MBH Bank Plc.

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statistic code

Condensed consolidated interim financial statements

Prepared in accordance with
IAS 34 Interim Financial Reporting standard
as adopted by the EU

Issued: Budapest, 12 September 2025

30 June 2025

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Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	30.06.2025	31.12.2024
Assets			
Cash and cash-equivalents	4.7	**1 091 144**	**1 076 920**
Financial assets measured at fair value through profit or loss		**829 869**	**800 790**
Loans and advances to customers mandatorily at fair value through profit or loss	4.8.1	589 150	565 731
Securities held for trading	4.8.2	69 072	17 236
- of which pledged as collateral	4.14.1	1 859	-
Securities mandatorily at fair value through profit or loss	4.8.3	43 083	52 316
Derivative financial assets	4.8.4	128 564	165 507
Hedging derivative assets	4.9	**66 035**	**81 633**
Financial assets measured at fair value through other comprehensive income		**483 134**	**1 204 054**
Debt and equity securities	4.10.1	483 134	1 204 054
- of which pledged as collateral	4.14.1	51 436	32 786
Financial assets measured at amortised cost		**9 576 098**	**8 945 538**
Loans and advances to banks	3.2.1.1	161 307	136 357
Loans and advances to customers	4.11.1	5 326 701	5 245 317
Reverse sale and repurchase agreements	4.11.2	11 464	4 824
Debt securities	4.11.3	3 921 904	3 424 844
- of which pledged as collateral	4.14.1	678 716	302 511
Other financial assets		154 722	134 196
Fair value change of hedged items in portfolio hedge of interest rate risk		**602**	**(5 316)**
Investment in associates and other investments	4.12	**87 591**	**82 891**
Property and equipment		**157 928**	**151 059**
Intangible assets		**102 956**	**94 970**
- from which: goodwill	2.3	3 340	3 340
Income tax assets		**9 610**	**9 141**
Current income tax assets		1 618	653
Deferred income tax assets		7 992	8 488
Other assets		**47 067**	**62 741**
Assets held for sale		**244**	**270**
Total assets		**12 452 278**	**12 504 691**

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

	Note	30.06.2025	31.12.2024
Liabilities			
Financial liabilities measured at fair value through profit or loss		**142 597**	**121 084**
Derivative financial liabilities	4.13	112 741	91 898
Financial liabilities from short positions	4.13	29 856	29 186
Hedging derivative liabilities	4.9	**28 574**	**17 280**
Financial liabilities measured at amortised cost		**11 040 211**	**11 109 168**
Amounts due to banks	4.14.1	1 171 979	1 930 329
Amounts due to customers	4.14.2	7 925 416	8 052 470
Sale and repurchase agreements	4.14.1	732 011	335 297
Issued debt securities	4.14.3	870 874	534 628
Subordinated debts	4.14.4	173 136	94 662
Other financial liabilities		166 795	161 782
Provisions for liabilities and charges	4.15	**29 474**	**31 306**
Income tax liabilities		**2 642**	**9 362**
Current income tax liabilities		1 459	8 152
Deferred income tax liabilities		1 183	1 210
Other liabilities		**67 525**	**77 035**
Total liabilities		**11 311 023**	**11 365 235**
Equity			
Share capital		322 530	322 530
Treasury shares		(55 440)	(55 440)
Share premium		348 894	348 894
Retained earnings		329 054	169 232
Other reserves		75 689	75 689
Profit for the year		48 266	197 390
Accumulated other comprehensive income		1 438	11 602
Equity attributable to the owners of the parent company		**1 070 431**	**1 069 897**
Non-controlling interest		**70 824**	**69 559**
Total equity		**1 141 255**	**1 139 456**
Total liabilities and equity		**12 452 278**	**12 504 691**

Approved for issue on behalf of the Board of Directors in Budapest on 12 September 2025.

Dr. Barna Zsolt Digitally signed by Dr. Barna Zsolt Date: 2025.09.12 13:57:10 +02'00'

Krizsanovich Péter Digitally signed by Krizsanovich Péter Date: 2025.09.12 12:36:39 +02'00'

Dr. Zsolt Barna
Chairman and CEO

Péter Krizsanovich
Deputy CEO
for Strategy and Finance

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Interest income		**509 268**	**538 204**
Interest income calculated using effective interest rate method	4.1	325 640	348 670
Other income similar to interest	4.1	183 628	189 534
Interest expense		**(273 243)**	**(270 854)**
Interest expense calculated using effective interest rate method	4.1	(149 906)	(151 710)
Other expense similar to interest	4.1	(123 337)	(119 144)
Net interest income		**236 025**	**267 350**
Fee and commission income	4.2	**123 214**	**99 790**
Fee and commission expenses	4.2	**(25 878)**	**(23 629)**
Net income from fees and commissions		**97 336**	**76 161**
Result from remeasurement and derecognition of financial instruments		**(14 181)**	**4 919**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	4.3	(57 244)	18 022
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	4.3	6 104	3 752
Results from derecognition of loans and debt securities measured at amortised cost	4.3	(871)	(6 428)
Results from hedge accounting	4.3	(6 682)	(4 831)
Foreign exchange gains less losses	4.3	44 512	(5 596)
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets		**5 388**	**(16 509)**
Expected credit loss on financial assets, financial guarantees and loan commitments	4.4	8 320	(12 308)
Provisions for litigation, restructuring and similar charges	4.4	(206)	810
(Loss) / gain on modification of financial instruments that did not lead to derecognition	4.4	(2 117)	(3 416)
(Impairment) / reversal of impairment on other investments	4.4	(132)	(151)
(Impairment) / reversal of impairment on other financial and non-financial assets	4.4	(477)	(1 444)
Dividend income		**1 591**	**1 074**
Administrative and other operating expenses	4.5	**(257 724)**	**(204 134)**
Other income		**9 899**	**8 331**
Other expense		**(10 774)**	**(10 708)**
Share of profit or loss of associates		**603**	**2 914**
Profit before taxation		**68 163**	**129 398**
Income tax income / (expense)	4.6	**(14 637)**	**(20 603)**
Profit for the period		**53 526**	**108 795**

	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Items that may be reclassified to profit or loss		**(12 595)**	**(21 188)**
Hedging instruments		*(156)*	*(47)*
Debt instruments at fair value through other comprehensive income:		*(13 633)*	*(23 091)*
- *Fair value changes*		*(19 737)*	*(26 843)*
- *Reclassification of accumulated remeasurements to profit or loss upon derecognition*		*6 104*	*3 752*
Income tax relating to items that may be reclassified subsequently		*1 194*	*1 950*
Items that will not be reclassified to profit or loss		**2 206**	**1 064**
Fair value changes of equity instruments measured at fair value through other comprehensive income		*2 206*	*1 064*
Other comprehensive income for the period net of tax		**(10 389)**	**(20 124)**
Total comprehensive income		**43 137**	**88 671**
Profit for the period is attributable to:			
Owners of the parent company		48 266	104 673
Non-controlling interest		5 260	4 122
Profit for the period		**53 526**	**108 795**
Total comprehensive income for the period is attributable to:			
Owners of the parent company		38 020	84 572
Non-controlling interest		5 117	4 099
Total comprehensive income for the period		**43 137**	**88 671**
Net earnings attributable to ordinary shareholders		48 265	104 673
Average number of ordinary shares outstanding (thousands)		299 949	322 530
Earnings per share for profit attributable to the owners of the parent company (in HUF)			
Basic	4.19	161	325
Diluted	4.19	161	325

Condensed consolidated interim financial tatements as at 30 June 2025 Data in HUF million except stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Share capital	Treasury shares	Share premium	Retained earnings	Other reserves	Profit for the year	Accumulated other comprehensive income	Equity of the owners of the parent company	Non-controlling interest	Total equity
31.12.2023		**322 530**	**-**	**348 894**	**44 754**	**51 066**	**176 679**	**36 465**	**980 388**	**42 983**	**1 023 371**
Profit for the year		-	-	-	-	-	104 673	-	**104 673**	4 122	**108 795**
Other comprehensive income		-	-	-	-	-	-	(20 101)	**(20 101)**	(23)	**(20 124)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**104 673**	**(20 101)**	**84 572**	**4 099**	**88 671**
Settlement reserve*		-	-	-	(8 748)	8 748	-	-	**-**	-	**-**
Transfer of previous year's profit		-	-	-	176 679	-	(176 679)	-	**-**	-	**-**
Dividend paid		-	-	-	(24 512)	-	-	-	**(24 512)**	(2 280)	**(26 792)**
Changes from business combination	2.3	-	-	-	-	-	-	-	**-**	21 607	**21 607**
Purchase of non-controlling interest and other changes in the ownership share in subsidiaries		-	-	-	(1 440)	-	-	(9)	**(1 449)**	4 194	**2 745**
Transactions with Owners		**-**	**-**	**-**	**141 979**	**8 748**	**(176 679)**	**(9)**	**(25 961)**	**23 521**	**(2 440)**
30.06.2024		**322 530**	**-**	**348 894**	**186 733**	**59 814**	**104 673**	**16 355**	**1 038 999**	**70 603**	**1 109 602**
31.12.2024		**322 530**	**(55 440)**	**348 894**	**169 232**	**75 689**	**197 390**	**11 602**	**1 069 897**	**69 559**	**1 139 456**
Profit for the year		-	-	-	-	-	48 266	-	**48 266**	5 262	**53 528**
Other comprehensive income		-	-	-	-	-	-	(10 245)	**(10 245)**	(144)	**(10 389)**
Total comprehensive income for the year		**-**	**-**	**-**	**-**	**-**	**48 266**	**(10 245)**	**38 021**	**5 118**	**43 139**
Transfer of previous year's profit		-	-	-	197 390	-	(197 390)	-	**-**	-	**-**
Dividend paid**	4.21	-	-	-	(36 894)	-	-	-	**(36 894)**	(3 168)	**(40 062)**
Purchase of non-controlling interest and other changes in the ownership share in subsidiaries		-	-	-	(674)	-	-	81	**(593)**	(685)	**(1 278)**
Transactions with Owners		**-**	**-**	**-**	**159 822**	**-**	**(197 390)**	**81**	**(37 487)**	**(3 853)**	**(41 340)**
30.06.2025		**322 530**	**(55 440)**	**348 894**	**329 054**	**75 689**	**48 266**	**1 438**	**1 070 431**	**70 824**	**1 141 255**

** Settlement reserve is related to Fundamenta and required by the Act CXIII of 1996 on Home Savings and Loan Associations.*
*** The amount of dividend approved by the General Meeting included the HUF 22.9 billion paid in advance on 28 October 2024. Based on the resolution of the General Meeting and the consultation with the Hungarian National Bank, the Bank paid the remaining dividend amount in two instalments. The first instalment, HUF 2 billion, was paid on 21 May 2025, the second instalment, representing the remaining HUF 12 billion, was paid on 12 August 2025, following the confirming letter received from the Hungarian National Bank that the conditions set by the General Meeting had been met. In both payment dates, the rules regarding the accounting of the previously paid interim dividend were applied.*

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH-FLOWS

	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Cash flows from operating activities			
Profit/ (Loss) before taxation		**68 163**	**129 398**
Adjustments for non-cash income and expenses, interest, dividends and tax:			
Depreciation, amortisation and impairment	4.5	22 607	19 012
Expected credit loss / (reversal) on financial instruments	4.3	(10 562)	12 047
Impairment on securities, associates and other investments / (reversal of impairment)	4.4	2 374	1 736
Impairment on other assets / (reversal of impairment)		440	(133)
(Reversal of provisions for) / Recognise provisions on other items	4.15	206	(1 687)
Revaluation of loans and advances to customers mandatorily at fair value through profit or loss	4.8.1	5 520	(10 113)
Revaluation of securities	4.3	(15 379)	7 194
Revaluation of issued securities	4.14.3	(13 681)	4 406
Other revaluation differences	4.3	47 656	(4 545)
Net interest income	4.1	(236 025)	(267 352)
Dividends from shares		(1 591)	(1 074)
Unrealised foreign exchange gains less losses		(14 864)	91
Interest received	4.1	472 859	476 883
Interest paid	4.1	(244 890)	(249 859)
Dividends received		1 591	1 074
Income tax	4.6	(21 826)	(31 872)
Cash flows before changes in assets and liabilities		**62 598**	**85 206**
Change in loans and advances to banks	4.11.1	(30 822)	(30 018)
Change in loans and advances to customers	4.11.1	(118 798)	(100 824)
Change in securities	4.8.2, 4.8.3, 4.10.1	662 087	7 498
Change in derivative assets	4.8.4	46 623	36 833
Change in other assets		(13 158)	39 118
Change in amounts due to banks (short term)	4.14.1	356 184	(5 624)
Change in current and deposit accounts	4.14.2	(131 593)	118 473
Change in other liabilities		(8 813)	4 645
Change in derivative liabilities and short positions	4.11.4, 4.12, 4.8.4	32 137	(19 460)
Net change in assets and liabilities of operating activities		**793 847**	**50 641**
Net cash (used in) / generated by operating activities		**856 445**	**135 847**

