet date. The Bank shall adjust the amounts recognised in its financial statements to reflect adjusting events after the balance sheet date. Non-adjusting events after the balance sheet date are incidences that are indicative of conditions that arose after the balance sheet date. The Bank shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the balance sheet date, but its expected effects are disclosed in the Notes when material.

MBH Mortgage Bank Co. Plc issued a total of HUF 7.7 bn of mortgage bonds in nominal terms in the first two months of 2026. In January and February, the MJ28NF02 series (fixed coupon mortgage bond with a remaining maturity of 2.2 years) was issued through public subscription with the nominal amount of HUF 1.5bn, while in February the MJ34NV01 series (a new, floating-rate mortgage bond with a remaining maturity of 8.0 years) was issued through public auction with the nominal amount of HUF 6.2bn. In March MBH MB introduced a new retail mortgage bond series with the remaining maturity of 3.5 years.

The National Bank of Hungary (NBH) approved the Base Prospectus of the HUF 250 billion 2026-2027 Issue Program of the Issuer with the resolution number of H-KE-III-121/2026 on February 26, 2026.

With the consent of the General Meetings of MBH Investment Bank Ltd. and MBH Bank Plc., and with the approval of the General Meeting of the Integrated Credit Institutions' Central Organisation (CBIC), MBH Investment Bank Ltd. exited the Integration Organisation as of 1 January 2026 at 00:00 and transferred its role as the integration business-controlling entity to MBH Duna Bank Ltd. As a consequence, MBH Investment Bank Ltd. was removed from the sub-consolidation group defined under point 6 of Resolution No. H-EN-I-108/2025 of the National Bank of Hungary.



MBH Mortgage Bank Plc.

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Statistic code

***Standalone
Management
Report***

31 December 2025

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1 OVERVIEW OF MBH MORTGAGE BANK CO. PLC.

MBH Mortgage Bank Public Limited Company (formerly FHB Mortgage Bank Co. Plc., or later, as Takarékt Mortgage Bank Co. Plc. hereafter referred to as “the Bank” or “the Company”) was established on October 21, 1997 as a limited liability company with a share capital of HUF 3 billion.

The Bank received its operating license as a specialized financial institution in accordance with the provision of Act CXII of 1996 on Credit Institutions and Financial Enterprises (previous Hpt.) and Act XXX of 1997 on Mortgage Loan Companies and Mortgage Bonds (Jht.) on March 6, 1998. The Bank started its operation as of March 16, 1998.

The Bank grants refinancing mortgage loans provided by commercial banks to their customers and issues mortgage bonds to raise funds for its refinancing activity.

On October 31, 2003 the Hungarian Financial Supervision Authority (HFSA) granted permission for the Bank to publish an issuance prospectus and introduce its shares to the Budapest Stock Exchange (BSE). The ordinary shares were listed on the BSE on November 24, 2003.

The ownership structure of MBH Mortgage Bank Co. Plc. at the end of 2025 and 2024

Shareholder	December 31, 2025		December 31, 2024	
	Ownership ratio %	Nr of shares	Ownership ratio %	Nr of shares
Ordinary shares listed on BSE (Series “A”)				
Domestic institutional investors	52.11	56 535 216	52.10	56 520 385
Foreign institutional investors	0.01	8 643	0.01	7 278
Domestic private investors	2.80	3 041 584	2.82	3 056 794
Foreign private investors	0.02	20 344	0.03	33 618
Treasury shares	0.23	253 601	0.23	253 601
Government held owner	44.79	48 597 602	44.79	48 597 602
Other investors	0.03	33 310	0.02	21 022
Subtotal (Series “A”)	100	108 490 300	100	108 490 300

In accordance with the authorisation by the National Bank of Hungary, Budapest Bank and Hungarian Takarékt Bankholding (MTBH) merged into MKB Bank on 1 April 2022. At that time, MTB Bank of Hungarian Savings Cooperatives had a direct ownership stake of 88.13% in Takarékt Mortgage Bank Co. Plc. and directly owned 88.33% of the voting rights. Given that MTBH had an 88.13% ownership stake and 88.33% of the voting rights in Takarékt Mortgage Bank Co. Plc. through MTB Bank of Hungarian Savings Cooperatives, as a result of the merger, MKB Bank, as the legal successor of MTBH became the indirect owner of Takarékt Mortgage Bank Co. Plc. with a stake of 88.13%, and indirectly acquired 88.33% of the voting rights that may be exercised in the company.

The extraordinary general meeting of Takarékt Mortgage Bank held on 12 July 2022 converted the 14,163,430 series “B” preference shares (dividend preference shares) with a nominal value of HUF 100 each, with a total nominal value of HUF 1,416,343,000 into 14,163,430 series “A” ordinary shares with a nominal value of HUF 100 each and a total nominal value of HUF 1,416,343,000, and converted its 2,832,686 series “C” ordinary shares with a nominal value of HUF 1,000 each and a total nominal value of HUF 2,832,686,000 into 28,326,860 series “A” ordinary shares with a nominal value of HUF 100 each and a total nominal value of

HUF 2,832,686,000. The converted shares were registered on the Budapest Stock Exchange (BÉT) on 7 October 2022.

On 18 October 2022, as a result of the sale and purchase of shares, MKB Bank Plc. acquired 43,076,417 series “A” dematerialised ordinary shares with a nominal value of HUF 100 each owned by MTB Ltd. in Mortgage Bank. With this transaction, MKB Bank acquired a 39.8 % direct qualifying holding (voting rights) in Takarék Mortgage Bank. The ownership stake of MTB Ltd. decreased to 48.42%. On 2 December 2022, Magyar Posta Ltd. acquired from MKB Bank Plc. its full stake in Takarék Mortgage Bank by the exchange of shares; with this transaction, Magyar Posta Ltd. acquired a 39.71 % direct qualifying holding (voting rights) in Takarék Mortgage Bank.

MBH Group was established on 1 May 2023. As a member of the Group, the new name of the Bank was changed to MBH Mortgage Bank.

2 THE MACROECONOMIC ENVIRONMENT IN 2025¹

2.1 OPERATIONAL ENVIRONMENT

The year 2025 was shaped by commercial and geopolitical tensions. In April, U.S. President Donald Trump imposed tariffs on numerous countries, exacerbating global uncertainty. By the last months of 2025, the trade war appeared to be easing as the United States reached agreements with several countries. Geopolitical tensions, however, did not subside; the Russia–Ukraine war continued to exert persistent pressure on the markets. Regarding the potential resolution of the war, the United States conducted negotiations with both the Russian and Ukrainian sides, but no concrete agreements have been concluded so far. At the end of December 2025, a new conflict emerged in the Middle East, as protests erupted in Iran due to record-high inflation and the depreciation of the currency. In the first weeks of 2026, tensions escalated further after the US launched a military attack on Venezuela and captured the country’s president. Following the events in Venezuela, Donald Trump announced that, due to national security reasons, the US must acquire Greenland – despite the island belonging to Denmark officially. Although the use of military force could not be ruled out in the first days, the likelihood of such action decreased as the U.S. clarified that its primary goal was to purchase the island. Then, on February 28, the United States and Israel launched a coordinated military operation against Iran. The attacks claimed the lives of several Iranian political and military leaders. In retaliation, Iran carried out airstrikes on several countries in the Persian Gulf, most of which host U.S. military bases. Maritime traffic in the Strait of Hormuz was paralysed, which came as a large blow as nearly one-third of global seaborne oil trade passed through the strait in 2025. In the longer term, the key question is how persistent the current shaky market environment will be. Two weeks after the U.S.–Israeli military actions against Iran, uncertainty remains elevated; however, markets still expect the conflict to subside within a few months, evidenced by the strong backwardation on the oil market. It is important that a prolonged and substantial rise in energy prices is not in the interest of global market participants. The U.S. economy recorded only 0.7% annualised quarterly growth in Q4 2025, instead of the previously reported 1.4%. Exports, household consumption, government spending, and investments all performed weaker than earlier expected. Consequently, average annual growth for 2025 was revised from 2.2% to 2.1%. While inflation consistently remained above target, the labour market weakened significantly, prompting the Federal Reserve to implement three 25-basis-point rate cuts, lowering the policy rate to 3.50–3.75%. Although inflation dynamics have improved considerably in recent months, the energy price surge caused by the Iranian conflict represents an upward inflation risk. Short-term inflation expectations have risen alongside higher oil prices; however, long-term expectations remain broadly unchanged despite the escalating Middle East situation. This aligns with market pricing, which shows that anticipated Fed rate cuts have been mostly priced out. Markets currently only narrowly expect a single 25-basis-point cut by year-end, whereas one-month earlier expectations had included at least two cuts.

¹ As of March 16, 2026

The largest economies of the eurozone all expanded towards the end of 2025. Spain continues to perform strongly, while Germany still struggles to gain momentum. For 2025, euro area GDP growth stands at 1.5%. Inflation remained close to the 2% target for most of 2025, and the European Central Bank reduced the deposit rate from 3% to 2%. However, geopolitical risks and surging energy prices could negatively affect growth and increase inflation. Whereas market pricing one month earlier had pointed to rate cuts at a year-end deposit rate of 2%, heightened tensions in the Middle East have led investors to start pricing in rate hikes instead. Current expectations indicate a 25-basis-point increase by summer and a total of 40 basis points of tightening by year-end, making a rate hike more likely as the next policy move.

Hungary's economy expanded by 0.3% on average in 2025. On the expenditure side, consumption remains the main driver of growth, while investments continue to weigh on the economy. On the production side, trade and services performed well, whereas industry remained weak. Economic recovery in 2026 could be supported by the ramp-up of battery and automotive factories, government consumption-boosting measures, and a stabilisation in investments. However, the currently emerging environment of Brent crude oil averaging USD 90 per barrel, natural gas prices between EUR 45–50 per MWh, resurgent food price inflation, and a weaker-forint trajectory could pull GDP growth closer to 1%—instead of the currently expected ~2%. The labour market may eventually follow the economic upswing, although such adjustments tend to be slow; therefore, the initial impact on unemployment is likely to be moderate, but the unemployment rate may decrease over time.

