

# MBH Group

## 1H 2024 results

Investor Presentation

29th August 2024

**MBH** BANK



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

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

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

**Additional investor information:** the Management is considering strategic options to increase MBH Bank's free float on the stock exchange within the next 24 months' time period.

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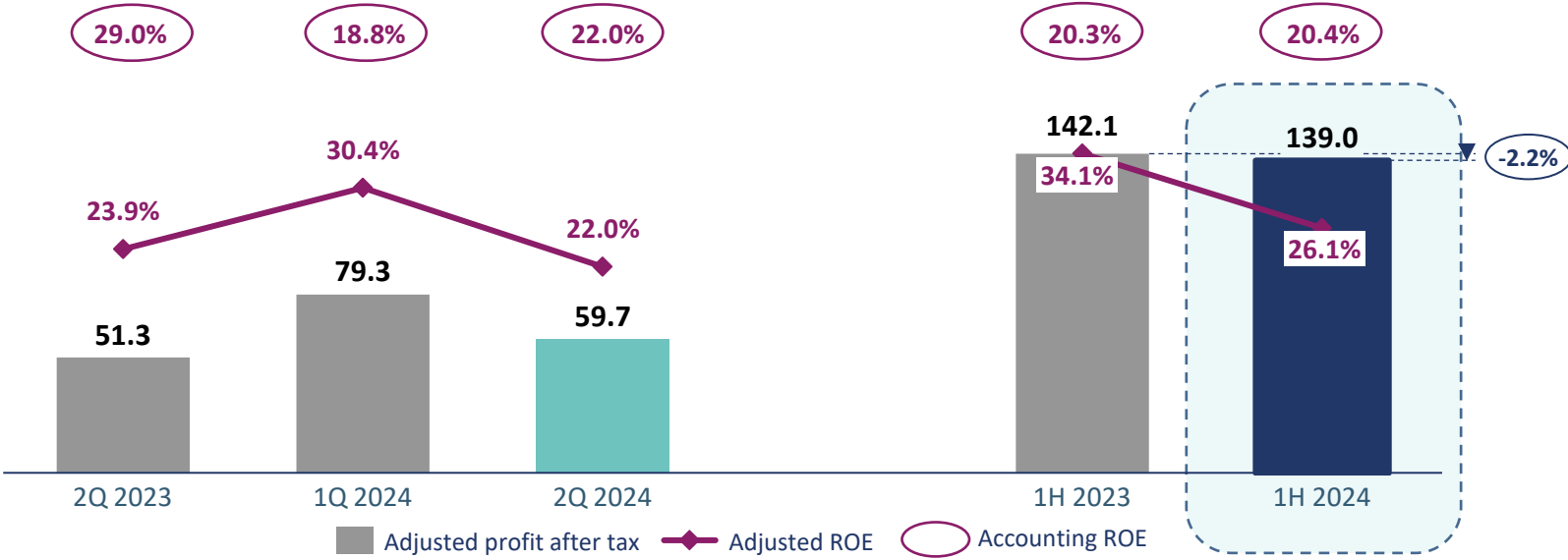


# Executive summary

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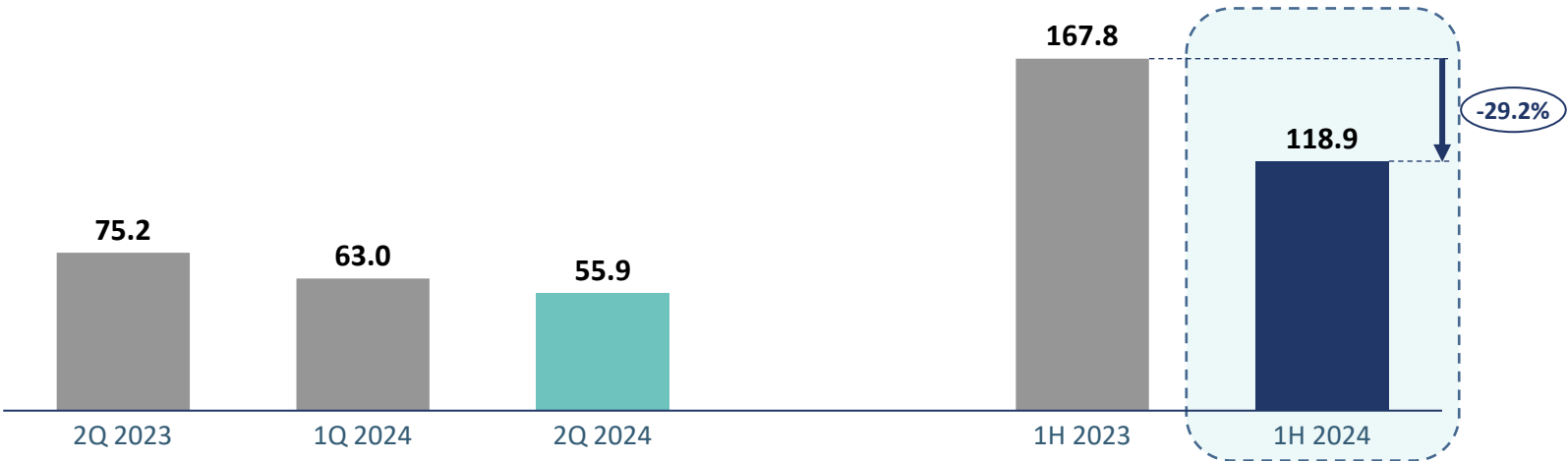
# MBH BANK More than HUF 139 bn adjusted profit in 1H 2024, with moderating net interest income levels

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



- Continued strong profitability in 2Q 2024, with adjusted return on equity reaching 26.1% in 1H 2024 (accounting ROE also very strong at 20.4%).
- HUF 139.0 bn adjusted profit after tax (-2.2% y/y) in 1H 2024. The Q/Q decrease in 2Q was mainly driven by the drop in revenues and up in costs.
- Total adjusted comprehensive income for 1H 2024 amounted to HUF 118.9 bn (-29.2% y/y).

Adjusted TOCI (HUF bn)





# Business environment

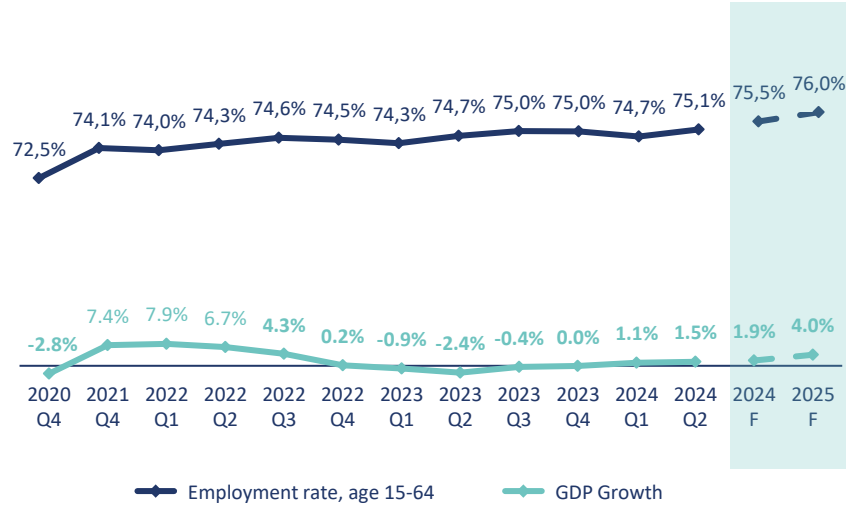
**MBH** BANK



# GDP slower than expected in 1H

- Real GDP unexpectedly fell 0.2% q/q in 2Q. Unadjusted GDP was up 1.5% in annual terms, due to poor industrial developments and investments. We cut our annual GDP growth forecast for 2024 from 2.7% to 1.9%.
- Annual inflation fell to 3.7% in June from 5.5% seen last December. By year-end, inflation may rise to well above 4%, with average inflation expected at 3.8%. **In 2025, inflation could to return to the central bank's target range**, as we see average inflation at 3.5%.
- The employment rate increased to 75.1% in 2Q. The unemployment rate was 4.3% in 2Q, compared with 3.9% a year earlier.
- Household lending was up in 2Q 2024:** the volume of newly contracted mortgage loans increased by 125% y/y, while personal loans grew 55% y/y. **Corporate lending, meanwhile, remained sluggish in 2Q due to the weak economic outlook.** By year-end the stock of household loans is expected to be approximately 7-8% higher than at end-2023, but for NFCs, this growth rate will likely remain below 4%.

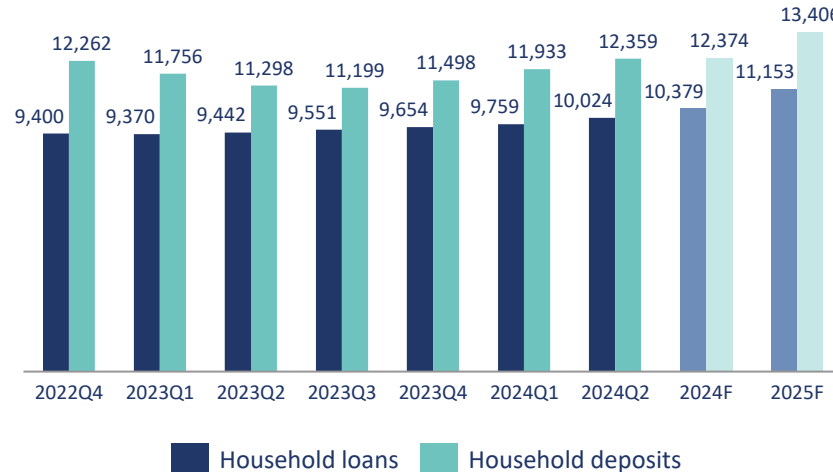
### GDP growth (y/y%) and employment



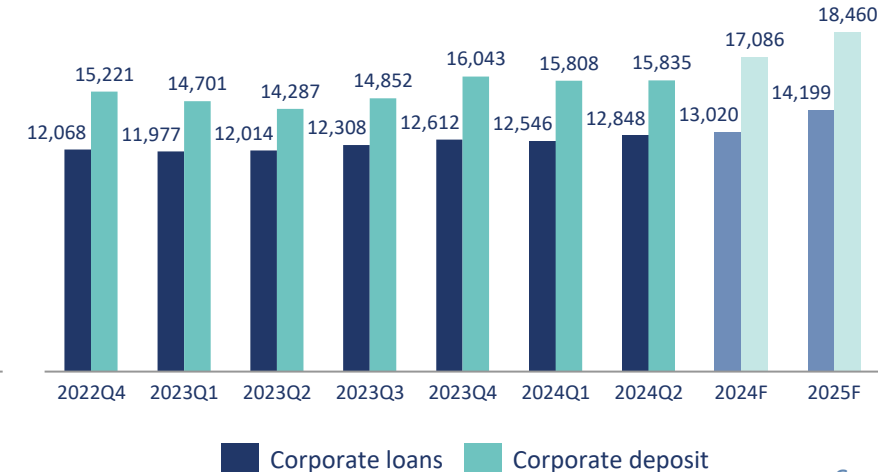
### Average inflation and wage growth\* (y/y %)



### Household volumes (HUF thous. bn)



### Corporate volumes (HUF thous. bn)

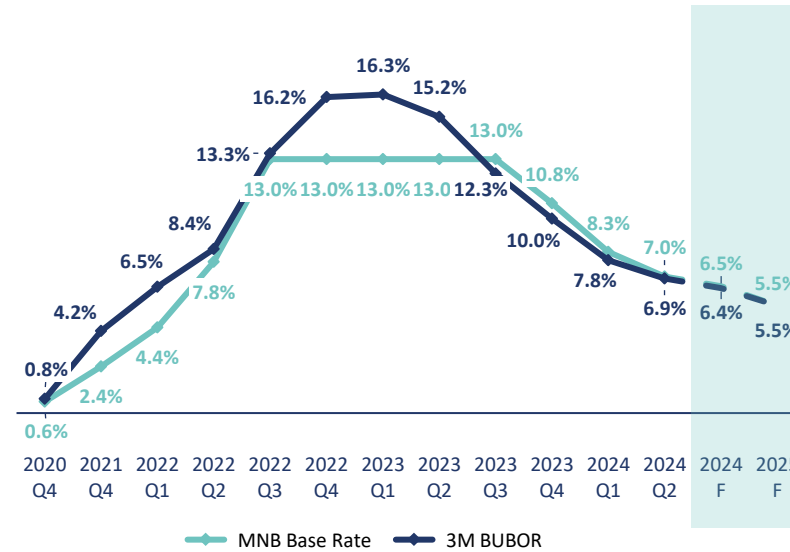


\* Febr. wage growth data was affected by the payment of the 'service premium' (the so-called 'firearms money') for the army and the law enforcement personnel corresponding to six-month salary in February 2022; Sources: HCSO, NBH, NBH forecast

