




Q3 2022

MKB Group

Investor Presentation

Budapest, 29 November 2022





We kindly draw your attention to that in this presentation MKB 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 Q3 2022 Report chapter 4.1. – Financial indicators.

This presentation is to support the understanding of the underlying financial performance of MKB Group and it is a close and inseparable part of the Q3 2022 Report.

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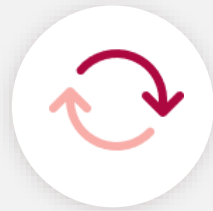
Strategic aspiration of the MKB Group

The merger of the MBH Group's members will result in an integrated universal bank providing a comprehensive range of products to both retail and corporate customers, as well as playing a key role in the Hungarian economy



Strong basis

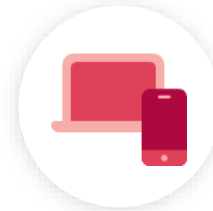
- Owners of Budapest Bank, MKB Bank and MTB contributed their respective shares as a contribution in kind to MBH.
- Strategy of MBH and the 5 years Business plan was approved by the Board of MBH.
- New management was appointed at MBH in order to ensure centralized management.



Merger process

Formulation of an integrated bank by 2023 with the purpose of maximizing synergies:

- Merger of MKB and Budapest Bank and Takarékbank becomes subsidiary of the merged bank is already accomplished.
- Takarékbank merger with MKB scheduled to the 1st May 2023
- New name



Digital solutions

Creating an advanced banking technology background, ecosystem and digital channels.

- Introducing flexible and fast product solutions, which can be combined with each other.
- Improvement of the service model and sales channels.



Expansion

After the integration process, the MKB Group would expand its presence in the region through acquisitions. Looking for targets not only in the banking space, but also looking for fintech companies, digital and ecosystem actors. The expansion will be accompanied by an active trading of the MKB shares (IPO/SPO)



National champion

National Champion positioning by serving all customer segments while maintaining local community values.

Disciplined reserve policy, successful portfolio purchase, merger and new bank, new brand

Strategy 2023-27

- The Strategy 2023-27 was passed on the 14th September by the Board. It strengthened the will for the merger of the MKB and Takarékbank, with further detailing the digital IT system and solution developments, the merger procedures, the improvements of the service level and value proposition. The new strategy also took the considerations of the rapidly changing economic and regulatory environment. The Strategy also prioritized the active MKB share trade for the 2024-2025 period, based on the economic upturn and the improving business abilities of MKB, with expectedly increasing record of favourable results.

Portfolio purchase (Sber)

- The MKB purchased the portfolio of the Hungarian Sberbank consisting of mostly SME and household loan. The assets were transferred on the 1st August. The Bank could successfully receive and manage the new portfolio and it will fully integrated regarding the IT system in this year.
- The new portfolio increased market shares of the MKB. The bank was able to supply the relevant capital and liquidity requirement behind the integrated loan portfolio.

Economic challenges

- Energy, raw material price growth, reduced domestic and import demand, increased cost of finance leads to the slowing domestic product growth in 2023 with temporary quarters to be measured potentially as negative growth.
- Fiscal policy has a narrowed room for anti-cyclical measures with limitations coming from the increased cost of social spending and the uncertainties of energy price movements.
- Monetary policy is expected to keep interest rate high till the risk turns off for sustained inflation. Liquidity squeeze begun.
- Regulations framing the activity, interest policy and profitability of the financial institutions will also be the attributes of the year 2023.

Merger and new name

- The rapidly changing economic soundings and the limited abilities to utilize business growth in 2023 further strengthens the path for synergies and the importance of the merger regarding Takarékbank and MKB in 2023. Over the cost considerations the banks should increase the reserves for the more depressed economic period. MKB has a favourable position to accommodate to the challenges, utilize synergies, restructure its organisation, increase reserves and digitalize.
- It will also be supported by a new brand name: MBH Bank from May 2023.



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- The Board of Directors and the shareholders of Magyar Bankholding Zrt. approved a merger plan of its banking subsidiaries MKB Bank, Budapest Bank and the Takaréék Group (“Merging Banks”) in March 2021 based on which the merger of the banks is expected to be completed by 2023 (“Merger”).
- **As a significant milestone** in the planned multi-step integration process, **the legal merger of the MKB Bank Nyrt.** as the acquiring company **and Budapest Bank and Magyar Takaréék Bankholding, holding company of the Takaréék Group**, as the merging companies, **took place on 1 April 2022**. As a result of this step Takaréék Group also became a fully consolidated subsidiary of MKB Bank.
- After a successful bidding process, **MKB Group signed a contract to acquire Sberbank’s portfolio**. The transfer of the loan portfolio took place on 1 August 2022.

Basis of preparation of the historic financials presented in this document:

- **Consolidated financial data are presented, with the note that from Q2 2022 onwards, they have changed with the merger and the expansion of structure of consolidation.**
- The pro forma information between 1st January and 2021 31st March 2022 **presents the consolidated financial position of MKB Bank and its consolidated subsidiaries as at the presented end of periods, assuming that the Merger was completed on 1 January 2021** thus these pro forma financials differ from the actual historical financial position or result of MKB Bank.
- The pro forma information comprises the pro forma consolidated balance sheet, income statement, segment reporting’s, presented KPI’s and capital adequacy information of the Merging Banks.
- For principles and steps in preparing pro forma financial statements, please refer to Exemption Document page 32.
- The report is based on "Adjusted" figures presenting the indicators of the underlying business performance, the list of correction factors is included in Chapter 3.1. In order to comprehensive present the financial performance of the MKB Group, all data in the report and in the investor presentation are - unless otherwise indicated - alternative performance measurement indicators (Alternative Financial Indicator - APM).
- For definition and calculation methodology of alternative performance measurement indicators used to depict the underlying business performance please refer to the Report for 3Q 2022 chapter 4.1 – Financial indicators.

- MKB Group had a successful 3Q(Y) in financial terms due to the increasing interest environment and increasing interest margin. **The adjusted profit after tax reached HUF 149.8 bn in 3Q(Y) 2022, achieving a 39.4% increase (+HUF 42.4 bn y/y) in comparison to 3Q(Y) 2021.** The adjusted profit after tax decreased by 29,0% q/q in 3Q due to negative change in OCI (HUF -42.8 bn q/q) and risk cost was charged (HUF -26.0 bn q/q).
- The adjusted **GOI of HUF 342.6 bn**, was mainly **driven by the net interest income** (HUF +137.1 bn y/y) and the slight increase of the **net fee income** (HUF +1.8bn y/y). **Increasing net interest margin was in line with the rising interest rate environment.**
- In an environment of rising inflation, **GAE increased in 3Q(Y) by 13.0% y/y.** Attributable to wage inflation, PEREX increased by 14.6% in 3Q(Y) y/y, while OPEX increased by 10.8% mainly due to price inflation.
- However, **due to strict cost control, the operation of MKB Group became more cost-efficient in 3Q(Y) 2022, achieving a CIR of 42.1%, which is 8.1%-pt lower compared to 3Q(Y) 2021.**
- Risk cost of HUF 26.0 bn was charged in 3Q(Y) 2022** due to reflecting the moratorium 4, the impairment charge recognised for the agricultural moratorium and the Sberbank portfolio acquired.
- MKB Group remained highly profitable in 3Q(Y) 2022, achieving an adjusted **ROAE of 27.7% (+6.4%-pt y/y, -10.5%-pt q/q).**

| Financial performance indicators Q3(Y) | | | | | | | |
|--|---------------------|-------------|-----|------------------|----------------------|------------|-----|
| (↓) | y/y | q/q | (↑) | (↓) | y/y | q/q | (↑) |
| PAT | | | | GOI | | | |
| ↑ | HUF 149.8 bn | | ↓ | ↑ | HUF 342.6 bn | | ↑ |
| | 39.4% | -29.0% | | | 34.7% | ; 7.2% | |
| TOCI | | | | GAE | | | |
| ↑ | HUF 132.4 bn | | ↓ | ↑ | HUF -144.2 bn | | ↓ |
| | 58.3% | -62.0% | | | 13.0% | ; -1.6% | |
| ROAE | | | | Risk cost | | | |
| ↑ | 27.7% | | ↓ | | HUF -26.0 bn | | |
| | 6.4%-pt | ; -10.5%-pt | | | - | ; - | |
| CAR | | | | CIR | | | |
| ↑ | 16.3% | | ↓ | ↓ | 42.1% | | ↓ |
| | 0.1%-pt | ; -0.6%-pt | | | -8.1%-pt | ; -3.5%-pt | |

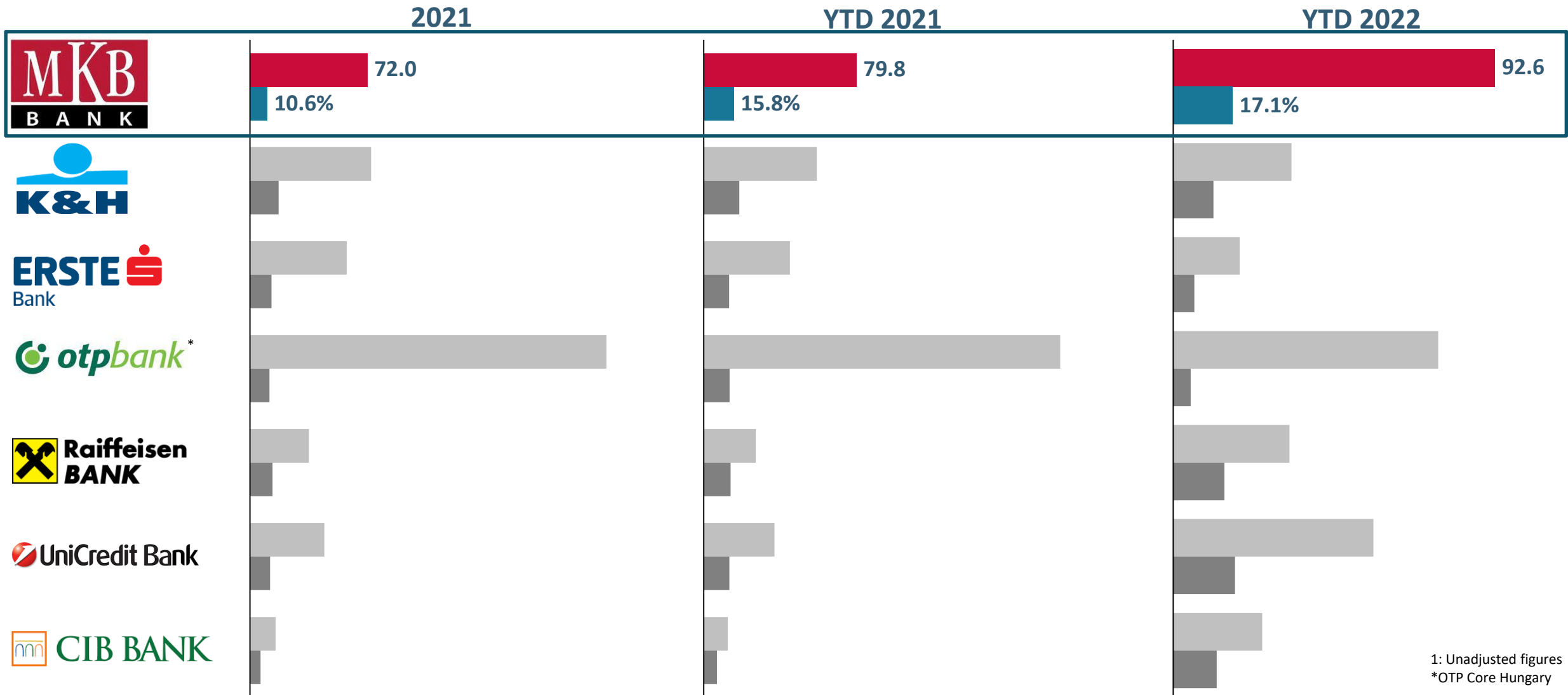
- Total assets dynamically increased to HUF 10.940 bn in 3Q 2022, besides the organic, also due to the acquisition of the Sberbank portfolio.
- As a result of the merger of MKB Bank and Budapest Bank, synergies were already realized, as Budapest Bank had a traditionally strong market position in various segments, especially in corporate.** The clients of the merged banks now have access to a unified, but broader range of products, which the merged bank aims to further optimize in order to **realize additional synergies.**
- In addition to organic growth, the **successful acquisition of the Sberbank portfolio on 1 August 2022 had a determinate impact on the Bank's loan growth. The acquired assets fits well into the Bank's portfolio:** the retail business is dominated by personal loans and baby loans, while the corporate business is dominated by SME loans. The Sberbank portfolio further strengthen the Group's market position.
- MKB Bank, after the merger could successfully not just maintain but acquire new customer deposits, which grew by 13.1% during the last 12 months,** mainly attributable to the improving saving capability of both corporate and household segments due to the moratorium as well as NBH and government measures. **LTD ratio increased as a result of more rapidly growing loan portfolio than the expanding deposit base.**
- The RWA/TA ratio slightly decreased to 37.5% (1.8%-point decrease q/q) due to the significant increase of financial assets.
- Total equity increased by 3.8% compared to the Q2 2022 due to the increasing net income, resulting in a **CAR of 16.3%** (+0.1%-pt y/y), **which provides strong capital position for the merger process.**