Prices rose by 4.4% on average in 2025 compared to the previous year. Food inflation steadily declined during 2025, while service inflation consistently exceeded the headline rate. In early 2026, inflation significantly undershot the MNB's 3% target; however, inflation may rise back above 3% during the summer months. Compared to our previous forecast of around 3% average inflation for 2026, a slightly higher level is now expected due to surging energy prices and a weakening forint following the Middle East conflict. The fuel price cap introduced in March will offset some of the otherwise stronger price pressures. We continue to assume that margin caps will be removed in 2026. The inflationary impact of their removal may be smaller than previously expected, although it cannot be ruled out that the margin caps will only be partially removed, or will not be removed at all in 2026.

The forint strengthened by 6% against the euro and by more than 15% against the U.S. dollar in 2025. Initially, part of the forint's strength was attributable to dollar weakness, but over time, the MNB's hawkish stance became the clear driver supporting the currency. By summer 2025, the forint was already the strongest regional performer against the euro. The central bank explicitly relied on a strong forint as a tool to reduce inflation expectations. In early December 2025, the forint briefly traded below 381 against the euro. The start of 2026 was also favourable: by late February, the forint outperformed most regional peers and strengthened below EUR/HUF 375. This was primarily supported by the MNB's tight monetary policy and improving risk appetite toward Hungary. However, the war in Iran heightened global geopolitical risks, which particularly affected Hungary as a net energy importer. Rising risk aversion triggered a shift toward safe-haven currencies—such as the U.S. dollar and Swiss franc—while higher oil and gas prices temporarily pushed the forint close to the 400 EUR/HUF level. Subsequently, the currency corrected, stabilising around 390 by mid-March. The Monetary Council kept the policy rate at 6.50% throughout 2025. The MNB's hawkish communication was justified mainly by the inflation outlook and persistent household inflation expectations. Following the December 2025 meeting, the central bank signalled that policy decisions would henceforth be data-driven and taken on a meeting-by-meeting basis. In February 2026, the policy rate was lowered to 6.25% amid favourable inflation developments. Nevertheless, the outlook for the coming months is overshadowed by the Middle East situation. Market pricing increasingly rules out any rate cuts in Hungary this year.

The central subsystem of the general government closed 2025 with a deficit of HUF 5,738.7 billion, of which December contributed HUF 1,668 billion. On an accrual basis, the deficit amounted to 1.9% of GDP in the first three quarters, while the four quarter rolling deficit reached 3.4%. These figures imply that the government's 5% deficit target for 2025 was likely met. This is consistent with the announcement by the Minister of National Economy stating that the accrual-based deficit may have been 4.9% last year—between the government's 5% target and our 4.8% expectation. In 2026, the fiscal balance may deteriorate due to the expenditure-increasing effect of government measures. Additionally, elevated energy prices resulting from the Middle East conflict may also strain the budget. As the gap widens between regulated (reduced) utility prices

and market prices, fiscal costs for the government increase; this burden could amount to a few tenths of a percentage point of GDP. In 2027, fiscal improvement is expected, with the deficit falling below 5%.

In 2025, the banking sector again posted strong after tax results: based on the MNB's prudential data for fourth quarter of 2025, domestic banks achieved after tax profits of HUF 1,502 billion. Although this is HUF 132 billion below the audited 2024 result, return on equity remained high at 17.2%. The decline compared to 2024 primarily reflects higher operating expenses and weaker trading results, which were only partially offset by improved fee and commission income and lower risk costs. Net interest income—the largest component of operating revenues—remained essentially unchanged from 2024, supported by growth in business volumes (particularly retail lending). This occurred despite a moderate decline in overall yield levels and the continued effectiveness of interest rate caps previously applied to certain mortgage loans. Tax payments by the sector increased compared to 2024, although banks continued to utilise available reductions in the extraordinary profit tax. Overall, the banking sector again demonstrated attractive profitability in 2025. While operating costs rose faster than operating income, key efficiency indicators (e.g., cost to income ratio) remained favourable.

In 2025, interest rate reductions remained marginal for most products, except for a few of them (e.g., personal loans). In 2026, more substantial rate declines had been expected; however, the current economic environment has reduced the central bank's room for manoeuvre, and earlier expectations of rate cuts now appear less likely. Thanks largely to strong retail loan demand (and partly to strengthening corporate loan demand) banks' net interest income could continue improving in 2026 - even if easing geopolitical risks eventually lead to lower yields. Strong business activity will also support further growth in net fee and commission income, despite limitations on inflation indexed fee adjustments in the first half of the year and the revenue reducing effect of higher limits for free cash withdrawals. Other operating income is likely to decline further in 2026, with dividend income expected to fall short of 2025 levels. Operating expenses are projected to continue rising - albeit at a slightly slower pace than last year - and risk costs are unlikely to decrease as significantly as they did in 2025. Tax burdens will increase substantially due to stricter rules on extraordinary profit taxes. Accordingly, after last year's return on equity of 17.2%, we expect correction to the 12–15% range in 2026. Despite declining profitability, banks remain well capitalised and face no liquidity pressures. Their lending capacity remains strong, allowing them to support a pick up in economic growth from the financing side.

2.1.1 New mortgage loan contracts

In the first half of 2025, strong real wage growth and exceptionally high coupon payments on inflation-linked government bonds kept up elevated demand for new mortgage loans. In July 2025, the Home Start Program was announced at very favourable conditions and with limited exclusion from would-be applicants, prompting eligible borrowers to delay their housing loan applications until September, the launch of the new loan facility. Taking into consideration the time frame needed for a successful loan application, the housing loan market showed subdued activity in August and September. With the Home Start Program speeding up after September, new housing loan contracts amounted to HUF 800 billion in Q4, bringing the total volume of newly contracted mortgage loans to HUF 2,073 billion in 2025 (this captures HUF 103 billion of new home equity loans). This represents a 43.7% increase compared to the HUF 1,443 billion recorded in 2024. The number of new loan deals contributed by 17.2% increase to this growth, since compared to the 2024 figure of 81,140, new mortgage loan contracts amounted to 95,081 in 2025. Meanwhile the average ticket size exhibited 22.6% growth: from HUF 17.8 million in 2024 it jumped to HUF 21.8 million in 2025.

2.1.2 Mortgage loan portfolio developments

According to data published by the MNB (Hungary's central bank), the stock of household mortgage loans stood at HUF 7,434 billion on December 31, 2025. Annual growth exceeded HUF 1,078 billion -equivalent to roughly 17% - compared to the end-2024 stock of HUF 6,355 billion. A contributing factor to this expansion was that due to the Home Start scheme, the average ticket size of a newly issued housing loan increased by more than 35% compared to the months preceding the introduction of the scheme in September. Alongside higher disbursements another decisive factor was the fairly moderate growth in the amortisation ratio, since early repayments (prepayments as well as final early settlements) have still not returned to levels typical of the years prior to 2023.

2.1.3 Mortgage bond market

The nominal value of mortgage bonds issued by the five Hungarian mortgage banks increased by 15.7% by the end of 2025 compared to the end of the previous year, with a total nominal value of HUF 2,438 billion outstanding as of December 31, 2025. The nominal value of MBH Mortgage Bank's outstanding mortgage bonds was HUF 430 billion at the end of 2025, showing an increase of about 18%, which means that the Bank's market share went up to 17.7% from the previous year's 17.3%. This confirms the Bank's position as the second largest player in this market segment.

3 REPORT ON THE BANK'S BUSINESS AND FINANCIAL RESULTS

3.1 MAJOR FINANCIAL INDICATORS (STANDALONE STATEMENT FIGURES)

The total assets of the Bank based on standalone statement figures decreased by 13.1% (i.e. by HUF 116.6 billion) in 2025, and its volume reached HUF 775.7 billion by the end of the year. Pre-tax profit amounted to HUF 9.4 billion, while profit for the year reached HUF 8.8 billion. The total comprehensive income for 2025 was HUF 8.6 million (2024: HUF 6.3 billion).

Major indicators (HUF million; %)	31.12.2025.	31.12.2024.	Change (%)*	Change
Total assets	775 747	892 311	(13.1%)	(116 564)
Financial assets measured at amortised cost from this,	767 354	834 702	(8.1%)	(67 348)
Loans and advances to banks	581 553	593 463	(2.0%)	(11 910)
Loans and advances to customers	13 146	16 468	(20.2%)	(3 322)
Debt securities	172 414	224 418	(23.2%)	(52 004)
Financial liabilities measured at amortised cost from this,	679 483	803 370	(15.4%)	(123 887)
Amounts due to other banks	111 790	374 995	(70.2%)	(263 205)
Issued debt securities	567 021	427 599	32.6%	139 422
Equity	93 089	84 528	10.1%	8 561
Profit before taxation	9 375	7 177	30.6%	2 198
Profit for the year	8 849	6 597	34.1%	2 252
Total comprehensive income for the year	8 561	6 323	35.4%	2 238
ROAA (average return on assets), %	1.1%	0.7%	-	+0.3%-pt
ROAE (average return on equity), %	10.0%	8.1%	-	+1.9%-pt

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

3.2 REFINANCING

From 2018 the Bank performs solely classic mortgage bank functions, i.e. it issues mortgage bonds to raise funds for refinancing the mortgage loan portfolio of its partner banks – both within the MBH Group and also for external partners. Within the Group, the Bank acts as a special entity: it is eligible to raise funds in the form of mortgage covered bond or uncovered bond issuances either at domestic or international financial markets. Mortgage bonds issued by the Mortgage Bank and the refinancing provided by the Mortgage Bank are the key elements of ensuring MFAR compliance for the partner banks.

MBH Mortgage Bank currently has 8 refinancing partners as of the reporting date, of which MBH Bank has the largest refinancing loan portfolio. MBH Bank's share within the total refinancing portfolio increased further in 2025. In its strategy the Bank is still looking for potential cooperation with external partners. It strives to become an attractive alternative for banking groups that are involved in mortgage lending but do not have their own mortgage bank license and thus need mortgage refinancing.

The stock of refinancing loans granted by the Bank increased by 9.1% (or HUF 35.7 billion) in 2025 and their volume at the end of the year came at HUF 430.7 billion.