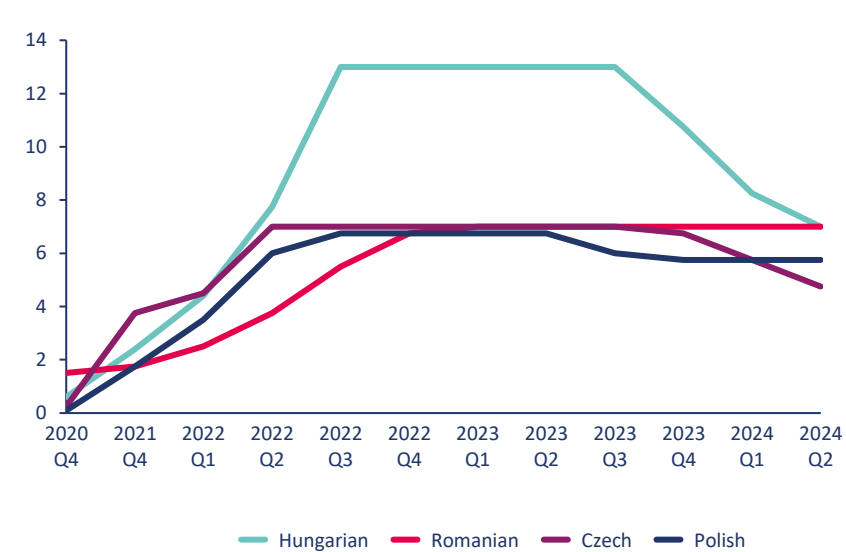
# Base rate fell to 7.00% by the end of June, decreasing further in 2H 2024

- The NBH has continued to cut interest rates in 2Q from 8.25% in March to 7.00% by the end of June. **Further rate easing is coming in 2H 2024**, with the exact amount depending on inflation and external rate expectations.
- We expect the forint to arrive at 392.5 vs the euro by year-end and at 390 by December 2025. **The NBH may not allow too much HUF depreciation**, but could boost cuts, should the forint strengthen substantially.
- Yields edged down on the government bond market in 2Q only slightly. **Yields went into substantial decline, however, after the end of the 2Q.** Therefore, we perceive downward risk to our call that the 10-year benchmark yield will be at 6.35% by end-4Q, and at 5.8% by end-2025.

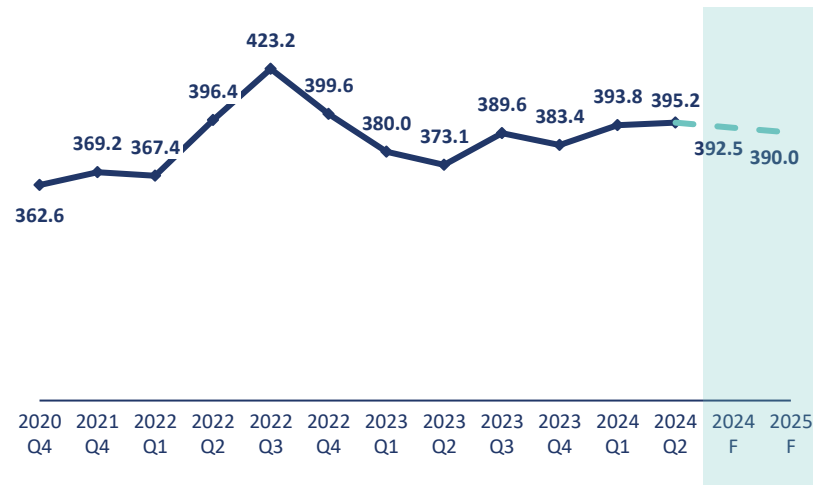
### MNB base rate and 3M BUBOR (%)



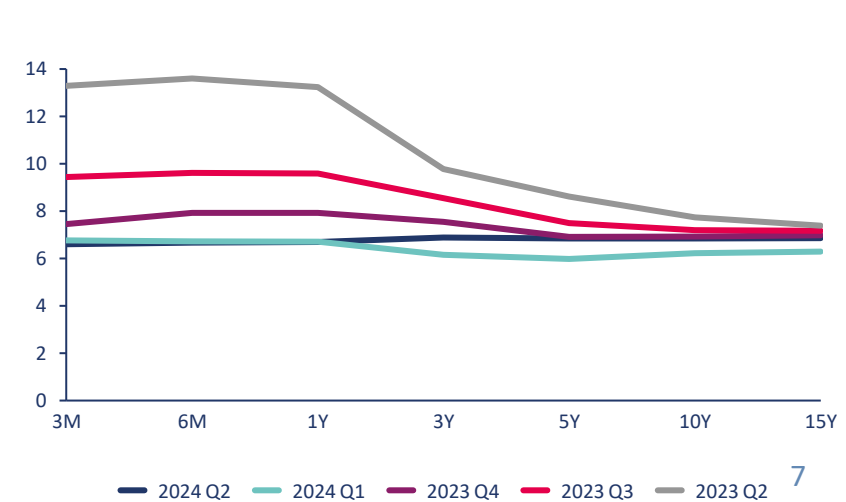
### Regional base rates (%)



### EUR/HUF rate



### GDMA benchmark yields (%)



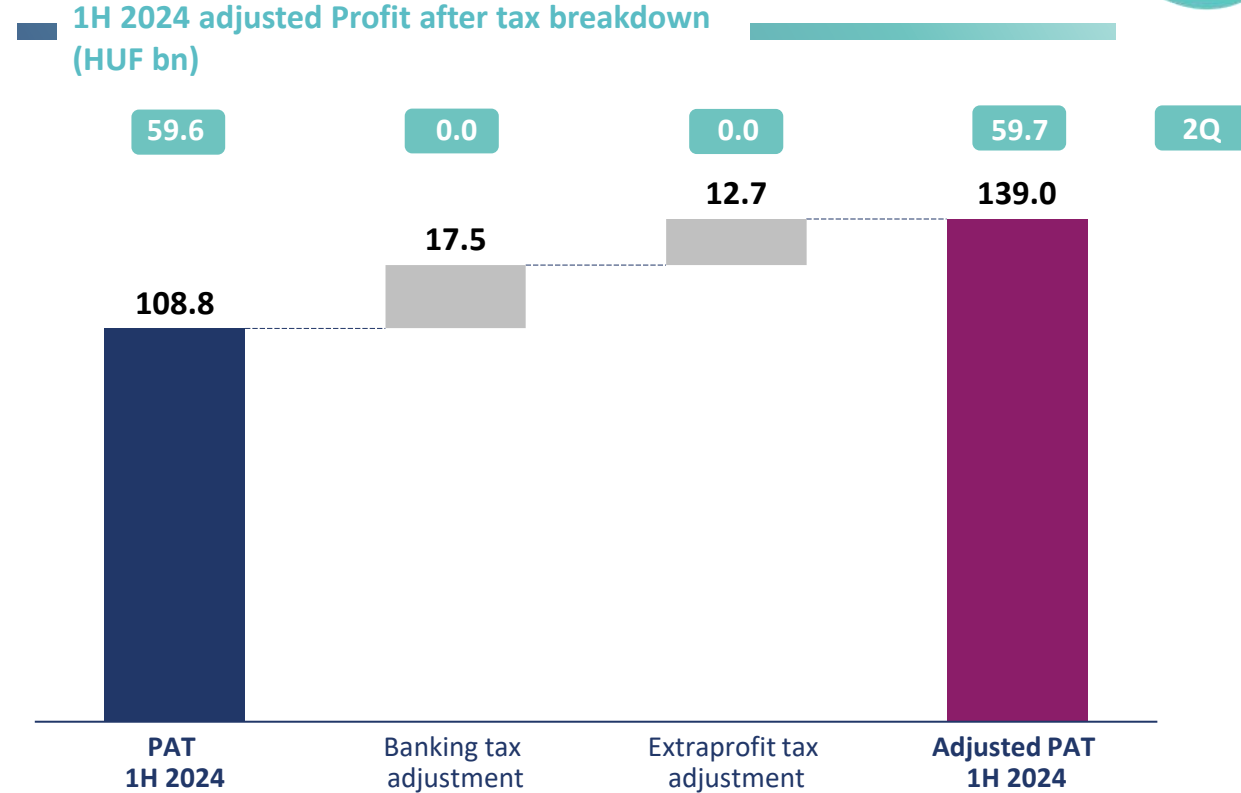
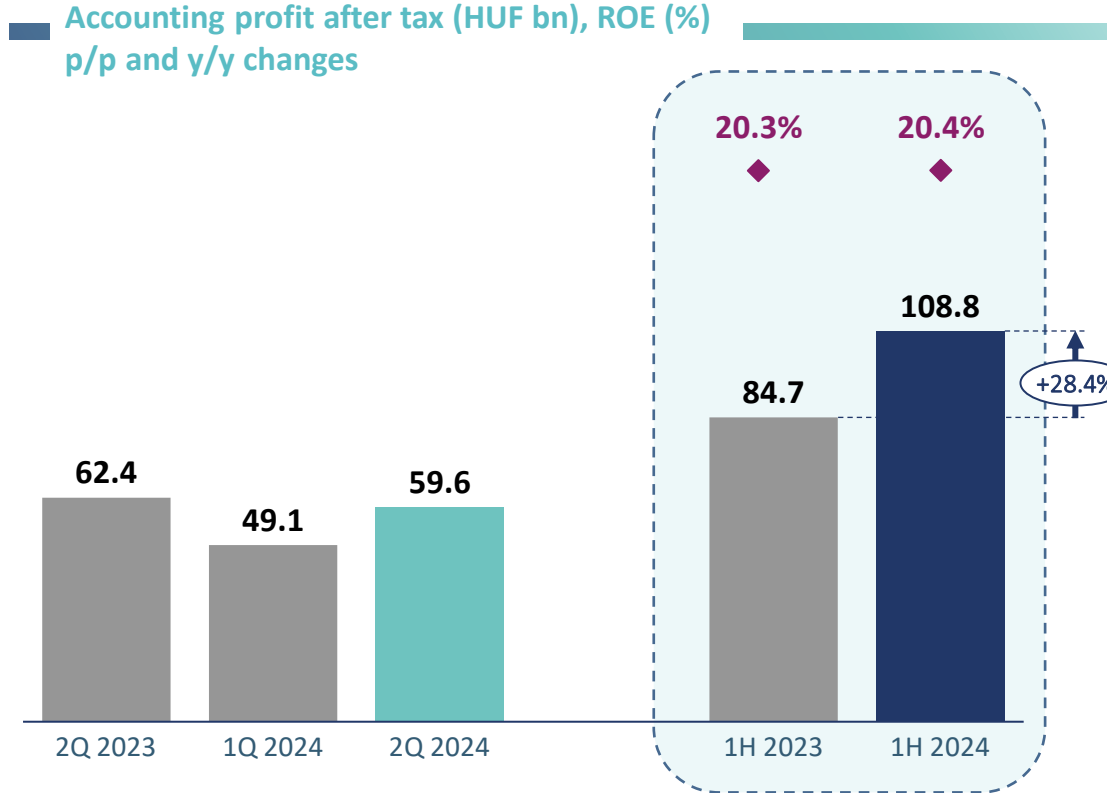


# Financial performance

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# Accounting profits increased to HUF 108.8 bn; extra profit tax and banking tax are the adjustments on PAT in 1H 2024



Accounting profit after tax in 2Q 2024 was HUF 59.6 bn. The Q/Q increase in 2Q was primarily driven by the negative effect of banking tax and extra profit tax in 1Q. 1H accounting profit after tax amounted to HUF 108.8 bn, which is over 28.4% higher than 1H 2023 due to lower risk costs and less extra profit tax.