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

	Note	01.01.2025 - 30.06.2025	01.01.2024 - 30.06.2024
Cash flow from investing activities			
Acquisition of subsidiary, net of cash acquired		-	(11 556)
Increase of associates and other investments	4.12	(5 495)	(5 943)
Decrease of associates and other investments		251	1 310
Purchases of property, equipment and intangible assets		(32 603)	(28 247)
Disposals of property, equipment and intangible assets		2 424	297
Purchase of securities measured at amortized cost	4.11.3	(580 282)	(382 955)
Disposals and redemptions of debt securities measured at amortised cost	4.11.3	89 144	282 554
Proceeds from disposal of non-current assets held for sale		26	69
Net cash (used in) / generated by investing activities		**(526 535)**	**(144 471)**
Cash flow from financing activities			
Issuance of debt securities	4.14.3	409 629	55 395
Redemption of issued debt securities	4.14.3	(80 163)	(83 438)
Proceeds from issuing subordinated debts	4.14.4	91 002	-
Redemption of subordinated debts	4.14.4	(10 042)	(14 125)
Repayment of principal of lease liabilities		(6 203)	(2 523)
Increase in long term amounts due to banks	4.14.1	50 394	64 171
Decrease in long term amounts due to banks		(780 432)	(159 147)
Dividends and advanced dividends paid		(4 735)	(26 792)
Net cash (used in) / generated by financing activities		**(330 550)**	**(166 459)**
Net increase / (decrease) of cash and cash-equivalents		**(640)**	**(175 083)**
Cash and cash-equivalents at the beginning of the year		**1 076 920**	**1 347 889**
FX change on cash and cash-equivalents		14 864	(91)
Net cash-flow of cash and cash-equivalents		(640)	(175 083)
Cash and cash-equivalents at the end of the period		**1 091 144**	**1 172 715**

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. GENERAL INFORMATIONS

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

1.1 The shareholder structure of MBH Bank

The subscribed capital of MBH Bank as the acquiring company increased to HUF 322,529,625,000. The Bank's share capital consists entirely of Series „A" ordinary shares, each of which carries the same rights. With its decision H-EN-I-524/2024, issued on 28 November 2024, National Bank of Hungary (hereinafter: „NBH") authorised the Company to repurchase, on an individual and consolidated basis, common equity tier 1 capital instruments (treasury shares) with an aggregate nominal value of HUF 22,577,074,000. In accordance with the legislation, the total amount specified in the authorisation is immediately deducted from the own funds. On 11 December 2024, MBH Bank purchased a total of 22,577,074 Series A ordinary own shares issued with a nominal value of HUF 1,000 each, in OTC transactions. As a result of the transactions, the ratio of treasury shares held by the Company changed from 0% to 7%.

MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 30 June 2025:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)	Voting rights (%)
Zenith Asset Management Ltd.	80 123 046	80 123 046 000	24.84%	26.71%
Corvinus BHG Ltd.	64 524 163	64 524 163 000	20.01%	21.51%
CEE Horizon Capital Ltd.	36 706 059	36 706 059 000	11.38%	12.24%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10.70%	11.50%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6.21%	6.68%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6.21%	6.68%
Repurchased treasury shares	22 580 867	22 580 867 000	7.00%	0.00%
Free float*	44 030 277	44 030 277 000	13.65%	14.68%
Total	**322 529 625**	**322 529 625 000**	**100.00%**	**100.00%**

** Including legal entities with less than 5% ownership that are indirectly owned by shareholder.*

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

MBH Bank's ownership structure and the shareholders' ownership and voting rights were as follows as at 31 December 2024:

Owner	Number of shares	Total nominal value of shares (HUF)	Ownership share (%)	Voting rights (%)
Zenith Asset Management Ltd.	80 123 046	80 123 046 000	24.84%	26.71%
Corvinus BHG Ltd.	64 524 163	64 524 163 000	20.01%	21.51%
CEE Horizon Capital Ltd.	36 706 059	36 706 059 000	11.38%	12.24%
CEE Paramount Equity Ltd.	34 503 690	34 503 690 000	10.70%	11.50%
Hungary Apex Investments Ltd.	20 030 762	20 030 762 000	6.21%	6.68%
Pinnacle Asset Group Ltd.	20 030 761	20 030 761 000	6.21%	6.68%
Repurchased treasury shares	22 580 867	22 580 867 000	7.00%	0.00%
Free float*	44 030 277	44 030 277 000	13.65%	14.68%
Total	**322 529 625**	**322 529 625 000**	**100.00%**	**100.00%**

** Including legal entities with less than 5% ownership that are indirectly owned by shareholder.*

The Group has no ultimate controlling party.

Management Bodies and Committees of MBH Bank and their main responsibilities

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

Chairman of the Supervisory Board:
- Miklós Vaszily

Members of the Board of Directors:
- Levente László Szabó
- Marcell Tamás Takács
- István Sárváry
- Dr. Balázs Vinnai
- Ádám Egerszegi

Members of the Supervisory Board:
- Zsigmond Járai
- Rita Feodor
- Kitti Dobi
- dr. Ilona Török

1.2 Availability of consolidated financial statements and annual report

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

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

Auditing company:
PricewaterhouseCoopers Auditing Ltd.

Auditor personally responsible:
Árpád Balázs

Person responsible for managing and controlling the accounting services tasks:
Gergely Péter Kállay, Head of accounting (registration number: 202008)

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

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

- Government Decrees on the different application of the provisions of CCXXXVII of 2013 on Credit Institutions and Financial Enterprises and certain related legislative provisions;
- Government Decree 374/2024 (XII. 2.) on the modification of Government Decree 782/2021 (XII. 24.) concerning the emergency application of Act CLXII of 2009 on consumer credit (last modified by Government Decree 170/2025 (VI.26.)) and most recently extended the interest rate cap on retail mortgage contracts until 31 December 2025;
- Amendment to Act C of 2000 on Accounting, under which MBH Bank is not required to prepare an individual sustainability report;
- Government Decree No. 372/2024. (XI. 29.) on the detailed rules of the worker's loan scheme;
- Act XVIII of 2025 on the installation of automated teller machines (ATMs);
- Government Decree No. 68/2025. (IV. 4.) on transitional provisions aimed at stabilising the financial situation of farmers affected by hoof-and-mouth disease, including a payment moratorium for the affected farmers until 30 April 2026;
- Government Decree No. 80/2025. (IV. 17.) amending Government Decree No. 78/2014. (III. 14.) on the investment and borrowing rules of collective investment schemes, with specific reference to the portfolio composition of investment funds managed by MBH Fund Management Ltd;
- Act LXIX of 2025 on the Central Budget of Hungary for the year 2026, including the framework for state guarantees, sureties, counter-guarantees, and guarantee undertakings, particularly concerning GHG, AVHGA, and Start Guarantee.

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

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

1.4 Subsidiaries

The Group's scope of accounting consolidation did not change during the period.

The fully consolidated subsidiaries of the Group as of 30 June 2025 are:

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION

The Group followed the same accounting policies and methods of computation in the current condensed consolidated interim financial statements as were followed in the most recent annual consolidated financial statements.

MBH Bank and its subsidiaries included in the scope of accounting consolidation (hereinafter: "Group") maintain their accounting records and prepare their general ledger statements in accordance with the provisions of the laws in force in Hungary. The functional currency of the members of the Group is the Hungarian Forint (HUF). In these consolidated financial statements, all amounts are presented in millions of HUF, except where otherwise indicated.

2.1 Use of estimates and judgements

The preparation of consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Management discusses the design, selection, disclosure and application of these critical accounting policies and estimates with the Group's Supervisory Board. These disclosures supplement the commentary on financial risk management in Note 3. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Allowances for credit losses

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

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument (see also Note 4.17).

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.

2.2 Adoption of revised and new IFRS/IAS standards

2.2.1 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 Group's financial statements.

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

- **Amendments to 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).

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

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

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

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

- **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.

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

The above mentioned standards have no impact to the Group.

2.2.4 Annual improvements to IFRS (Issued in July 2024 and effective from 1 January 2026)

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

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

2.3 Business combinations during the reporting period

No business combination was identified during the reporting period. Goodwill recognised in connection with the business combination related to the preceding period have been reviewed in accordance with IAS 36 - goodwill recognised in a business combination is required to be reviewed for impairment at least on an annual basis - or more frequently if there is an indication of impairment loss. Based on the 3-year business plan prepared by Fundamenta for the period 2025-2027, no impairment loss is recognised for the goodwill during the period.

3. RISK MANAGEMENT

3.1 Introduction and overview

The Group activities involve a certain degree of risk assumption. The measurement, evaluation, acceptance and management of these risks are integral parts of the Group's daily operative activity.

Risk management is an integral part of the Group's operations and a crucial component of its business and overall financial performance. The Groups risk management framework has been designed to support the continuous monitoring of the changes of the risk environment and is supported by the strong commitment to a prudent risk management culture both on the strategy and business line levels. The main principles and priorities of the risk management function include the ultimate oversight by the Board of Directors (the approval of the Supervisory Board is also required for some specifically defined risk decisions), the importance of independent review of all risk-taking activities separately from business lines, and the proper evaluation, diversification, limitation, monitoring and reporting of all risks. Decisions in respect of major risk principles are approved at group level and are implemented individually by the own decision-making boards of the Group members.

The effective communication on risk and risk appetite, the on-going initiatives to better identify, measure, monitor and manage risks, the improvement of efficiency, user-friendliness and awareness of key risk processes and practices, and the employment of highly skilled staff are the bases of running an effective risk management function in the Group.

The risk self-assessment and the identification of material risks are prepared at least annually as part of the Internal Capital Adequacy Assessment Process (ICAAP) review process.

Risk management governance

The Group'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 Group's risk assumption willingness, risk appetite and the on-going ability of the Group to manage its risks and the maintenance of its funds to cover risk exposures in long-term. This will also ensure the capital preservation and guarantee the solvency of the Group at any time.

3.2 Risk factors

3.2.1 Credit risk

As of the reporting date, environmental, social and governance (ESG) aspects have not been considered in the models used for the Group's risk management. The method of collecting and storing ESG relevant information has been already developed to ensure the subsequent analysis and usability in usual business procedures. In longer terms by analysing the composition of the ESG index, further MBH specific ESG data and the gradual implementation of ESG customer-level data, from 1st July 2025 in accordance with the Recommendation No 7/2025 (VI.23.) of NBH, information can be utilised during stress test modelling as well as the estimation of life-time PD and LGD parameters.

In addition, MBH Bank's risk parameters were updated based on the latest macro forecasts, in accordance with the expectations of the NBH. Macro scenarios used were provided by MBH Bank's Research Center, thus ensuring that the macro forecasts used in impairment calculation and the macro parameters used in financial planning are even more closely consistent. Based on the forecasts the Group will use the current marcoeconomic PD forecast models to calculate the new parameters required for macroeconomic adjustments (Macro overlay factor – MOF) on a segment level. Using these new parameters the IFRS PD (without macro correction) values will be adjusted to reflect the expectations of the macroeconomic scenarios. The weighting of the macroeconomic scenarios is calculated in accordance with the recommendations of the (internal use only) management letter from NBH which is also in line with the weighting recommended by the Research Center. At 30 June 2025 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 values adjusted to the new macroeconomic environment and expectations are implemented after the approval of the Methodology Committee. The Group's macroeconomic models will be validated with every update both with statistical methods and business side validation - thus ensuring the applicability of the model.

The change in the applied weights in 2025 was justified by the less favourable development of the base scenario compared to previous expectations, which resulted in a higher weighting of the base scenario.

Quarterly reports on the development of impairment and provisioning for credit risks are presented to the Methodology Committee, and quarterly reports on the development and utilisation of sectoral and transaction type limits are also presented.

In exceptional economic situations there is a possibility to adjust the models based on expert judgements. The portfolio level management adjustment calculated in this context is a lump sum expected loss value that the Group's models are not able to capture or not fully capture, but the level of risk is assumed to be significant (e.g. credit loss increases due to default events after the end of the moratorium).

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

- In the agricultural sector during the year 2025, the volume of crops significantly decreased, and epidemics hindered the operation of the sector, which is not yet reflected in the current (latest) 2024 reports-based risk assessments. Therefore, the Group implemented an agricultural overlay for loans classified in Stage 2 to cover increased credit risks and default probabilities by increasing the ECL coverage.
- In the construction industry, production volume decreased significantly in 2024 due to decreasing order numbers and postponed investments, which was not yet reflected in the risk classifications based on the financial reports of year 2023. For this reason, the Group, in order to cover increased credit risks and default probabilities, implemented a construction sector overlay for the exposures classified in Stage 2 by increasing the ECL coverage. The Group will continue to apply the construction overlay during 2025 maintaining lower risk weights.
- Euroleasing Ltd. establishes an overlay for balloon-bullet transactions to cover their above-average risk.
- Fundamenta-Lakáskassza Ltd. is managing the long-lasting effect of the higher price level and the inflation shock observed in recent years by applying a post model adjustment.
- The overlay applied for Stage 2 classified clients affected by the agricultural moratorium has been phased out during 2025.

At 30 June 2025 the overlays applied by the Group and the cumulative expected credit loss were the followings:

- agricultural sector overlay: HUF 15.9 billion,
- the amount of construction sector overlay introduced from the end of 2024: HUF 4.9 billion (2024: HUF 10.2 billion),
- the amount of overlay for balloon/bullet loans at Euroleasing Ltd.: HUF 0.6 billion (2024: HUF 0.5 billion),
- post model adjustment applied by the Fundamenta Lakáskassza amounted HUF 1.4 billion (2024: HUF 1.4 billion).