3.3 LENDING TO CLIENTS

The Bank discontinued originating new loans from the second quarter of 2018, lending activity is provided by MBH Bank. The existing old own originated loan portfolio remains in the Bank's books until full expiry. From the second quarter of 2018 the Bank is active only in the refinancing segment, and thus the portfolio of the still existing client loans is gradually shrinking due to natural amortization.

Among financial assets measured at amortised cost, gross amounts due from customers (retail and corporate), in line with the above, continued to decrease sinking to HUF 14.2 billion at the end of 2025 down by 20.2% from end-2024's HUF 17.8 billion. 98.5% of this gross portfolio are household loans, the volume of which decreased by HUF 3.5 billion compared to the previous year. The gross stock of corporate loans amounted to HUF 0.2 billion at the end of 2025.

3.4 PORTFOLIO QUALITY, IMPAIRMENT

The Bank's gross loan volume amounted to HUF 596.2 billion at the end of the year. The value of contingent liabilities was HUF 0.3 billion on December 31, 2025. Hence the full exposure of gross loans and contingent liabilities (excluding securities) was HUF 596.6 billion.

Claims on clients amounted to HUF 14.2 billion, moreover, based on already signed contracts there was a commitment for disbursing loans of HUF 0.03 billion at the end of 2025. Out of these volume 413 loan contracts were classified as Stage 3 category with an underlying volume of HUF 0.4 billion in claims with HUF 0.1 billion in impairments. HUF 13.8 billion in claims and HUF 0.03 billion in commitments were classified as Stage 1 and Stage 2 categories, with HUF 1 billion in impairments and provisions.

The total stock of refinancing loans was HUF 432 billion with a minimal HUF 0.3 billion in impairments.

The Bank has ownership interest in two entities: the MBH Investment Bank Ltd. and the Takaréék United Cooperatives (TESZ). The nominal value of these investments is HUF 0.02 billion at the end of 2025.

In the interbank market the Bank had no placements in the form of sight deposits at the end of 2025.

The share of problem free (Stage 1 and Stage 2) loans was 97.3% as of December 31, 2025, consequently the share of Stage 3 loans was 2.7%.

Average impairment levels for both the total portfolio (excluding swaps) and the loan portfolio have decreased since the previous measurement date.

3.5 ISSUED SECURITIES

In 2025, MBH Mortgage Bank raised a total of HUF 163.7 billion from the capital market in the form of mortgage bonds and unsecured bonds. Of this amount, HUF 70 billion was issued as unsecured bonds, while HUF 93.7 billion was issued as mortgage bonds. Compared to the previous year, a major change in MBH Mortgage Bank's issuance strategy was the launch of mortgage bonds dedicated to retail investors in the domestic market, in addition to institutional investors. In parallel, the Bank successfully completed a euro-denominated mortgage bond transaction on the international market.

During its 'multi-channel' issuance activity, the total volume of domestic institutional mortgage bond issuances amounted to HUF 43.7 billion, of which green mortgage bonds accounted for HUF 8.4 billion. In contrast, the volume of retail mortgage bonds issued reached HUF 11.8 billion. The successful international mortgage bond issuance in November 2025 resulted in the placement of a EUR 100 million (approximately HUF 38.2 billion) mortgage bond. In terms of the number of mortgage bond transactions, in 2025 there were ten retail subscriptions, five public stock-exchange auctions and one international issuance.

In terms of mortgage bonds, MBH Mortgage Bank issued mortgage bonds with a nominal value of HUF 15.7 billion, HUF 21.2 billion, HUF 8.7 billion and HUF 48.4 billion across the four quarters. In the same period three floating rate and thirteen fixed rate mortgage bonds were issued.

In November 2025, MBH Mortgage Bank issued the euro-denominated, fixed rate MEJ31NF1 mortgage bond with a 5 years and 3 months maturity on the international market. Against the announced auction amount of EUR 100 million, bids totalling EUR 1,165.6 million were received, of which the Bank accepted the announced EUR 100 million.

In July 2025, similarly to 2024, the Bank decided to issue new unsecured bonds. 3-year maturity (MK28NV01) and 8-year maturity (MK33NV01) floating rate bonds were placed on the market through subscriptions. The total nominal value of the bonds was HUF 45-25 billion. The purpose of the issue was to fulfil MBH Mortgage Bank's unsecured funding needs. On the one hand, the mortgage bank's operations have a certain volume of unsecured funding needs on an ongoing basis-the part of mortgage loans not eligible for cover pool inclusion and the maintained over collateral portfolio cannot be financed from mortgage bonds-while the long-term funding elements in the form of the issued 3 and 8-year bonds is more in line with the asset-liability structure of the mortgage bank from a maturity perspective compared to short-term interbank funding, which is also supportive from rating perspective.

Two series of mortgage bonds with a total nominal value of HUF 22.3 billion matured during the year, and the Bank also organised one repurchase in 2025: in December, it repurchased HUF 6.5 billion from the TJ26NF02 series.

As a result of the above transactions, the total nominal value of outstanding mortgage bonds issued by the Issuer at the end of December 2025 amounted to HUF 430.187 billion, compared to the HUF 364.927 billion a year earlier (Q4 2024).

The Bank continuously monitored required level of collaterals and the fulfilment of the proportionality requirements in accordance with the requirements of the Act on Mortgage Banks and Mortgage Bonds and the Bank's collateral registration regulations. The Bank also verified the eligibility criteria for the normal collateralisation after the disbursement of the loans to ensure that the mortgage bonds were covered.

The net value of ordinary collaterals for mortgage bonds issued by MBH Mortgage Bank Co. Plc. was HUF 662.8 billion as of 31 December 2025, showing an increase of 9.9% compared to 31 December 2024 (HUF 603.2 billion) because of the increase in the refinancing loan portfolio.

Value of mortgage bonds and collaterals

HUF million	December 31, 2025	December 31, 2024	Change
Outstanding mortgage bonds in circulation			
Face value	430 187	364 927	17.88%
Interest	89 523	81 457	9.9%
Total	519 710	446 384	16.42%
Value of ordinary collateral			
Principal	432 233	403 892	7.01%
Interest	230 599	199 353	15.67%
Total	662 832	603 245	9.9%
The value of the liquid assets involved (principal and interest amount)	138 009	28 284	487.9%
Value of assets involved as supplementary collateral	-	-	-
Value of mortgage bonds and assets involved as collateral	-	-	-
Total	138 009	28 284	487.9%

As of December 31, 2025, the present value of the cover assets was HUF 539.7 billion and the present value of the items to be covered was HUF 424.8 billion, so that the present value of the assets represented 127.05%

of the present value of the outstanding mortgage bonds. The ratio of the net value of collateral assets' principal to the nominal amount of outstanding mortgage bonds was 125.56%, while the ratio of the interest amount of collateral assets and the unpaid interest amount of outstanding mortgage bonds was 290.59% at 31 December 2025.

3.6 BALANCE SHEET DEVELOPMENTS (STANDALONE STATEMENT FIGURES)

As of 31 December 2025, the Bank's total assets amounted to HUF 775.7 billion, 13.1% below the end-2024 figure of HUF 892.3 billion.

Balance sheet items (HUF million; %)	31 December, 2025	31 December, 2024	Change (%)*	Change
Assets				
Cash and cash equivalents	1 414	1 249	13.2%	165,0
Financial assets measured at fair value through profit or loss	5 434	6 860	(20.8%)	(1 426,0)
<i>Loans and advances to customers mandatorily at fair value through profit or loss</i>	4 553	5 481	(16.9%)	(928,0)
<i>Derivative financial assets</i>	881	1 379	(36.1%)	(498,0)
Hedging derivative assets	711	1 431	(50.3%)	(720,0)
Financial assets measured at fair value through other comprehensive income	-	47 196	(100.0%)	(47 196,0)
Debt and equity securities	-	47 196	(100.0%)	(47 196,0)
Financial assets measured at amortised cost	767 354	834 702	(8.1%)	(67 348,0)
<i>Loans and advances to banks</i>	581 553	593 463	(2.0%)	(11 910,0)
<i>Loans and advances to customers</i>	13 146	16 468	(20.2%)	(3 322,0)
Debt securities	172 414	224 418	(23.2%)	(52 004,0)
<i>Other financial assets</i>	241	353	(31.7%)	(112,0)
Property, plant and equipment	61	104	(41.3%)	(43,0)
Intangible assets	106	150	(29.3%)	(44,0)
Income tax assets	611	363	68.3%	248,0
<i>Current income tax assets</i>	37	-	-	37,0
<i>Deferred income tax assets</i>	574	363	58.1%	211,0
Other assets	56	256	(78.1%)	(200,0)
Total assets	775 747	892 311	(13.1%)	(116 564,0)
Liabilities				
Financial liabilities measured at fair value through profit or loss	105	159	(34.0%)	(54,0)
<i>Derivative financial liabilities</i>	105	159	(34.0%)	(54,0)
Financial liabilities measured at amortised cost	2 456	3 569	(31.2%)	(1 113,0)
<i>Amounts due to other banks</i>	679 483	803 370	(15.4%)	(123 887,0)
<i>Issued debt securities</i>	111 790	374 995	(70.2%)	(263 205,0)
<i>Other financial liabilities</i>	567 021	427 599	32.6%	139 422,0
Hedging derivative liabilities	672	776	(13.4%)	(104,0)
Provisions for liabilities and charges	99	7	-	92,0
Income tax liabilities	105	200	(47.5%)	(95,0)
<i>Current income tax liabilities</i>	105	200	(47.5%)	(95,0)
Other liabilities	410	478	(14.2%)	(68,0)
Total liabilities	682 658	807 783	(15.5%)	(125 125,0)
Equity				
Share capital	10 849	10 849	-	-

Treasury shares	(207)	(207)	-	-
Share premium	27 926	27 926	-	-
Retained earnings	41 841	36 129	15.8%	5 712,0
Other reserves	3 831	2 946	30.0%	885,0
Profit for the year	8 849	6 597	34.1%	2 252,0
Accumulated other comprehensive income	-	288	(100.0%)	(288,0)
Total equity	93 089	84 528	10.1%	8 561,0
Total liabilities and equity	775 747	892 311	(13.1%)	(116 564,0)

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

3.6.1 Financial assets measured at fair value through other comprehensive income

The value of financial assets measured at fair value through other comprehensive income decreased from HUF 47.2 billion at the end of 2024 to HUF 0 at the end of the reported period.