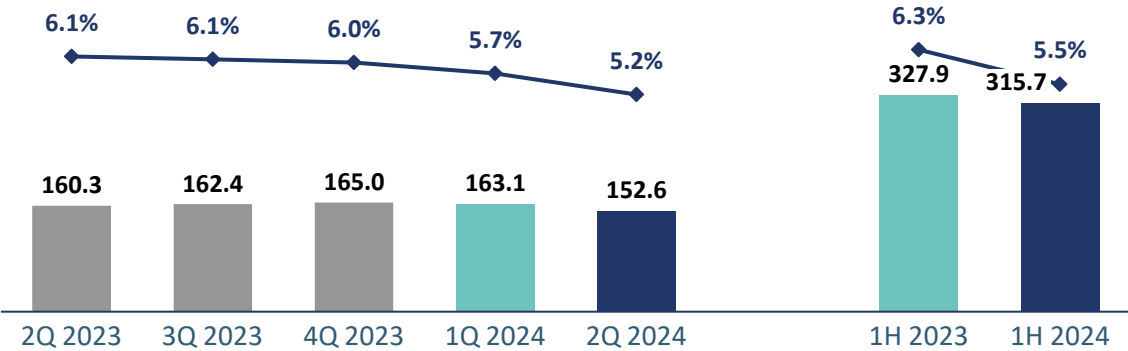
In order to provide better understanding and comparable views of the underlying financial performance, MBH Group uses adjustments in this report.

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

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

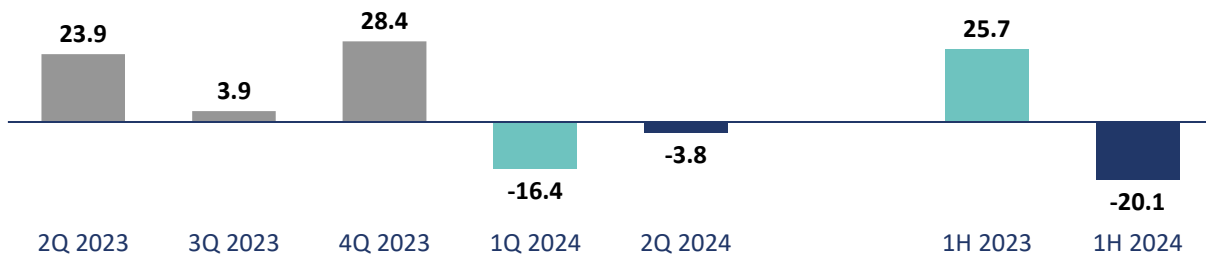
# MBH Group's gross income moderated in 2Q, with some decrease in the margins driven by the change in the yield environment

**Gross Operating Income (GOI, HUF bn)<sup>1</sup>, TRM %**

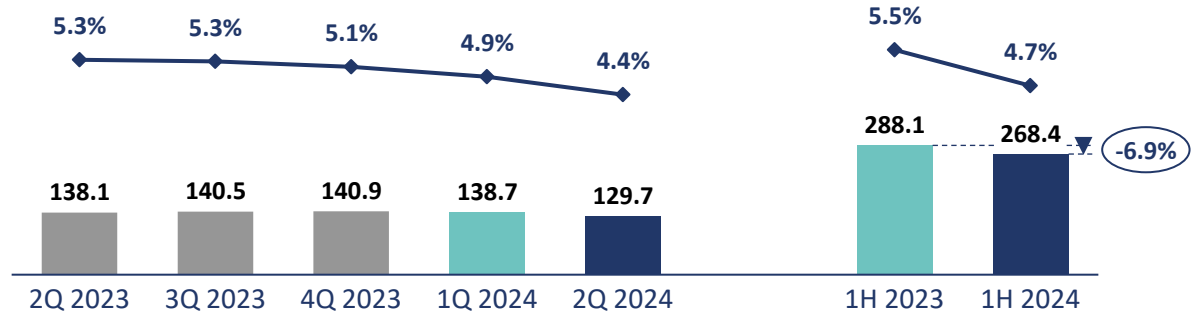


- **Gross Operating Income** reached HUF 152.6 bn (HUF -10.6 bn p/p, HUF -7.7 bn y/y) in 2Q 2024, which is **down by 4.8%** compared to the same quarter last year, mainly driven by the decline in NII due to change in yield environment.
- **Net interest income** reached HUF 129.7 bn in 2Q 2024 (HUF -8.4 bn, -6.1% y/y). The net interest margin decreased to the level of 4.4% in 2Q.
- **Net fee & Commission income** was HUF 49.3 bn in 1H 2024 (+14.6% y/y) and HUF 26.3 bn in 2Q 2024 (+13.9% p/p), quarterly growth driven mainly by the increasing turnover and higher transaction fees.
- **Other income** totalled HUF -3.4 bn in 2Q 2024 with the p/p changes being impacted by volatile money market conditions.

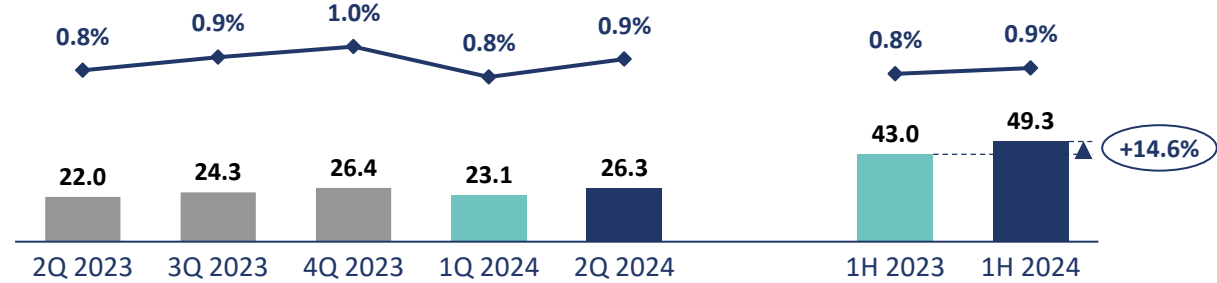
**Other comprehensive income (OCI, HUF bn)**



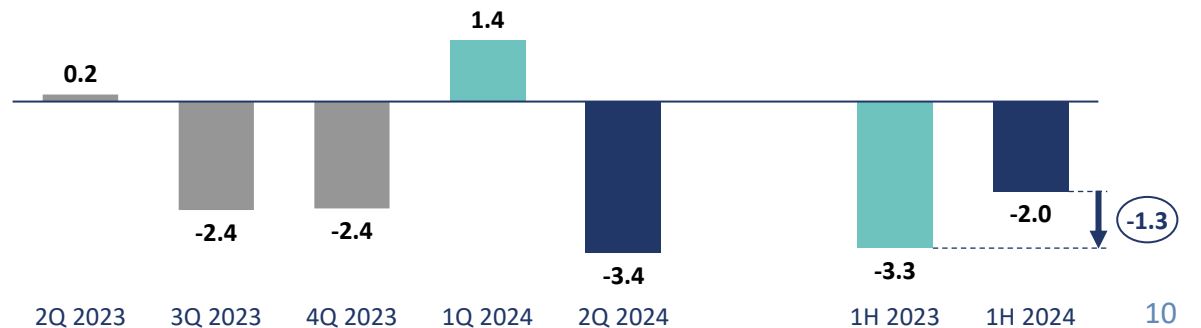
**Net interest income (HUF bn), NIM %**



**Net fee income (HUF bn), NFM %**



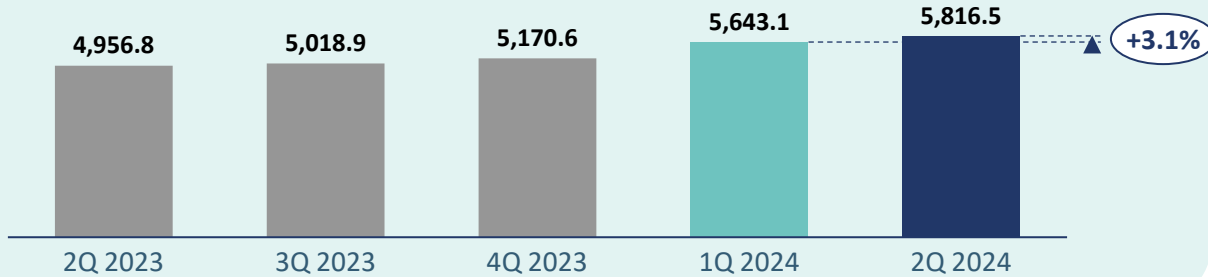
**Other income<sup>2</sup> (HUF bn)**



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

# 3.1% p/p increase in the loan book (+17% y/y), quarterly growth driven by the increase in corporate loans

## Customer gross loan portfolio (HUF bn)



MBH's gross loans increased during the second quarter by 3.1% p/p (HUF +173.4 bn), partially due to the growth of the corporate portfolio.

### Corporate Loans:

- Corporate business increased by 4.9% during 2Q on loan portfolio, reaching HUF 2,890.7 bn at the end of June 2024 (+7.3% y/y). The Bank's market share increased to 19.4%.

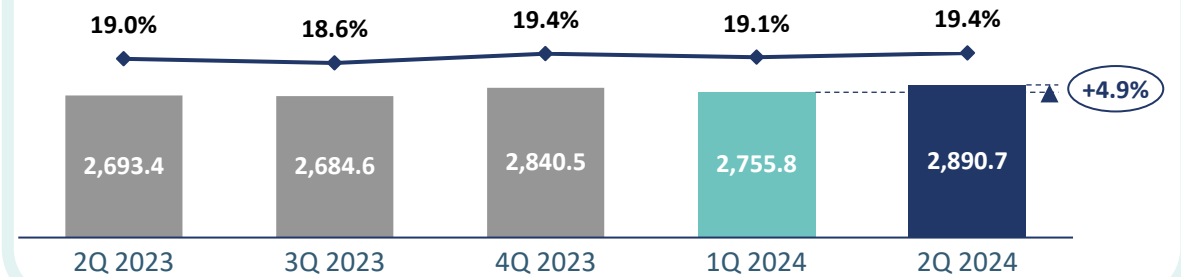
### Retail Loans:

- Total retail loans portfolio was at HUF 2,252.9 bn at the end of the quarter (+1.6% p/p), while y/y up was 33.0%, thanks to the impact of acquisition of Fundamenta portfolio. Market share was stable at 21.0% in 2Q 2024.

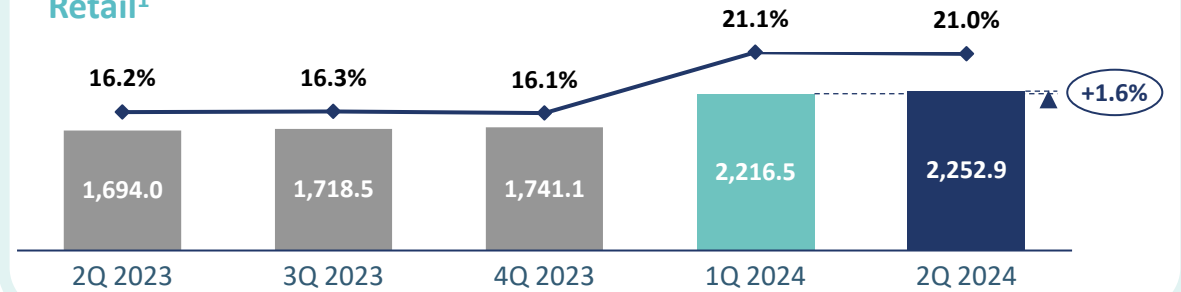
### Leasing:

- MBH Group leasing portfolio amounted to HUF 578.5 bn as of 30 June 2024, HUF 46.5 bn (+8.7% y/y) higher compared to 2Q 2023 (+2.6% p/p).