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3.2.1.1 Classification of credit risks

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

30.06.2025	Gross amount				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to banks					
Low risk	160 613	-	-	-	160 613
Medium risk	799	-	-	-	799
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***161 412***	***-***	***-***	***-***	***161 412***
Retail loans					
Low risk	358 244	-	-	431	358 675
Medium risk	1 399 981	-	-	834	1 400 815
High risk	49 304	274 183	-	3 994	327 481
Default	-	-	56 491	3 159	59 650
Total retail loans	***1 807 529***	***274 183***	***56 491***	***8 418***	***2 146 621***
Wholesale loans					
Low risk	272 899	-	-	80	272 979
Medium risk	2 061 767	-	-	-	2 061 767
High risk	57 092	923 936	-	282	981 310
Default	-	-	148 996	177	149 173
Total wholesale loans	***2 391 758***	***923 936***	***148 996***	***539***	***3 465 229***
Total	**4 360 699**	**1 198 119**	**205 487**	**8 957**	**5 773 262**

30.06.2025	Expected credit loss				
	Stage 1	Stage 2	Stage 3	POCI	Total
Loans to banks					
Low risk	(94)	-	-	-	(94)
Medium risk	(11)	-	-	-	(11)
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***(105)***	***-***	***-***	***-***	***(105)***
Retail loans					
Low risk	(1 523)	-	-	-	(1 523)
Medium risk	(12 994)	-	-	-	(12 994)
High risk	(4 374)	(21 613)	-	(142)	(26 129)
Default	-	-	(40 372)	(217)	(40 589)
Total retail loans	***(18 891)***	***(21 613)***	***(40 372)***	***(359)***	***(81 235)***
Wholesale loans					
Low risk	(1 338)	-	-	-	(1 338)
Medium risk	(26 936)	-	-	-	(26 936)
High risk	(6 674)	(88 413)	-	(25)	(95 112)
Default	-	-	(80 453)	(75)	(80 528)
Total wholesale loans	***(34 948)***	***(88 413)***	***(80 453)***	***(100)***	***(203 914)***
Total	**(53 944)**	**(110 026)**	**(120 825)**	**(459)**	**(285 254)**

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31.12.2024	Gross amount Stage 1	Stage 2	Stage 3	POCI	Total
Loans to banks					
Low risk	137 340	-	-	-	137 340
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***137 340***	***-***	***-***	***-***	***137 340***
Retail loans					
Low risk	355 771	-	-	378	356 149
Medium risk	1 258 830	-	-	730	1 259 560
High risk	46 347	322 911	-	3 610	372 868
Default	-	-	63 328	4 527	67 855
Total retail loans	***1 660 948***	***322 911***	***63 328***	***9 245***	***2056 432***
Wholesale loans					
Low risk	298 052	-	-	49	298 101
Medium risk	2 156 417	-	-	-	2 156 417
High risk	83 107	865 709	-	292	949 108
Default	-	-	90 934	316	91 250
Total wholesale loans	***2 537 576***	***865 709***	***90 934***	***657***	***3 494 876***
Total	**4 335 864**	**1 188 620**	**154 262**	**9 902**	**5 688 648**

31.12.2024	Expected credit loss Stage 1	Stage 2	Stage 3	POCI	Total
Loans to banks					
Low risk	(983)	-	-	-	(983)
Medium risk	-	-	-	-	-
High risk	-	-	-	-	-
Default	-	-	-	-	-
Total loans to banks	***(983)***	***-***	***-***	***-***	***(983)***
Retail loans					
Low risk	(1 650)	-	-	-	(1 650)
Medium risk	(14 140)	-	-	-	(14 140)
High risk	(5 639)	(22 875)	-	(143)	(28 657)
Default	-	-	(43 996)	(455)	(44 451)
Total retail loans	***(21 429)***	***(22 875)***	***(43 996)***	***(598)***	***(88 898)***
Wholesale loans					
Low risk	(1 585)	-	-	-	(1 585)
Medium risk	(29 809)	-	-	-	(29 809)
High risk	(9 084)	(123 701)	-	(10)	(132 795)
Default	-	-	(52 845)	(59)	(52 904)
Total wholesale loans	***(40 478)***	***(123 701)***	***(52 845)***	***(69)***	***(217 093)***
Total	**(62 890)**	**(146 576)**	**(96 841)**	**(667)**	**(306 974)**

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3.2.1.2 Portfolio affected by interest rate cap

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

According to Decree 49/2022 (II. 18.) issued by the Hungarian Government on 18 February 2022, between 1 January 2022 and 30 June 2022 in the case of financial lease contracts on housing purpose with a reference interest rate, the reference interest rate shall be set so, that it cannot be higher than the reference interest rate specified in the contract on 27 October 2021.

According to Decree 415/2022 (X. 26.) issued by the Hungarian Government on 26 October 2022, the temporary cap on floating interest rates was extended to HUF denominated, non-state subsidised credit, loan- and financial lease agreements of small and medium enterprises (hereinafter: “SMEs”). Following 15 November 2022, interest rates were frozen retroactively at their level on 28 June 2022. Similarly to consumer mortgage loans and financial lease contracts on housing purpose the cap was effective until 30 June 2023. This Decree entered into force on 27 October 2022. The interest rate cap was extended since then each time for a 6 month period, most recently by decree 170/2025 (VI.26.) until 31 December 2025. The interest rate cap was abolished in the case of loans disbursed to SMEs on 1 April 2024.

The modification loss due to the program was calculated in each period based on the expected cash flow, which ones are estimated under these legislations and was reversed. Credit risk monitoring is a key element in the methodology for measuring the significant increase in credit risk since its initial publication. The exposure of the Group’s customers affected by the cap of floating interest rate was the following:

Exposures affected by 782/2021. (XII.24.) Gov. decree and its amendments	**30.06.2025 effect of 170/2025 (VI.26.)**	**31.12.2024 effect of 374/2024 (XII.2.)**	**30.06.2024 effect of 130/2024 (VI.20.)**
Gross carrying amount before modification	177 355	209 160	222 154
Loss allowance before modification	(5 969)	(10 202)	(14 628)
Net amortised cost before modification	***171 386***	***198 958***	***207 526***
Net modification loss	(3 942)	(4 288)	(3 992)
Loss allowance due to modification loss	122	190	255
Net amortised cost after modification	**167 566**	**194 860**	**203 789**

The calculated modification loss – relating to both extensions as explained above – in connection with modified contractual cash-flows was HUF -3,942 million in the first half of 2025 (2024: HUF -8,280 million). For stage 2, stage 3 loans an amount of HUF -2,117 million was recognised in (Loss) / gain on modification of financial instruments that did not lead to derecognition (2024: HUF -5,781 million) and for stage 1 loans HUF -1,825 million in Interest income calculated using effective interest rate method in the statement of profit or loss (2024: HUF -2,499 million). In addition, in the line of Interest income calculated using effective interest rate method HUF 4,764 million is recognised in connection with the modified cash-flows of financial instruments of the previous years (2024: HUF 10,885 million).

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3.2.1.3 Collaterals

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

Face value of collateral received	Loan commitments received	Financial guarantees received
30.06.2025		
Central banks	59	-
General governments	-	801 934
Banks	84 200	298 454
Other financial companies	-	22 958
Non-financial companies	-	179 245
Households	-	1 036
Total	***84 259***	***1 303 627***
31.12.2024		
Central banks	112	-
General governments	-	821 110
Banks	64 604	218 900
Other financial companies	-	78 265
Non-financial companies	-	96 880
Households	-	944
Total	***64 716***	***1 216 099***

3.2.2 Liquidity risk

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

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

30.06.2025	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	**1 091 144**	**1 091 144**	**1 091 144**	**-**	**-**	**-**	**-**
Financial assets measured at FVTPL	**895 904**	**3 058 793**	**1 173 720**	**336 119**	**581 024**	**317 162**	**650 768**
Loans and advances	589 150	686 171	2 937	6 213	28 641	166 651	481 729
Securities	112 155	126 670	2 014	179	2 821	56 352	65 304
Derivative financial assets*	194 599	2 245 952	1 168 769	329 727	549 562	94 159	103 735
Financial assets measured at FVTOCI	**483 134**	**684 222**	**253**	**21 257**	**42 825**	**162 963**	**456 924**
Securities	483 134	684 222	253	21 257	42 825	162 963	456 924
Financial assets measured at AC	**9 576 098**	**11 340 605**	**165 315**	**428 098**	**2 003 937**	**5 029 414**	**3 713 841**
Loans and advances, reverse sale and repurchase agreements and other financial assets	5 654 194	6 941 162	155 784	382 120	1 401 026	2 905 827	2 096 405
Securities	3 921 904	4 399 443	9 531	45 978	602 911	2 123 587	1 617 436
Total assets	**12 046 280**	**16 174 764**	**2 430 432**	**785 474**	**2 627 786**	**5 509 539**	**4 821 533**

31.12.2024	Book value	Total principal and interest	Up to 1 month	1 month to 3 months	3 months to 1 year	1 year to 5 years	5 years and over
Cash and cash-equivalents	**1 076 920**	**1 076 920**	**1 076 920**	**-**	**-**	**-**	**-**
Financial assets measured at FVTPL	**882 423**	**2 817 909**	**1 061 277**	**559 046**	**289 483**	**274 724**	**633 379**
Loans and advances	565 731	647 658	2 660	5 521	25 943	153 762	459 772
Securities	69 552	76 576	37	202	1 077	14 736	60 524
Derivative financial assets*	247 140	2 093 675	1 058 580	553 323	262 463	106 226	113 083
Financial assets measured at FVTOCI	**1 204 054**	**1 500 654**	**612**	**27 690**	**189 936**	**672 389**	**610 027**
Securities	1 204 054	1 500 654	612	27 690	189 936	672 389	610 027
Financial assets measured at AC	**8 945 538**	**10 646 141**	**185 710**	**447 474**	**1 873 829**	**5 005 047**	**3 134 081**
Loans and advances, reverse sale and repurchase agreements and other financial assets	5 520 694	6 880 366	178 291	425 409	1 344 937	2 890 344	2 041 385
Securities	3 424 844	3 765 775	7 419	22 065	528 892	2 114 703	1 092 696
Total assets	**12 108 935**	**16 041 624**	**2 324 519**	**1 034 210**	**2 353 248**	**5 952 160**	**4 377 487**

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

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

30.06.2025	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	**(171 171)**	**(2 288 336)**	**(1 223 732)**	**(329 526)**	**(552 621)**	**(80 298)**	**(102 159)**
Derivative financial liabilities*	(141 315)	(2 258 480)	(1 193 876)	(329 526)	(552 621)	(80 298)	(102 159)
Financial liabilities from short positions	(29 856)	(29 856)	(29 856)	-	-	-	-
Financial liabilities measured at AC	**(11 040 211)**	**(11 634 607)**	**(7 007 952)**	**(1 018 073)**	**(1 310 546)**	**(1 439 837)**	**(858 199)**
Term deposits	(3 693 361)	(3 861 984)	(2 256 280)	(868 871)	(385 299)	(161 962)	(189 572)
Current deposits	(4 267 985)	(4 267 985)	(4 267 985)	-	-	-	-
Loans, sale and repurchase agreements and other financial liabilities	(2 003 213)	(2 131 068)	(476 986)	(125 046)	(756 517)	(378 632)	(393 887)
Issued debt securities	(870 874)	(1 138 017)	(3 558)	(20 343)	(143 321)	(823 745)	(147 050)
Subordinated debts	(173 136)	(198 655)	(3 143)	-	(16 967)	(55 559)	(122 986)
Lease liabilities	(31 642)	(36 898)	-	(3 813)	(8 442)	(19 939)	(4 704)
Total liabilities	**(11 211 382)**	**(13 922 943)**	**(8 231 684)**	**(1 347 599)**	**(1 863 167)**	**(1 520 135)**	**(960 358)**
Credit limits	(19 485)	(1 999 497)	(1 999 497)	-	-	-	-
Guarantees	(2 353)	(115 401)	(115 401)	-	-	-	-
Other commitments	(2 522)	(284 586)	(284 586)	-	-	-	-
Off balance sheet items	**(24 360)**	**(2 399 484)**	**(2 399 484)**	**-**	**-**	**-**	**-**

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

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

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

30.06.2025	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	**(171 171)**	**(2 288 336)**	**(1 223 732)**	**(329 526)**	**(552 621)**	**(80 298)**	**(102 159)**
Derivative financial liabilities*	(141 315)	(2 258 480)	(1 193 876)	(329 526)	(552 621)	(80 298)	(102 159)
Financial liabilities from short positions	(29 856)	(29 856)	(29 856)	-	-	-	-
Financial liabilities measured at AC	**(11 040 211)**	**(11 603 721)**	**(883 647)**	**(366 008)**	**(991 720)**	**(1 522 525)**	**(7 839 821)**
Term deposits	(3 693 361)	(3 831 098)	(152 818)	(216 806)	(66 473)	(244 650)	(3 150 351)
Current deposits	(4 267 985)	(4 267 985)	(247 142)	-	-	-	(4 020 843)
Loans, sale and repurchase agreements and other financial liabilities	(2 003 213)	(2 131 068)	(476 986)	(125 046)	(756 517)	(378 632)	(393 887)
Issued debt securities	(870 874)	(1 138 017)	(3 558)	(20 343)	(143 321)	(823 745)	(147 050)
Subordinated debts	(173 136)	(198 655)	(3 143)	-	(16 967)	(55 559)	(122 986)
Lease liabilities	(31 642)	(36 898)	-	(3 813)	(8 442)	(19 939)	(4 704)
Total liabilities	**(11 211 382)**	**(13 892 057)**	**(2 107 379)**	**(695 534)**	**(1 544 341)**	**(1 602 823)**	**(7 941 980)**
Credit limits	(19 485)	(1 999 497)	(139 797)	(267 068)	(179 530)	(955 338)	(457 765)
Guarantees	(2 353)	(115 401)	(7 777)	(15 303)	(10 386)	(55 392)	(26 542)
Other commitments	(2 522)	(284 586)	(19 179)	(37 739)	(25 613)	(136 601)	(65 455)
Off balance sheet items	**(24 360)**	**(2 399 484)**	**(166 753)**	**(320 110)**	**(215 528)**	**(1 147 331)**	**(549 762)**