3.6.2 Financial assets measured at amortised cost

The volume of financial assets measured at amortized costs decreased by 8.1% in 2025, thus the volume amounted to HUF 767.4 billion by the end of the period. The gross stock of debt-type securities within this decreased by 23.2% and stood at HUF 172.4 billion at the end of the year. 95.1% of the total securities portfolio is made up of government bonds, the stock of which was HUF 163.9 billion at the end of 2025.

Within this asset class the other major component is the stock of loans and advances to banks. This decreased by 2.0% in the course of 2025, amounted to HUF 581.6 billion by the end of the year.

The gross stock of interbank deposits and claims on central bank decreased from HUF 33.0 to HUF 0 during the year.

3.6.3 Financial liabilities measured at amortized cost

Financial liabilities measured at amortized costs take up 87.6% of the Bank's total liabilities. Their volume at the end of 2025 was 15.4% lower than a year before, thus reaching HUF 679.5 billion. Within these liabilities it is debt-type securities, i.e. the mortgage bonds issued by the Bank to provide funding for the long-term refinancing of the mortgage debt portfolio, represent the highest share (83.4%). The value of mortgage bonds issued at the end of 2025 reached HUF 426.1 billion, which represents a 19.3% increase compared to 2024. During 2025, however, the stock of loans received decreased by 70.2%, reached HUF 111.8 billion.

3.6.4 Equity, capital adequacy

Shareholders' equity amounted to HUF 93.1 billion at the end of 2025, up HUF 8.6 billion (or 10.1%) from the end of the previous year.

The Bank is member of Central Body of Integrated Credit Institutions (CBIC). The members of CBIC should examine the prudential requirements on consolidation bases. The exemption of individual compliance is ensured by the relevant statutory and resolution of the National Bank of Hungary.

On the capital adequacy of the members of the integration the Integration Business Management Organization publishes the audited financial statements in the disclosure document of the business year.

3.6.5 Off balance sheet items

The value of off balance sheet items decreased from HUF 30.7 billion at the end of 2024 to 0.4 at the end of the reported period. It entirely consisted of the volume of unused (or not yet drawn upon) credit lines by clients and refinancing partners.

3.7 PROFIT & LOSS DEVELOPMENTS (STANDALONE STATEMENT FIGURES)

<i>P&L items (HUF million; %)</i>	01.01.2025 - 31.12.2025	01.01.2024 - 31.12.2024	Change (%)	Change
Interest and similar to interest income	59 214	61 507	(3.7%)	(2 293)
<i>Interest income using effective interest rate method</i>	51 931	53 422	(2.8%)	(1 491)
Other income similar to interest	7 283	8 085	(9.9%)	(802)
Interest expense	(47 415)	(48 672)	(2.6%)	1 257
<i>Interest expense using effective interest rate method</i>	(40 577)	(40 665)	(0.2%)	88
Other interest expenses	(6 838)	(8 007)	(14.6%)	1 169
Net interest income	11 799	12 835	(8.1%)	(1 036)
Income from commission and fees	222	186	19.4%	36
Expense from commission and fees	(292)	(288)	1.4%	(4)
Net income from commissions and fees	(70)	(102)	(31.4%)	32
Results from financial instruments, net	51	(2 206)	(102.3%)	2 257
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	(354)	884	(140.0%)	(1 238)
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	193	147	31.3%	46
Results from derecognition of loans and debt securities measured at amortised cost	(21)	(3 874)	(99.5%)	3 853
Results from hedge accounting, net	287	380	(24.5%)	(93)
Foreign exchange gains less losses	(54)	257	(121.0%)	(311)
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	730	(535)	(236.4%)	1 265
Expected credit loss on financial assets, financial guarantees and loan commitments	930	(137)	-	1 067
Provisions for litigation, restructuring and similar charges	(92)	10	-	(102)
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(109)	(357)	(69.5%)	248
(Impairment) / reversal of impairment on other financial and non-financial assets	1	(51)	(102.0%)	52
Administrative and other operating expense	(3 169)	(2 641)	20.0%	(528)
Other income	42	9	-	33
Other expense	(8)	(183)	(95.6%)	175
Profit before taxation	9 375	7 177	30.6%	2 198
Income tax income / (expense)	(526)	(580)	(9.3%)	54
Profit for the year	8 849	6 597	34.1%	2 252
Other Comprehensive Income				
Items that may be reclassified to profit or loss	(288)	(274)	5.1%	(14)
Debt instruments at fair value through other comprehensive income	(316)	(235)	34.5%	(81)
Fair value changes	(326)	(118)	176.3%	(208)
Reclassification of accumulated remeasurements to profit or loss upon derecognition	10	(117)	(108.5%)	127
Income tax relating to items that may be reclassified subsequently	28	(39)	(171.8%)	67
Items that may not be reclassified to profit or loss	0	0	-	-
Other comprehensive income for the year net of tax	(288)	(274)	5.1%	(14)
Total comprehensive income for the year	8 561	6 323	35.4%	2 238

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

The Bank's pre-tax profit was HUF 9.4 billion in 2025, which represents by HUF 2.2 billion higher level compared to the profit of the previous year (2024: HUF 7.2 billion). Full-year profit reached HUF 8.8 billion in 2024 (HUF 6.6 billion in 2024). The total comprehensive income was also higher the performance of the previous year, reaching HUF 8.6 billion in 2025 (HUF 6.3 billion in 2024).

3.7.1 Net interest income

Net interest income reached HUF 11.8 billion in 2025 (HUF 12.8 billion in 2024) as a result of HUF 59.2 billion in interest income (down 3.7% from 2024) and HUF 47.4 billion in interest expenses (down 2.6% from 2024). In sum, net interest income was HUF 1.0 billion (8.1%) lower in 2025 than in the previous year.

In terms of interest income, the interest income from financial assets measured at amortized cost in 2025 was decisive. Its value was HUF 49.4 billion in 2025 (HUF 50.3 billion in 2024).

Interest expenses were HUF 1.3 billion lower than the previous year, totalling HUF 47.4 billion (2024: HUF 48.7 billion). Among the interest expenses, the interest expenses of financial liabilities measured at amortized cost represent the most significant item; this amounted to HUF 40.6 billion in 2025 which was HUF 0.1 billion lower than the previous year (HUF 40.7 billion in 2024).

3.7.2 Net fees and commissions

The net fees and commissions result was HUF 70 million in loss in 2025 (HUF 102 million loss in 2024).

Income from fees and commissions reached HUF 222 million (up 19.4% from 2024). The higher revenues were caused by the increase in refinancing mortgage loans' fee income by HUF 52 million (2025: HUF 153 million).

The amount of fee and commission expenses in 2025 was HUF 292 million (HUF 288 million in 2024). The higher level of fees and commission expenses is mainly explained by higher treasury fee.

3.7.3 Results from financial instruments

The result related to financial assets amounted to HUF 51 million profit compared to last year's HUF 2.2 billion loss. Two items contributed positively to the result: the result from hedge accounting (+HUF 287 million) and the result from derecognition of debt securities measured at fair value through other comprehensive income (+HUF 193 million).

3.7.4 General and administrative expenses

The general and administrative expenses of the Bank increased by 20.0% (i.e. by HUF 528 million) in 2025, reaching a level of HUF 3.2 billion overall compared to HUF 2.6 billion in 2024. The increase in operating costs was driven by higher IT costs and extra profit tax paid. The extra profit tax amounted to HUF 568 million in 2025 (HUF 194 million in 2024).

The total amount of salaries, wage-related cost, as well as other employee benefits increased by HUF 11 million to a total of HUF 512 million in 2025 (2024: HUF 501 million).

Among the cost elements representing a significant share of banking operating costs, IT costs rose by 42.5%, mainly due to software maintenance, operation and support, while legal and advisor services and expert fees decreased by 4.9% and membership and membership fees decreased by 16.2%.

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

As impairment and provisioning, the Bank reported a total reversal of HUF 730 million in 2025, the largest part of which consists of expected credit loss on financial assets, financial guarantees and loan commitments. In the reporting period, this amounted to HUF 930 million in releases.

The cost of the repayment moratorium that came into effect on March 18, 2020 is derived from the loss impact on the net present value of not served and thus accrued credit cash-flows. The total impact for the Bank was HUF 357 million loss in 2024 (HUF 469 million in 2023).

3.7.6 Pre-tax profit

The Bank's pre-tax profit amounted to HUF 9.4 billion in 2025 (HUF 7.2 billion in 2024).

4 LIQUIDITY MANAGEMENT

Due to its special legal mortgage bank status, the MBH Mortgage Bank is not allowed to collect client deposits, hence among its liabilities the components with the highest weight are mortgage bonds and interbank liabilities.

The structure of the Bank's liabilities - following the adoption of the purely mortgage bank strategy in 2018 - are primarily influenced by developments in the stock of refinanced loans, and the level of activity in primary mortgage bond issuances with a view to secure the MFAR compliance of MBH Group.

In line with the above, the stock of mortgage bonds increased by 17.9% (+ HUF 65.3 billion) year-on-year from HUF 364.9 billion to HUF 430.2 billion in 2025. Based on the decision of the MNB No. H-KE-III-533/2022 dated 12 September 2022, all mortgage bonds of MBH Mortgage Bank Co. Plc. are considered as "European (premium) covered bonds".

In the course of 2025 the long-term (5-year) central bank refinancing originating from the NBH's long-term collateralized refinancing operations (LTRO-s) started to mature, and their total outstanding amounts softened from HUF 233.1 billion to HUF 22.7 billion during the year.

Based on the amendment to the Act, entered into force on 8 July 2022, the cover pool assets (regular and assets involved as supplementary collateral) have been extended to liquid assets, and detailed rules on the liquidity buffer have been developed. In accordance with the above the Bank has been applying a liquidity buffer consisting of liquid assets with the aim of covering the net liquidity outflow in relation to its covered bond issue programme from July 8, 2022. Also, based on the amended Jht. the Bank maintains a minimum overcollateralization level of 2%.