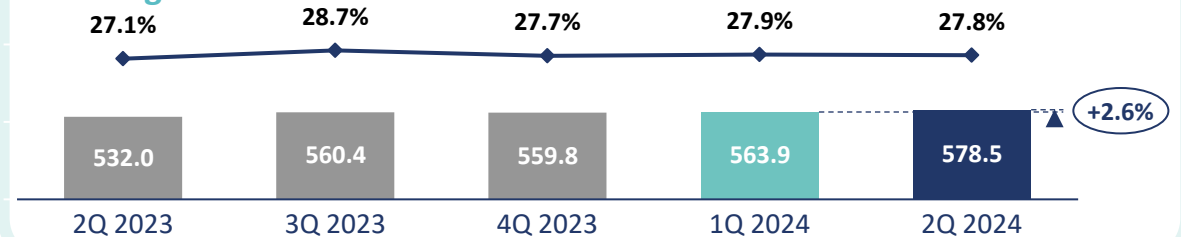
## Corporate<sup>1</sup>



## Retail<sup>1</sup>



## Leasing<sup>2</sup>

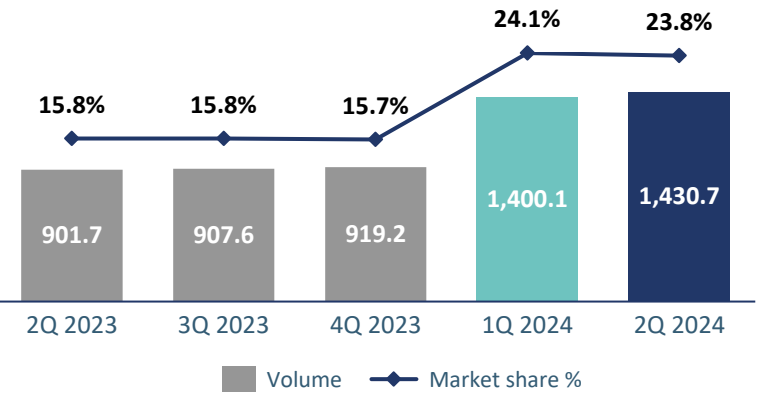


<sup>1</sup> Retail and corporate portfolio is presented according to MBH Bank's internal segmentation methodology, Market share: HNB segmentation, household and non-financial corporate

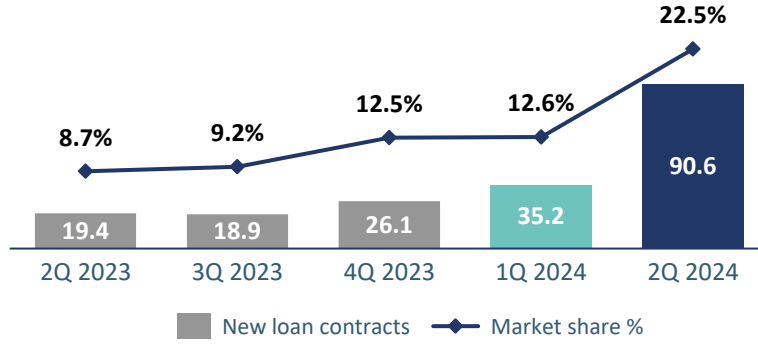
<sup>2</sup> Leasing market share: partially based on Leasing Association data and internal estimates

# MBH BANK Significant growth in new lending volumes and market shares of both mortgages and personal loans in 2Q 2024

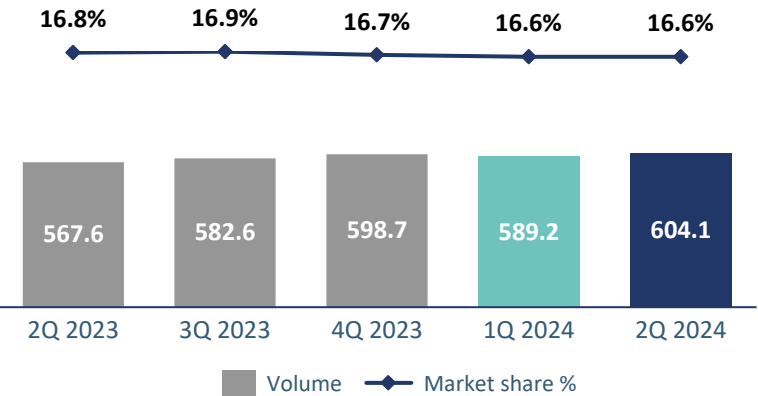
**Retail mortgage loans – Gross volume (HUF bn) and market share (%)**



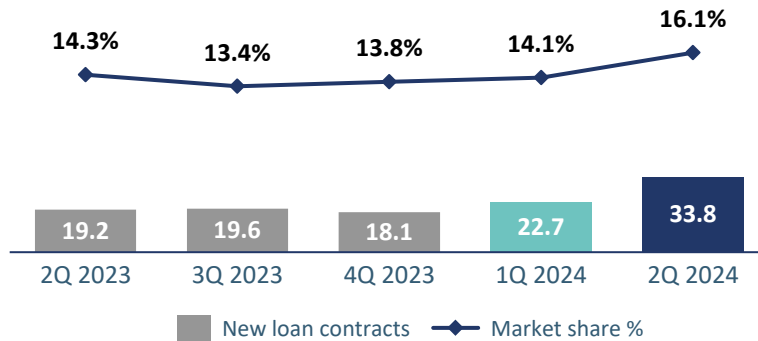
**Retail mortgage loans – New loan contracts (HUF bn) and market share (%)**



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



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



**Retail mortgage loans:**

- **Retail mortgage loan** balances were at HUF 1,430.7 bn (+58.7%, HUF +529.0 bn y/y) driven by acquisition of Fundamenta and the impact of change in market environment. Market share of retail mortgage loans stood at 23.8% at the end of 2Q 2024.
- **New loan contracts of retail mortgage loans** increased by HUF 55.4 bn in 2Q 2024 compared to 1Q 2024 supported by CSOK Plusz program and the general improvement in the market environment.

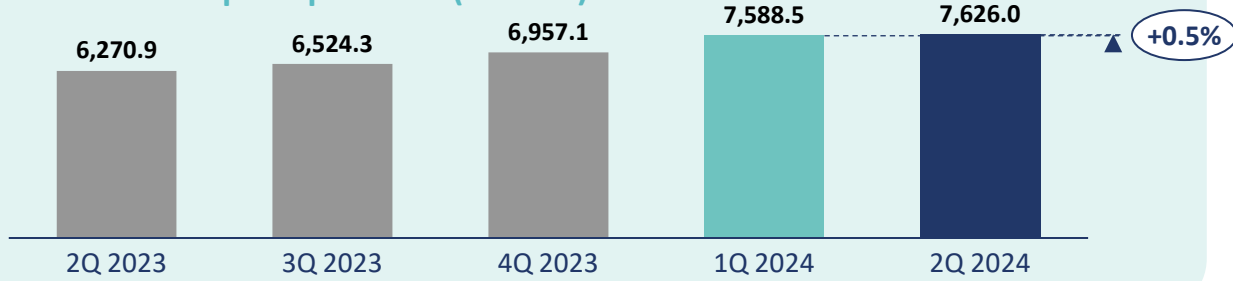
**Retail unsecured loans:**

- **Unsecured loan volumes increased** in 2Q 2024 (+2.5% p/p). Market share of retail unsecured loans was stable at 16.6%.
- **New loan contracts of retail personal loans** amounted to HUF 33.8 bn in 2Q 2024 (+48.7% p/p) supported by personal loan campaign. Market share was up to 16.1% in the period.

Please note: Retail segmentation presented on charts in this section is based on internal business segmentation of MBH Bank. Market share is presented based on HNB's secured market.

# Deposit portfolios increased in 2Q, growth was supported by corporate volumes. Retail other savings volumes also continued to grow in the quarter

## Customer deposit portfolio (HUF bn)



Customer deposits continued to grow in 2Q (+21.6% y/y), increased by 0.5% p/p, impact of growth of corporate volumes, reaching HUF 7,626.0 bn by the end of June.

### Corporate Deposits:

- Corporate business deposits increased by 26.7% y/y (+HUF 913.9 bn y/y), while the quarterly increase was 7.3% (HUF +295.8 bn p/p). Market share of corporate deposits increased to 20.0%.

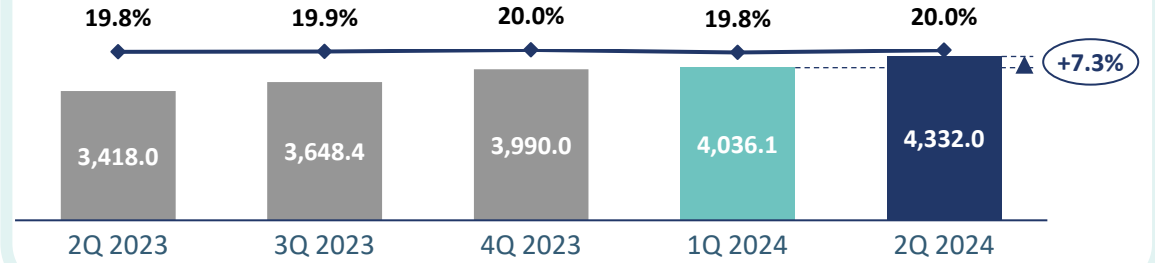
### Retail Deposits:

- Retail deposits increased by 29.0% y/y, while a decrease of 0.2% (HUF -7.6 billion p/p) was realized in 2Q 2024. Market share of retail deposits decreased to 19.4%.

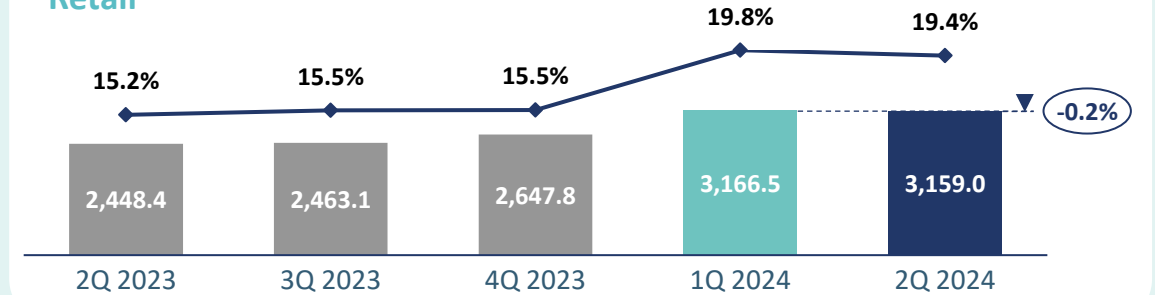
### Retail other savings:

- Retail savings in other instruments increased by over HUF 518.5 bn compared to 2Q 2023, and HUF 99.8 bn compared to 1Q 2024, mainly driven by investment funds.

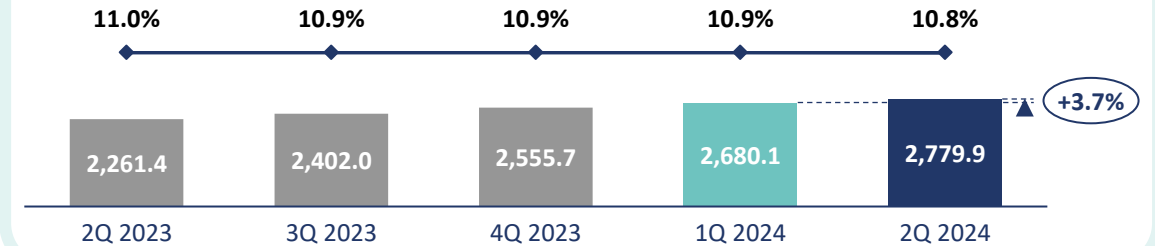
## Corporate<sup>1</sup>



## Retail<sup>1</sup>



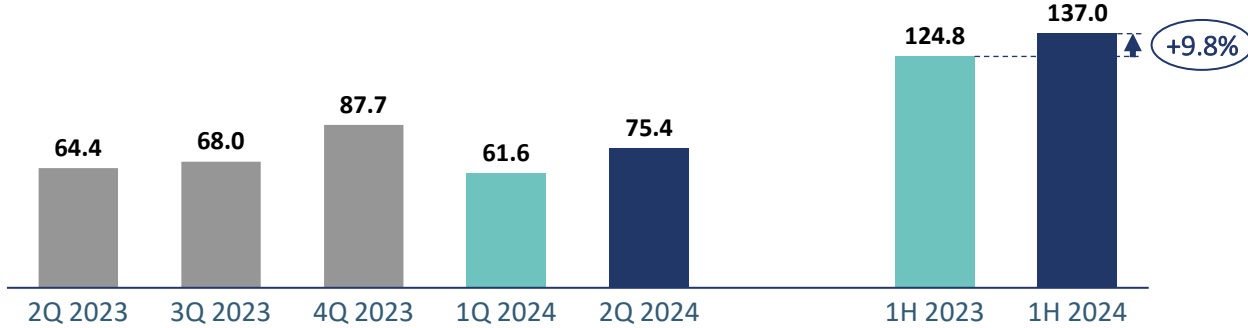
## Retail other savings<sup>2</sup>



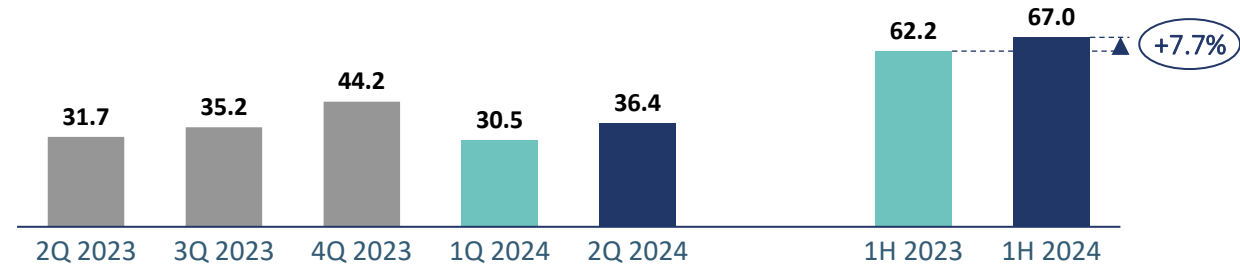
<sup>1</sup> Retail and corporate portfolio is presented according to MBH Bank's internal segmentation methodology, Market share: HNB segmentation; <sup>2</sup> Private individuals and Private Banking savings; other savings include securities accounts and shares, other securities