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

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

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

3.2.3 Market risks

3.2.3.1 Exposure to market risks - trading portfolios

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

	Average	Maximum	Minimum
30.06.2025			
Currency risk	35	296	7
Interest risk	108	155	62
Equity risk	7	56	4
Total	**150**	**507**	**73**
31.12.2024			
Currency risk	36	315	5
Interest risk	106	245	44
Equity risk	4	6	2
Total	***146***	***566***	***51***

Notes in connection with the table above:

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

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3.2.3.2 Exposure to market risks - foreign currency risk

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

Foreign currency position	EUR	USD	CHF	Other currency	Total
30.06.2025					
Assets	1 829 646	185 487	28 112	45 122	2 088 367
Liabilities	(2 236 596)	(385 484)	(97 617)	(79 065)	(2 798 762)
Derivatives and spot (short)/long position	403 033	198 995	69 021	34 649	705 698
Total	***(3 917)***	***(1 002)***	***(484)***	***706***	***(4 697)***
31.12.2024					
Assets	1 788 648	249 302	7 966	46 923	2 092 839
Liabilities	(1 643 309)	(401 315)	(17 824)	(161 638)	(2 224 086)
Derivatives and spot (short)/long position	(146 603)	151 911	9 955	114 677	129 940
Total	***(1 264)***	***(102)***	***97***	***(38)***	***(1 307)***

Sensitivity test

An adverse change in exchange rates of 15% would result in a loss of HUF 1,009 million on the open foreign exchange position at the end of the period (2024: loss of HUF 333 million).

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3.2.3.3 Exposure to market risks - interest risk

Interest rate risk means the risk of having the profit or the capital of the Group decreasing or being totally lost due to changes in the levels and proportions of the interest rates in the market. The Group covers the arising interest rate risks using derivative financial instruments (for further information please see Note 4.8 and 4.9).

The following table presents the sensitivity of the net present value of the Group's trading and banking book position in case of a parallel +/- 200 bp movement in interest rates.

Book type	HUF	EUR	USD	Other
30.06.2025				
Trading	(1 689)	(188)	(3)	(4)
Banking	(34 814)	(9 565)	(963)	-
31.12.2024				
Trading	(138)	(17)	-	(8)
Banking	(37 292)	(11 515)	(4 027)	-

Interest rate risk registered in banking book

At the end of the reporting period, the interest rate structure of interest-bearing financial instruments of the Group was the following (HUF, EUR, USD):

Interest rate structure of financial instruments*	HUF	EUR	USD	Total
30.06.2025				
Fixed rate assets	6 250 340	916 830	84 190	7 251 360
Variable rate assets	3 404 344	892 317	59 906	4 356 567
Total assets	***9 654 684***	***1 809 147***	***114 096***	***11 607 927***
Fixed rate liabilities	(8 024 363)	(2 393 848)	(554 219)	(10 972 430)
Variable rate liabilities	(234 643)	(713)	(193 050)	(428 406)
Total liabilities	***(8 259 006)***	***(2 394 561)***	***(747 269)***	***(11 400 836)***
31.12.2024				
Fixed rate assets	5 363 811	833 306	137 077	6 334 194
Variable rate assets	3 124 281	951 055	71 867	4 147 203
Total assets	***8 488 092***	***1 784 361***	***208 944***	***10 481 397***
Fixed rate liabilities	(7 909 029)	(1 624 949)	(355 134)	(9 889 112)
Variable rate liabilities	(276 372)	(750)	(2)	(277 124)
Total liabilities	***(8 185 401)***	***(1 625 699)***	***(355 136)***	***(10 166 236)***

** Table of interest rate structure contains gross exposures and does not include derivative transactions.*

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Sensitivity tests

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

	30.06.2025		31.12.2024	
	Effect on Equity	Effect on P/L*	Effect on Equity	Effect on P/L*
HUF				
200 bp increase	(34 814)	(3 258)	(37 292)	2 050
200 bp decrease	39 459	(9 400)	37 206	(15 427)
EUR				
200 bp increase	9 872	2 824	(11 515)	(11 846)
200 bp decrease	(9 565)	(5 863)	12 203	9 185
USD				
200 bp increase	(963)	2 013	(4 027)	(1 670)
200 bp decrease	970	(2 636)	4 316	1 110

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

FCY	Yield curve stress + 200 Bp	Yield curve stress - 200 Bp	Adverse case
30.06.2025			
EUR	9 872	(9 565)	(9 565)
USD	(963)	970	(963)
Total	***8 909***	***(8 595)***	***(10 528)***
31.12.2024			
EUR	(11 515)	12 203	(11 515)
USD	(4 027)	4 316	(4 027)
Total	***(15 542)***	***16 519***	***(15 542)***

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3.3 Capital management

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

Based on NBH's decision no. H-EN-I-108/2025 on MBH Bank's consolidated supervision, regulatory capital includes reserves of the Central Organization of Integrated Credit Institutions, therefore the table of regulatory capital shows the capital adequacy of the entire scope of prudential consolidation (to the scope of prudential consolidation please see above mentioned NBH's decision).

	30.06.2025	31.12.2024
Share capital	323 919	323 919
Outstanding share capital	***323 919***	***323 919***
Reserves	977 909	1 014 248
Deferred tax	(5 125)	(6 820)
Intangible assets	(102 957)	(94 971)
AVA - additional valuation adjustments	(1 507)	(2 168)
Regulatory adjustments to core Tier 1 capital	(181 788)	(173 810)
Repurchased treasury shares	(55 440)	(55 440)
Additional Tier 1 capital	-	-
Tier 1: Net core capital	**955 011**	**1 004 958**
Subordinated debts	152 471	79 097
Tier 2: Supplementary capital	**152 471**	**79 097**
Regulatory capital	**1 107 482**	**1 084 055**
Risk-weighted assets (RWA)	4 343 171	4 138 565
Operational risk (OR)	842 747	1 367 491
Market risk positions (MR)	19 937	17 996
Total risk weighted assets	***5 205 855***	***5 524 052***
Capital adequacy ratio	**21.27%**	**19.62%**

As of 30 June 2025, as an actual figure of the Group regulatory Tier 1 capital was HUF 955 billion based on CRR under Supervisory Regulation (31 December 2024: HUF 1,005 billion). Risk-weighted assets including operational and market risk decreased from HUF 5,524 billion to HUF 5,206 billion. By application of capital management as a tool, the capital is a priority decision making factor; therefore, the Group monitors the changes of the capital elements continuously.

As of 30 June 2025, as an actual figure of the Group regulatory capital was HUF 1,107 billion (31 December 2024: HUF 1,084 billion).

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

- the eligible part of the interim profit generated during 2025 increased the own funds
- the overall level of reserves decreased
- the value of accumulated other comprehensive income decreased
- the IFRS 9 capital allowance has been discontinued as of 1 January 2025
- the total amount of regulatory adjustments to core Tier 1 capital increased
- T2 capital increased, which was caused by the T2 bond issue carried out in May 2025

The decrease in risk-weighted asset value was primarily related to the operational risk capital requirement due to change to SMA method according to CRR3. The credit risk capital requirement and market risk capital requirement increased compared to their values at the end of 2024.

According to information provided internally to key management, the Group's capital requirements were met both in the first half of 2025 and in 2024.

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

4.1 Net interest income

Interest income	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Interest income from cash and cash-equivalents	23 684	47 596
Interest income from deposits	716	3 951
Interest income from debt securities measured at FVTOCI	27 929	34 199
Interest income from loans and advances measured at AC	177 276	174 713
Interest income from reverse sale and repurchase agreements at AC	119	506
Interest income from debt securities measured at AC	95 916	87 705
Interest income calculated using effective interest rate method	***325 640***	***348 670***
Interest income from loans and advances measured at FVTPL	20 457	15 879
Interest income from debt securities for trading	1 494	71
Interest income from derivatives for trading	100 276	117 594
Interest income from hedging derivatives	39 438	35 396
Interest income from lease assets	20 957	20 257
Interest income from other assets and liabilities	1 006	337
Other income similar to interest	***183 628***	***189 534***
Total interest income	**509 268**	**538 204**

During the first half year of 2025 a total amount of HUF 6,142 million (first half of 2024: HUF 7,030 million) was recognised in interest income on impaired financial assets.

Interest expense	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Interest expense from borrowings measured at AC	(8 890)	(16 013)
Interest expense from deposits measured at AC	(96 687)	(109 612)
Interest expense from sale and repurchase agreements at AC	(14 142)	(2 028)
Interest expense from debt securities measured at AC	(24 300)	(19 068)
Interest expense from subordinated debts measured at AC	(5 854)	(4 986)
Interest expense from other financial liabilities measured at AC	(33)	(3)
Interest expense calculated using effective interest rate method	***(149 906)***	***(151 710)***
Interest expense from derivatives for trading	(91 349)	(101 530)
Interest expense from hedging derivatives	(30 623)	(16 537)
Interest expense from other liabilities	(1 365)	(1 077)
Other expense similar to interest	***(123 337)***	***(119 144)***
Total interest expense	**(273 243)**	**(270 854)**
Net interest income	**236 025**	**267 350**

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4.2 Net income from fees and commissions

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Fee and commission income from payment services	67 181	52 426
Fee and commission income from credit and debit cards	19 442	16 178
Fee and commission income from asset management	11 715	9 198
Fee and commission income from securities transfers	8 607	6 666
Fee and commission income from credit service activity	3 518	5 296
Fee and commission income on financial guarantees given	1 931	1 959
Other fee and commission income	10 820	8 067
Total fee and commission income	***123 214***	***99 790***
Fee and commission expense on credit and debit cards	(9 515)	(7 080)
Fee and commission expense from credit service activity	(4 191)	(4 721)
External distribution of products	(3 618)	(3 023)
Fee and commission expenses on payment services	(2 667)	(2 501)
Fee and commission expense from asset management	(1 863)	(2 376)
Fee and commission expense on financial guarantees received	(1 636)	(1 504)
Other fee and commission expense	(2 388)	(2 424)
Total fee and commission expense	***(25 878)***	***(23 629)***
Net income from fees and commissions	**97 336**	**76 161**

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4.3 Result from remeasurement and derecognition of financial instruments

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Gains/(losses) on derivative instruments*	(55 120)	4 692
Gains/(losses) on securities held for trade	2 383	2 918
Changes in fair value of loans mandatorily measured at FVTPL	(5 520)	10 113
Changes in fair value of securities mandatorily measured at FVTPL	1 013	299
Result from remeasurement and derecognition of financial instruments measured at FVTPL	***(57 244)***	***18 022***
Gains/(losses) on debt securities measured at FVTOCI	6 104	3 752
Result from derecognition of debt securities measured at FVTOCI	***6 104***	***3 752***
Gains/(losses) on loans and advances measured at AC	2 497	1 837
Gains/(losses) on debt securities measured at AC**	(3 368)	(8 265)
Results from derecognition of loans and debt securities measured at AC	***(871)***	***(6 428)***
Results from micro hedge transactions	(12 600)	(1 554)
Results from macro hedge transactions	5 918	(3 277)
Results from hedge accounting	***(6 682)***	***(4 831)***
Foreign exchange gains less losses	***44 512***	***(5 596)***
Total	**(14 181)**	**4 919**

**Result on derivative instruments reflects on active market movements.*
*** Sales before maturity were made in accordance with IFRS 9 requirements.*

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

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Loans and advances to banks and customers	8 782	(5 583)
Provision for commitments and guarantees	1 780	(5 141)
Investment in securities	(2 242)	(1 584)
ECL on financial assets, financial guarantees and loan commitments	***8 320***	***(12 308)***
Provision for litigation	(53)	90
Provision for restructuring	-	59
Other provision	(153)	661
Provisions for litigation, restructuring and other charges	***(206)***	***810***
(Loss) / gain on modification of financial instruments that did not lead to derecognition	***(2 117)***	***(3 416)***
(Impairment) / reversal of impairment on other investments	***(132)***	***(151)***
(Impairment) / reversal of impairment on other financial and non-financial assets	***(477)***	***(1 444)***
Total	**5 388**	**(16 509)**

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4.5 Administrative and other operating expenses

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Wages and salaries	(66 316)	(60 905)
Financial transactional levy*	(48 425)	(30 420)
Extraprofit tax**	(21 490)	(13 995)
Bank tax	(20 340)	(16 448)
IT costs	(18 693)	(13 227)
General and administration expenses	(11 146)	(11 156)
Legal, advisory and professional services	(10 304)	(7 611)
Non-deductible VAT	(9 544)	(8 081)
Social security costs	(6 712)	(5 748)
Marketing and public relations	(6 208)	(4 221)
Property costs	(4 297)	(5 877)
Postal fee	(3 820)	(2 654)
Membership fees	(2 982)	(2 879)
Other tax-related costs	(1 732)	(389)
Severance and other termination costs	(1 643)	(353)
Repair and maintenance costs of goods	(1 502)	(1 234)
Administrative costs	***(235 154)***	***(185 198)***
Depreciation	***(22 570)***	***(18 936)***
Total	**(257 724)**	**(204 134)**

** The substantial increase in the amount of financial transactional levy is due to a legislative change in 2024 (183/2024 (VII.8)).*
***The Group is expected to be able to meet the conditions for the reduction of the extraprofit tax, accordingly the amount presented is already reduced by the deduction.*

4.6 Income tax income / (expense)

Income tax is calculated during interim periods in the same way as in the year-end closing process. The basis of the calculation is the data in the interim financial statements, which is amended by the modifying items prescribed by the tax law. The applied tax rates are the statutory rates.