| Financial performance indicators Q3 | | | | | | | |
|-------------------------------------|----------|-----|-----|--------------------------|-----|----------|-----|
| (↓) | y/y | q/q | (↑) | (↓) | y/y | q/q | (↑) |
| TOTAL ASSETS | | | | NET CUSTOMER LOAN | | | |
| ↑ | | | ↑ | ↑ | | | ↑ |
| HUF 10,939.8 bn | | | | HUF 4,839.8 bn | | | |
| | 17,1% | | | 16,0% | | 8,2% | |
| EQUITY CAPITAL | | | | CUSTOMER DEPOSIT | | | |
| ↑ | | | ↑ | ↑ | | | ↑ |
| HUF 755.3 bn | | | | HUF 6,491.5 bn | | | |
| | 8,7% | | | 13,1% | | 3,6% | |
| Risk% | | | | RWA/TA | | | |
| ↑ | | | ↑ | ↓ | | | ↓ |
| 0.74% | | | | 37.5% | | | |
| | 1,0%-pt | | | -2,6% | | -1,8% | |
| GOI/RWA | | | | LTD | | | |
| ↑ | | | ↑ | ↓ | | | ↓ |
| 11.8% | | | | 77.6% | | | |
| | 2,3%-pt | | | 2,4%-pt | | 3,6%-pt | |
| DPD90+ | | | | DPD90+ | | | |
| ↑ | | | ↑ | ↓ | | | ↓ |
| 1.68% | | | | 1.68% | | | |
| | -1,8%-pt | | | -1,8%-pt | | -2,1%-pt | |



MKB managed to keep its banking operation profitable in Q3 2022

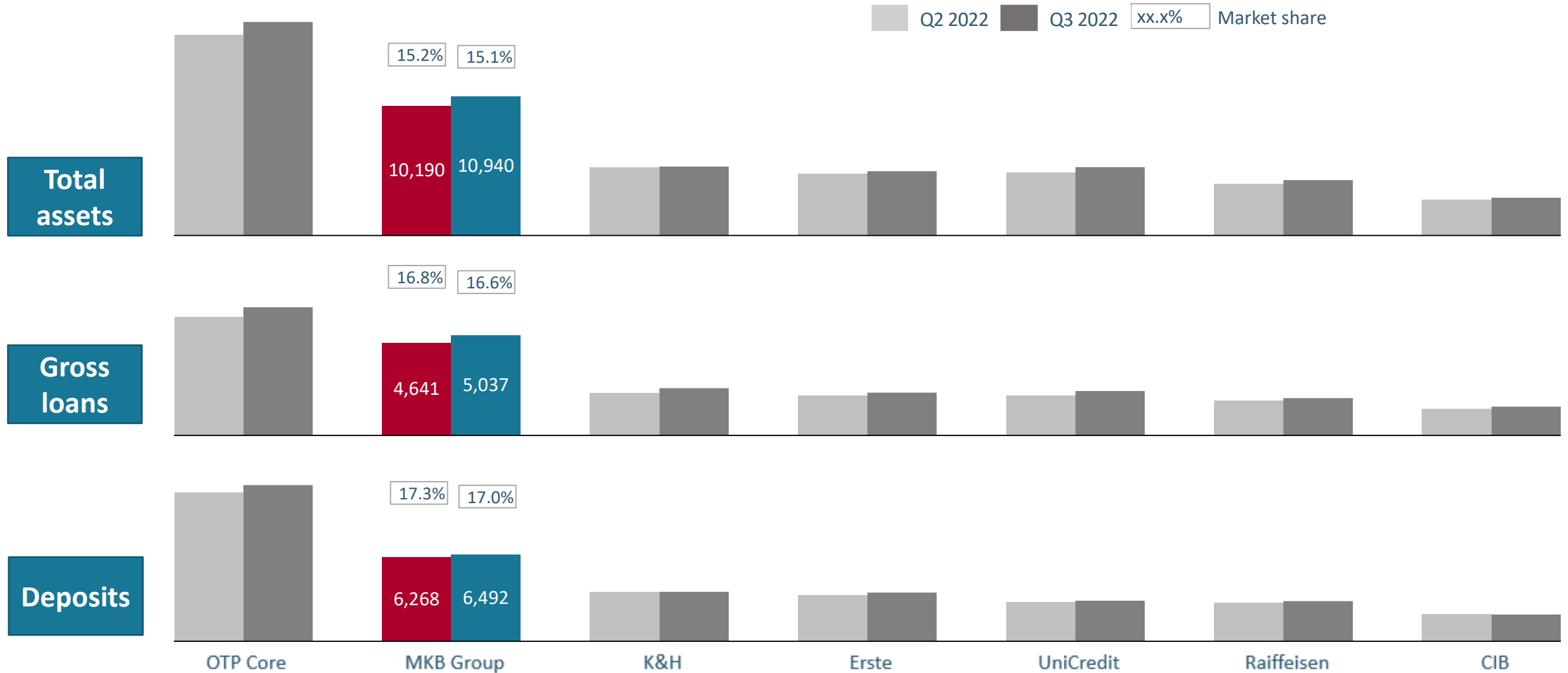
Competition comparison - PAT & ROE¹



1: Unadjusted figures
*OTP Core Hungary

MKB Group remains the second largest financial group in Hungary

Market position and share in total assets, gross customer loan and customer deposit (HUF bn)



Business highlights

Standard Business

- **As a result of the merger, the product and service offering was consolidated and became available to all customers of the merging banks.** The basis of MKB Bank's branch network development strategy is the continuous improvement of the level of customer service, in which ensuring the most efficient and convenient customer service plays a prominent role.
- The gross loan portfolio increased dynamically by HUF 131.5bn q/q, driven by the acquisition of the Sberbank portfolio.
- A new premium credit card has been launched in the branch network, which is named GO! Platinum credit card. The new card is primarily designed to meet the special needs of premium segment and private banking clients.
- **The trust of clients strengthened towards the bank, resulting in an increase of HUF 242.4 y/y (+8.8%) in standard business deposit volume** leading to HUF 3,000 bn at the end of September 2022.
- Regarding micro and small business segment, the main focus was on the full launch of the new Széchenyi Card MAX programme products. MKB was one of the first banks to join the programme and managed to process the applications.

Non-standard business

- As a result of the **merger of MKB Bank and Budapest Bank**, part of the **synergies were already realized**, as both MKB and Budapest Bank had traditionally strong market positions in the corporate segment. The clients of the merged banks now have access to a unified, but **broader range of products**, which the merged bank aims to further optimize in order to realize additional synergies.
- The first phase of the merger of the Private Banking business line was successfully completed. As a result of the formation of a consolidated national network, the Bank established dedicated private banking service centers in several locations including Budapest and in almost twenty locations nationwide.
- As the bank considered the small and medium-sized enterprise (SME) clientele as a key segment, it increased product penetration, leading to a **9% organically increase in loan volumes provided to medium-sized enterprises**, which is comparable to increases in **the large corporate and the agricultural loan portfolio which increased annually 30% and 25% respectively**.

Subsidiaries & partners

- **Leasing:** The leasing portfolio of the member companies of MKB Group amounted to HUF 532.1 billion as of 30 September 2022, which amounted HUF 4,6 bn over the previous quarter, despite the unfavourable market conditions in 2022.
- **Insurance:** Within the framework of a strategic cooperation with CIG Pannónia Group, CIG Pannónia Insurance agreed with BNP Paribas Cardif Life Insurance Ltd. and BNP Paribas Insurance Ltd. to transfer the group insurance contracts concluded between Budapest Bank Zrt., the legal predecessor of MKB Bank and BNP Cardif Insurance to CIG Pannónia Insurance as of 1 September 2022 in order to provide full customer service.
- **Asset management:** at the end of Q3 2022, the assets under the management of MKB Alapkezelő Zrt. amounted to HUF 1,216 billion, held in investment funds, institutional assets and private equity funds.



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Geopolitical impacts

- **The Russian-Ukrainian conflict**, which erupted at the end of February, **continued in the third quarter**, with no ceasefire agreement between the two sides. There is a growing possibility of a prolonged war. **Uncertainties about the war**, fears of a possible further escalation, and **problems with gas supplies are weighing heavily on growth prospects**.
- As the heating season approaches, **fears about the supply of natural gas have been heightened. In the spring and summer, intensive stockpiling has started** and in addition, Russian gas deliveries have been limited. As a result, **natural gas futures prices rose to unprecedented levels by the end of August**. Some actors expect a complete halt to Russian gas supplies. This would lead to a serious supply problem in Europe, with a significant growth penalty due to production curtailment.
- **The Purchasing Managers' Indices (PMI) of advanced economies show a shrinking economy and a recession**. In both the euro area and the US, the PMI indicators were below the 50-point threshold for growth during the third quarter. Rising overheads, falling consumer demand or rising financing costs are causing difficulties for many companies.

Inflationary pressures and central bank policies

- **Inflationary pressures continued to intensify in the third quarter, both in Hungary and in international markets**. In the euro area, annual inflation stood at 10.7% at the end of October, while the average price increase in October was already 21.1% in Hungary. In the US, the annual CPI index is already falling, but core persistent inflation continues to rise. **Central banks have begun to tighten substantially** to counter the extreme inflationary environment.
- The **Fed continued the cycle of interest rate hikes that began in March**, with policy rates rising by a total of 150 basis points in two steps in the third quarter, and **balance sheet tightening also continued overseas. The dollar further strengthened against the euro during the quarter** owing to international risk aversion and more assertive policy action by the Fed.
- **In July, the ECB launched a cycle of interest rate hikes in the euro area**, with policy rates rising by 125 basis points during the quarter. In addition to inflation, the monetary tightening is also aimed at addressing the weakening euro.
- The outlook is increasingly clouded by high inflation, falling energy and commodity prices, and geopolitical tensions. **In the US, the economy expanded by 2.6% in Q3** (annualised quarterly index) after two quarters of contraction. In contrast, the **eurozone** grew by 0.2% (Q/Q) after a strong first half year.