# Increase in costs p/p, C/I ratio up to 43%

## Operating expenses (HUF bn)

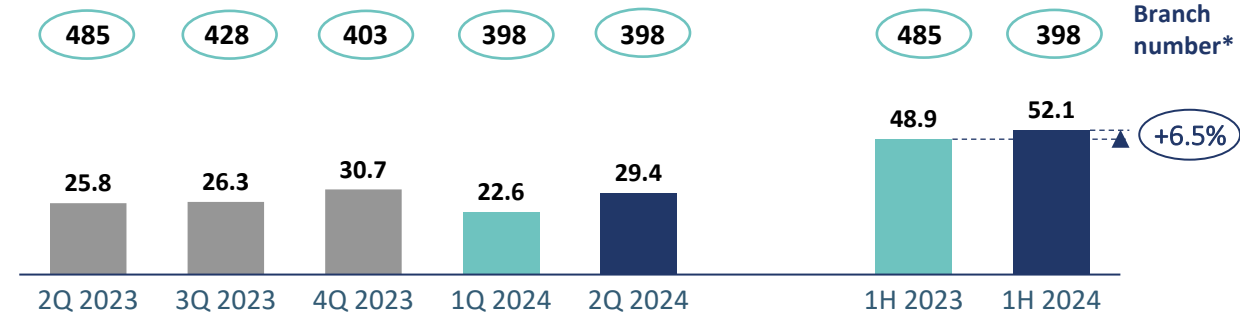


## Personnel expenses (HUF bn)

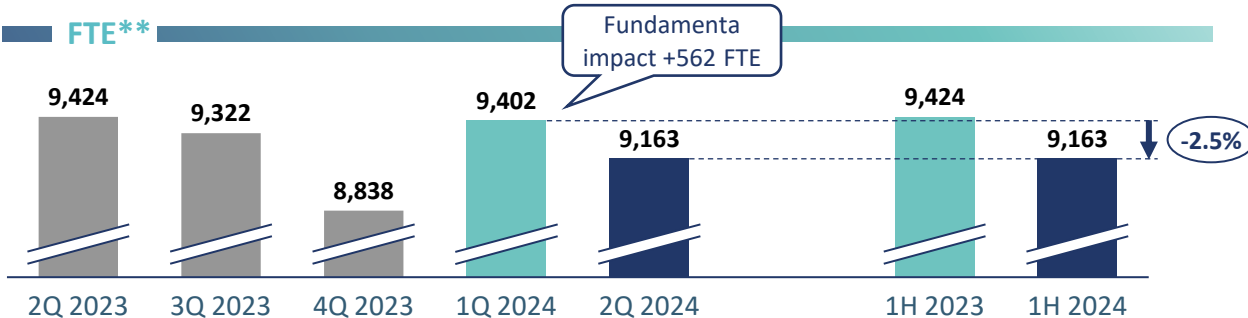


- Operating expenses amounted to HUF 137.0 bn in 1H and HUF 75.4 bn in 2Q 2024, rising by 22.4% p/p. The increase is largely due to the expansion of the group, with Fundamenta's costs included in group costs from April 2024.
- Personnel expenses in 2Q 2024 increased by HUF 5.9 bn (+19.2%) p/p, caused by the expansion of the group and seasonality of the personnel costs.
- 1H 2024 OPEX increased by HUF 3.2 bn (+6.5% y/y) mainly driven by inflation and increased business activity in the quarter.
- C/I was 43.4% in 1H 2024, 5.3%-pts y/y growth was driven by increasing costs and reducing revenues. C/A rate was 2.4% in 1H 2024 (+42 bps p/p).

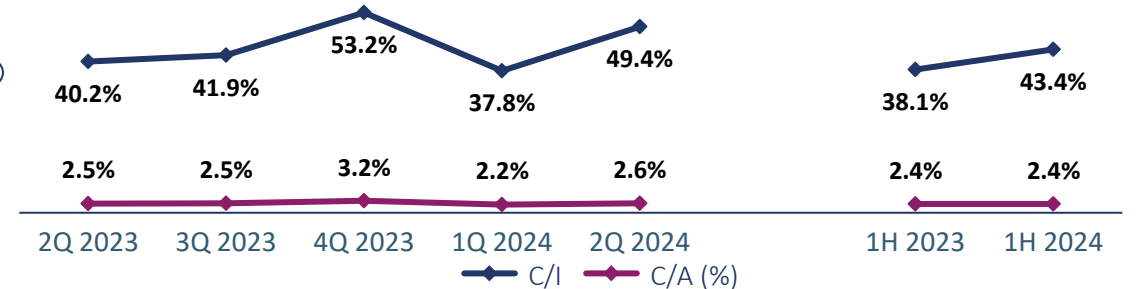
## Other operating expenses (HUF bn)



## FTE\*\*



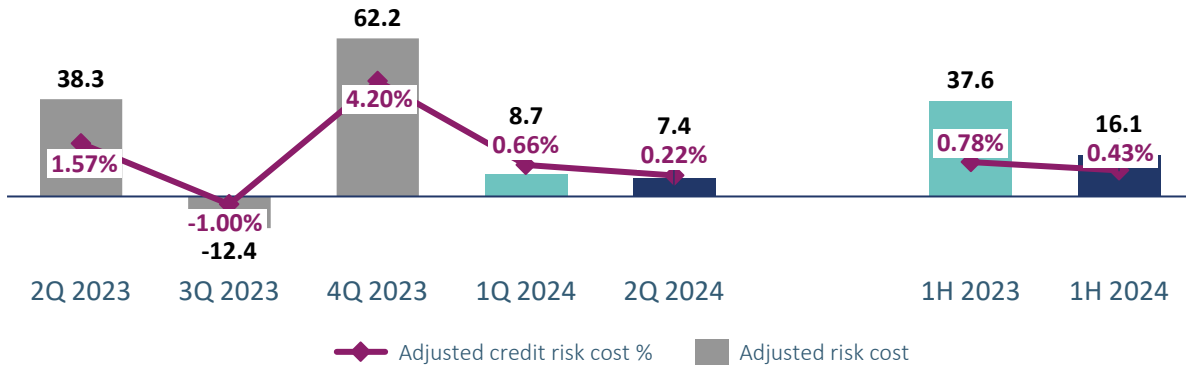
## Cost efficiency (%)



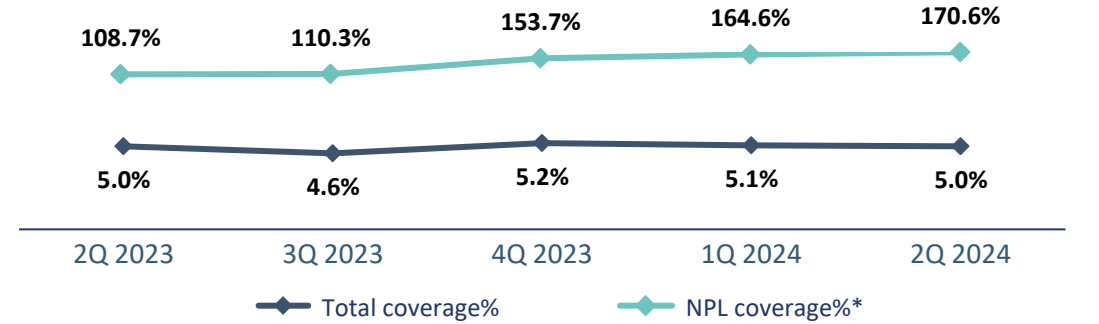
\* Without MFB Point branches; \*\* From 1Q 2024 with employees of Fundamenta

# Further improving portfolio quality and increasing NPL coverage rates in 2Q

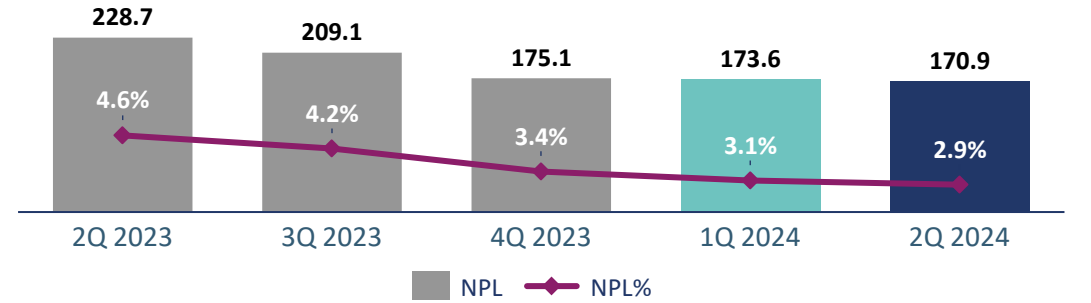
## Total risk cost (HUF bn)



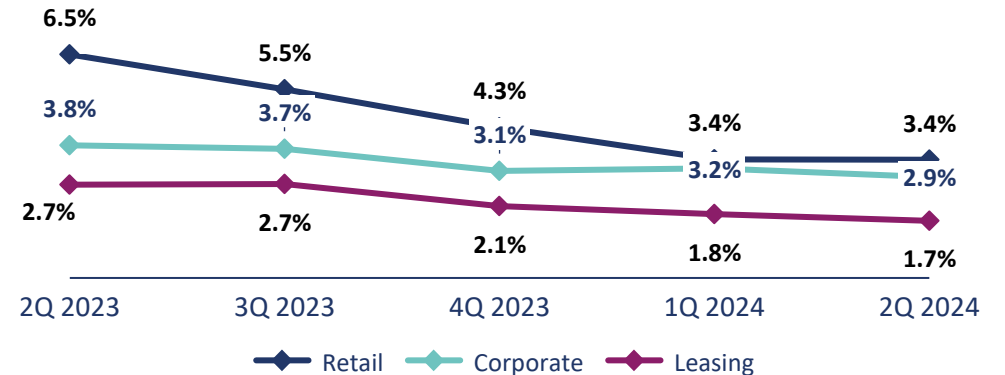
## Coverage (%)