Liquidity buffer at 31 December 2025:

Maximum daily net liquidity outflow within 180 days (HUF million)	0
Liquidity buffer (market) value of the cover pool set (HUF million)	109 962

MBH Mortgage Bank's mortgage covered bonds are currently rated by Moody's Investors Service, which announced on 22 July 2024 that it has assigned a long-term A1 rating to the mortgage-covered bonds issued by MBH Mortgage Bank (the Partner Risk (CR) Rating is Baa3(cr). At the same time, Moody's also announced that MBH Mortgage Bank's long- and short-term issuer ratings were Ba3/NP, its long- and short-term Counterparty Risk Ratings (CRRs) were Baa3/P-3, and its long- and short-term Counterparty Risk (CR) Assessment was Baa3(cr)/P-3(cr). The outlook on the ratings was assessed by Moody's as stable. The ratings remained unchanged in 2025.

5 Risk management principles

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.

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 2025.

5.1 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 Group.

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.

In the Risk Strategy, the Group defines its risk appetite and risk tolerance in several ways. On the one hand, it sets quantitative expectations—namely the level of risk (group-level and institution-level risk limits) that the organisation is willing to assume and able to tolerate. On the other hand, it also addresses those areas where the institution's risk tolerance is minimal (prohibited or disfavoured sectors).

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 regulatory capital requirements under Pillar 1.

The Group is primarily exposed to credit, liquidity, market and operational risks.

5.2 CREDIT RISK

In 2025, the main drivers of credit risk changes remained the Russian-Ukrainian war, the geopolitical and economic situation, the end of the payment moratorium, as well as changes in the methodologies applied.

The impact of moratoria and interest cap on credit risk management:

In line with the MNB's expectations, the staging logic for customers participating in the general credit moratorium and the agricultural moratorium has been standardized at MBH Group level in such a way that staging is implemented through the normal monitoring process, where the processes have been supplemented with the stricter stage classification required by the MNB.

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.

By the reporting date, environmental, social and governance (ESG) aspects were integrated into the client rating process, in such a way that the client's ESG risk classification is determined at client level on a five-point scale based on the ESG factors deemed relevant by the Bank in the context of large and upper-medium-sized corporate clients, as well as in structured and project financing. This classification may modify the result of the client rating calculated by the models, ensuring the enforcement of the ESG aspects. However, the MNB's Recommendation No. 7/2025. (VI.23.) narrowed the range of clients for whom it is mandatory to request the minimum ESG questionnaire specified by the supervisor. As a result, the pace of ESG data collection has slowed down, so the availability of data is expected to increase at a slower pace, but in the longer term, the aim remains to incorporate the information into 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).

The sector overlays were introduced on a temporary basis. The Bank regularly reviewed the management overlay values determined based on the examination criteria on a quarterly basis. Due to the improving standard ratings and the enforcement of individual risks in the ratings, there was no reason to apply other adjustments outside the models. The Bank therefore eliminated the management overlay values previously introduced for the sector from the 3rd quarter of the year.

In summary, current modelling and impairment methodology of the Bank, 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.

5.3 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 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

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.

5.4 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.

5.5 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 2025 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.

6 HUMAN RESOURCES POLICY

The full-time equivalent employment of MBH Mortgage Bank at the end of 2025 was 17.

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 is the award-winning Start programme, which is 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 300 talented students aged 19-25 from across the country currently working for MBH Banking Group at the end of 2025. 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 Start program members 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 2025, the Bank launched the third phase of the Start+ programme, within the framework 10 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. 85% of the second class remained 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 offers individual solutions not only to mothers but also to fathers-to-be. The programme is very popular, with 300 cases paid and over 500 colleague answered questions.

MMM+ program:

The latest element of the Generational Diversity programme is the MBH Banking Group's programme for people with disabilities. So far, 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.

MBH Academy (for Leaders and Employees)

The primary goal of the leadership and employee academy is to provide unified, transparent, and strategy-based development path for all colleagues throughout the entire employee lifecycle. The program supports the strengthening of corporate culture and the conscious development of competencies. It also creates a learning environment that fosters collaboration, innovation, and self-development, thereby contributing to the long-term evolution of our corporate culture and the organization's competitiveness.

Digital Leap Program

The aim of the program is to develop a comprehensive, customizable digital training framework built on micro-credentials, tailored to the needs of the bank. Through this framework, we aim to significantly enhance digital competencies (digital fundamentals and artificial intelligence) for employees - and uniquely on the market - for their family members as well. The knowledge gained can be applied immediately in daily work, increasing overall efficiency.

Leadership Development Program

The goal of the training is to provide opportunities - through diverse methodologies - for the leadership team to strengthen their leadership community, develop solutions for shared leadership challenges, and discuss current organizational topics with a focus on customer-centricity and other key themes. Participants also work on leadership case studies, set personal development goals, and share innovative ideas.

Leadership Development Application

This leadership application was designed to support leaders in managing their teams more effectively and improving performance. The app integrates various leadership and management theories to offer comprehensive support. Beyond providing tips for addressing challenges, it also enables leaders to record commitments and track progress within the system – helping to drive real behavioral change.

MBH Talent / Leadership Succession Program

The program aims to reduce operational risks and to identify, develop, and retain internal talent. Its focus is on strengthening talents and preparing them to take on broader and more complex roles in the future. It also ensures succession for key positions within the organization, with special emphasis on critical areas that play a strategic role in achieving MBH's long-term goals.

Attitude Workshop Series

The purpose of this program is to deepen understanding and awareness of corporate attitudes, thereby strengthening organizational culture. A key objective is to foster stronger leadership relationships and community building, which enhances trust and collaboration. The program offers a platform for shared learning and experience exchange, supporting practical problem solving. Further goals include strengthening the leadership role and expanding the leadership toolkit so participants can fulfill their responsibilities more effectively in daily operations.

MBH Key Talent Program

The purpose of the program is to reinforce participants' authentic and professional roles, shaping them into a valuable community that acts as catalysts within the organization and represents core corporate attitudes. The program prepares talent to take on more complex, higher-level responsibilities than their current roles.

MBH Mentoring Program

The program aims to support employees' personal and professional growth, enhance knowledge sharing, and strengthen organizational culture. It contributes to leadership succession development and increased engagement. It also provides opportunities for building relationships and jointly processing experiences, which strengthens organizational functioning over the long term.

Ambassador Program

The Ambassador Program aims to strengthen corporate culture, support internal communication, and foster organizational development through active and engaged colleagues. The 50-member team of Ambassadors - representing various organizational units - acts as a bridge between employees and leadership, giving voice to colleagues and actively shaping the internal community. Highly attended online and offline sessions focus on different professional topics. These forums provide an opportunity for colleagues to meet senior leaders in roundtable discussions and raise questions important for themselves and the teams they represent.

IT Leadership Development Program

A technology- and practical problem-solving-focused IT leadership training program has been launched for leaders in the Digitalization division. The program is built around a leadership development curriculum and includes workshops, e-learning modules, and group coaching sessions.

IT Competency Development Program

The goal of the IT Competency Development Program is to provide modern, practical, and strategically relevant training for IT professionals, supporting the company's digital transformation and business objectives. The program helps colleagues strengthen both professional and technological skills, increasing the organization's innovation capacity and technological readiness. It also aims to create a learning environment that encourages self-development, knowledge sharing, and community learning - strengthening professional succession and retention in the long term.

Employee Assistance Program

The goal of this employer-provided support service is to help employees navigate workplace and personal challenges. The program offers anonymous and confidential counseling for issues such as mental health, stress management, financial difficulties, legal concerns, or family problems. Its purpose is to preserve employee well-being and support performance and engagement.

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, the Bank's fringe benefits include school and camping allowances and social assistance.

The generational diversity programme provides support for the specific life situations of our employees. Within the framework of this programme, the Banking Group offers 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+).

Health promotion and health maintenance

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.

Sports

MBH provides significant support to its Sports Association (hereinafter: SA) where effective professional and recreational sports work is carried out. In 2025, 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.

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 2025, the Banking Group organised several sports club in-house championships in 22 sports. 420 certificates were awarded.

The Sports Association prepares their competitors in 11 sports for the annual Hungarian Banks Sports Tournament, where the MBH Banking Group team achieved third place in Miskolc in 2025 (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 2025, 320 colleagues in 42 cities received a sports grant.

The SA considers it important that SA members can exercise regularly near all work bases, which is why the Banking Group has a gym near the priority sites. (Kassák Lajos u. Headquarters, Tüskecsarnok) At the Kassák gym, the 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 2025, 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 697 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.

7 SUSTAINABILITY

MBH Banking Group 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. Details are provided in the Group's Consolidated Sustainability Report, prepared in accordance with Article 29a of Directive 2013/34/EU of the European Parliament and of the Council.

ESG strategy and reporting

The Bank pays particular attention to the risks posed to its own operations and society by climate change. In line with this, MBH Mortgage Bank identified the specialities of its business and profile (mortgage-based refinancing and mortgage bond issuance functions) through which the Bank can influence its environment by reducing climate risk and improving social well-being in the medium and long term. In 2022, the Bank published its ESG strategy, which includes its identified values, mission and vision, as well as sustainability objectives by topic.

As a stock exchange listed company, MBH Mortgage Bank has published an annual Sustainability Report in line with the Budapest Stock Exchange's Sustainability Recommendation, first in 2022 and then in 2023, 2024 and in 2025. The standalone sustainability reports were prepared in accordance with the international (Global Reporting Initiative-GRI) standard, covering the Bank's specific environmental, social and corporate governance achievements.

According to the EU Corporate Sustainability Reporting Directive (CSRD), MBH Mortgage Bank - due to its stock exchange status - would have been required to prepare its first sustainability report for the financial year 2025, to be published in 2026, in accordance with the European Sustainability Reporting Standards (ESRS). However, following recent regulatory changes, MBH Mortgage Bank is no longer subject to mandatory

reporting under the CSRD. Nevertheless, the Bank will voluntarily publish an ESRS-based sustainability report, ensuring transparency and credibility of sustainability disclosures.

In 2022, MBH Mortgage Bank joined the Energy Efficient Mortgage Label (EEML), under which it publishes a quarterly public transparency report on the composition, energy profile and environmental impact of green mortgages and green property securities backing green mortgage bonds published on EEML and on its website.