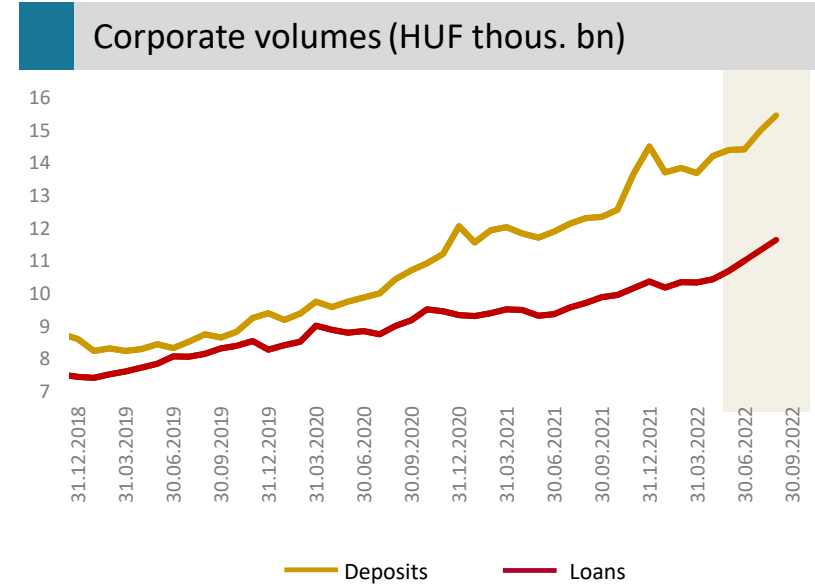
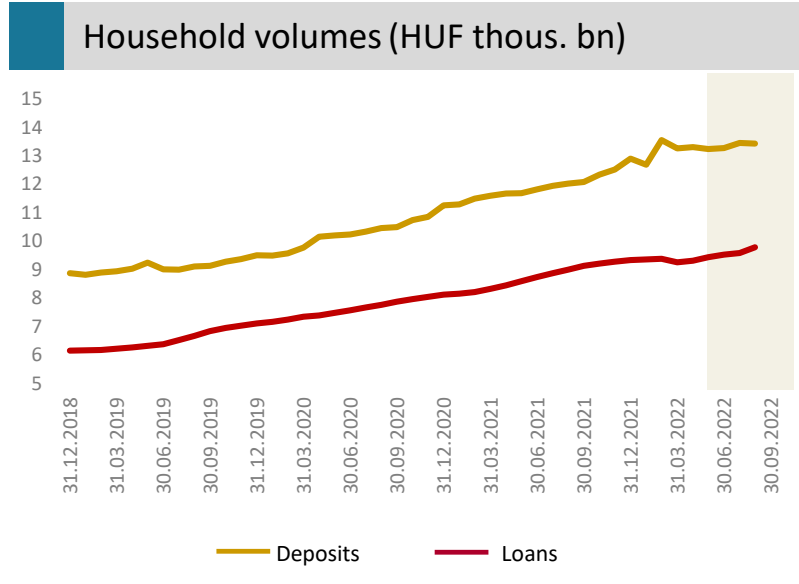
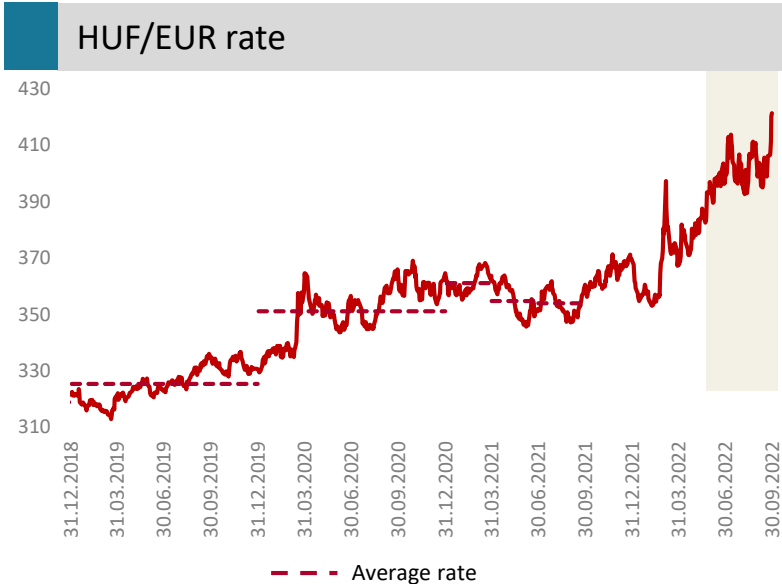
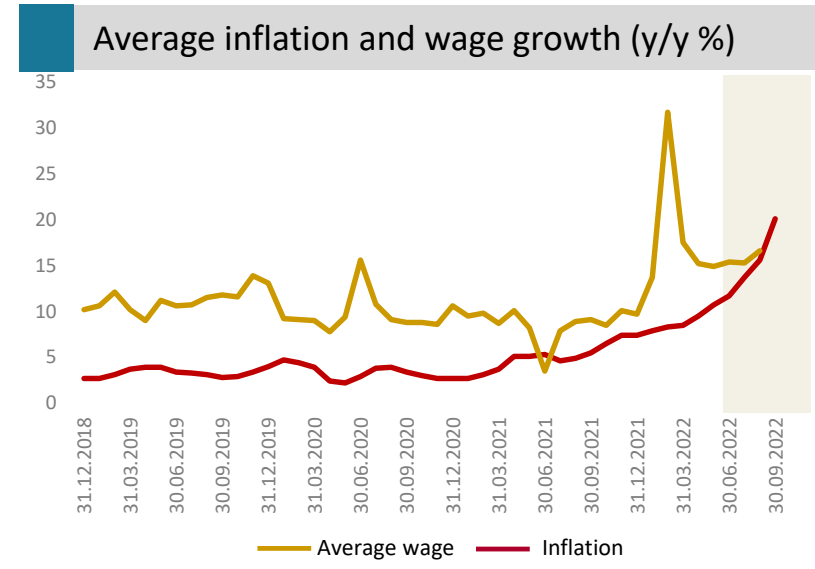
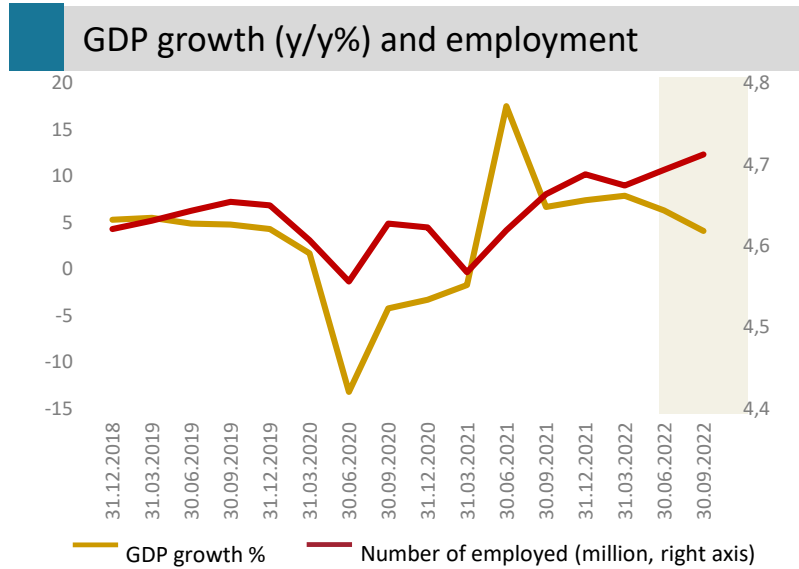
Business environment - regulatory changes

| # | Changes |
|---|---|
| 1 | <p>CSOK: The default interest payable in case of subsequent non-fulfilment of CSOK conditions (e.g. having a child) has been maximized at 5%. The amendment also applies to couples who have already participating in CSOK programme.</p> |
| 2 | <p>Agricultural loan moratorium: On 31st July 2022 the Drought Emergency Operative Body established by the Government announced a package of actions, comprises 5 items, including a loan moratorium for agricultural businesses. The loan moratorium applies to investment and working capital loans taken out by agricultural businesses and lasts from 1st September 2022 until 31st December 2023. The decree stipulates that the loan and lease contracts of those concerned cannot be cancelled by notice of termination up to 31st December 2023 due to non-fulfilment of principal, interest or fee payment obligations.</p> |
| 3 | <p>Drought damage: The Agricultural Széchenyi Card Overdraft Loan granted to agricultural producers affected by the drought until December 31, 2022 can be used with a state interest subsidy of up to 14%, provided that the initial annual interest burden of these loans - taking the interest subsidy into account - is 3%.</p> |
| 4 | <p>Home VAT prolongation: The decree on the application of the preferential value added tax rate on newly constructed residential real estates provides that the 5 percent VAT on dwellings remains in effect from 1st January 2023 until 31st December 2024.</p> |
| 5 | <p>Energy-intensive SMEs: On September 17, the government adopted the rescue program for energy-intensive small and medium-sized enterprises. The most important parameters of the targeted state program: i. Applies to energy-intensive companies whose energy costs as a proportion of their sales revenue in 2021 reached or exceeded 3%, ii. The program is limited to manufacturing companies, iii. It applies to SMEs; arc. there will be job retention expectations for companies.</p> |
| 6 | <p>Mandatory reserve ratio: Amended i. on the level of the mandatory reserve ratio, and ii. NHB decrees on the calculation of the mandatory central bank reserve and the manner in which it is formed and allocated.</p> |
| 7 | <p>The Government announced an energy emergency in Hungary and adopted a package of actions (7 items) to protect the utility bill reduction scheme and Hungary's energy supply. The utility bill reduction scheme has been modified from August: the higher – market – rates will be charged for household consumption exceeding the average level. The Government's calculations show that the price increase will leave about three quarters of households unaffected</p> |
| 8 | <p>Changes to the small business specific tax (KATA): The KATA offers small businesses favourable taxation – of HUF 50,000 a month – up to an annual income of HUF 18 million. Under the new rules; however, KATA payers can only receive income from private individuals, with the exception of those engaged in passenger transport by taxi. The new KATA rules come into force on 1st September 2022.</p> |

Rising inflationary pressures and geopolitical uncertainties are expected to curb domestic economic growth

External factors affecting the Bank's operations - Macroeconomics

- In Q3 2022, employment continued to expand by 19,000 people, with annual GDP growth of 4.1% over this period.
- Despite the continued monetary tightening, annual inflation was already at 21.1% by the end of October, with core inflation even higher. The EURHUF exchange rate reached a new historical low in Q3, with the rate typically fluctuating between 390 and 415 HUF/EUR.
- While corporate deposits rose, household deposit growth was almost flat in Q3 2022.