## NPL exposures (HUF bn) and rate (%)<sup>1</sup>



## NPL rates (%)<sup>1</sup>

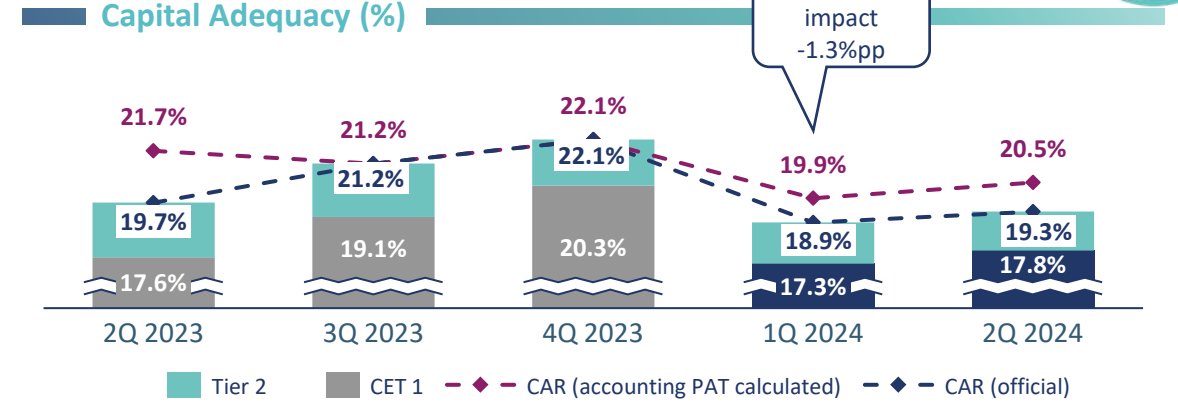
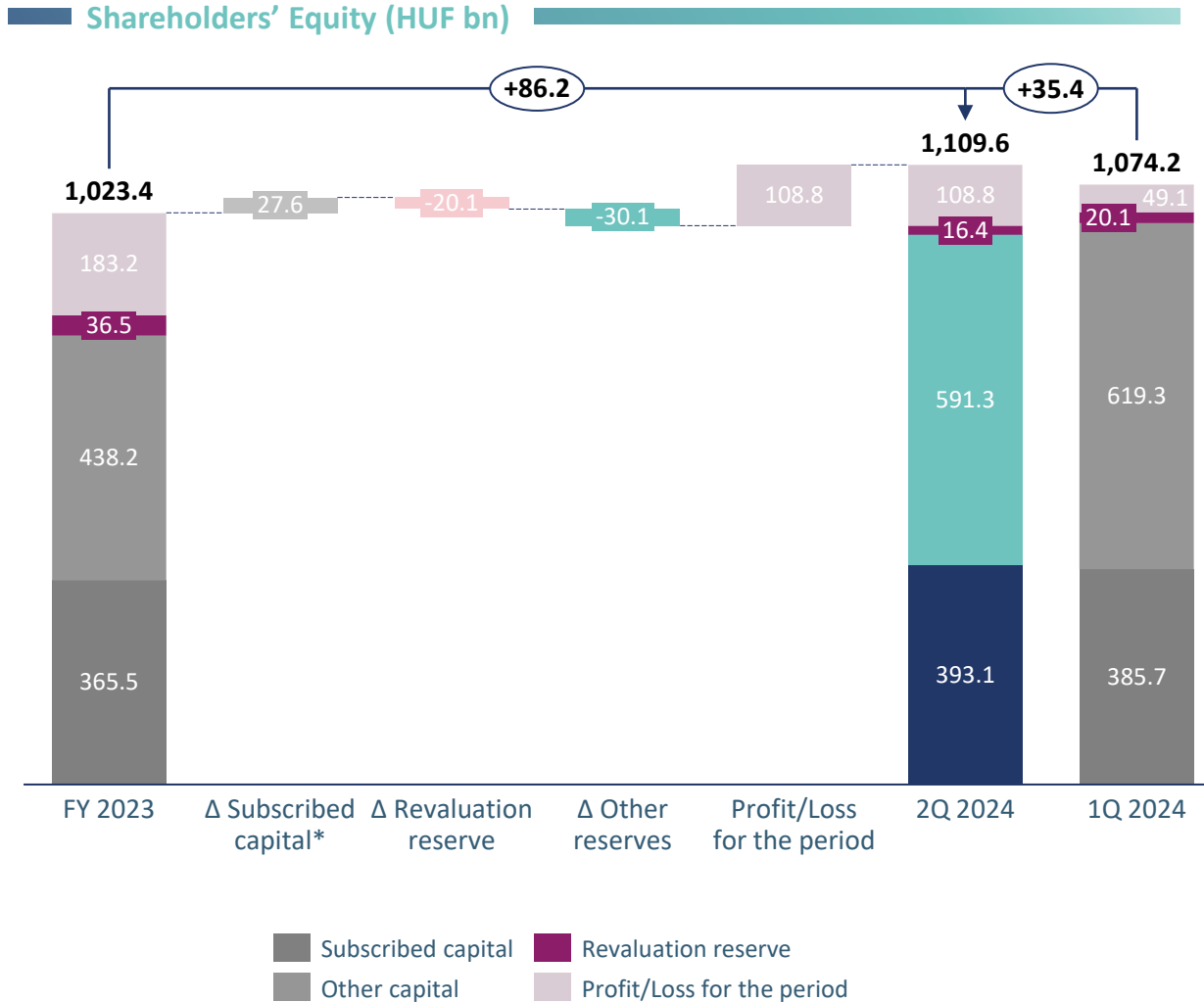


- The **total amount of risk cost** was HUF 7.4 bn in 2Q 2024, reflecting the impairment charges on loans and modification loss recognised for the interest rate cap and moratorium extended again until the end of the year.
- The **total portfolio coverage stood at 5.0% in the period**. The **NPL coverage** was 170.6% in 2Q 2024.
- The **amount of NPL loans** was HUF 170.9 bn at the end of 2Q 2024, decreased by HUF 2.7 bn (-1.5% p/p) over the period.
- **NPL% ratio is 2.9% in 2Q**, dropped over the period.
- Retail NPL loan volume was HUF 77.0 bn at the end of 2Q 2024, which showed a minimally increase of HUF 1.1 bn (+1.4% p/p) compared to previous quarter. NPL% ratio stood at 3.4% in 2Q 2024. Corporate NPL volumes decreased in 2Q (-3.3% p/p), NPL% ratio reached at 2.9%.

<sup>1</sup> According to IFRS, held for sale and FVTPL portfolio is not included.

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

# Stable capital position – 17.8% CET1 in 2Q 2024



**Regulatory Capital and Total RWA (HUF bn)**

	in HUF bn	2Q 2023	3Q 2023	4Q 2023	1Q 2024	2024 2Q
<b>Regulatory Capital</b>		<b>826.3</b>	<b>897.4</b>	<b>1 047.1</b>	<b>978,0</b>	<b>1 025,0</b>
Tier 1		736.9	808.9	962.4	894,8	943,8
Tier 2		89.4	88.5	84.7	83,2	81,1
<b>RWA</b>		<b>4 198.5</b>	<b>4 231.5</b>	<b>4 729.4</b>	<b>5 173,1</b>	<b>5 301,2</b>

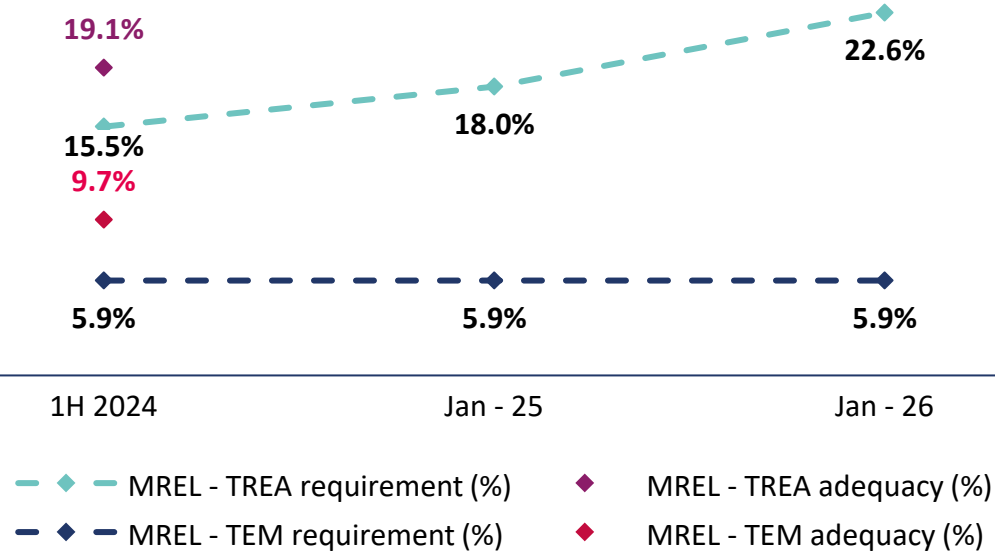
- Positive 1H 2024 (accounting) profit – despite of extra profit tax paid – continued capital accumulation (+HUF 86.2 bn) increasing the shock absorbing capabilities of the Bank.
- Stable capital position **19.3% capital adequacy ratio and 17.8% CET1 ratio**.
- T1 Capital increased by 5.0% p/p due to high profit and higher intangible assets. CAR increased to 19.3% in 2Q.

Note: Subscribed capital includes Non-controlling interest



# MREL requirements and adequacy

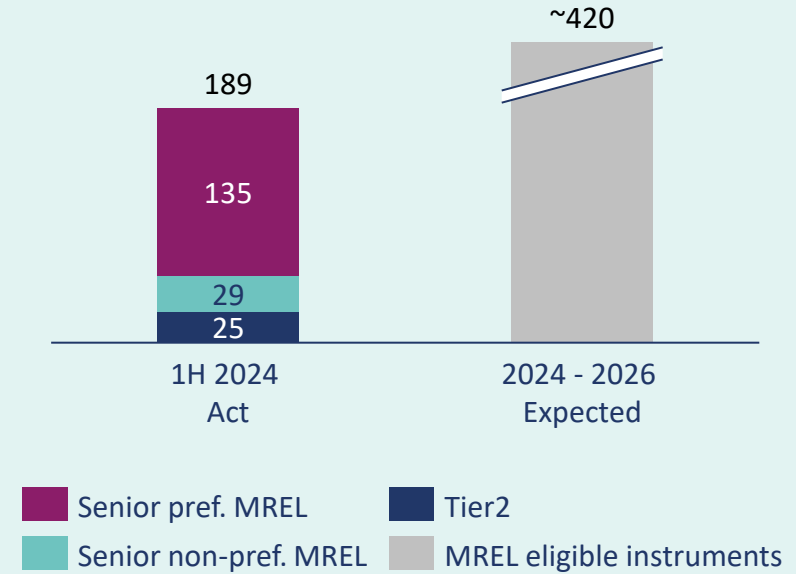
## Regulatory MREL requirements and compliance: TREA (%) and TEM (%), 1H 2024 – Jan 2026



## Subordinated MREL requirements from 16.12.2024

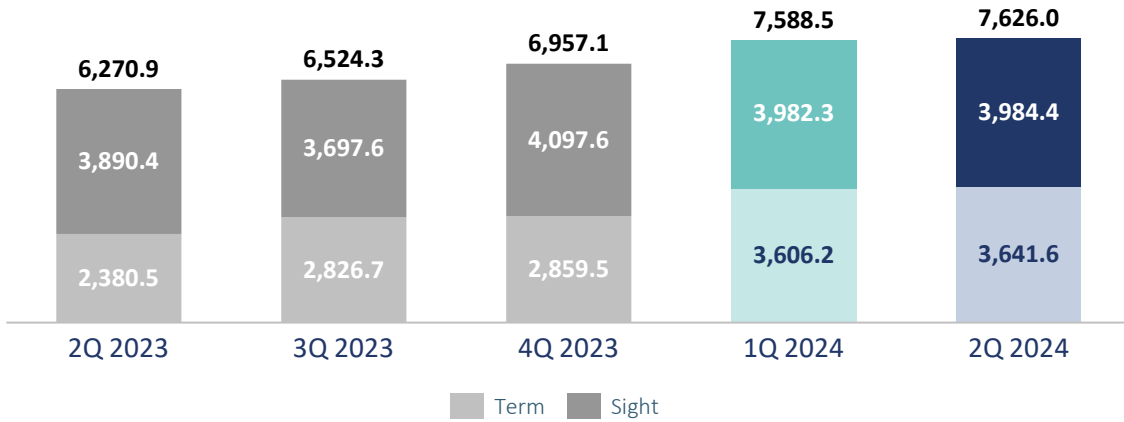
Subordinated MREL requirements	%
TREA	13.5%
TEM	5.0%
TLOF	8.0%

## MREL new issuances (HUF bn)



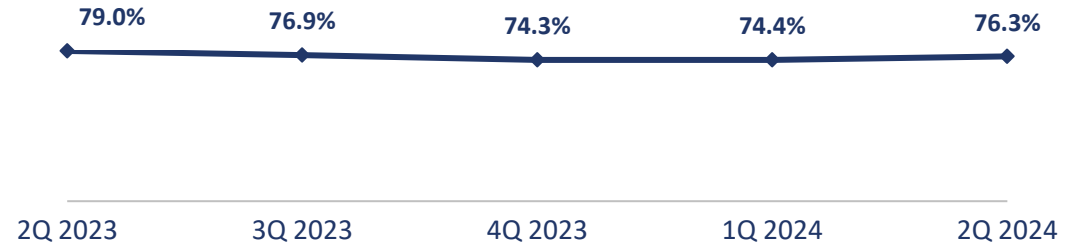
- Currently, we forecast that ~30% of the issuance planned for 2024-2026 will be through instruments that helps to fulfil the subordination requirement.
- We plan to meet the requirements by ensuring a minimum buffer of at least 50 basis points for all target measures.