Green Covered Bond Framework

MBH Mortgage Bank considers green mortgage refinancing and the issuance of green mortgage bonds as key pillars of its sustainability activities. To this end, the Bank established a Green Covered Bond Framework in 2021, based on the Green Bond Principles 2021 (GBP). The Framework was subsequently reviewed in December 2023 and again in March 2025, and the updated Green Covered Bond Framework was published in April 2025, together with a Second-Party Opinion. The 2025 Framework did not change in terms of the underlying principles; however, MBH Mortgage Bank updated the criteria of Eligible Green Mortgage Loans and enhanced its impact assessment model to improve the prudence and transparency of the Framework's green eligibility criteria. MBH Mortgage Bank Plc. provides a quarterly green mortgage bond allocation report in line with the transparency requirements of the Framework, and annually publishes a review report on the consistency of its green mortgage bond issuance activities with the Framework and an impact assessment report. The external certification of the Green Mortgage Bond Framework (valid as of December 31, 2025) was issued by Moody's Ratings.

Corporate governance

Green Mortgage Bond Committee

The Bank established the Green Mortgage Bond Committee (hereinafter according to the Hungarian abbreviation: ZJB or GMBC) to strengthen the role of sustainability factors in the Bank's corporate governance, particularly in the areas of business and risk management. The Committee is composed of the CEO, Deputy CEO, Head of Capital Markets, Head of Refinancing, Head of ALM, Head of Collateral Register, Head of Collateral Management and reports directly to the Board of Directors on its work. According to the internal regulations the ZJB decides on the green quality of new collateral and existing collateral and regularly reviews the availability of green collateral behind the issued green mortgage bonds.

Sustainability and organisation

The Bank's Rules of Organisation and Operation (ROO) assign ESG responsibilities to each job, and management reports quarterly to the Board of Directors and the Supervisory Board on MBH Mortgage Bank's green mortgage bond issuance and other sustainability activities, as well as on the commitments and performance indicators defined in the Sustainability Reports and the ESG Strategy. The Bank focuses on improving the ESG knowledge and awareness of its employees and top management and has organised targeted training to help them implement the ESG strategy in a more informed way.

8 PARTICIPATION IN PROFESSIONAL ASSOCIATIONS

The Bank actively participates in the work of the statistical, legal and capital market groups of the Hungarian Banking Association and the European Mortgage Federation/European Mortgage Bond Council (EMF - ECBC), as well as in the Committee work of the ECBC Energy Efficient Mortgage (EEM) Label.

9 EVENTS AFTER THE REPORTING PERIOD

MBH Mortgage Bank Co. Plc issued a total of HUF 7.75bn of mortgage bonds in nominal terms in the first two months of 2026. In January and February, the MJ28NF02 series (fixed coupon mortgage bond with a remaining maturity of 2.2 years) was issued through public subscription with the nominal amount of HUF

1.5bn, while in February the MJ34NV01 series (a new, floating-rate mortgage bond with a remaining maturity of 8.0 years) was issued through public auction with the nominal amount of HUF 6.2bn. In March MBH MB introduced a new retail mortgage bond series with the remaining maturity of 3.5 years.

The National Bank of Hungary (NBH) approved the Base Prospectus of the HUF 250 billion 2026-2027 Issue Program of the Issuer with the resolution number of H-KE-III-121/2026 on February 26, 2026.

With the consent of the General Meetings of MBH Investment Bank Ltd. and MBH Bank Plc., and with the approval of the General Meeting of the Integrated Credit Institutions' Central Organisation (CBIC), MBH Investment Ltd. exited the Integration Organisation as of 1 January 2026 at 00:00 and transferred its role as the integration business-controlling entity to MBH Duna Bank Ltd. As a consequence, MBH Investment Bank Ltd. was removed from the sub-consolidation group defined under point 6 of Resolution No. H-EN-I-108/2025 of the National Bank of Hungary.

10 INFORMATION PURSUANT TO SECTIONS 95/A AND 95/B OF THE ACCOUNTING ACT

INFORMATION RELATED TO SHARES AND OWNERS

The shareholder structure of Bank is the following as of 31 December 2025:

Shareholder	2025		2024	
	Ownership ratio %	Nr of shares	Ownership ratio %	Nr of shares
Ordinary share listed on BSE (Series "A")				
Domestic institutional investors	52,11	56 535 216	52,10	56 520 385
Foreign institutional investors	0,01	8 643	0,01	7 278
Domestic private investors	2,80	3 041 584	2,82	3 056 794
Foreign private investors	0,02	20 344	0,03	33 618
Treasury shares	0,23	253 601	0,23	253 601
Government held owner	44,79	48 597 602	44,79	48 597 602
Other investors	0,03	33 310	0,02	21 022
Subtotal (Series "A")	100	108 490 300	100	108 490 300

MBH Bank's controlling stake in Mortgage Bank is 48,5743%. The MBH Bank has no ultimate controlling party.

Direct owners with more than 5% ownership relating to listed series

Ownership structure	Custodian Bank (yes/no)	2025	
		Number of shares (piece)	Stake (%)
MBH Befektetési Bank Ltd.	no	52 531 760	48,42%
Magyar Posta Ltd.	no	43 076 417	39,71%
TOTAL		95 608 177	88,13%

Ownership structure	Custodian Bank (yes/no)	2024	
		Number of shares (piece)	Stake (%)
MBH Befektetési Bank Ltd.	no	52 531 760	48,42%
Magyar Posta Ltd.	no	43 076 417	39,71%
TOTAL		95 608 177	88,13%

Direct owners with more than 5% ownership relating to total equity

Ownership structure	Custodian Bank (yes/no)	2025	
		Number of shares (piece)	Stake (%)
MBH Befektetési Bank Ltd.	no	52 531 760	48,42%
Magyar Posta Ltd.	no	43 076 417	39,71%
TOTAL		95 608 177	88,13%

Ownership structure	Custodian Bank (yes/no)	2024	
		Number of shares (piece)	Stake (%)
MBH Befektetési Bank Ltd.	no	52 531 760	48,42%
Magyar Posta Ltd.	no	43 076 417	39,71%
TOTAL		95 608 177	88,13%

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 (**Tpt.**), who was registered in the Register of Shares at the Closing of the Register of Shares by the General Meeting 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 Bank 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 Bank 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. 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 an 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 1% 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.

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.

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.

Summary of the Rules Governing the Conduct of a General Meeting

The General Meeting is the Bank's supreme body. The General Meeting shall be convened by the Board of Directors at least 30 days before the day on which the General Meeting is opened, by publishing an announcement at the places of publication specified in the Articles of Association.

The business integration management organisation and the Integration Organisation shall be notified of the General Meeting simultaneously with the publication of the invitation.

The key data of the annual report of the Bank – prepared in accordance with the Accounting Act – and of the reports of the Board of Directors and the Supervisory Board, as well as a summary of the proposals regarding the items on the agenda and the proposed resolutions shall be disclosed at the places of publication of the Bank at least 21 days before the date of the General Meeting.

If a General Meeting has not properly been convened, it may adopt resolutions only in the presence of all shareholders with voting rights, if the shareholders have not objected to the holding of the General Meeting.

A General Meeting has a quorum if shareholders representing more than half of the votes embodied by the voting shares are present. If a General Meeting does not have a quorum, the repeated general meeting shall have a quorum regardless of the number of attendees present.

A General Meeting may be suspended not more than once by the Chair. In this case the General Meeting shall be continued within thirty days, in which case the rules applicable to convening the General Meeting and the election of the officers of the General Meeting need not be applied.

Every ordinary share of series “A”, of a nominal value of HUF 100, that is, one hundred forints, carries one voting right at a General Meeting. In relation to its General Meeting the Bank carries out the shareholder identification procedure, as prescribed in the Tpt., the rules of the BSE and the regulations of KELER Zrt. The date of the shareholder identification (reference date) may be during the period between the 7th (seventh) and the 5th (fifth) stock exchange trading days (these days also included) before the General Meeting. The shareholder's rights may be exercised at a General Meeting by the person who is the owner of the share concerned on the day of shareholder identification and whose name is listed in the share register at 18:00 on the second working day preceding the day on which the General Meeting is started (the day of the closure of the share register).

The closure of the share register entails no restriction on the right of any person entered in the share register to transfer their shares following the closure of the share register. Any transfer of shares on the day preceding the General Meeting's starting day does not rule out the right of the person listed in the share register to participate and exercise their rights in the General Meeting as a shareholder.

The General Meeting makes its decisions with a simple majority, except for matters for which the applicable legal regulations stipulate different voting majority. If legal regulations stipulate unanimous decision-making regarding a certain matter, the General Meeting makes a decision on that issue with a unanimous decision.

The detailed rules on the conduct of a General Meeting are laid down in subsections 3.1-3.1.25 of the Articles of Association.

SUPREME, EXECUTIVE AND MANAGEMENT BODIES, SUPERVISORY BODY, COMPOSITION AND OPERATION OF COMMITTEES OF THE BANK

Description of the Operation of the Board of Directors and the Sharing of Responsibility and Tasks between the Board of Directors and the Management Team

The Board of Directors is the Bank's legal representative and executive body, representing the Bank towards third persons and before courts and other authorities, managing and directing the Bank's business activities and financial management, making sure that the requisites for successful operation are available.

The organisation and operation of the Board of Directors is regulated by its Articles of Association and the Rules of Procedure of the Board of Directors. The Rules of Procedure of the Board of Directors are established by the Board of Directors. The Articles of Association is accessible on the Bank's official website at (www.mbhjelzalogbank.hu).

The Board of Directors consists of at least three and not more than nine Members. The Members of the Board of Directors are elected by the General Meeting for a definite term of maximum five years. Of the Members of the Board of Directors the Bank's Chief Executive Officer and his deputy were, Pursuant to Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (**Hpt.**) and the Articles of Association, were continuously employed by the Bank (internal Members of the Board of Directors) in 2025.

The Members of the Board of Directors are – in accordance with the rules of the civil law – liable towards the Bank for any damage or loss caused to the Bank by breaching any applicable legal regulation, the Articles of Association, any resolution adopted by the General Meeting or their respective obligations. The board bears joint and several liability for any damage or loss caused as described above. If the damage or loss was caused by a resolution adopted by the Board of Directors, any Member of the Board of Directors who did not participate in the adoption of the decision or voted against the resolution concerned – and notifies this fact in writing to the Supervisory Board within fifteen days of the adoption of the resolution – is exempt from the liability.