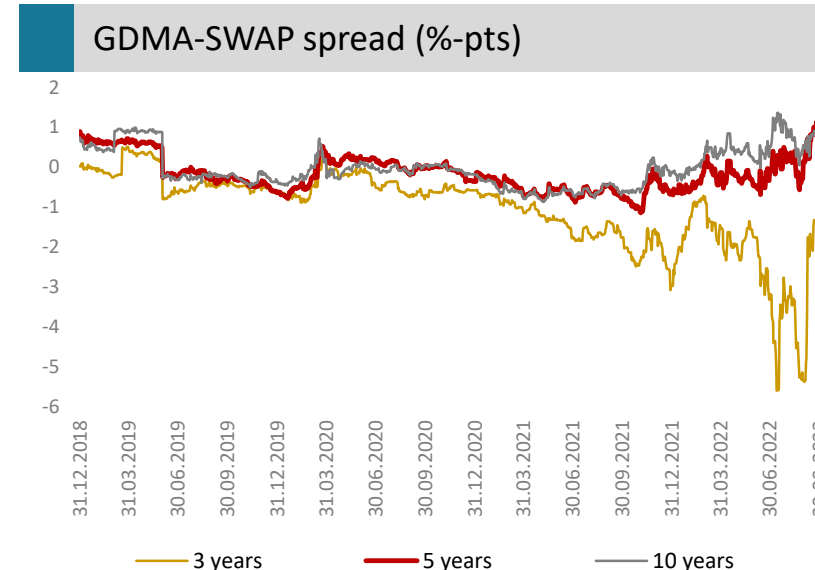
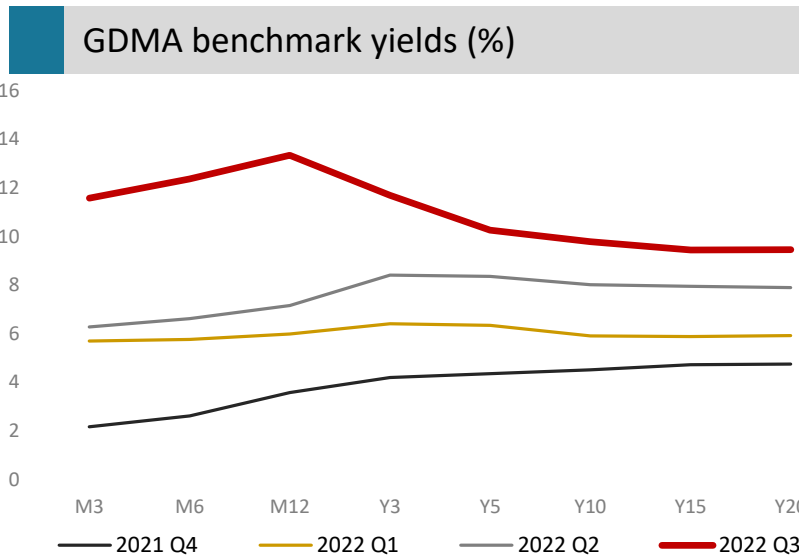
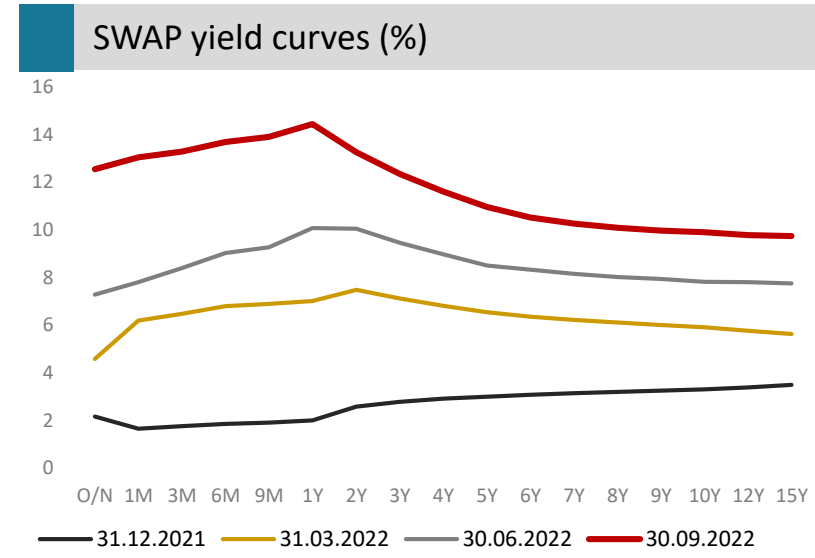
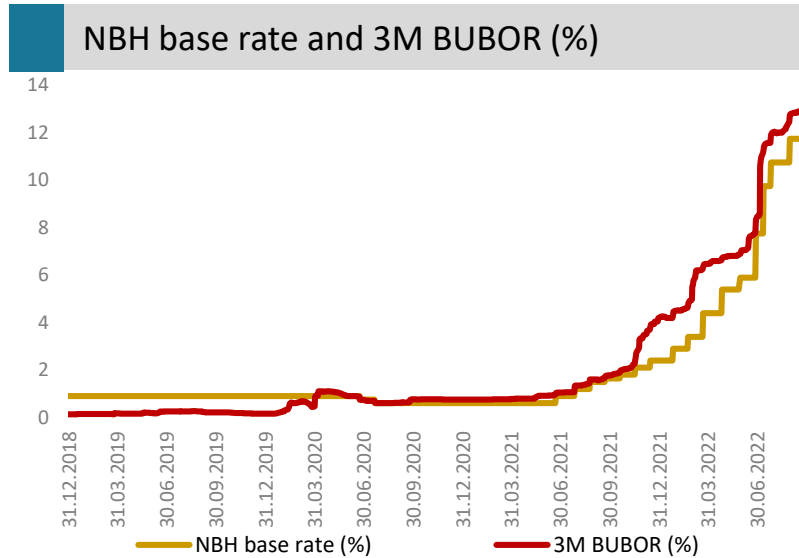


In the fight against high inflation, monetary tightening continued and intensified in the third quarter of 2022

External factors affecting the Bank's operations - Macroeconomics

- With inflationary pressures and upside risks continuing to build, the NBH continued and intensified the cycle of interest rate hikes that started in the summer of 2021. The central bank's base rate rose from 7.75% at the end of June to 13.0% in the third quarter (a total increase of 525 basis points). While the NBH decided further sophistication of its monetary tools with increasing interest rates in October. The central bank expects an inflation turnaround to take place in Hungary in early 2023.

- The rising yield environment also led to changes in the SWAP yield curve, which rose by around 500 basis points at the short end and around 200 basis points at the long end during the quarter. The GDMA benchmark yields also rose, but the longer maturities have seen more moderate increases in recent months, resulting in an inverted yield curve.



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Increase in pro-forma accounting profit due to the extra banking tax was paid in Q2, however decrease in adjusted profit after tax due to the risk cost charged

Adjusted Profit After Tax

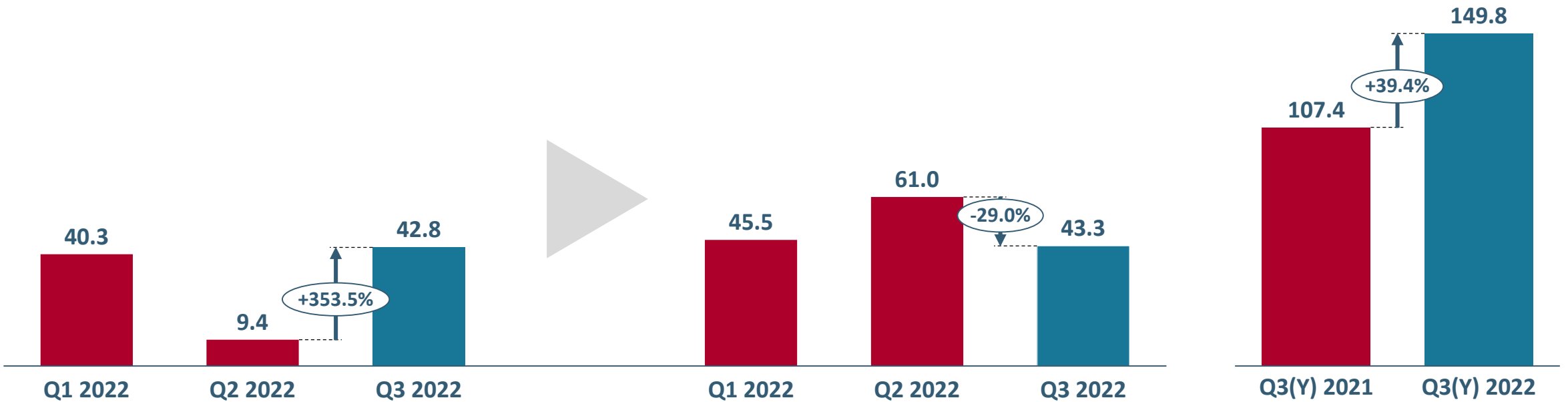
Q/Q development of after-tax profit (HUF bn)

Y/Y development of adj. PAT (HUF bn)

Accounting profit after tax (Q3)

Adjusted profit after tax (Q3)

Adjusted profit after tax Q3(Y)



- Accounting profit after tax in Q3 2022 was several times higher than in the previous quarter mainly due to the extra profit tax was paid in Q2, amounting to HUF 30.6 bn (regardless the extra-profit-tax effect the profit grow would be 7%).
- Adjusted profit after tax for Q3 2022 exhibited an q/q decrease of 29.0% which was driven mainly by charging credit cost due to reflecting the moratorium 4, the impairment charge recognised for the agricultural moratorium and the Sberbank portfolio acquired, and methodological changes during the year. However, the core income grew due to the high net interest income and the increased operating efficiency evidenced by the cost-to-income ratio decreased.
- The total adjusted profit after tax generated by MKB for the first three quarters of 2022 totalled HUF 149.8 bn, increased by HUF 42.4 bn compared to Q3(Y) 2021, reflecting the increased normalised profitability of the Group.

Note: Merged Bank's financials for periods prior to Q2 2022 are calculated on a pro-forma basis

Adjusted Profit After Tax - TOCI

Q/Q development of TOCI (HUF bn)

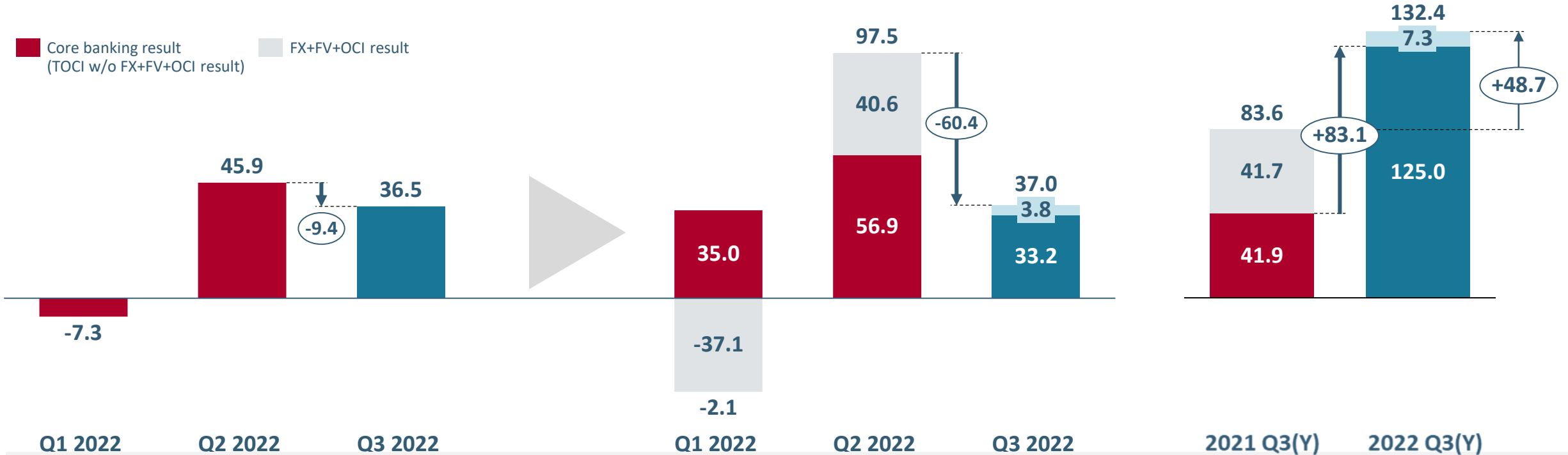
Y/Y dev. of adj. TOCI (HUF bn)

Accounting Total Comprehensive Income (Q3)

Adjusted Total Comprehensive Income (Q3)

Adjusted TOCI Q3(Y)