## Customer deposits (HUF bn)

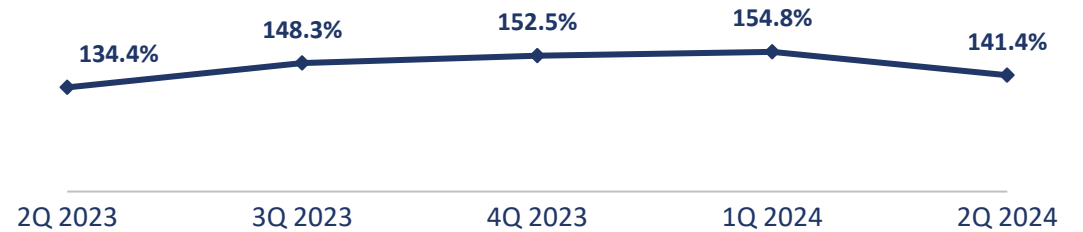


- Customer term deposits increased by 1.0% (HUF +35.4 bn) p/p. Sight deposits remained stable (HUF +2.1 bn) p/p.
- Y/y decrease in LTD (down to 76.3%) is the result of an increase in deposits and in loan portfolio.
- NSFR 131.0%, LCR 141.4% in 2Q 2024, significantly above the regulatory minimum.

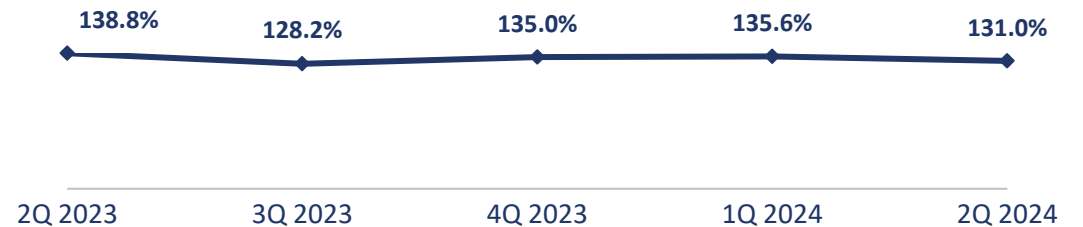
## LTD (%)



## LCR (%)



## NFSR (%)





## Additional information

# Ratings



In 2024, Moody's affirmed MBH Bank's investment-grade CRR rating of Baa2 with a stable outlook.

Rating category	Rating achieved
Long- and short-term deposit ratings	Baa3/P-3
Long- and short-term Counterparty Risk Ratings (CRRs)	Baa2/P-2
Adjusted / Baseline Credit Assessment (BCA)	ba3
Senior Unsecured Program and Bond rating	(P)Ba2

- The ratings assigned by Moody's Investors Service (Moody's) to MBH Bank reflect
  - The Bank's strong competitiveness in Hungary
  - Adequate capital level and large liquidity buffers
  - Strong profitability



## ESG ratings

Outstanding recognition for our ESG performance:

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



## UN EP FI - Principles for Responsible Banking

The first Report and Self-Assessment document was published in May 2024.



# Awards and Recognitions



**Hungarian Banking Association**  
**Golden Beehive Award**

dr. Tisza-Papp Ákos, Managing Director of Law and Governance at MBH Bank



**JOBVERSE Job Fair**

- MBH Bank was one of the TOP3 most popular and successful exhibitors.
- MBH Bank ranked first among the participating banks in terms of the number of job applications submitted.



**HR Fest**

Based on **Zyntern.com's** great entry-level research of 2024 MBH Bank is:

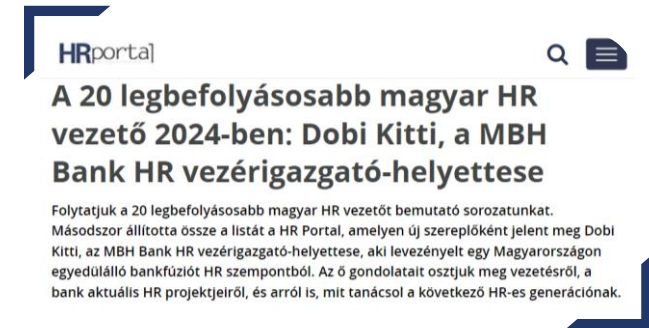
- One of Hungary's most attractive employers (TOP15)
- Most Attractive Employer in the Field of Economics – 2nd place



**FocusEconomics**

**Analyst Forecast Awards 2024**

- Hungary Exchange Rate – 1st place
- Hungary Interest Rate – 1st place
- Hungary Inflation – 1st place



**HR Portal**

**The 20 most influential Hungarian HR leaders in 2024**

Dobi Kitti, Deputy CEO of HR at MBH Bank

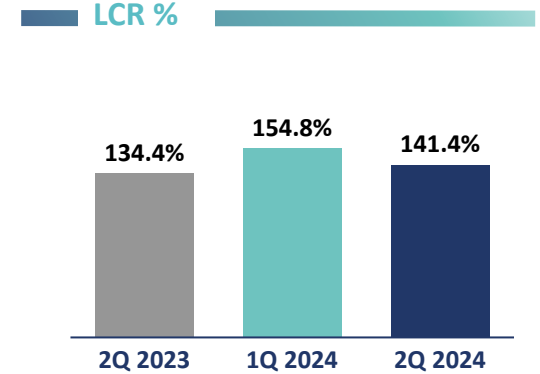
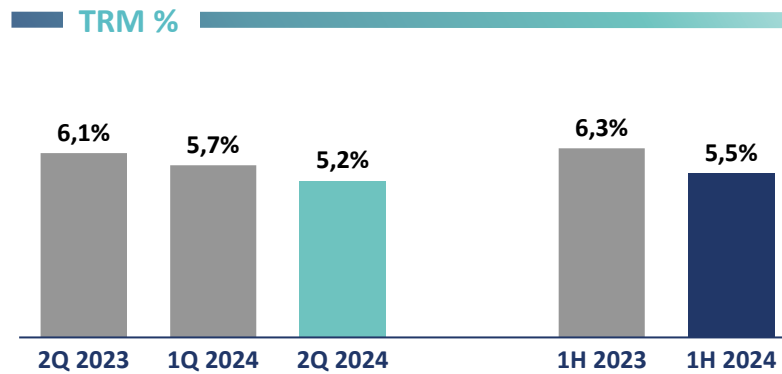
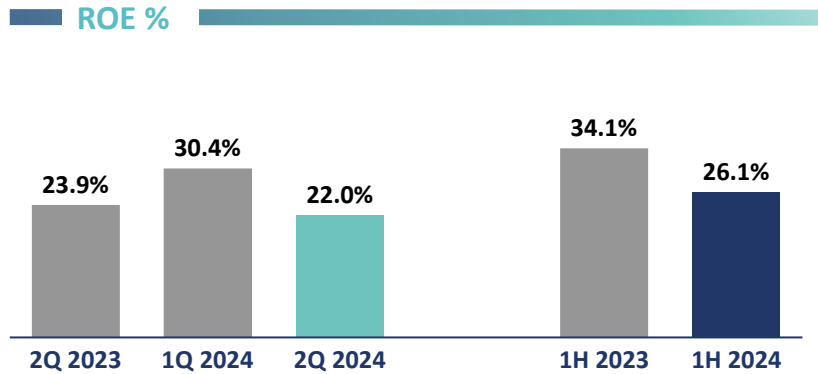


# Annexes

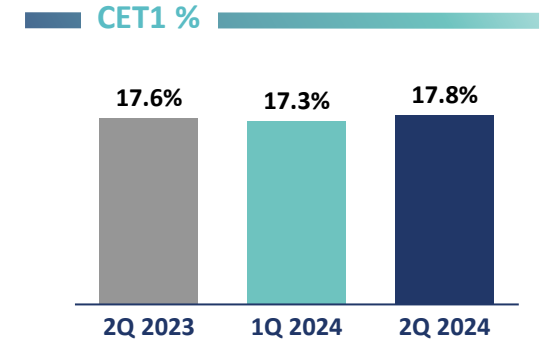
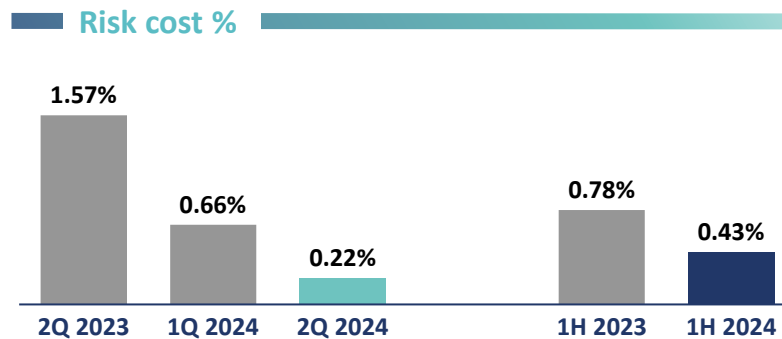
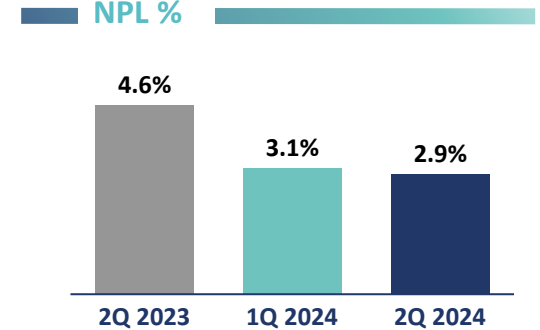
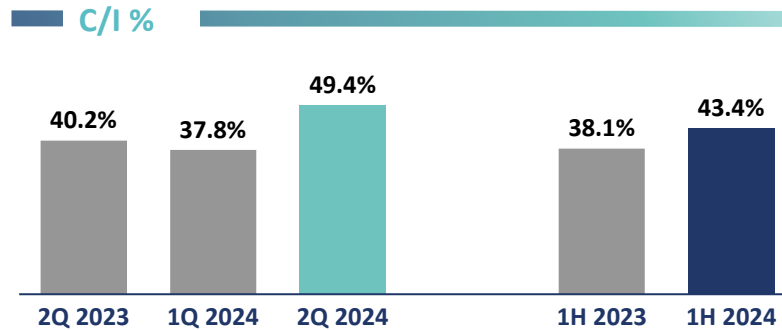
**MBH** BANK



# Key ratios overview (adjusted)



- **Distinguished ROE** reaching **26.1%** in 1H 2024, driven by high profitability of the Bank
- **Drop of 0.8%-pts y/y** adjusted **total revenue margin (TRM)** to 5.5%, mostly driven by decreasing net interest income impact of change in yield environment
- Cost control, with growth 14.0% y/y increase, and achieving a **C/I ratio of 43.4% for 1H 2024**
- **Risk cost margin** amounted to **0.43%** in 1H 2024, it coupled with stable portfolio quality, **NPL rate decreasing** compared to 1Q 2024
- Liquidity remaining at comfortable levels, with **LCR above 140%** and loan-to-deposits below 80%
- **Stable CET1 of 17.8%** and CAR of 19.3%