The Board of Directors makes its decisions objectively, in view of the interests of all of the shareholders, seeking independence from the influence of management and/or any specific shareholder. Members of the Board of Directors may not, in their capacity as such, be bound by any mandatory instructions from any of the Bank's shareholders or from their employer.

In 2025 the Board of Directors conducted its activities on the basis of an annual work plan. The Board of Directors meets as often as necessary. It discusses the matters referred to it on the basis of written proposals. The Board of Directors makes its decisions in writing – in view of the proposed resolution submitted by its proponent – in the form of resolutions. The proposals and the related proposed resolutions are prepared by the management team for the Board of Directors. Responsibility for the soundness of the content of a proposal lies with the head of the organisational unit which drafted the proposal, together with the Deputy Chief Executive Officer exercising the power of professional supervision or, in the absence of such, the Chief Executive Officer exercising the power of professional supervision. The Members of the Board of Directors receive written invitations to the meetings of Board – specifying the date and time, and the agenda, of the meeting – together with the written proposed resolutions.

A meeting of the Board of Directors has a quorum if it is attended by at least half of the BoD Members. The Board of Directors adopts its resolutions – with the exception of cases specified in its Rules of Procedure – by

simple majority of votes, cast by open ballot. A Board Member who is personally involved in any way in the matter being discussed may not take part in the adoption of a resolution on the matter. The Chair of the Board of Directors orders a secret ballot at the request of any Board Member.

In urgent cases the Board of Directors may adopt valid resolutions by telephone, post, e-mail, electronic devices and other similar ways if the Bank – at least electronically – delivers to the Members of the Board of Directors the written proposal concerning the matter on which a decision is to be made and more than half of the members send their votes to the Bank in writing, within the time limit set for this purpose.

The Chair of the Supervisory Board – or the Supervisory Board Member designated by him or her – participates in the meeting of the Board of Directors as a permanent invitee. The Chair of the Board of Directors may invite the Bank's auditor, asset controller and any other person to take part in a Board meeting, in an advisory capacity. The supervisor, in charge of the supervision of the Bank, of the Magyar Nemzeti Bank acting in his scope of duties relating to the supervision of the financial intermediary system and the representatives of MBH Befektetési Bank Zrt. and the Central Organisation of Integrated Credit Institutions, were invited to every meeting of the Board of Directors.

The Chair of the Board of Directors is elected by the General Meeting. The work of the Board of Directors is managed by its Chair. The tasks of the Chair are carried out by the Member of the Board of Directors appointed by the Chair when he is prevented for carrying out his or her tasks.

The scope of duties and powers of the Board of Directors are specified in detail in the Articles of Association and the Board of Directors' Rules of Procedure. Included among the powers of the Board of Directors are those relating to the Bank's strategy, business and financial activities, scope of duties and powers relating to the Bank's operation and organisation, powers relating to capital increases and Treasury shares, rights relating to the representation of the Bank and powers linked to the Board of Directors' own operation.

The Bank's management team – the Bank's top management – performed its activity in 2025 in the following composition: Chief Executive Officer and Deputy Chief Executive Officer. The rights of the employer are exercised in relation to the management team members by the Board of Directors, through the Chair of the Board of Directors.

The Chief Executive Officer is an employee of the Bank, its employee in the highest senior management position. The Chief Executive Officer manages and controls the Bank's daily operational activities under an employment relationship, and performs his tasks relating to his mandate as a Member of the Board of Directors under a corporate legal relationship. Accordingly, his employment relationship is governed by the provisions of the Act I of 2012 on Labour Code, while his election Member of the Board of Directors, and his membership of the same, are regulated by the provisions of the Hpt. and the Act V of 2013 on Civil Code.

The tasks are shared between the Board of Directors and the Chief Executive Officer in such a way that the Bank's daily work is managed by the Chief Executive Officer within the limits of the applicable statutory regulations and the Articles of Association and in accordance with the resolutions adopted by the General Meeting and the Board of Directors. The Chief Executive Officer has the power to make decisions on all matters that are not assigned to the General Meeting's or the Board of Directors' exclusive scope of power. The Chief Executive Officer regularly informs the Board of Directors, and between meetings the Chair of the Board of Directors, about matters relating to the Bank's operation. This division of tasks does not affect the statutory responsibilities of the Board of Directors or the Members of the Board of Directors.

The Chief Executive Officer exercises the rights of the employer over the Bank's employees, with the exception of Chief Executive Officer. The division of tasks between, and the powers of, the Chief Executive Officer and the Deputy Chief Executive Officer are laid down in the Bank's Organisational and Operational Rules, whose modifications resulting in major organisational changes are part of the Board of Directors' powers.

The members of the Board of Directors, the Supervisory Board and the Management Team

Board of Directors

In 2025 the Bank's Board of Directors was made up of the following persons:

External, independent Members without any legal relationship with the Bank other than their membership relationships:

József Vida – Member of the Board of Directors since 30 November 2016, its Chair of the Board of Directors since 5 December 2016.

Ildikó Ginzer – Member of the Board of Directors since 3 December 2021

Dr. Ilona Török – Member of the Board of Directors since 14 November 2022

Szabolcs Károly Brezina – Member of the Board of Directors since 9 December 2022

Internal Members of the Board of Directors – employed by the Bank:

Dr. Gyula László Nagy, Chief Executive Officer - Member of the Board of Directors since 26 April 2017

Illés Tóth Deputy Chief Executive Officer – Member of the Board of Directors since 1 December 2022

No change occurred in the membership of the Board of Directors in 2025.

Supervisory Board

In 2025 the Bank's Supervisory Board was made up of the following persons:

Dr. Géza Károly Láng – Chairman of the Supervisory Board since 5 August 2022

Dr. Éva Szilvia Gödör – Member of the Supervisory Board of the since 1 August 2018

Dr. Tibor Lélfa Koppány - Member of the Supervisory Board since 3 January 2022

Dr. Ákos Ferenc Tisza-Papp – Member of the Supervisory Board since 29 November 2022

Péter Krizsanovich – Member of Supervisory Board since 29 June 2023

András Bakonyi – a member of the Supervisory Board since 29 April 2024.

Each of the above Members of the Supervisory Board is an independent Member without any legal relationship with the Bank other than his or her membership relationships.

The Bank's Management Team

In 2025 the Bank's management team was made up of the following persons:

Chief Executive Officer:

Dr. Gyula László Nagy – since 26 April 2017

Internal Member of the Board of Directors.

Deputy Chief Executive Officer:

Illés Tóth Deputy Chief Executive Officer – since 1 December 2022

Internal Member of the Board of Directors.

The Board of Directors' Cooperation with Other Organisations

The Board of Directors continued to maintain cooperative and correct relationships with both the Supervisory Board and the management team. Every meeting of the Board of Directors was attended by the Bank's Chief Executive Officer, who reported in depth on topical issues of relevance to the Bank's operation and answered questions as they arose during the discussions of agenda items. The Chairman of the Supervisory Board was invited to every meeting of the Board of Directors where always had an opportunity to present his opinions and recommendations, thereby ensuring the owner's representation during the processes of corporate governance. Moreover, consultations and exchanges of opinions took place between the Chairmen of the two boards, Chief Executive Officer and his Deputy on a regular basis between the meetings as well.

The Operation of the Supervisory Board

Reports and proposals were, for the most part, put on the meetings' agendas in a written form. No formal division of work existed among the Board Members. In line with their specific individual technical/professional competences and experience the Members applied different perspectives in the evaluation of the results of each audit.

The Supervisory Board's Cooperation with Other Organisations

The SB had a continuous, objective and effective working relationship with the Board of Directors, the management team and the Bank's Auditor in 2024 as well. The Chairman of the SB attended the meetings of the Board of Directors as a permanent invitee where he could explain his position in representation of the SB.

The Chief Executive Officer took part in every meeting and provided the Members of the Board with adequate information and gave satisfactory answers to questions.

Consultations and exchanges of opinions between the Chairman of the Board of Directors, that of the SB, and Chief Executive Officer, took place on a regular basis even between meetings.

The auditor was a permanent invitee to each SB meeting in order to help the Board carry out its tasks by providing technical/professional input, as necessary.

The Audit Committee

The members – as at 31 December 2025:

Péter Krizsanovich

Dr. Géza Károly Láng

dr. Éva Szilvia Gödör

The operation of the Audit Committee

The Audit Committee adopts its own rules of procedure. The Audit Committee convenes as often as required for the effective performance of its duties and its meetings are held on the basis of the work plan it has adopted for itself. The by-laws of the Audit Committee contains the structure of the Committee, the rules for obligations and responsibilities of committee members, the rights and authorisation of the committee, the rules for preparing, calling and holding the meeting, and furthermore it contains the rules for making resolutions within the frames of the meeting and aside of it in writing, and the rules on minutes of making resolutions, and its documentation.

The Committee Operating with the Participation of Supervisory Board Members as Specified in the Hpt.

Nomination Committee

The Nomination Committee is responsible for nominating and recommending nominees to the Supervisory Board and the Board of Directors defining the skills and responsibilities required for membership of the governing body, and evaluating the composition and performance of the governing body and its members. Decision on the target for the representation of genders in the executive board and elaboration of a strategy required to meet that target, He is also responsible for the regular review of the Bank's policy on the selection and appointment of the Managing Director.

Before the regular annual General Meeting in 2025 the Nomination Committee assessed and evaluated the 2024 activities of MBH Jelzálogbank's managing bodies and found that their members had adequate knowledge, skills and experience and that the respective numbers of their members, their composition and performance, had also been adequate.

The Nomination Committee was dissolved by the Supervisory Board with effect from 31 December 2025.

Standing Committees as defined in the Bank's Rules of Procedure and Standing Committees' Rules of Procedure

Mortgage Bank Asset and Liability Committee (J-EFB)

The J-EFB exercises its powers in relation to Bank on an individual level within the framework defined by MBH Bank Nyrt. as the group controller, the Integration Organisation and the Integration Business Management Organisation.