■ Core banking result (TOCI w/o FX+FV+OCI result) ■ FX+FV+OCI result

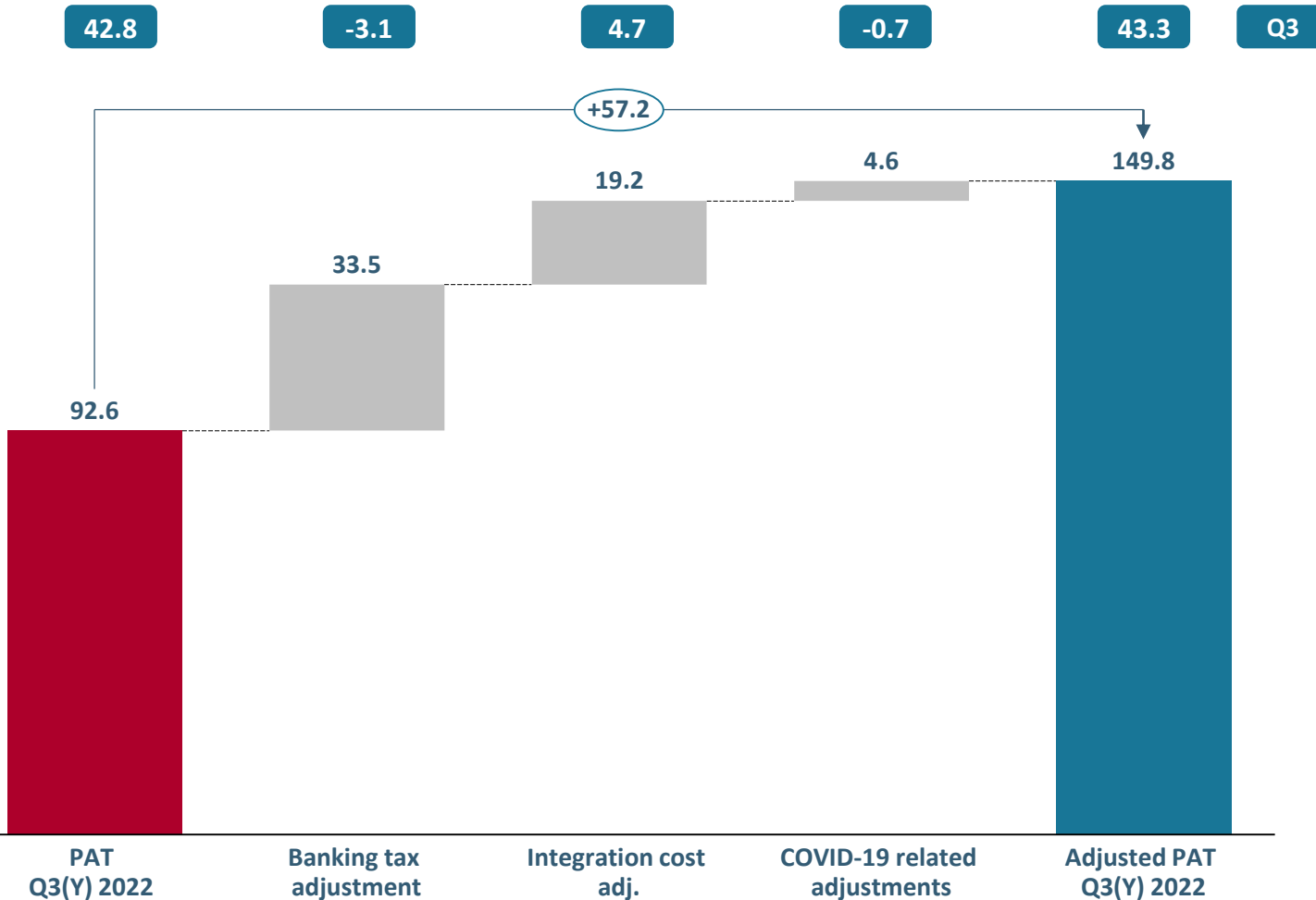


- MKB Group's Adjusted Total Comprehensive Income for Q3 2022 was HUF 37.0 bn**, significantly lower than the previous quarter's result (HUF -60.4 bn q/q). Within TOCI, the core banking result decreased by HUF 23.7 bn (-41.7% q/q) due to charging risk cost. However, core income increased by 10.3% q/q (HUF +12.0 bn) thanks to higher net interest income, **demonstrating a well-balanced income structure of the Group**.
- The sum of FV, FX and OCI results in Q3 2022 amounted to HUF 3.8 bn, showing a significant decline compared to the HUF 40.6 bn gain in the previous quarter. The growth in Q2 compensated for the loss in Q1, so the sum of FV, FX and OCI results were flat in Q3.

Adjustment of extra-profit tax represent the most significant PAT adjustment Q3(Y) 2022

Adjusted Profit After Tax - Adjustments

Q3(Y) 2022 adjusted Profit after tax breakdown (HUF bn)



In order to foster understanding of the underlying financial performance, MKB Group uses adjustments in its reports.

- **Banking tax adjustment totaling HUF 33.5 bn** includes adjustments related to the normalization of banking tax between quarters to better reflect the periodic performances, as well as an adjustment of HUF 30.6 bn related to the extra profit special tax
- **Integration cost adjustment** comprises of integration expenses in relation to the merger of MKB Bank, Budapest Bank and Takarékbank.
- **Covid-19 adjustments applied to eliminate** the distortion effect of the pandemic.

Please note, from Q1 2022 the Banking tax is only normalized and allocated throughout the year to better reflect the periodic performances and not adjusted from the accounting PAT as it was in previous years.

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HUF 149.8 bn adjusted PAT in Q3(Y) 2022 was mostly driven by the increase in Net interest income

Financial Performance – P&L

| ADJUSTED P&L (HUF bn) | MKB BANK | | | | | | | | | |
|--|----------|--------|--------|-------|-------|-------|--------|---------------|-----------|-----------|
| | Q3 | 2021 | | 2022 | | | | Δ% Y/Y (Y) | Δ% Y/Y | Δ% Q/Q |
| | | Q3 (Y) | FY | Q1 | Q2 | Q3 | Q3 (Y) | | | |
| Net operating income | 42.2 | 126.8 | 155.8 | 52.4 | 68.3 | 77.7 | 198.4 | 56.5% | 84.2% | 13.8% |
| Gross operating income | 84.9 | 254.4 | 338.6 | 96.2 | 118.9 | 127.5 | 342.6 | 34.7% | 50.3% | 7.2% |
| Net interest income | 52.7 | 149.1 | 200.6 | 75.4 | 96.9 | 113.8 | 286.1 | 92.0% | 115.8% | 17.4% |
| Net fee and commission income | 18.9 | 52.2 | 71.7 | 18.0 | 20.4 | 15.6 | 54.0 | 3.4% | -17.2% | -23.5% |
| Other operating income | 13.3 | 53.2 | 66.2 | 2.8 | 1.6 | -1.9 | 2.5 | -95.3% | - | - |
| FX and FV result | 18.8 | 65.5 | 85.0 | 10.5 | 4.1 | 10.1 | 24.8 | -62.2% | -46.0% | 146.4% |
| Other income | -5.5 | -12.3 | -18.8 | -7.8 | -2.5 | -12.0 | -22.3 | 80.5% | 118.0% | 372.5% |
| General admin. expenses | -42.7 | -127.6 | -182.8 | -43.7 | -50.6 | -49.8 | -144.2 | 13.0% | 16.8% | -1.6% |
| Provisions and impairments ¹ | -5.1 | -4.3 | -21.3 | 1.1 | -0.3 | -27.5 | -26.8 | 524.2% | 443.0% | 8094.6% |
| Banking tax | -1.6 | -3.6 | -5.4 | -4.1 | -1.4 | -2.9 | -8.3 | 131.9% | 80.0% | 114.8% |
| Adjusted PBT | 35.5 | 118.9 | 129.0 | 49.4 | 66.6 | 47.3 | 163.3 | 37.3% | 33.2% | -29.0% |
| Corporate income tax | -3.3 | -11.5 | -9.9 | -3.9 | -5.6 | -4.0 | -13.5 | 17.8% | 20.6% | -29.2% |
| Adjusted PAT | 32.2 | 107.4 | 119.1 | 45.5 | 61.0 | 43.3 | 149.8 | 39.4% | 34.5% | -29.0% |
| Adjustments total on PAT ² | 8.0 | 27.6 | 47.1 | 5.2 | 51.5 | 0.5 | 57.2 | 107.3% | -93.8% | -99.0% |
| Profit after tax (PAT, unadjusted) | 24.2 | 79.8 | 72.0 | 40.3 | 9.4 | 42.8 | 92.6 | 16.0% | 76.7% | 353.5% |
| Revaluation on AFS financial assets (OCI) | -8.5 | -23.8 | -28.9 | -47.6 | 36.5 | -6.3 | -17.4 | -26.8% | -26.4% | - |
| Total Comprehensive Income (unadjusted) | 15.7 | 56.0 | 43.1 | -7.3 | 45.9 | 36.5 | 75.1 | 34.2% | 132.8% | -20.5% |
| Adjustments total on TOCI | 8.0 | 27.6 | 47.1 | 5.2 | 51.5 | 0.5 | 57.2 | 107.3% | -93.8% | -99.0% |
| Total Comprehensive Income | 23.7 | 83.6 | 90.2 | -2.1 | 97.5 | 37.0 | 132.4 | 58.3% | 56.5% | -62.0% |

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

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

Note: Merged Bank's financials for periods prior to Q2 2022 are calculated on a pro-forma basis