	01.01.2025-30.06.2025	01.01.2024-30.06.2024
Corporate income tax expense on current year's profit	(2 714)	(5 656)
Local business tax	(8 885)	(8 572)
Innovation contribution	(1 345)	(1 318)
Current tax income/(expense)	***(12 944)***	***(15 546)***
Deferred tax income/(expense)	***(1 693)***	***(5 057)***
Total	**(14 637)**	**(20 603)**

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4.7 Cash and cash-equivalents

	30.06.2025	31.12.2024
Cash	87 804	100 403
Receivables from central banks	896 090	897 897
Other current receivables from banks	107 375	78 918
Expected credit loss	***(125)***	***(298)***
Total	**1 091 144**	**1 076 920**

4.8 Financial assets measured at fair value through profit or loss

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

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

- The change in the fair value of loan portfolios measured at fair value is driven by the change in the HUF yield level and the level of the risk cost. During the discounting of loan cash flows - which already includes the effect of the risk cost - due to the unchanged short-side yield curve and the average 20-25 basis point decrease in the long-side, and as a result of the formation of the risk cost, it caused a loss of HUF -5.5 billion. (2024: HUF 15 billion gain).

The range of loan portfolios measured at FVTPL has been expanded with the worker's loans available from 2025 where the interest component is containing the leverage determined by the Regulator.

Loans mandatorily measured at FVTPL	Total
Opening fair value of loans at 01.01.2025	***565 731***
FV and other movements	(5 520)
Financial assets derecognised during the period	(3 169)
Newly purchased or originated financial assets	32 108
Closing fair value of loans at 30.06.2025	***589 150***
Opening fair value of loans at 01.01.2024	***510 988***
FV and other movements	14 717
Financial assets derecognised during the period	(5 142)
Newly purchased or originated financial assets	45 168
Closing fair value of loans at 31.12.2024	***565 731***

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4.8.2 Securities held for trading

	30.06.2025	31.12.2024
Debt securities	60 220	17 001
Equity instruments	8 852	235
Total	***69 072***	***17 236***
Breakdown of securities		
Government bonds	59 855	16 843
Bonds issued by banks	365	158
Domestic shares	8 852	235
Total	***69 072***	***17 236***

4.8.3 Securities mandatorily at fair value through profit or loss

	30.06.2025	31.12.2024
Debt securities	17	17
Equity instruments	43 066	52 299
Total	***43 083***	***52 316***
Breakdown of securities		
Government bonds	17	17
Domestic shares	28 047	38 383
Foreign shares	8 429	8 624
Investment fund shares	6 590	5 292
Total	***43 083***	***52 316***

4.8.4 Derivative financial assets and liabilities

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

	30.06.2025		31.12.2024	
	Asset	Liability	Asset	Liability
Interest rate swaps	94 360	79 293	129 692	74 916
Forwards	8 237	9 016	4 602	5 432
Cross-currency interest rate swaps	18 621	7 528	23 469	8 625
Foreign exchange swaps	2 590	11 684	5 723	1 147
Options	4 756	5 220	2 021	1 778
Total	**128 564**	**112 741**	**165 507**	**91 898**

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4.9 Hedging derivative assets and liabilities

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

	30.06.2025		31.12.2024	
	Asset	Liability	Asset	Liability
Interest rate swaps	66 035	27 750	81 633	15 860
Cross-currency interest rate swaps	-	824	-	1 420
Fair value hedging derivatives	***66 035***	***28 574***	***81 633***	***17 280***
Total	**66 035**	**28 574**	**81 633**	**17 280**

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

30.06.2025	Maturity					
	<1 month	1-3 months	3-12 months	1-5 years	>5 years	Total
Interest rate swaps	-	-	-	445 686	477 608	923 294
Cross-currency interest rate swaps	-	-	-	-	9 674	9 674
Micro-hedge derivatives	***-***	***-***	***-***	***445 686***	***487 282***	***932 968***
Interest rate swaps	-	10 000	3 500	174 172	233 260	420 932
Cross-currency interest rate swaps	-	-	-	-	-	-
Macro-hedge derivatives	***-***	***10 000***	***3 500***	***174 172***	***233 260***	***420 932***
Total	**-**	**10 000**	**3 500**	**619 858**	**720 542**	**1 353 900**

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

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On 30 June 2025, HUF 421 billion (2024: HUF 385.6 billion) amount of fixed rate loan and interest rate swaps were stocked in macro hedge and HUF 933 billion (2024: HUF 715.7 billion) value of debt securities and interest rate swaps were stocked in micro hedge.

	Face value of swaps	Fair value differences on swaps designated as hedges
30.06.2025		
Macro hedge - Asset	263 622	31 752
Macro hedge - Liability	157 310	(8 418)
Total	***420 932***	***23 334***
Micro hedge - Asset	369 431	34 283
Micro hedge - Liability	563 537	(20 156)
Total	***932 968***	***14 127***
31.12.2024		
Macro hedge - Asset	259 588	36 232
Macro hedge - Liability	126 060	(6 575)
Total	***385 648***	***29 657***
Micro hedge - Asset	436 756	45 401
Micro hedge - Liability	278 950	(10 705)
Total	***715 706***	***34 696***

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

	Fix-interest loans	Interest rate swaps	Net profit/loss
30.06.2025			
Macro hedge – Positive fair value change	17 612	9 800	
Macro hedge – Negative fair value change	(11 694)	(18 482)	
Total	***5 918***	***(8 682)***	***(2 764)***
31.12.2024			
Macro hedge – Positive fair value change	26 227	30 747	
Macro hedge – Negative fair value change	(34 702)	(29 111)	
Total	***(8 475)***	***1 636***	***(6 839)***

In the first half of 2025 the Group accounted for a loss of HUF 8.7 billion on interest swaps in macro hedging relationships (2024: HUF 1.6 billion profit). During the hedge relation the Group accounted for a profit of HUF 5.9 billion on changes in interest risks related to the hedged fixed interest-bearing loans which are stated in the balance sheet line “Loans and advances to customers” (2024: HUF 8.5 billion loss). Of which HUF 1.4 billion amortisation of the previous years' losses (2024: HUF 4.9 billion) and HUF 7.3 billion profit on the fixed rate interest loans (2024: HUF 3.5 billion loss). An unamortised sum of HUF 0.6 billion arising from terminated hedging relationships is recorded in the balance sheet line “Fair value change of hedged items in portfolio hedge of interest rate risk” (2024: HUF 5.3 billion).

The ineffective part of micro hedge transactions was HUF -2.2 billion during the current period (2024: HUF -2.5 billion).

4.10 Financial assets measured at fair value through other comprehensive income

4.10.1 Debt and equity securities

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

Securities measured at FVTOCI	30.06.2025	31.12.2024
Debt securities	462 708	1 187 007
Equity instruments	20 426	17 047
Total	***483 134***	***1 204 054***
Breakdown of securities		
Government bonds	321 140	834 482
Domestic corporate bonds	59 698	57 643
Bonds issued by domestic banks	81 870	293 175
Bonds issued by foreign banks	-	1 707
Domestic shares	17 288	15 962
Foreign shares	222	228
Investment fund shares	2 916	857
Expected credit loss	***(1 916)***	***(1 836)***
Total	***483 134***	***1 204 054***

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

The amount of debt securities measured at FVTOCI was HUF 462.7 billion at the end of the reporting period (31.12.2024: 1,187 HUF billion). The Group's equity instruments measured at FVTOCI at the end of the period was HUF 20.4 billion (31.12.2024: HUF 17 billion). The revaluation difference on financial assets measured at FVTOCI changed to HUF -11,283 million from HUF 27,086 million. As of 30 June 2025, the total amount of revaluation reserve comprises HUF 1,438 million (31.12.2024: HUF 11,602 million). In 2025, HUF 6,104 million gain on sale (2024: HUF 13,526 million gain) was recognised in the profit or loss relating to securities measured at FVTOCI, which is a reclassification from other comprehensive income into profit or loss.

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

	Stage 1	Stage 2	Stage 3	Total
30.06.2025				
Government bonds	321 140	-	-	321 140
Domestic corporate bonds	54 876	4 822	-	59 698
Bonds issued by domestic banks	81 870	-	-	81 870
Bonds issued by foreign banks	-	-	-	-
Domestic shares	17 288	-	-	17 288
Foreign shares	222	-	-	222
Investment fund shares	2 916	-	-	2 916
Expected credit loss	***(650)***	***(1 266)***	***-***	***(1 916)***
Total	***478 312***	***4 822***	***-***	***483 134***
31.12.2024				
Government bonds	834 482	-	-	834 482
Domestic corporate bonds	52 500	5 143	-	57 643
Bonds issued by domestic banks	293 175	-	-	293 175
Bonds issued by foreign banks	1 707	-	-	1 707
Domestic shares	15 962	-	-	15 962
Foreign shares	228	-	-	228
Investment fund shares	857	-	-	857
Expected credit loss	***(1 214)***	***(622)***	***-***	***(1 836)***
Total	***1 198 911***	***5 143***	***-***	***1 204 054***

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4.11 Financial assets measured at amortised cost

4.11.1 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 June 2025.

The following movement tables contain cumulative data for the half year.

Gross book value – retail segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2025	***1 660 948***	***322 911***	***63 328***	***9 245***	***2 056 432***
Reclassifications					
from Stage 1 to Stage 2	(68 372)	68 372	-	-	-
from Stage 1 to Stage 3	(6 220)	-	6 220	-	-
from Stage 2 to Stage 1	104 681	(104 681)	-	-	-
from Stage 2 to Stage 3	-	(13 956)	13 956	-	-
from Stage 3 to Stage 1	6 524	-	(6 524)	-	-
from Stage 3 to Stage 2	-	7 565	(7 565)	-	-
Change in EAD*	(152 249)	(18 350)	(3 344)	(537)	(174 480)
Assets derecognised except write off	(19 874)	(7 998)	(10 167)	(304)	(38 343)
Financial assets written off	(37)	(19)	(381)	(1)	(438)
Financial assets originated or purchased**	281 198	22 178	882	15	304 273
FX and other movements	930	(1 839)	86	-	(823)
30.06.2025	***1 807 529***	***274 183***	***56 491***	***8 418***	***2 146 621***

Expected credit loss of assets (ECL) – retail segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2025	***21 429***	***22 735***	***43 996***	***598***	***88 758***
Reclassifications					
from Stage 1 to Stage 2	(1 349)	1 349	-	-	-
from Stage 1 to Stage 3	(273)	-	273	-	-
from Stage 2 to Stage 1	6 983	(6 983)	-	-	-
from Stage 2 to Stage 3	-	(2 623)	2 623	-	-
from Stage 3 to Stage 1	3 682	-	(3 682)	-	-
from Stage 3 to Stage 2	-	3 889	(3 889)	-	-
Change in risk parameters*	(16 173)	1 005	8 019	(517)	(7 666)
Assets derecognised except write off	(449)	(518)	(8 198)	(376)	(9 541)
Financial assets written off	(15)	(6)	(331)	(1)	(353)
Financial assets originated or purchased**	4 966	2 611	688	9	8 274
FX and other movements	90	154	873	646	1 763
30.06.2025	***18 891***	***21 613***	***40 372***	***359***	***81 235***

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

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

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

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Gross book value – wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2025	***2 537 958***	***865 326***	***90 934***	***657***	***3 494 875***
Reclassifications					
from Stage 1 to Stage 2	(266 005)	266 005	-	-	-
from Stage 1 to Stage 3	(5 410)	-	5 410	-	-
from Stage 2 to Stage 1	143 502	(143 502)	-	-	-
from Stage 2 to Stage 3	-	(79 707)	79 707	-	-
from Stage 3 to Stage 1	3 098	-	(3 098)	-	-
from Stage 3 to Stage 2	-	4 548	(4 548)	-	-
Change in EAD*	(65 455)	4 026	(11 710)	(124)	(73 263)
Assets derecognised except write off	(513 793)	(157 430)	(13 357)	(34)	(684 614)
Financial assets written off	(10)	-	(379)	-	(389)
Financial assets originated or purchased**	552 805	161 434	2 335	17	716 591
FX and other movements	5 068	3 236	3 702	23	12 029
30.06.2025	***2 391 758***	***923 936***	***148 996***	***539***	***3 465 229***