The Asset and Liability Committee is the primary responsible body for the Bank's asset and liability management. It is responsible for reviewing and discussing the returns, interest expenses and changes in asset holdings, as well as the impact and potential impact on results. Discussion and approval of the Bank's medium and long-term liquidity and financing plans. Preliminary approval of the mortgage bond issuance programme and its parameters, approval of the parameters of individual issues within a given mortgage bond programme. Prior approval of a non-voting or non-convertible private placement programme and its parameters.

It decides on the pricing of the Bank's products and services, approving the standard (public) terms and conditions for the Bank's own loan portfolios and approving the terms and conditions applied in refinancing operations.

It decides on the setting of limits for market risks and makes proposals to the Board of Directors in accordance with the risk policy/risk strategy, and monitors compliance with the limits.

Mortgage Bank Methodology Committee (JMB)

The JMB cooperates with the MBH Methodology Committee and carries out the tasks assigned to it by this committee. The JMB exercises its powers within the framework defined by MBH Bank Nyrt., the Integration Organisation and the Integration Business Management Organisation.

It is responsible for reviewing the Bank's risk profile, approving risk methodologies and setting the internal mortgage bank limit for exposures to a client/counterparty group.

Monitoring credit and counterparty risk in treasury and ALM activities, taking the necessary measures, monitoring compliance with credit and counterparty risk for the client or group of clients. Setting limits for country risks, monitoring compliance with the limits.

Taking decisions on operational risk management measures.

As the NPL Committee, it monitors compliance with the allocated risk limits for the portfolio under its responsibility and takes action in the event of a breach of the limits. Regular review of the NPL portfolio, approval of risk methodologies under its responsibility.

Refinancing Credit Committee (RHB)

The purpose of the Refinancing Loan Committee is to take decisions on the refinancing exposures necessary for the establishment of certain framework conditions for the cooperation agreement (framework agreement) to be concluded with a given counterparty bank in connection with JZB's refinancing business.

Green Mortgage Bond Committee (ZJB)

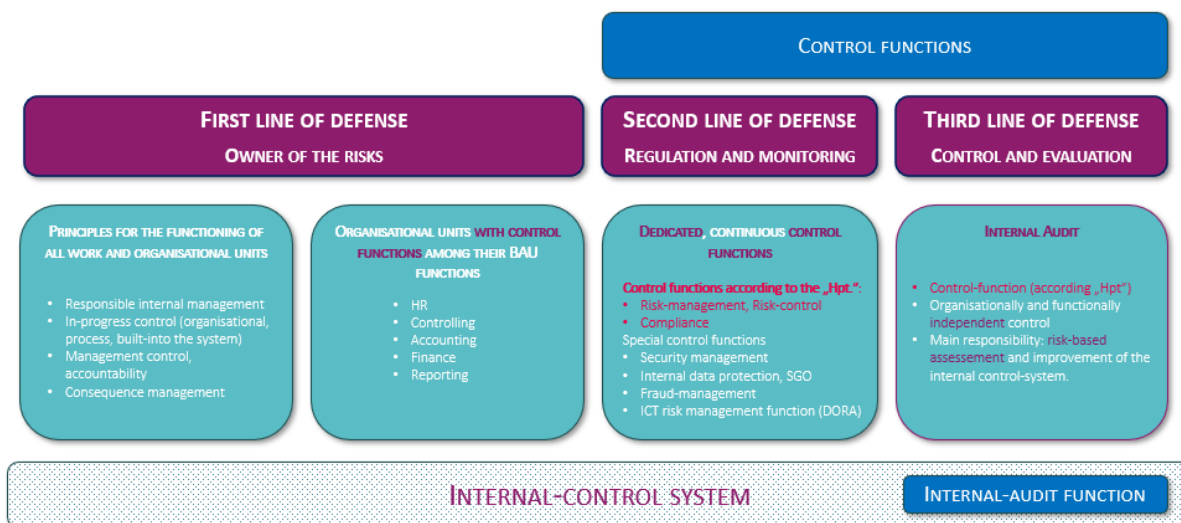
The Committee is responsible for setting up and maintaining the Green Mortgage Bond Framework, deciding on the eligibility of Green Mortgage Loans, monitoring the use of funds from the issuance of Green Mortgage Loans. It determines the maximum number of green mortgage bonds that can be placed and informs the EFB. The Committee is responsible for establishing and maintaining the Green Mortgage Bond Framework, decides on the eligibility of Green Mortgage Loans and monitors the use of funds from the issuance of Green Mortgage Bonds. Approves the environmental impact and allocation reports defined in the Green Mortgage Bond Framework. Supports the creation and implementation of the MBH Group's green strategy.

MAIN FEATURES OF THE INTERNAL CONTROL SYSTEM OF THE BANK

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.

The Company's internal control system – which includes the independent Internal Audit function – is presented through the three lines of defence model.



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” according to the operating model set out in the SZMSZ and related SLAs.

The Company's **first line of defense**, as the “owner of risks”, includes all general activities (e.g.: consistent liability management, operation of a management information system), practices and organizational solutions (e.g.: process-based or management control) that ensure prudent operation. All employees and managers working in the first line of defense must identify, understand and appropriately manage the risks associated with their activities.

The **second line of defense** consists of dedicated control functions performing operational activities (Risk Management, Compliance), as well as the special control functions named by the NBH 's defense line recommendation (IT security, internal data protection, fraud risk, SGO...), while the **third line of defense** is represented by the independent Internal Audit function. In 2025 - in accordance with the requirements of the DORA regulation - a dedicated ICT risk management function was also established in the Company.

The second line of defense supervises and supports the activities of the first line of defense, and the main task of the third line of defense (independent Internal Audit function) is to evaluate and improve the effectiveness of the risk management, control, and governance functions of the first and second lines of defense.

Internal Audit operates as an independent organizational unit, directly under the professional guidance of the Supervisory Board. Its organizational and functional independence means that 1) the area is organizationally independent from other organizational units, and 2) internal audits must be performed by persons who are not involved in the operational work processes of the Company and who are therefore independent of the

organizational unit or process being audited. Internal audit is – by definition – an independent, objective assurance tool and consulting activity that adds value to the Company’s operations and improves its quality. It is responsible to examining the Company’s risk management, governance processes and the internal control system (or the Company’s first and second lines of defense) 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 Jelzálogbank Nyrt. is a member of an Integration Organisation as specified in Act CXXXV of 2013 on the Integration of Cooperative Credit Institutions (hereinafter: Szhitv.). The rules of risk management under Integration apply to the Bank, as a member of the integrated organisation. The operation of the Bank's risk management function is governed by the relevant Hungarian and EU legislation in force, as well as by additional supervisory regulations and requirements. Being a member of the MBH Group, the Bank must also comply with MBH Bank's group-wide internal regulations and requirements.

According to Section 5/A (1) of the Szhitv. the Integration Organisation and its members bear joint and several liability for each other's liabilities, in accordance with the rules set forth in the Civil Code. The joint and several liability covers all claims and receivables from the Integration Organisation and its members, regardless on when they arose or arise.

Pursuant to Section 1 (5) of the Szhitv. the Integration Organisation and its members operate under consolidated supervision as specified in the Htp. The Bank is a member of the MBH Integration Group which is managed by MBH Befektetési Bank and is part of the MBH Group which in turn is managed by MBH Bank.

Section 1 (5) of the Szhitv. stipulates that if the conditions set forth in Article 10 of Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR) are met, the integration of cooperative credit institutions is exempted from the individual application of the requirements set out in Parts Two to Eight of the CRR. Magyar Nemzeti Bank granted the individual waiver specified in Article 10 of the CRR in to the members of the Integration in its resolution No. H-JÉ-I-209/2014. dated 03.03.2014.

In its group-wide risk strategy MBH Bank specifies the list of risks that may be taken by the Bank and the applicable risk management and risk measurement tools and prescribes the general risk-taking principles and rules to be followed. During its operation the Bank seeks to maintain a risk culture that ensures the identification, measurement and management of emerging risks in line with its risk appetite. The most important tools of such a culture include internal policies, strategies, regulations and guidelines, communication and staff training.

The Integration and its member institutions are developing an integrated risk culture covering the Integration as a whole that will provide for the identification, measurement and management of risks as they arise, in line with their respective risk appetites and risk tolerance.

The Bank's risk appetite must be in line with the financial resources available to cover potential losses. To this end, it calculates the current and future economic capital requirements for each quantifiable type of risk and the Pillar 1 capital requirement.

Prudent risk-taking is considered by the Bank as a core value. To this end, the risk management organisation measures and analyses risk exposures, processes the information so gathered, establishes risk taking rules and operates risk management systems.

The group-wide Risk Strategy relies on the following main pillars:

- applying best market practice approaches and methods in risk management
- identifying and continuously monitoring the risk and return profiles of business lines, products and risk positions
- taking risks into account in business decisions
- separating the risk management organisation from the business area
- recognising the importance of all stages of the risk management process
- the risk management process is part of the overall management system and its aspects are integrated into strategic and annual planning.

The boards and committees of Jelzálogbank discuss the proposals regarding revisions and recommended modifications of the risk measurement and management methods and procedures, and reports on changes and trends in risks, at regular intervals.

Risk Management Organisation

Jelzálogbank's risk management organisation is separated from the organisational units engaged in business management.

The risk management function of Jelzálogbank is operating under a multi-level control system whose most important elements include ultimate control exercised at the level of the Board of Directors, along with independent control separated from the risk taking units, as well as appropriate measurement, diversification, monitoring and reporting of risks.

Budapest, 31 March 2026

MBH Mortgage Bank Plc.

***Issuer Declaration
for Standalone Financial Statements***

MBH Jelzálogbank Nyrt. (MBH Mortgage Bank Co. Plc.) as the Issuer (represented by: dr.Gyula László Nagy CEO, and Illés Tóth Deputy CEO), hereby declares that the **2025 Annual report** of MBH Mortgage Bank Co. Plc. has 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 **Standalone Financial Statements** give a true and fair view of assets, liabilities, financial position and profit of MBH Mortgage Bank Co. Plc., furthermore the **Standalone Management report** gives a fair view of the position, development and performance of MBH Mortgage Bank Co. Plc., disclosing the risks and the factors of uncertainty.

Budapest, 31 March 2026.

MBH Mortgage Bank Co. Plc.

Dr. Gyula László Nagy
CEO

Illés Tóth
Deputy CEO