ADJUSTED P&L (HUF bn)	2022		2023			2024		Y-Y (Y)	Y/Y	Q/Q
	FY	2Q	1H	FY	1Q	2Q	1H			
<b>Net operating income</b>	<b>239.4</b>	<b>95.9</b>	<b>203.1</b>	<b>374.7</b>	<b>101.6</b>	<b>77.1</b>	<b>178.7</b>	<b>-12.0%</b>	<b>-19.5%</b>	<b>-24.0%</b>
<b>Gross operating income</b>	<b>482.7</b>	<b>160.3</b>	<b>327.9</b>	<b>655.3</b>	<b>163.1</b>	<b>152.6</b>	<b>315.7</b>	<b>-3.7%</b>	<b>-4.8%</b>	<b>-6.5%</b>
Net interest income	421.8	138.1	288.1	569.6	138.7	129.7	268.4	-6.9%	-6.1%	-6.5%
Net fee and commission income	83.1	22.0	43.0	93.8	23.1	26.3	49.3	14.6%	19.2%	13.9%
Other operating income	-22.3	0.2	-3.3	-8.0	1.4	-3.4	-2.0	-38.6%	-	-
<b>Operating expenses</b>	<b>-243.2</b>	<b>-64.4</b>	<b>-124.8</b>	<b>-280.6</b>	<b>-61.6</b>	<b>-75.4</b>	<b>-137.0</b>	<b>9.8%</b>	<b>17.1%</b>	<b>22.4%</b>
<b>Provisions and impairments</b>	<b>-80.0</b>	<b>-38.3</b>	<b>-37.6</b>	<b>-87.4</b>	<b>-8.7</b>	<b>-7.4</b>	<b>-16.1</b>	<b>-57.2%</b>	<b>-80.7%</b>	<b>-15.7%</b>
<b>Banking tax</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>
<b>Adjusted PBT</b>	<b>159.4</b>	<b>57.6</b>	<b>165.5</b>	<b>287.4</b>	<b>92.8</b>	<b>69.8</b>	<b>162.6</b>	<b>-1.7%</b>	<b>21.1%</b>	<b>-24.8%</b>
Corporate income tax	-1.6	-6.3	-23.3	-44.6	-13.5	-10.1	-23.6	1.1%	61.1%	-25.0%
<b>Adjusted PAT</b>	<b>157.8</b>	<b>51.3</b>	<b>142.1</b>	<b>242.8</b>	<b>79.3</b>	<b>59.7</b>	<b>139.0</b>	<b>-2.2%</b>	<b>16.3%</b>	<b>-24.8%</b>
Adjustments total on PAT	50.4	-11.0	57.4	59.6	30.2	0.0	30.2	-47.4%	-	-99.9%
<b>Profit after tax (PAT, unadjusted)</b>	<b>107.4</b>	<b>62.4</b>	<b>84.7</b>	<b>183.2</b>	<b>49.1</b>	<b>59.6</b>	<b>108.8</b>	<b>28.4%</b>	<b>-4.4%</b>	<b>21.4%</b>
Revaluation on AFS financial assets (OCI)	-1.6	23.9	25.7	57.9	-16.4	-3.8	-20.1	-	-	-77.0%
<b>Total Comprehensive Income (unadjusted)</b>	<b>105.8</b>	<b>86.3</b>	<b>110.4</b>	<b>241.1</b>	<b>32.8</b>	<b>55.9</b>	<b>88.7</b>	<b>-19.7%</b>	<b>-35.2%</b>	<b>70.4%</b>
Adjustments total on TOCI	50.4	-11.0	57.4	59.6	30.2	0.0	30.2	-47.4%	-	-99.9%
<b>Total Comprehensive Income</b>	<b>156.2</b>	<b>75.2</b>	<b>167.8</b>	<b>300.7</b>	<b>63.0</b>	<b>55.9</b>	<b>118.9</b>	<b>-29.2%</b>	<b>-25.7%</b>	<b>-11.2%</b>

<sup>1</sup> Includes provision for losses on loan, as well as other provisions and impairments

<sup>2</sup> The 3.1. chapter of the Report contains the list of adjustments

STATEMENT OF BALANCE SHEET (HUF bn)	2022		2023		2024		Y/Y	Q/Q
	4Q	2Q	4Q	1Q	2Q			
Financial assets	1,511.0	1,234.1	1,516.9	1,612.0	1,372.5	11.2%	-14.9%	
Trading portfolio	489.0	341.1	274.6	272.1	237.0	-30.5%	-12.9%	
Securities	3,403.4	3,733.0	3,907.2	3,955.9	4,051.6	8.5%	2.4%	
Loans and advances to customers (net)	4,761.3	4,708.3	4,901.4	5,357.3	5,524.8	17.3%	3.1%	
Loan and advances to customers (gross)	5,028.3	4,956.8	5,170.6	5,643.1	5,816.5	17.3%	3.1%	
Allowance for loan and lease losses	-266.9	-248.5	-269.2	-285.8	-291.6	17.3%	2.0%	
Other assets	449.7	470.7	506.9	587.5	541.1	15.0%	-7.9%	
<b>TOTAL ASSETS</b>	<b>10,614.4</b>	<b>10,487.2</b>	<b>11,107.0</b>	<b>11,784.7</b>	<b>11,727.1</b>	<b>11.8%</b>	<b>-0.5%</b>	
Interbank liabilities	2,447.4	2,493.1	2,153.8	2,135.1	2,051.0	-17.7%	-3.9%	
Customer deposits	6,574.4	6,270.9	6,957.1	7,588.5	7,626.0	21.6%	0.5%	
Debt securities issued	379.7	465.0	629.2	618.0	593.9	27.7%	-3.9%	
Other liabilities	404.2	365.2	343.5	368.9	346.5	-5.1%	-6.1%	
Shareholders' equity	808.7	893.0	1,023.4	1,074.2	1,109.6	24.3%	3.3%	
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,614.4</b>	<b>10,487.2</b>	<b>11,107.0</b>	<b>11,784.7</b>	<b>11,727.1</b>	<b>11.8%</b>	<b>-0.5%</b>	
Off-Balance sheet customer items (gross)	1,516.9	1,540.1	1,601.8	1,757.3	1,879.5	22.0%	6.9%	

KPIs based on adjusted PAT and Balance Sheet (HUF bn)	2022		2023			2024		Δ%-p	Δ%-p	Δ%-p
	FY	2Q	1H	FY	1Q	2Q	1H	Y-Y (Y)	Y-Y	Q-Q
<b>Profitability</b>										
TRM - Total Revenue Margin	4.65%	6.14%	6.30%	6.16%	5.73%	5.22%	5.47%	-0.83%	-0.92%	-0.51%
NIM - Net Interest Margin	4.06%	5.29%	5.53%	5.36%	4.87%	4.44%	4.65%	-0.88%	-0.86%	-0.44%
NFM - Net Fee Margin	0.80%	0.84%	0.83%	0.88%	0.81%	0.90%	0.86%	0.03%	0.05%	0.09%
<b>Efficiency</b>										
C/I - Cost-to-Income Ratio	50.39%	40.19%	38.07%	42.82%	37.75%	49.43%	43.40%	5.33%	9.24%	11.68%
ROAE - Return on Average Equity	21.44%	23.87%	34.07%	26.73%	30.42%	21.98%	26.12%	-7.95%	-1.90%	-8.45%
<b>Equity share information</b>										
EPS - Earning Per Share (HUF, annualized)	511.6	645.6	898.8	761.4	1,000.7	752.6	876.6	-22.2	107.0	-248.0
<b>Volume KPIs</b>										
LTD - Loan-to-Deposit ratio	76.5%	79.0%	79.0%	74.3%	74.4%	76.3%	76.3%	-2.8%-p	-2.8%-p	1.9%-p
Securities ratio	32.5%	35.7%	35.7%	35.2%	33.6%	34.6%	34.6%	-1.2%-p	-1.2%-p	1.0%-p
Allowance for losses/ Total assets	-2.5%	-2.4%	-2.4%	-2.4%	-2.4%	-2.5%	-2.5%	-0.1%-p	-0.1%-p	-0.1%-p
RWA/TA - RWA/Total assets	38.9%	40.0%	40.0%	42.6%	43.9%	45.2%	45.2%	5.2%-p	5.2%-p	1.3%-p
CAR - Capital adequacy ratio	19.7%	19.7%	19.7%	22.1%	18.9%	19.3%	19.3%	-0.3%-p	-0.3%-p	0.4%-p
CET1	18.0%	17.6%	17.6%	20.3%	17.3%	17.8%	17.8%	0.3%-p	0.3%-p	0.5%-p
LCR	136.8%	134.4%	134.4%	152.5%	154.8%	141.4%	141.4%	6.9%-p	6.9%-p	-13.4%-p
NSFR	133.3%	138.8%	138.8%	135.0%	135.6%	131.0%	131.0%	-7.8%-p	-7.8%-p	-4.6%-p
<b>Portfolio quality</b>										
Stage 1 gross loans	3,712	3,817	3,817	4,208	4,601	4,484	4,484	667	667	-117
Stage 2 gross loans	1,110	934	934	790	872	1,166	1,166	232	232	294
Stage 3 gross loans	207	206	206	172	170	167	167	-39	-39	-4

## Unadjusted KPIs

KPIs based on unadjusted PAT (HUF bn)	2022		2023			2024		Δ%-p Y-Y (Y)	Δ%-p Y-Y	Δ%-p Q-Q
	FY	2Q	1H	FY	1Q	2Q	1H			
<b>Profitability</b>										
TRM - Total Revenue Margin	4.58%	6.17%	6.40%	6.21%	5.73%	5.22%	5.47%	-0.93%	-0.96%	-0.51%
NIM - Net Interest Margin	4.06%	5.29%	5.53%	5.36%	4.87%	4.44%	4.65%	-0.88%	-0.86%	-0.44%
NFM - Net Fee Margin	0.80%	0.84%	0.83%	0.88%	0.81%	0.90%	0.86%	0.03%	0.05%	0.09%
<b>Efficiency</b>										
C/I - Cost-to-Income Ratio	51.69%	40.79%	37.94%	42.95%	37.75%	49.43%	43.40%	5.45%	8.64%	11.68%
C/A - Cost-to-Total Assets	2.37%	2.52%	2.43%	2.67%	2.16%	2.58%	2.37%	-0.05%	0.06%	0.42%
ROAE - Return on Average Equity	14.59%	29.01%	20.30%	20.17%	18.85%	21.97%	20.44%	0.14%	-7.04%	3.12%
<b>Equity share information</b>										
EPS - Earning Per Share (HUF, annualized)	348.2	784.5	535.7	574.5	619.9	752.3	686.1	150.4	-32.2	132.4

## Unadjusted and adjusted P&L

P&L 2Q 2024 (HUF bn)	Unadjusted P&L	Adjusted P&L
<b>Net operating income</b>	<b>77.1</b>	<b>77.1</b>
<b>Gross operating income</b>	<b>152.6</b>	<b>152.6</b>
Net interest income	129.7	129.7
Net fee and commission income	26.3	26.3
Other operating income	-3.4	-3.4
FX and FV results	-4.1	-4.1
Other income	0.7	0.7
<b>Operating expenses</b>	<b>-75.4</b>	<b>-75.4</b>
<b>Provisions and impairments</b>	<b>-7.4</b>	<b>-7.4</b>
<b>Banking tax</b>	<b>0.0</b>	<b>0.0</b>
<b>PBT</b>	<b>69.8</b>	<b>69.8</b>
Corporate income tax	-10.1	-10.1
<b>PAT</b>	<b>59.6</b>	<b>59.7</b>
OCI	-3.8	-3.8
<b>TOCI</b>	<b>55.9</b>	<b>55.9</b>

# Changes in the regulatory environment and post-closing events

#	Changes in 2Q
1	The international credit rating agency <b>Standard &amp; Poor's</b> affirmed its investment-grade rating of 'BBB-/A-3' on Hungarian government debt obligations in foreign and local currency in the short and long term on April 26. The outlook was kept at stable. <b>Moody's</b> did not change Hungary's Baa2 credit rating and its stable outlook either, according to its announcement on May 31. On 14 Jun 2024 <b>Fitch Ratings</b> has affirmed Hungary's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'BBB' with a Negative Outlook.
2	The government has extended the <b>interest rate freeze for residential mortgage loans</b> until December 31, 2024.
3	From July 1, <b>loan applications for the home renovation program</b> can be submitted at MFB Pont Plusz residential network.
4	The <b>countercyclical capital buffer rate</b> will be 1% from July 1, 2025. The rate is 0% until June 30, 2024, and 0.5% from July 1, 2024, which will continue to increase due to the current amendment.
5	Budapest Stock Exchange Plc. and MBH Bank Plc. have signed a strategic cooperation agreement aimed at supporting the competitiveness and growth opportunities of medium-sized companies.
Post-closing events	
6	The government will extend until July 1, 2026, the deadline for <b>baby loans</b> taken out between July 1, 2019 and June 30, 2021, i.e. the originally 5-year period for childbearing will be extended by another 2 years.
7	The banking sector pays a <b>protective contribution</b> according to the government's decision. As part of the package i. the bank extra profit tax will remain in force in 2025 with some modifications, so that its nominal value will not decrease, ii. the transaction fee increases from August 1, iii. from October 1, the additional fee will also be introduced in the case of transactions involving conversion (in the case of the latter two, with a stop on fee increases in relation to payment obligations related to residential payment accounts until December 31, 2024).
8	The Monetary Council reduced the <b>base interest rate</b> by 25 basis points to 6.75% as of July 24. In addition, it lowered the O/N deposit rate by 25 basis points to 5.75% and reduced the O/N collateralized lending rate to 7.75%.

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

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

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

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

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

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



# Disclaimer

**MBH** BANK





## DISCLAIMER

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