Expected credit loss of assets (ECL) – wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2025	***40 617***	***123 701***	***52 845***	***69***	***217 232***
Reclassifications					
from Stage 1 to Stage 2	(1 769)	1 769	-	-	-
from Stage 1 to Stage 3	(96)	-	96	-	-
from Stage 2 to Stage 1	9 805	(9 805)	-	-	-
from Stage 2 to Stage 3	-	(25 628)	25 628	-	-
from Stage 3 to Stage 1	1 207	-	(1 207)	-	-
from Stage 3 to Stage 2	-	1 963	(1 963)	-	-
Change in risk parameters*	(11 228)	(24)	11 599	(31)	316
Assets derecognised except write off	(9 940)	(13 658)	(10 186)	(9)	(33 793)
Financial assets written off	(3)	-	(363)	-	(366)
Financial assets originated or purchased**	8 533	9 996	1 782	21	20 332
FX and other movements	(2 178)	99	2 222	50	193
30.06.2025	***34 948***	***88 413***	***80 453***	***100***	***203 914***

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Gross book value – wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***2 617 687***	***549 321***	***90 821***	***1 270***	***3 259 099***
Reclassifications					
from Stage 1 to Stage 2	(418 428)	418 428	-	-	-
from Stage 1 to Stage 3	(17 019)	-	17 019	-	-
from Stage 2 to Stage 1	115 651	(115 651)	-	-	-
from Stage 2 to Stage 3	-	(23 161)	23 161	-	-
from Stage 3 to Stage 1	5 023	-	(5 023)	-	-
from Stage 3 to Stage 2	-	9 103	(9 103)	-	-
Increase from business combination	15 591	1 683	-	161	17 435
Change in EAD*	(36 415)	(48 914)	(20 324)	(542)	(106 195)
Assets derecognised except write off	(756 133)	(110 242)	(11 252)	(167)	(877 794)
Financial assets written off	(4)	(13)	(2 740)	(93)	(2 850)
Financial assets originated or purchased**	1 001 587	186 363	9 190	17	1 197 157
FX and other movements	10 418	(1 591)	(815)	11	8 023
31.12.2024	***2 537 958***	***865 326***	***90 934***	***657***	***3 494 875***

Expected credit loss of assets (ECL) – wholesale segment	Stage 1	Stage 2	Stage 3	POCI	Total
01.01.2024	***48 104***	***86 404***	***43 625***	***273***	***178 406***
Reclassifications					
from Stage 1 to Stage 2	(13 820)	13 820	-	-	-
from Stage 1 to Stage 3	(286)	-	286	-	-
from Stage 2 to Stage 1	12 906	(12 906)	-	-	-
from Stage 2 to Stage 3	-	(3 633)	3 633	-	-
from Stage 3 to Stage 1	1 664	-	(1 664)	-	-
from Stage 3 to Stage 2	-	3 018	(3 018)	-	-
Increase from business combination	111	22	-	40	173
Change in risk parameters*	(8 755)	32 409	14 602	(142)	38 114
Assets derecognised except write off	(14 837)	(15 782)	(7 487)	(37)	(38 143)
Financial assets written off	-	(6)	(2 612)	(2)	(2 620)
Financial assets originated or purchased**	16 004	19 991	4 683	3	40 681
FX and other movements	(474)	364	797	(66)	621
31.12.2024	***40 617***	***123 701***	***52 845***	***69***	***217 232***

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

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4.11.2 Reverse sale and repurchase agreements

	30.06.2025	31.12.2024
Reverse sale and repurchase agreements to banks	6 995	102
Reverse sale and repurchase agreements to customers	4 485	4 767
Expected credit loss	***(16)***	***(45)***
Total	**11 464**	**4 824**

4.11.3 Debt securities

	30.06.2025	31.12.2024
Government bonds	3 406 136	2 939 676
Domestic corporate bonds	223 864	225 129
Foreign corporate bonds	7 500	-
Bonds issued by domestic banks	294 281	267 920
Bonds issued by foreign banks	1 961	1 937
Expected credit loss	***(11 838)***	***(9 818)***
Total	**3 921 904**	**3 424 844**

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

	Stage 1	Stage 2	Stage 3	Total
30.06.2025				
Government bonds	3 406 136	-	-	3 406 136
Domestic corporate bonds	201 467	10 783	11 614	223 864
Foreign corporate bonds	7 500	-	-	7 500
Bonds issued by domestic banks	267 841	26 440	-	294 281
Bonds issued by foreign banks	1 961	-	-	1 961
Expected credit loss	***(3 341)***	***(3 451)***	***(5 046)***	***(11 838)***
Total	***3 881 564***	***33 772***	***6 568***	***3 921 904***
31.12.2024				
Government bonds	2 939 676	-	-	2 939 676
Corporate bonds	201 001	22 806	1 322	225 129
Bonds issued by domestic banks	243 085	24 835	-	267 920
Bonds issued by foreign banks	1 937	-	-	1 937
Expected credit loss	***(3 173)***	***(5 323)***	***(1 322)***	***(9 818)***
Total	***3 382 526***	***42 318***	***-***	***3 424 844***

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4.12 Investment in associates and other investments

	30.06.2025	31.12.2024
Cost	77 515	73 786
- *from which equity method for material investments*	62 912	*59 650*
- *from which equity method for non-material investments*	14 603	*14 136*
Share of post-acquisition reserves	6 151	5 197
Investment in associates	***83 666***	***78 983***
Other investments	3 925	3 908
Total	**87 591**	**82 891**

The Group accounted for an accumulated amount of HUF 4,326 million impairment loss on its investment in associates and other investments (2024: HUF 3,805 million).

The following table shows the associates of the Group where the non-material associates disclosed in an aggregated manner:

Associates	Book value	Profit after tax (total)	Country of incorporation	Activity
30.06.2025				
Material investments				
MBH Private Equity Fund	42 690	(1 919)	Hungary	investment fund
Magyar Strat-Alfa Ltd.	26 373	(586)	Hungary	sale of own property
Non-material investments				
FVTPL election*	25 700	4 364	Hungary	agricultural activity, investment fund
Equity method	14 603	(1 503)	Hungary	investment fund
31.12.2024				
Material investments				
MBH Private Equity Fund	39 428	6 637	Hungary	investment fund
Magyar Strat-Alfa Ltd.	25 419	(2 399)	Hungary	sale of own property
Non-material investments				
FVTPL election*	36 456	3 090	Hungary	agricultural activity, investment fund
Equity method	14 136	(2 575)	Hungary	investment fund

** FVTPL election is based on IAS 28 paragraph 19.*

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4.13 Financial liabilities measured at fair value through profit or loss

	30.06.2025	31.12.2024
Derivative financial liabilities	112 741	91 898
Financial liabilities from short positions	29 856	29 186
Total	**142 597**	**121 084**

The Group recognised short positions due to government bond transactions.

4.14 Financial liabilities measured at amortised cost

4.14.1 Amounts due to banks and sale and repurchase agreements

	30.06.2025	31.12.2024
Borrowings	1 113 041	1 777 378
Deposits	58 938	152 951
Total amounts due to banks	**1 171 979**	***1 930 329***
Repurchase agreements with banks	732 011	335 297
Total	**1 903 990**	**2 265 626**

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

The following instruments were pledged as collateral in connection with repurchase agreements:

	30.06.2025	31.12.2024
Financial assets measured at fair value through profit or loss	1 859	-
Financial assets measured at fair value through other comprehensive income	51 436	32 786
Financial assets measured at amortised cost	678 716	302 511
Total	**732 011**	**335 297**

Repurchase agreements of the Group are related to government and corporate bonds.

4.14.2 Amounts due to customers

Sectoral breakdown of amounts due to customers	30.06.2025	31.12.2024
Amounts due to retail customers		
- *of which: current accounts*	2 127 232	2 079 944
- *of which: deposits*	770 827	869 400
Amounts due to wholesale customers		
- *of which: current accounts*	2 142 040	2 152 549
- *of which: deposits*	2 885 317	2 950 577
Total	**7 925 416**	**8 052 470**

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4.14.3 Issued debt securities

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

The following tables represents the amount of issued debt securities:

Issued debt securities	30.06.2025		31.12.2024	
	Nominal value	Book value	Nominal value	Book value
Bonds issued				
Variable rate	-	-	-	-
Fixed rate	121 093	124 720	102 017	106 333
Total	***121 093***	***124 720***	***102 017***	***106 333***
Mortgage bonds issued				
Variable rate	61 894	60 743	42 888	42 427
Fixed rate	213 039	210 163	218 266	213 655
Total	***274 933***	***270 906***	***261 154***	***256 082***
MREL bonds issued*				
Variable rate	29 940	29 994	-	-
Fixed rate	432 610	445 254	168 863	172 213
Total	***462 550***	***475 248***	***168 863***	***172 213***
Total	**858 576**	**870 874**	**532 034**	**534 628**

Book value of securities issued by currency	30.06.2025	31.12.2024
Denominated in EUR	496 769	191 289
Denominated in HUF	374 105	343 339
Total	**870 874**	**534 628**

***MREL bonds**

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

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

- within the framework of the first issuance program of debt instruments complying with MREL requirements of MBH Bank's history a senior non-priority (senior-preferred) debt instrument (ISIN: HU0000362702) has been issued on value date of 16 June 2023 with EUR 74.98 million (HUF 28.1 billion) nominal value, 3 years maturity, 9% fixed interest rate for the first and second year then 3 month EURIBOR+5.5% variable interest rate for the last year of the duration.
- during the MBH Bank's newly announced EUR 1.5 billion international bond issuance program a senior non-priority (senior-preferred) debt instrument (ISIN: XS2701655677) has been issued on value date of 19 October 2023 with EUR 350 million (HUF 134.7 billion) nominal value, 4 years maturity (redeemable after 3 year) and 8.625% fixed interest rate.
- a senior non-priority (senior-preferred) debt instrument (ISIN: XS2978001324) has been issued by MBH Bank on value date of 29 January 2025 with EUR 750 million (HUF 300 billion) nominal value, 5 years maturity (redeemable after 4 year) and 5.250% fixed interest rate.

4.14.4 Subordinated debts

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

	Interest	Date of issue	Maturity	Face value in original currency	Original currency	Book value
30.06.2025						
Subordinated debt	Variable	28.12.2018	28.12.2025	56 681 294	HUF	56
Subordinated bond	Fixed	28.03.2019	15.04.2026	28 700 000	EUR	11 567
Subordinated bond	Fixed	26.05.2020	20.07.2028	38 955 000	EUR	16 216
Subordinated debt	Fixed	23.11.2020	23.11.2030	40 000 000 000	HUF	40 082
Subordinated bond	Variable	31.01.2023	31.01.2030	24 750 000 000	HUF	26 029
Subordinated bond	Fixed	08.05.2025	08.11.2035	196 600 000	EUR	79 186
Total						***173 136***
31.12.2024						
Subordinated debt	Variable	28.12.2018	28.12.2025	56 681 294	HUF	60
Subordinated bond	Fixed	28.03.2019	15.04.2026	28 700 000	EUR	12 147
Subordinated bond	Fixed	26.05.2020	20.07.2028	38 955 000	EUR	16 298
Subordinated debt	Fixed	23.11.2020	23.11.2030	40 000 000 000	HUF	40 087
Subordinated bond	Variable	31.01.2023	31.01.2030	24 750 000 000	HUF	26 070
Total						***94 662***

A Tier 2 debt instrument (ISIN: XS3061479435) has been issued on value date of 8 May 2025 with EUR 200 million (HUF 80 billion) nominal value, 10.5 years maturity (redeemable on nominal value between 5-5.5 years) and 6,875% fixed interest rate.

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4.15 Provisions for liabilities and charges

Following table shows the movement of provision by title:

	Opening at 01.01. 2025	Increase from business combination	Provisions made during the year	Use of provisions	Release of provisions	Effect of revalua-tion	Closing at 30.06. 2025
Expected credit loss (IFRS9)*	26 378	-	23 822	(23)	(25 579)	(228)	24 370
Provision for litigation	916	-	160	(7)	(16)	-	1 053
Provision for restructuring	654	-	-	(29)	-	-	625
Provision for pension, severance pay and unused leave	1 673	-	-	-	-	-	1 673
Other provisions	1 685	-	335	(267)	-	-	1 753
Total provisions	**31 306**	**-**	**24 317**	**(326)**	**(25 595)**	**(228)**	**29 474**

	Opening at 01.01. 2024	Increase from business combination	Provisions made during the year	Use of provisions	Release of provisions	Effect of revalua-tion	Closing at 31.12. 2024
Expected credit loss (IFRS9)*	22 633	-	46 333	(350)	(42 650)	412	26 378
Provision for litigation	1 085	-	177	(119)	(250)	23	916
Provision for restructuring	2 571	-	654	(132)	(2 439)	-	654
Provision for pension, severance pay and unused leave	3 253	-	1 725	(1 827)	(1 478)	-	1 673
Other provisions	1 698	1 249	295	(1 127)	(430)	-	1 685
Total provisions	**31 240**	**1 249**	**49 184**	**(3 555)**	**(47 247)**	**435**	**31 306**

** ECL relates to off-balance sheet exposures*

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4.16 Contingent liabilities

	Nominal amount	Provision Stage 1	Stage 2	Stage 3	IAS 37
30.06.2025					
Expected credit loss (IFRS 9)	2 399 484	(10 769)	(11 959)	(1 632)	(10)
- Loan commitments provided	1 999 497	(9 705)	(8 303)	(1 477)	-
- Financial guarantees provided	115 401	(486)	(1 748)	(119)	-
- Other commitments provided	284 586	(578)	(1 908)	(36)	(10)
Pension and severance pay	-	-	-	-	(1 673)
Provision for litigation	-	-	-	-	(1 053)
Provision for restructuring	-	-	-	-	(625)
Other provisions	-	-	-	-	(1 753)
Total contingent liabilities	***2 399 484***	***(10 769)***	***(11 959)***	***(1 632)***	***(5 114)***
31.12.2024					
Expected credit loss (IFRS 9)	2 021 034	(10 749)	(13 398)	(2 181)	(50)
- Loan commitments provided	1 634 777	(9 350)	(9 983)	(1 886)	-
- Financial guarantees provided	110 315	(632)	(1 898)	(236)	-
- Other commitments provided	275 942	(767)	(1 517)	(59)	(50)
Pension and severance pay	-	-	-	-	(1 673)
Provision for litigation	-	-	-	-	(916)
Provision for restructuring	-	-	-	-	(654)
Other provisions	-	-	-	-	(1 685)
Total contingent liabilities	***2 021 034***	***(10 749)***	***(13 398)***	***(2 181)***	***(4 978)***

Other contingent liabilities include the amount of liabilities arising from legal cases and other possible future events, the settlement of which will probably require the use of resources representing economic benefits. During 2025, the Assets and Liabilities Committee of MBH Bank decided on a capital increase in MBH Mezőgazdasági és Fejlesztési Private Equity Fund in the amount of HUF 4.1 billion, the capital increase will be settled in several instalments.