Value creation for shareholders with ROAE of 23.36% in Q3 2022

Financial Performance – KPIs

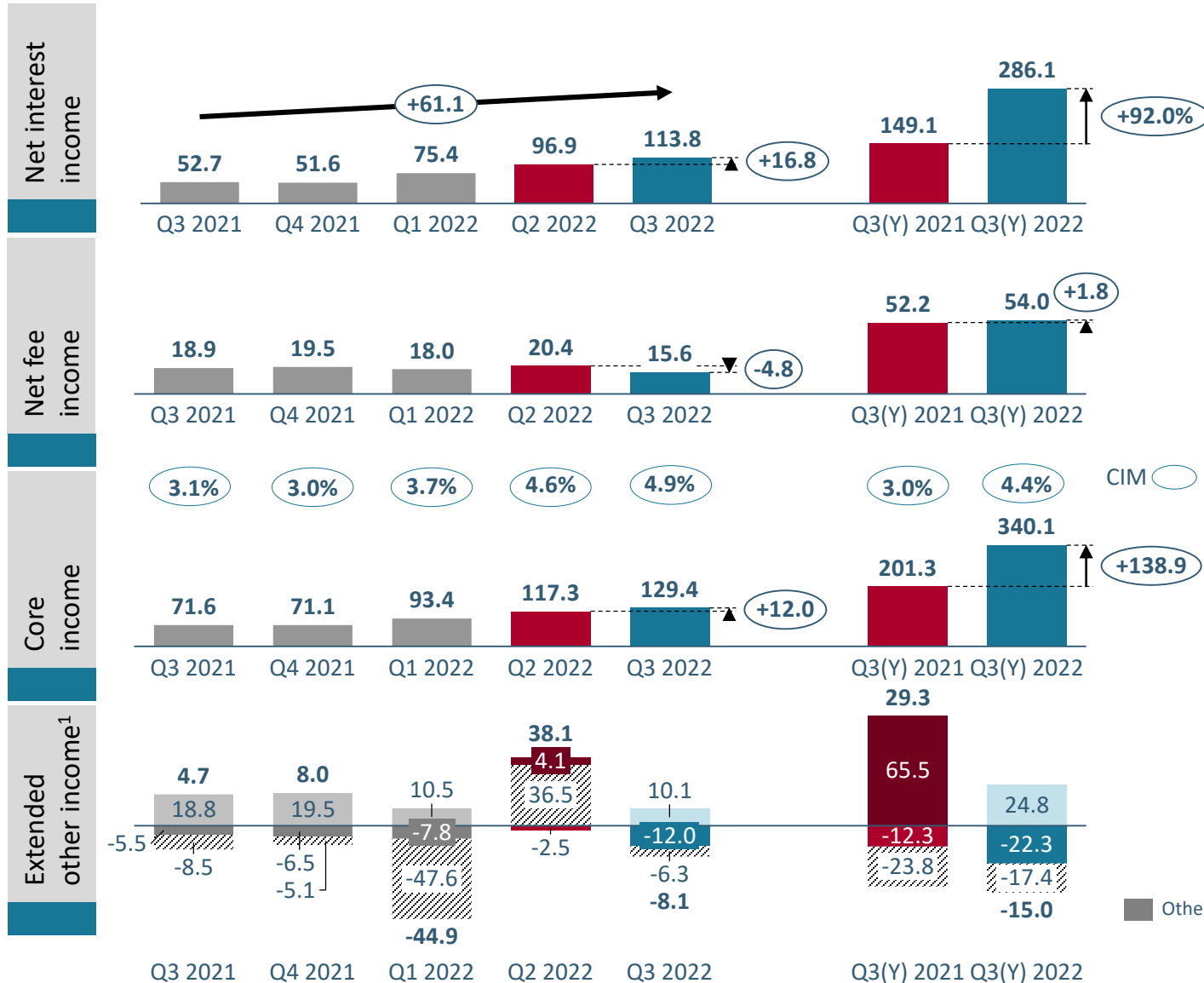
| KPIs based on adjusted PAT (HUF bn) | MKB BANK | | | | | | | | | |
|---|----------|----------------|--------|--------|--------|------------|--------|-----------------|-------------|-------------|
| | Q3 | 2021 Q3 (Y) | FY | Q1 | Q2 | 2022 Q3 | Q3 (Y) | Δ%-p Y-Y (Y) | Δ%-p Y-Y | Δ%-p Q-Q |
| Profitability | | | | | | | | | | |
| TRM - Total Revenue Margin | 3.69% | 3.77% | 3.71% | 3.84% | 4.65% | 4.83% | 4.45% | 0.67% | 1.14% | 0.18% |
| NIM - Net Interest Margin | 2.29% | 2.21% | 2.20% | 3.01% | 3.79% | 4.31% | 3.71% | 1.50% | 2.02% | 0.52% |
| NFM - Net Fee Margin | 0.82% | 0.77% | 0.79% | 0.72% | 0.80% | 0.59% | 0.70% | -0.07% | -0.23% | -0.21% |
| CIM - Core Income Margin | 3.11% | 2.99% | 2.98% | 3.73% | 4.58% | 4.90% | 4.41% | 1.43% | 1.79% | 0.32% |
| Efficiency | | | | | | | | | | |
| CIR - Cost-to-Income Ratio | 50.28% | 50.16% | 53.99% | 45.49% | 42.57% | 39.06% | 42.08% | -8.08% | -11.21% | -3.51% |
| C/TA - Cost-to-Total Assets | 1.85% | 1.89% | 2.00% | 1.75% | 1.98% | 1.89% | 1.87% | -0.02% | 0.03% | -0.09% |
| ROAE - Return on Average Equity | 18.74% | 21.25% | 17.54% | 25.93% | 33.89% | 23.36% | 27.70% | 6.45% | 4.63% | -10.53% |
| ROMC - Return on Minimum Capital Required | 23.99% | 27.38% | 22.65% | 34.51% | 47.66% | 34.50% | 38.87% | 11.49% | 10.52% | -13.15% |
| Risk% - Risk Cost Ratio | -0.42% | -0.29% | 0.13% | -0.22% | 0.15% | 2.21% | 0.74% | 1.04% | 2.63% | 2.06% |
| Equity share information | | | | | | | | | | |
| EPS - Earning Per Share (HUF, annualized) | 413.8 | 460.2 | 382.6 | 584.6 | 783.5 | 556.5 | 641.5 | 181.4 | 142.7 | -227.0 |

- Net interest margin continued to increase, reaching 4.31% in Q3 2022, with a growth of 0.52%pt q/q and 2.02%pt y/y, reflecting partly the rising interest rate environment as well as surplus liquidity invested in risk-free assets, typically Treasury or MNB assets.
- The Cost-to-Income ratio of 39.06% exhibits significant decrease compared both to Q2 2022 and to FY 2021, reflecting the increasing income generating capability improving operating efficiency of MKB Group.
- MKB Group generated an impressive return of 23.36% on average equity for Q3 2022, which demonstrates MKB’s outstanding ability of creating added value for its shareholders.

Note: Merged Bank’s financials for periods prior to Q2 2022 are calculated on a pro-forma basis

Further increase in core income was mainly attributable to the rising interest rate environment

Financial Performance – P&L (HUF bn)

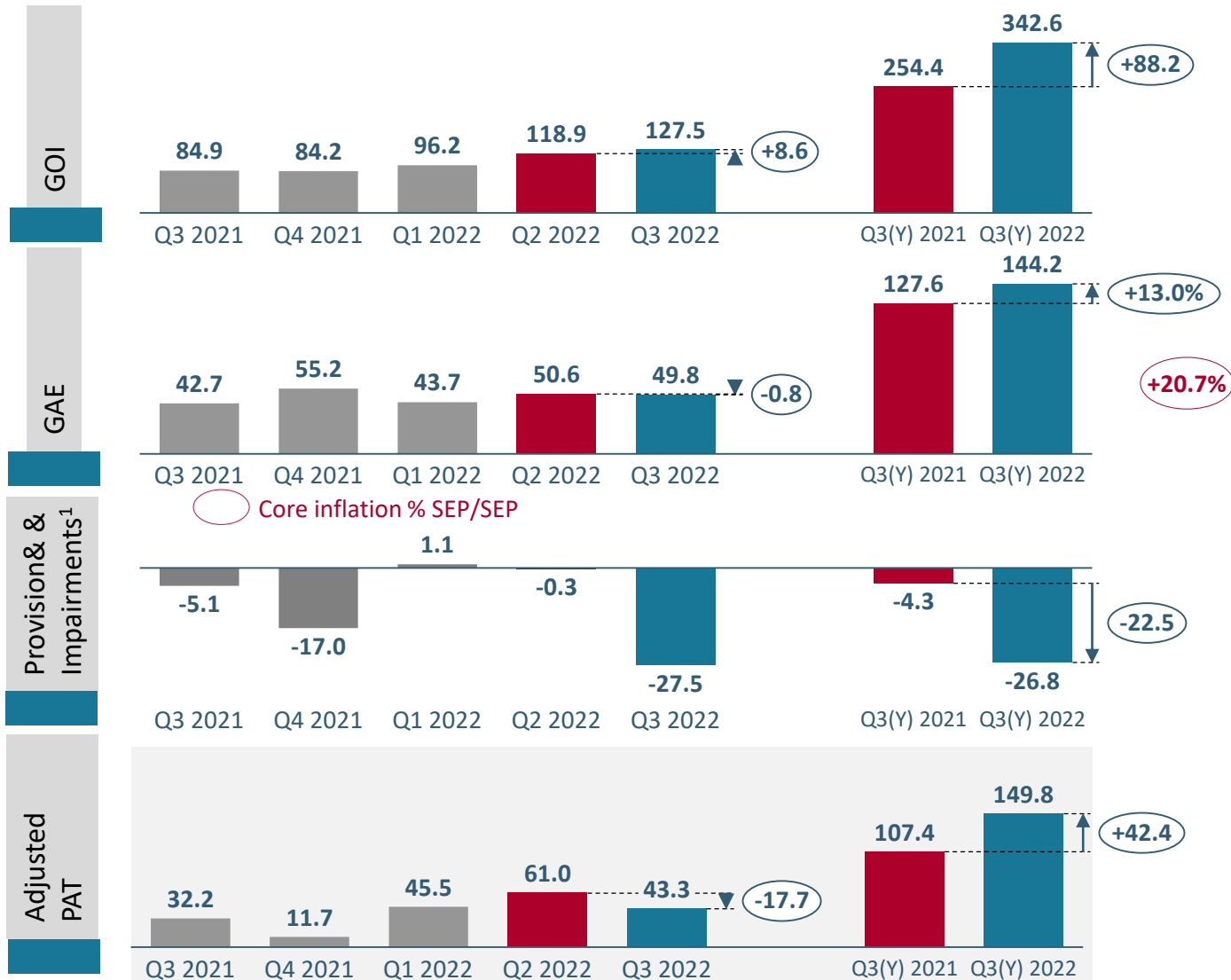


- Net interest income reached HUF 113.8 bn in Q3 2022 (+17.4% q/q, +115.8% y/y)**, which is a substantial growth that was mainly driven by the rising interest rate environment, coupled with the continuously intensifying ALM activities (investing in securities and trading financial assets) while keeping risks at moderate levels.
- Net fee & Commission income reached HUF 15.6 bn in Q3 2022 (-23.5% q/q, -17.2% y/y)**, the impact of the transaction levy and the economic slowdown is reflected in a smaller increase in commission income.
- Consequently, MKB's Core income amounted to HUF 129.4 bn in Q3 2022 (+10.3% q/q; +80.8% y/y)**, while the core income margin, which experienced a steep increase of 0.3 percentage point compared to Q2 2022, has been showing a sustainable long-term upward trend.
- Extended other income totaled HUF 10.1 bn in Q3 2022** with the q/q changes being driven by volatile money market conditions through OCI and FV & FX results.

Note: Merged Bank's financials for periods prior to Q2 2022 are calculated on a pro-forma basis

Increasing customer related income together with improving operating efficiency contributed to substantial accumulated PAT

Financial Performance – P&L



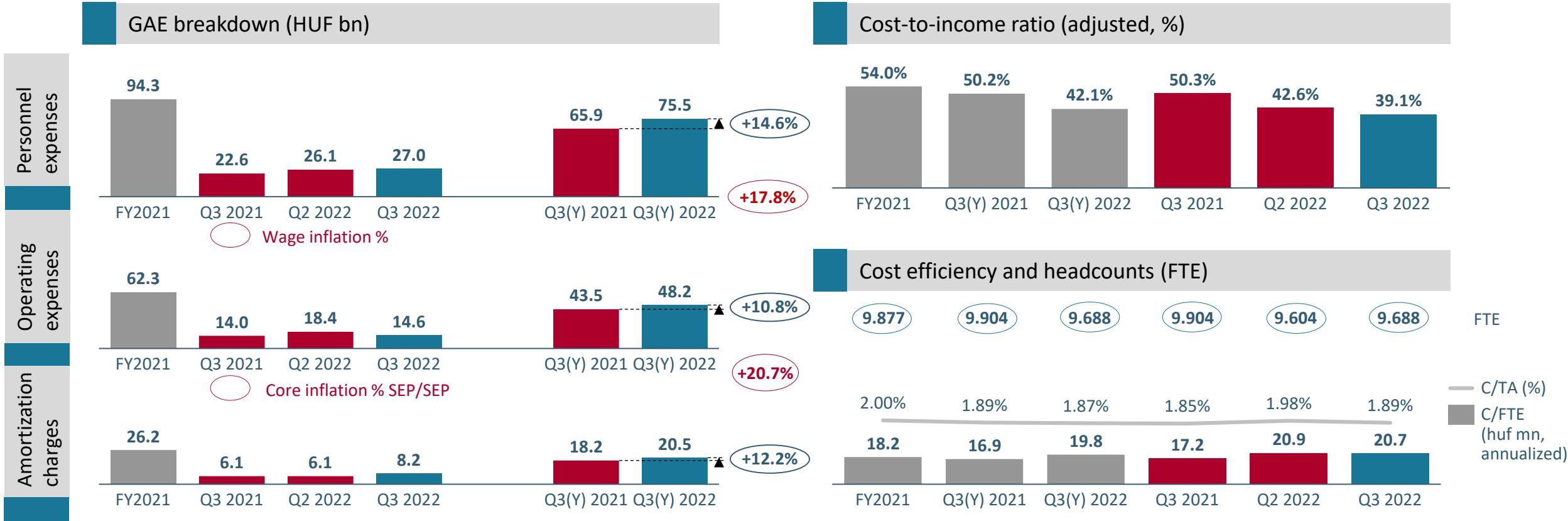
- The Gross Operating Income of MKB has been increasing in every quarter, reaching HUF 127.5 bn (+HUF 8.6 bn q/q, +HUF 42.7 bn y/y) in Q3 2022, which shows nearly 35% growth compared to the same quarter last year. This continuous growth reflects the long-term operating profitability and efficiency of the Group.
- HUF 49.8 bn (HUF -0.8 bn q/q, HUF +7.2 bn y/y) General Administrative Expense in Q3: the 16.8% y/y increase was driven mainly by the increasing PEREX as a result of wage inflation and the rising inflation pressure. Methodology change was resulted by the change in common VAT group, which resulted a lower TAX deduction.
- Due to strict cost control the Q3(Y) 2022 adjusted GAE increased by 13.0%, which is lower than the 20.7% core inflation.
- The total amount of provisions and impairments of HUF 27.5 bn in Q3 2022, reflecting the moratorium 4, the impairment charge recognised for the agricultural moratorium and the Sberbank portfolio acquired, and methodological changes during the year. The quality of the portfolio does not justify an increase in the impairment coverage on non-moratorium stocks.
- HUF 43.3 bn adjusted Profit after tax in Q3 2022.

Note: Merged Bank's financials for periods prior to Q2 2022 are calculated on a pro-forma basis

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

CIR ratio could decrease to 39.1% despite intensifying inflation pressure

Financial Performance – P&L Cost



- Adjusted CIR of 39.1% shows a significant decrease of 11.2%pt y/y as a result of the strict cost control measure, the realization of merger synergies, as well as the considerable increases in core income.
- Personnel expenses in Q3(Y)2022 grew by HUF 9.6 bn compared to Q3(Y) 2021 (+14.6% y/y), which was driven mainly by the effect of wage inflation.
- Q3(Y) 2022 OPEX increased by HUF 4.7 bn (+10.8% y/y), driven by the intensifying inflation and changes in the applied accounting methodologies of VAT deduction ratio.**
- Due to strict cost control, both PEREX and OPEX increased on a lower pace compared to the inflation.**
- The amount of amortization charges was HUF 8.2 bn in Q3 2022, increased by 34.1% p/p, as result of previously implemented digitalization and regulatory compliance.

Note: Merged Bank's financials for periods prior to Q2 2022 are calculated on a pro-forma basis



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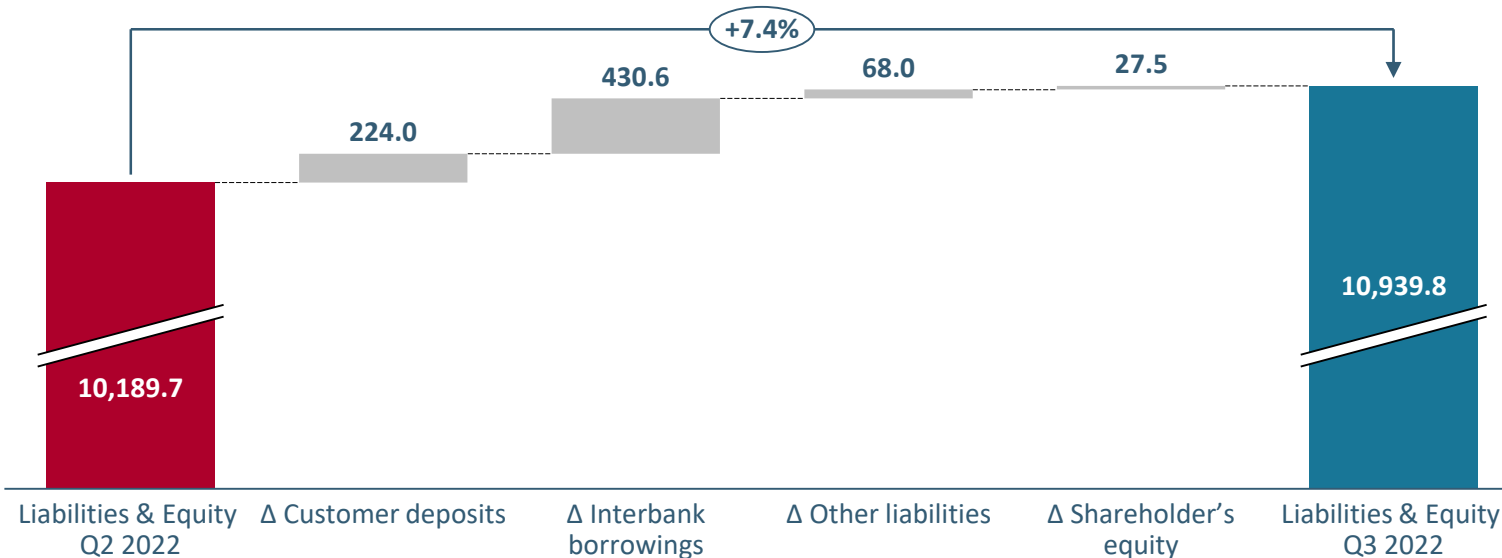
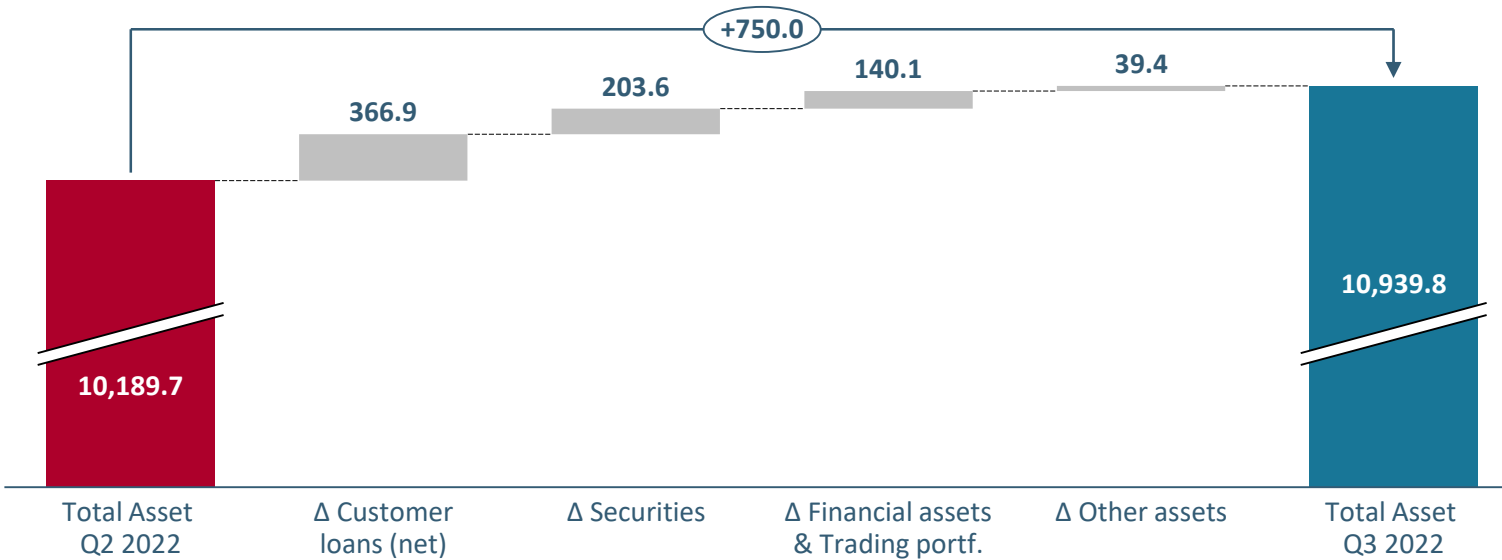
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Customer loans increase by HUF 366.9 bn reflecting the impact of the acquisition of the Sberbank portfolio

Assets & Liabilities



- **MKB Group's total assets increased by 7.4% q/q**, resulting in HUF 10.9 trillion by the end of 3Q 2022. The attractive growth rate already reflects the impact of the acquisition of the Sberbank portfolio.
- Customer loans (net) increased dynamically during 3Q 2022 by HUF 366.9 bn compared to Q2.
- Other liabilities increased by HUF 68.0 bn q/q.
- Customer deposits increased in a steady pace during 3Q 2022 by HUF 224.0 bn compared to Q2.
- The remaining excess liquidity was invested in securities, leading to a q/q growth of HUF 203.6 bn.
- Financial assets & Trading portfolio increased by HUF 140.1 bn in 3Q.
- **Shareholders' equity** increased by HUF 27.5 bn, contributing the sustainingly strong capital position of the Group.

Note: Merged Bank's financials for periods prior to Q2 2022 are calculated on a pro-forma basis

The strong growth reflects the impact of the acquisition of the Sberbank portfolio

Assets & Liabilities

| STATEMENT OF BALANCE SHEET (HUF) bn | MKB BANK | | | | | | |
|---|----------------|----------------|-----------------|-----------------|-----------------|--------------|--------------|
| | 2021 | | 2022 | | | Δ% Y/Y | Δ% Q/Q |
| | Q3 | Q4 | Q1 | Q2 | Q3 | | |
| Financial assets | 1 915.5 | 2 342.5 | 1 838.0 | 1 634.0 | 1 624.9 | -15.2% | -0.6% |
| Trading portfolio | 128.5 | 193.9 | 337.6 | 420.1 | 569.3 | 343.0% | 35.5% |
| Securities | 2 844.9 | 2 689.1 | 3 120.8 | 3 281.1 | 3 484.7 | 22.5% | 6.2% |
| Loans and advances to customers (net) | 4 173.8 | 4 260.7 | 4 454.8 | 4 472.9 | 4 839.8 | 16.0% | 8.2% |
| Loan and advances to customers (gross) | 4 317.6 | 4 428.7 | 4 615.7 | 4 640.5 | 5 036.9 | 16.7% | 8.5% |
| Allowance for loan and lease losses | -143.8 | -168.0 | -160.9 | -167.6 | -197.1 | 37.0% | 17.6% |
| Other assets | 277.6 | 260.0 | 538.1 | 381.7 | 421.1 | 51.7% | 10.3% |
| TOTAL ASSETS | 9 340.2 | 9 746.2 | 10 289.4 | 10 189.7 | 10 939.8 | 17.1% | 7.4% |
| Interbank liabilities | 2 277.6 | 2 149.3 | 2 456.6 | 2 427.0 | 2 857.6 | 25.5% | 17.7% |
| Customer deposits | 5 740.4 | 6 218.8 | 6 188.4 | 6 267.5 | 6 491.5 | 13.1% | 3.6% |
| Debt securities issued | 313.4 | 337.3 | 373.2 | 377.1 | 380.0 | 21.3% | 0.8% |
| Other liabilities | 313.8 | 348.8 | 559.4 | 390.3 | 455.3 | 45.1% | 16.7% |
| Shareholders' equity | 695.1 | 692.0 | 711.7 | 727.8 | 755.3 | 8.7% | 3.8% |
| TOTAL LIABILITIES AND EQUITY | 9 340.2 | 9 746.2 | 10 289.4 | 10 189.7 | 10 939.8 | 17.1% | 7.4% |
| Off-Balance sheet customer items (gross) | 1 467.6 | 1 422.9 | 1 489.9 | 1 609.0 | 1 586.6 | 8.1% | -1.4% |
| LTD - Loan-to-Deposit ratio | 75.2% | 71.2% | 74.6% | 74.0% | 77.6% | 2.4%-p | 3.6%-p |
| Securities ratio | 31.0% | 28.0% | 30.9% | 32.6% | 32.4% | 1.3%-p | -0.3%-p |
| Allowance for losses/ Total assets | -1.5% | -1.7% | -1.6% | -1.6% | -1.8% | -0.3%-p | -0.2%-p |
| RWA/TA - RWA/Total assets | 40.1% | 37.9% | 36.1% | 39.3% | 37.5% | -2.6%-p | -1.8%-p |
| CAR - Capital adequacy ratio | 16.2% | 18.4% | 17.6% | 16.9% | 16.3% | 0.1%-p | -0.6%-p |
| LCR | 174.7% | 315.7% | 287.6% | 257.9% | 205.8% | 31.1%-p | -52.1%-p |
| NSFR | 129.8% | 136.6% | 132.1% | 128.8% | 126.5% | -3.3%-p | -2.3%-p |

- The growth of total assets during the last 12 months was mainly driven by the customer loan portfolio (+16.0% y/y). The strong yearly growth reflects the impact of the acquisition of the Sberbank portfolio.
- The total assets increased during 3Q 2022 (7.4% q/q) while customer deposits grew in a stable rate (3.6% q/q)
- The need for interbank financing increased in 3Q 2022 significantly (17.7% q/q).
- MKB Bank had a strong yearly increase of customer deposit volumes (+13.1% y/y) also.
- **Loan-to-deposit ratio showed a slight increase, standing at 77.6% at the end 3Q 2022**
- The level of LCR (205.8%) and NSFR (126.5%) ratios are well above the regulatory minimum, assuring stable liquidity position of MKB Bank.