4.17 Fair value of financial instruments

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

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30.06.2025	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Cash and cash-equivalents	**1 091 144**	**1 091 144**	**87 804**	**1 003 340**	**-**
Financial assets measured at fair value through profit or loss	**829 869**	**829 869**	**68 295**	**146 724**	**614 850**
Loans and advances to customers mandatorily at fair value through profit or loss	589 150	589 150	-	-	589 150
Securities held for trading	69 072	69 072	59 866	9 206	-
Securities mandatorily at fair value through profit or loss	43 083	43 083	8 429	8 954	25 700
Derivative financial assets	128 564	128 564	-	128 564	-
Hedging derivative assets	**66 035**	**66 035**	**-**	**66 035**	**-**
Financial assets measured at fair value through other comprehensive income	**483 134**	**483 134**	**340 103**	**143 031**	**-**
Debt and equity securities	483 134	483 134	340 103	143 031	-
Financial assets measured at amortised cost	**9 576 098**	**9 402 693**	**3 117 877**	**639 199**	**5 645 617**
Loans and advances to banks	161 307	161 307	-	-	161 307
Loans and advances to customers	5 326 701	5 329 588	-	-	5 329 588
Reverse sale and repurchase agreements	11 464	11 464	-	11 464	-
Debt securities	3 921 904	3 745 612	3 117 877	627 735	-
Other financial assets	154 722	154 722	-	-	154 722
Fair value change of hedged items in portfolio hedge of interest rate risk	**602**	**602**	**-**	**602**	**-**
Total financial assets	***12 046 882***	***11 873 477***	***3 614 079***	***1 998 931***	***6 260 467***
Financial liabilities measured at fair value through profit or loss	**142 597**	**142 597**	**-**	**142 597**	**-**
Derivative financial liabilities	112 741	112 741	-	112 741	-
Financial liabilities from short positions	29 856	29 856	-	29 856	-
Hedging derivative liabilities	**28 574**	**28 574**	**-**	**28 574**	**-**
Financial liabilities measured at amortised cost	**11 040 211**	**11 019 812**	**-**	**5 001 283**	**6 018 529**
Amounts due to banks	1 171 979	1 172 526	-	-	1 172 526
Amounts due to customers	7 925 416	7 926 394	-	4 269 272	3 657 122
Sale and repurchase agreements	732 011	732 011	-	732 011	-
Issued debt securities	870 874	848 950	-	-	848 950
Subordinated debts	173 136	173 136	-	-	173 136
Other financial liabilities	166 795	166 795	-	-	166 795
Total financial liabilities	***11 211 382***	***11 190 983***	**-**	***5 172 454***	***6 018 529***

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31.12.2024	Total carrying amount	Total fair value	Level 1	Level 2	Level 3
Cash and cash-equivalents	**1 076 920**	**1 076 920**	**99 918**	**977 002**	**-**
Financial assets measured at fair value through profit or loss	**800 790**	**800 790**	**25 468**	**173 135**	**602 187**
Loans and advances to customers mandatorily at fair value through profit or loss	565 731	565 731	-	-	565 731
Securities held for trading	17 236	17 236	16 843	393	-
Securities mandatorily at fair value through profit or loss	52 316	52 316	8 625	7 235	36 456
Derivative financial assets	165 507	165 507	-	165 507	-
Hedging derivative assets	**81 633**	**81 633**	**-**	**81 633**	**-**
Financial assets measured at fair value through other comprehensive income	**1 204 054**	**1 204 054**	**846 977**	**357 077**	**-**
Debt and equity securities	1 204 054	1 204 054	846 977	357 077	-
Financial assets measured at amortised cost	**8 945 538**	**8 613 483**	**2 703 614**	**579 623**	**5 330 246**
Loans and advances to banks	136 357	136 357	-	-	136 357
*Loans and advances to customers**	5 245 317	5 210 348	-	-	5 210 348
Reverse sale and repurchase agreements	4 824	4 824	-	4 824	-
Debt securities	3 424 844	3 278 413	2 703 614	574 799	-
Other financial assets	134 196	134 196	-	-	134 196
Fair value change of hedged items in portfolio hedge of interest rate risk	**(5 316)**	**(5 316)**	**-**	**(5 316)**	**-**
Total financial assets	***12 103 619***	***11 771 564***	***3 675 977***	***2 163 154***	***5 932 433***
Financial liabilities measured at fair value through profit or loss	**121 084**	**121 084**	**-**	**121 084**	**-**
Derivative financial liabilities	91 898	91 898	-	91 898	-
Financial liabilities from short positions	29 186	29 186	-	29 186	-
Hedging derivative liabilities	**17 280**	**17 280**	**-**	**17 280**	**-**
Financial liabilities measured at amortised cost	**11 109 168**	**11 085 015**	**-**	**4 567 790**	**6 517 225**
Amounts due to banks	1 930 329	1 930 329	-	-	1 930 329
Amounts due to customers	8 052 470	8 052 470	-	4 232 493	3 819 977
Sale and repurchase agreements	335 297	335 297	-	335 297	-
Issued debt securities	534 628	510 475	-	-	510 475
Subordinated debts	94 662	94 662	-	-	94 662
Other financial liabilities	161 782	161 782	-	-	161 782
Total financial liabilities	***11 247 532***	***11 223 379***	***-***	***4 706 154***	***6 517 225***

** The methodology for calculating the fair value of loans and advances to customers measured at amortised cost was reviewed during 2025. As a result, the comparative period figures have been restated.*

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The Group applies level 3 classification to the following financial assets:

Securities

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

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

Loans to banks and customers

The fair value of loans and advances is based on observable market transactions, where available. In the absence of observable market transactions, fair value is estimated using discounted cash flow models. For the valuation of the loans to banks and customers, please refer to Note 4.8.1.

Sensitivity test results for loans measured at fair value:

<u>Interest rate risk</u>

Interest rate risk arises from the fact that changes in interest rates affect the fair value of loans. Stress tests are used to monitor how the fair value of loans may change in the case of extreme interest rate changes (+/-250 basis points).

Interest rate change	**Effect on Fair value 30.06.2025**
+250 bp increase	(17 052)
-250 bp decrease	16 982

The baby loan portfolio represents the largest exposure (nearly 80%) among total loan portfolio measured at fair value, the effect of interest rate change on this portfolio's fair value would be HUF -12,980 million in case of +250 bp increase and HUF 12,874 million in case of -250 bp decrease.

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Credit spread

Credit risk and its changes arise from the fact that a change in the customer rating or credit classification affects the fair value of the loan. Stress tests are used to monitor how the fair value of loans may change in the case of a change in the credit spread (+/-1 basis point).

Credit spread change	Effect on Fair value 30.06.2025
+1 bp increase	251
-1 bp decrease	(252)

The baby loan portfolio represents the largest exposure (nearly 80%) among total loan portfolio measured at fair value, the effect of credit spread change on this portfolio's fair value would be HUF 191 million in case of +1 bp increase and HUF -192 million in case of -1 bp decrease.

Amounts due to other banks and current and deposit accounts

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

Issued debt securities and subordinated debts

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

4.18 Related party transactions

The Group identifies the related parties using the definition of IAS 24, therefore every enterprise that is directly or indirectly, through one or more intermediaries, controlled by the Group and key management personnel, including the members of the Board of Directors and the Supervisory Board, qualify as a related party. All transactions with related companies were carried out in the ordinary course of business. Transactions include credit and deposit transactions and off-balance sheet transactions. All the transactions were carried out under ordinary commercial conditions and by applying market interest rates.

Key management personnel compensation for the period comprised:

	2025	2024
Short-term employee benefits	1 061	803
Other long-term benefits	236	93
Termination benefits	20	-
Share-based payment transactions	326	216
Total	**1 643**	**1 112**

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

	Investments in associates		Other investments		Key management personnel		Other related parties	
	2025	2024	2025	2024	2025	2024	2025	2024
Assets								
Amounts due from banks	-	-	-	-	-	-	-	-
Loans and advances to customers	31 506	31 379	320	370	906	653	169 226	179 454
Derivative financial assets	-	-	-	-	-	-	-	-
Securities and equity instruments	113 468	119 148	9 765	9 658	-	-	59 371	58 336
Other assets	36 588	32 268	-	-	-	-	9	22 641
Liabilities								
Amounts due to banks	-	-	-	-	-	-	-	-
Current and deposit accounts	13 606	2 338	4 071	1 785	289	292	380 780	396 688
Derivative financial liabilities	199	-	-	-	-	-	724	723
Other liabilities	27 158	31 068	91	254	-	-	12 460	298
Profit or Loss								
Interest income	716	584	-	-	4	4	4 175	5 243
Interest expense	(10)	(1)	(5)	(1)	(1)	(2)	(8 018)	(20 226)
Net income from commissions and fees	33	12	-	-	250	83	727	134
Other income / (expense)	1 354	3 599	205	-	(1 643)	(1 112)	-	(162)
Contingencies and commitments								
Undrawn commitments to extend credit	736	747	1 351	544	12	13	78 485	77 148
Guarantees	-	-	-	-	-	-	72 147	42 016
Expected credit loss on on and off-balance items	11 187	11 085	3 373	3 270	4	3	14 639	17 859

Both investments in associates and other related parties include exposures to owners and their groups. For the investment in associates please see Note 4.12.
The other related parties also includes the interests of the key management personnel.

The comparative data in the table comprises balance sheet data from previous reporting period, and income statement data from previous interim reporting period. Significant part of the amount outstanding from key management personnel represents mortgages and secured loans granted and these loans are secured over property of the respective borrowers.

4.19 Earnings per share

Basic earnings per share as of 30 June 2025 was calculated based on the net income available to ordinary shareholders of HUF 48,265 million (2024: HUF 104,673 million) and the weighted average number of ordinary shares outstanding of 299,953 thousand pieces (2024: 322,530 thousand pieces).

1 January 2025 – 30 June 2025

$$\text{Earnings per Ordinary Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{48\ 265}{299\ 949} = 161\ \text{Ft}$$

1 January 2024 – 30 June 2024

$$\text{Earnings per Ordinary Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding (thousands)}} = \frac{104\ 673}{322\ 530} = 325\ \text{Ft}$$

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

1 January 2025 – 30 June 2025

$$\text{Diluted Earnings per Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding taking into account the dilution factors}} = \frac{48\ 265}{299\ 949} = 161\ \text{Ft}$$

1 January 2024 – 30 June 2024

$$\text{Diluted Earnings per Share (in HUF)} = \frac{\text{Net income available to ordinary shareholders (in HUF million)}}{\text{Average number of ordinary shares outstanding taking into account the dilution factors}} = \frac{104\ 673}{322\ 530} = 325\ \text{Ft}$$

4.20 Segment report

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

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

As of 30 June 2025, the Group's segments and their main products were:

Corporate Banking and Institutions

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

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

Leasing

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

Retail and Private Banking

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

Other

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

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30.06.2025	Corporate banking and Institutions	Retail and Private banking	Leasing	Consolidation effect	Other	Total
Assets						
Cash and cash-equivalents	**1 343 057**	**-**	**2 077**	**(253 900)**	**-**	**1 091 144**
Financial assets measured at fair value through profit or loss	**258 901**	**589 150**	**-**	**(18 182)**	**-**	**829 869**
Loans and advances to customers mandatorily at fair value through profit or loss	-	589 150	-	-	-	589 150
Securities held for trading	71 496	-	-	(2 424)	-	69 072
Securities mandatorily at fair value through profit or loss	43 083	-	-	-	-	43 083
Derivative financial assets	144 322	-	-	(15 758)	-	128 564
Hedging derivative assets	**66 035**	**-**	**-**	**-**	**-**	**66 035**
Financial assets measured at fair value through other comprehensive income	**604 952**	**-**	**2 418**	**(124 236)**	**-**	**483 134**
Debt and equity securities	604 952	-	2 418	(124 236)	-	483 134
Financial assets measured at amortised cost	**8 721 155**	**1 854 060**	**586 587**	**(1 799 304)**	**213 600**	**9 576 098**
Loans and advances to banks	1 194 724	-	-	(1 033 417)	-	161 307
Loans and advances to customers	3 355 593	1 854 060	585 047	(521 784)	53 785	5 326 701
Reverse sale and repurchase agreements	192 621	-	-	(181 157)	-	11 464
Debt securities	3 978 217	-	-	(56 313)	-	3 921 904
Other financial assets	-	-	1 540	(6 633)	159 815	154 722
Fair value change of hedged items in portfolio hedge of interest rate risk	**-**	**-**	**-**	**-**	**602**	**602**
Associates and other investments	**-**	**-**	**2 047**	**(460 267)**	**545 811**	**87 591**
Property and equipment	**32 145**	**7 100**	**1 264**	**(9 276)**	**126 695**	**157 928**
Intangible assets	**-**	**-**	**27**	**-**	**102 929**	**102 956**
- from which: goodwill	-	-	-	-	3 340	3 340
Income tax assets	**-**	**-**	**436**	**597**	**8 577**	**9 610**
Current income tax assets	-	-	167	-	1 451	1 618
Deferred income tax assets	-	-	269	597	7 126	7 992
Other assets	**-**	**-**	**3 599**	**(4 604)**	**48 072**	**47 067**
Assets held for sale	**-**	**-**	**-**	**-**	**244**	**244**
Total assets	**11 026 245**	**2 450 310**	**598 455**	**(2 669 262)**	**1 046 530**	**12 452 278**

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30.06.2025	Corporate banking and Institutions	Retail and Private banking	Leasing	Consolidation effect	Other	Total
Liabilities						
Financial liabilities measured at fair value through profit or loss	**151 228**	**-**	**-**	**(8 631)**	**-**	**142 597**
Derivative financial liabilities	121 372	-	-	(8 631)	-	112 741
Financial liabilities from short positions	29 856	-	-	-	-	29 856
Hedging derivative liabilities	**29 785**	**-**	**-**	**(1 211)**	**-**	**28 574**
Financial liabilities measured at amortised cost	**9 038 013**	**3 266 038**	**574 112**	**(2 223 684)**	**385 732**	**11 040 211**
Amounts due to banks	2 356 588	-	567 578	(1 752 187)	-	1 171 979
Amounts due to customers	4 629 576	3 135 456	-	(47 415)	207 799	7 925 416
Sale and repurchase agreements	913 314	-	-	(181 303)	-	732 011
Issued debt securities	927 855	130 582	-	(187 563)	-	870 874
Subordinated debts	210 680	-	-	(37 533)	-	173 136
Other financial liabilities	-	-	6 534	(17 672)	177 933	166 795
Provisions for liabilities and charges	**22 095**	**8 015**	**22**	**(78)**	**(580)**	**29 474**
Income tax liabilities	**-**	**-**	**138**	**591**	**1 913**	**2 642**
Current income tax liabilities	-	-	127	-	1 332	1 459
Deferred income tax liabilities	-	-	11	591	581	1 183
Other liabilities	**-**	**.**	**3 881**	**(2 825)**	**66 469**	**67 525**
Total liabilities	**9 241 121**	**3 274 053**	**578 153**	**(2 235 838)**	**453 534**	**11 311 023**
Equity						
Share capital	**-**	**-**	**1 044**	**(166 299)**	**487 785**	**322 530**
Treasury shares	**-**	**-**	**-**	**8 288**	**(63 728)**	**(55 440)**
Share premium	**-**	**-**	**12 762**	**(149 456)**	**485 588**	**348 894**
Retained earnings	**-**	**-**	**4 248**	**(158 946)**	**483 753**	**329 055**
Other reserves	**-**	**-**	**90**	**(14 011)**	**89 610**	**75 689**
Profit for the year	**-**	**-**	**2 194**	**(19 090)**	**65 161**	**48 265**
Accumulated other comprehensive income	**-**	**-**	**(34)**	**12 732**	**(11 260)**	**1 438**
Non-controlling interest	**-**	**-**	**-**	**70 824**	**-**	**70 824**
Total equity	**-**	**-**	**20 304**	**(415 958)**	**1 536 909**	**1 141 255**
Total liabilities and equity	**9 242 086**	**3 274 996**	**598 457**	**(2 651 796)**	**1 988 535**	**12 452 278**

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30.06.2025	Corporate banking and Institutions	Retail and Private banking	Leasing	Consolidation effect	Other	Total
Interest and similar to interest income	458 510	92 042	21 633	(70 448)	7 531	509 268
Interest and similar to interest expense	(277 902)	(33 257)	(14 408)	80 428	(27 904)	(273 243)
Net interest income	**180 608**	**58 585**	**7 225**	**9 980**	**(20 373)**	**236 025**
Net income from fees and commissions*	**42 759**	**55 647**	**481**	**895**	**(2 446)**	**97 336**
Result from remeasurement and derecognition of financial instruments	**(13 735)**	**3 946**	**(268)**	**(4 124)**	**-**	**(14 181)**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	(58 284)	-	-	1 040	-	(57 244)
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	5 943	-	-	161	-	6 104
Results from derecognition of loans and debt securities measured at amortised cost	2 503	-	-	(3 372)	-	(871)
Results from hedge accounting	(4 731)	-	-	(1 951)	-	(6 682)
Foreign exchange gains less losses	40 834	3 946	(268)	-	-	44 512
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**3 702**	**2 589**	**208**	**5**	**(1 116)**	**5 388**
Expected credit loss on financial assets, financial guarantees and loan commitments	4 327	3 847	111	(1 005)	1 040	8 320
Provisions for litigation, restructuring and similar charges						
(Loss) / gain on modification of financial instruments that did not lead to derecognition	-	-	91	(65)	(232)	(206)
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(625)	(1 258)	-	-	(234)	(2 117)
(Impairment) / Reversal on associates and other investments	-	-	-	1 075	(1 207)	(132)
(Impairment) / reversal of impairment on other financial and non-financial assets	-	-	6	-	(483)	(477)
Dividend income	**-**	**-**	**-**	**(20 036)**	**21 627**	**1 591**
Administrative and other operating expenses	**(78 767)**	**(125 136)**	**(5 461)**	**20 265**	**(68 625)**	**(257 724)**
- from which: depreciation and amortisation	(6 818)	(15 184)	(213)	741	(1 096)	(22 570)
Other income	**-**	**-**	**1 668**	**(21 376)**	**29 607**	**9 899**
Other expense	**-**	**-**	**(1 268)**	**(60)**	**(9 446)**	**(10 774)**
Share of profit or loss of associates	**-**	**-**	**-**	**603**	**-**	**603**
Profit before taxation	**134 567**	**(4 369)**	**2 585**	**(13 848)**	**(50 772)**	**68 163**
Income tax income / (expense)	**-**	**-**	**(392)**	**19**	**(14 264)**	**(14 637)**
Profit for the period	**134 567**	**(4 369)**	**2 193**	**(13 829)**	**(65 036)**	**53 526**

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

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

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

Condensed consolidated interim financial statements as at 30 June 2025 Data in HUF million except stated otherwise

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

Condensed consolidated interim financial statements as at 30 June 2025 | Data in HUF million except stated otherwise

30.06.2024	Corporate banking and Institutions	Retail and Private banking	Leasing	Consolidation effect	Other	Total
Interest and similar to interest income	502 071	72 954	20 185	(67 552)	10 546	538 204
Interest and similar to interest expense	(323 142)	(6 912)	(13 468)	79 852	(7 184)	(270 854)
Net interest income	**178 929**	**66 042**	**6 717**	**12 300**	**3 362**	**267 350**
Net income from fees and commissions*	**32 488**	**45 567**	**238**	**1 385**	**(3 517)**	**76 161**
Result from remeasurement and derecognition of financial instruments	**11 962**	**3 957**	**(197)**	**(10 803)**	**-**	**4 919**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	22 247	-	-	(4 225)	-	18 022
Result from derecognition of debt and equity securities measured at fair value through other comprehensive income	3 820	-	-	(68)	-	3 752
Results from derecognition of loans and debt securities measured at amortised cost	948	-	(62)	(7 314)	-	(6 428)
Results from hedge accounting	(5 635)	-	-	804	-	(4 831)
Foreign exchange gains less losses	(9 418)	3 957	(135)	-	-	(5 596)
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**(14 550)**	**(5 141)**	**977**	**1 885**	**320**	**(16 509)**
Expected credit loss on financial assets, financial guarantees and loan commitments	(13 541)	(3 110)	802	1 400	2 141	(12 308)
Provisions for litigation, restructuring and similar charges						
(Loss) / gain on modification of financial instruments that did not lead to derecognition	-	-	-	7	803	810
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(1 009)	(2 031)	-	-	(376)	(3 416)
(Impairment) / Reversal on associates and other investments	-	-	-	478	(629)	(151)
(Impairment) / reversal of impairment on other financial and non-financial assets	-	-	175	-	(1 619)	(1 444)
Dividend income	**-**	**-**	**-**	**(10 937)**	**12 011**	**1 074**
Administrative and other operating expenses	**(61 618)**	**(96 823)**	**(4 778)**	**15 812**	**(56 727)**	**(204 134)**
- from which: depreciation and amortisation	(6 816)	(11 348)	(188)	527	(1 111)	(18 936)
Other income	**-**	**-**	**1 120**	**(18 350)**	**25 561**	**8 331**
Other expense	**-**	**-**	**(837)**	**84**	**(9 955)**	**(10 708)**
Share of profit or loss of associates	**-**	**-**	**-**	**2 914**	**-**	**2 914**
Profit before taxation	**147 211**	**13 602**	**3 240**	**(5 710)**	**(28 945)**	**129 398**
Income tax income / (expense)	**-**	**-**	**(469)**	**(46)**	**(20 088)**	**(20 603)**
Profit for the year	**147 211**	**13 602**	**2 771**	**(5 756)**	**(49 033)**	**108 795**

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

4.21 Events after the reporting period

Purchase the 14.88% of Fundamenta

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

Personnel changes

István Sárváry resigned from his position as a member of the Board of Directors of MBH Bank Plc. on 28 July 2025. The resignation became effective for the Bank on 12 August 2025. By resolution No. 3/2025 (07.29) adopted at its extraordinary general meeting held on 29 July 2025, the Bank elected Marcell Tamás Takács as a member of the Board of Directors for a fixed term commencing on 30 July 2025 and expiring on 31 December 2025.

Proceeding of the European Commission

On 1 August 2025, MBH Bank Plc. was informed that the European Commission (EC) had addressed questions to the Hungarian authorities in the context of a case registered under a reference number but not qualifying as a formal investigation procedure, initiated on the basis of market information. The EC's questions to the Hungarian authorities concerned the restructuring of the Hungarian banking sector, the bonds issued by MBH Ltd. pursuant to statutory requirements, and measures related to events connected to such issuances. The EC had previously examined the structure related to the restructuring of the Hungarian cooperative credit institution sector in the framework of a similar information request process, which likewise did not qualify as a formal investigation procedure. The EC closed this previous investigation in 2020 without establishing the existence of unlawful state aid. Based on the information available to the Issuer in relation to the above-mentioned information request process, at the current stage of the proceedings no specific state aid risks have been identified or quantified on the Issuer's side.

Dividend paid to the shareholders by MBH Bank

The amount of dividend approved by the General Meeting included the HUF 22.9 billion paid in advance on 28 October 2024. Based on the resolution of the General Meeting and the consultation with the Hungarian National Bank, the Bank paid the remaining dividend amount in two instalments. The first instalment, HUF 2 billion, was paid on 21 May 2025, the second instalment, representing the remaining HUF 12 billion, was paid on 12 August 2025, following the confirming letter received from the Hungarian National Bank that the conditions set by the General Meeting had been met. In both payment dates, the rules regarding the accounting of the previously paid interim dividend were applied.

Changes in the indirect ownership structure of MBH Bank

Since 30 June 2025 there have been changes in the indirect ownership structure of the Bank, but this has not affected the direct ownership structure of the Bank. The Bank has published the changes notified to it. The Group continues to have no ultimate controlling party.

Foreign currency-based loan agreements

On 14 July 2025, the Curia (Supreme Court of Hungary) published a uniformity decision confirming that the judgment of the Court of Justice of the European Union (CJEU) dated 30 April 2025 does not have general applicability to foreign currency-based loan agreements (including leasing contracts). The ruling is only relevant in cases where the financial institution providing the consumer foreign currency loan either failed to provide any information regarding exchange rate risk or provided inadequate information. In such cases, the court may declare the invalidity (nullity) of the foreign currency-based loan agreement. According to the Curia's decision, in case of legal dispute, each case must be assessed individually by the court regarding the validity of the contract, and the court has the authority to declare the invalidity of a foreign currency-based loan agreement.

MBH Bank and its Group adheres to fair and transparent contracting practices in compliance with legal obligations aimed at protecting consumers, and it always respects the final and binding decisions of Hungarian courts. Litigation concerning exchange rate risk disclosure has already arisen for the Bank (and its legal predecessors) and in the Group’s practice, with the Group prevailing in the majority of such cases. Given that the uniformity decision clearly refers to individual case-by-case judgments, the Group closely monitors the judiciary's decision-making practice and assesses the uncertainties and risks of potential expected losses resulting from it. Regarding the affected exposures and related litigated cases, the Group follows its accounting practices established under IFRS 9 and IAS 37 standards concerning the reserve for expected credit losses and provisioning.