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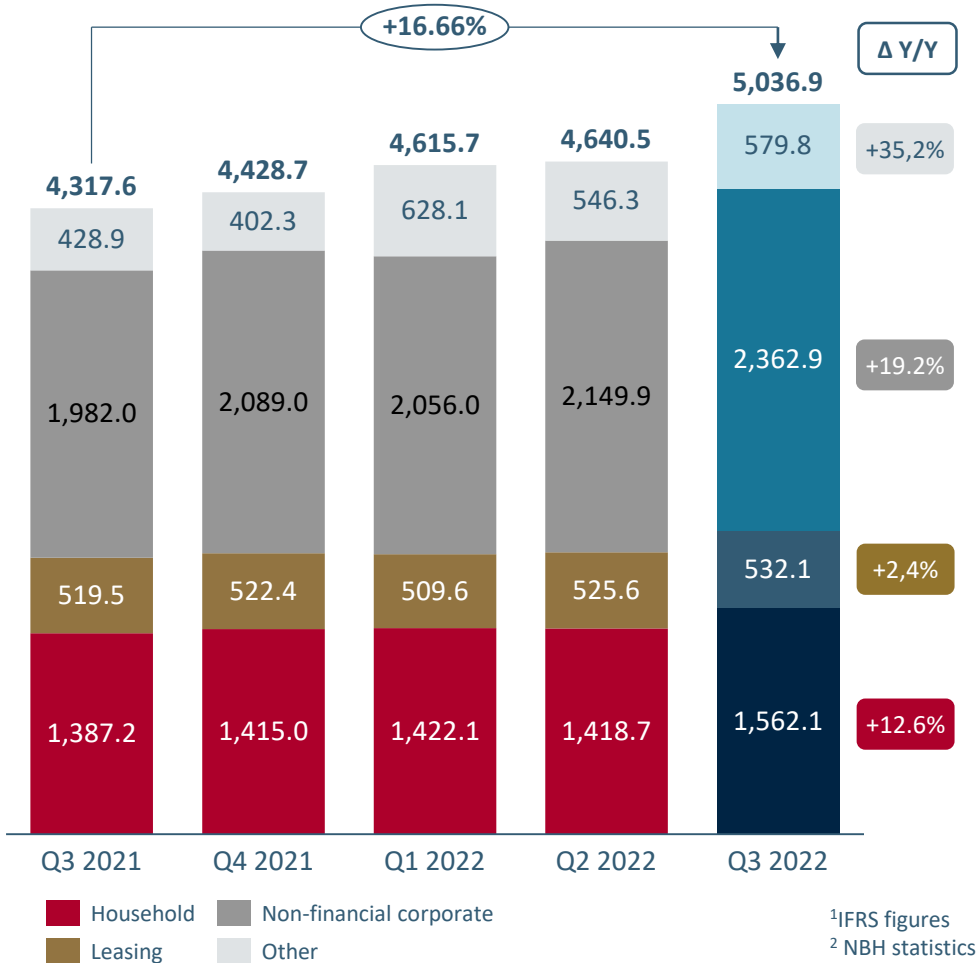
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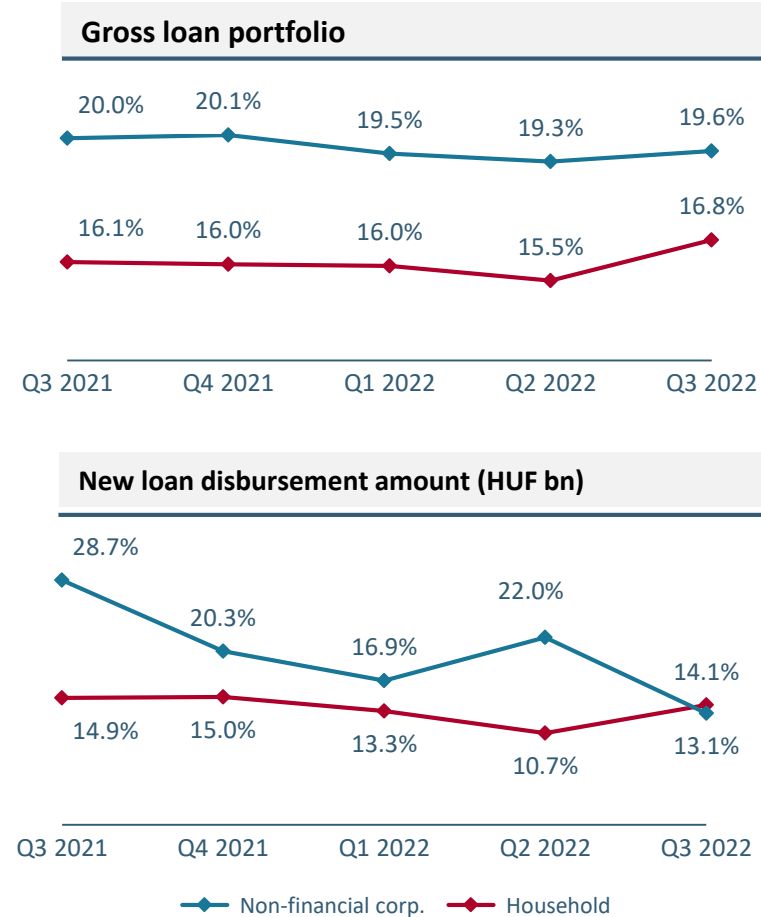
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Development of gross loan¹ portfolio (HUF bn)

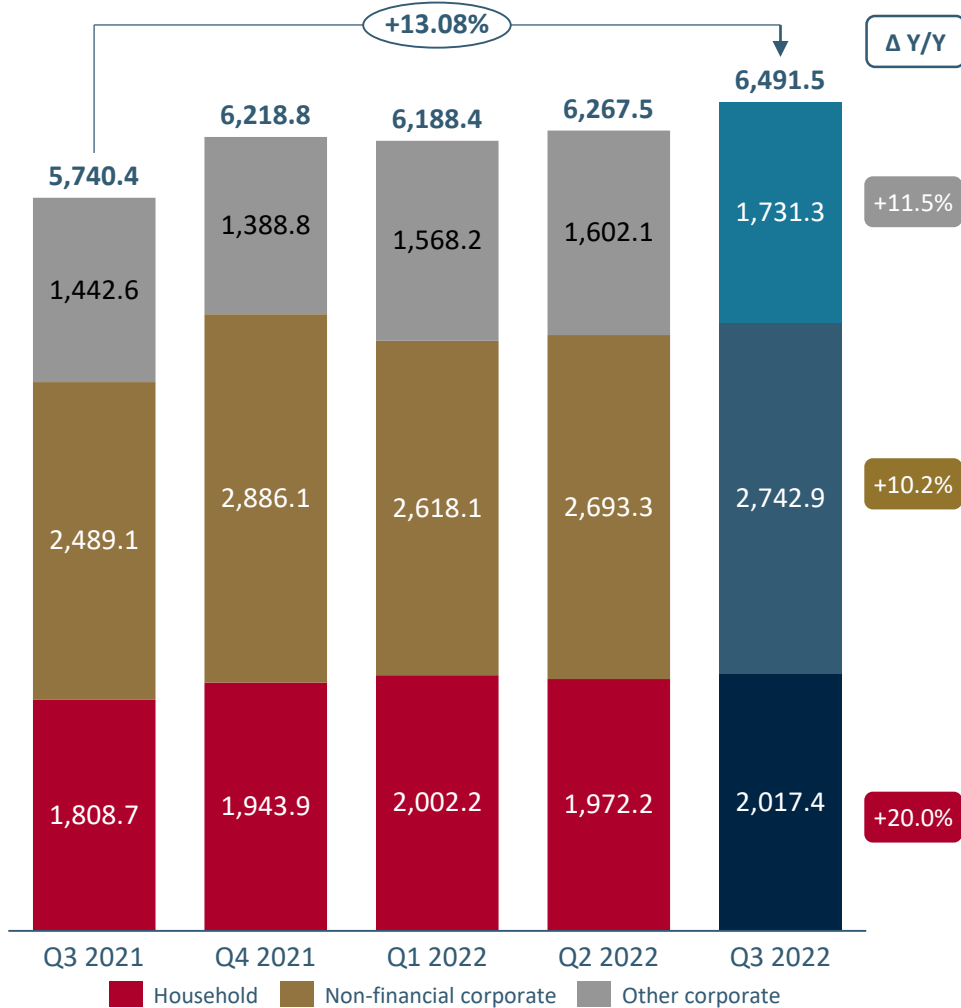


Market shares² (%)



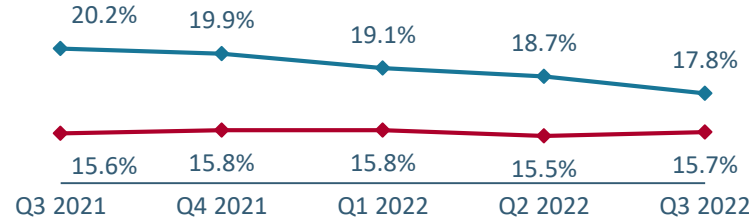
- The total amount of MKB's gross loan, despite the unfavorable economic environment, continued its long-term growth during the second quarter of the year, generating a y/y increase of 16.7% (HUF +719.3) and a q/q increase of 8.5% (HUF 396.4). Besides the organic growth, this growth already reflects the impact of the acquisition of the Sberbank portfolio.
- The corporate segment has experienced an impressive growth, partly due to some individual large transactions and partly due to the change in the exchange rate. Loans to non-financial corporations increased by 19.2% (HUF +380.9 bn y/y) compared to 3Q 2021, exceeding HUF 2.4 trillion by the end of 3Q 2022.
- The portfolio of loans provided to households experienced a dynamically growth of 10.1% compared 2Q 2022, on an annual basis, it grew by 12.6%.
- The market share of MKB loans have increased in both the household and the corporate segment.

Development of deposit¹ portfolio (HUF bn)



Market shares² (%)

Deposit portfolio



- After Q2, as a result of the first bank merger, there was no decrease in customer deposits, the increase was also present in the third quarter.
- By the end of September, MKB's deposit portfolio increased by 13.1% (HUF +751.1 bn y/y) and by 3.6% (HUF +224.0 bn q/q).
- The deposit portfolio of **non-financial companies** increased significantly; exceeding the previous year's level by 10.2% (HUF +253.8 bn y/y), thus exceeding HUF 2,700 bn by Q3 2022.

- Household deposits** show a dynamic growth of 20.0% on an annual basis, while compared to Q2 2022, the growth is 2.3%.
- MKB's market share in the household segment increased compared to the previous quarter, to 15.7% by Q3 2022. The market share of non-financial companies decreased to 17.8%. This was partially justified by the deposit portfolio with a currency structure different from the market one. Since the deposits of non-financial companies showed double-digit growth on an annual basis and this was at an appropriate level in line with the Bank's business policy plans with sufficient liquidity, the deposits did not represent a high extra burden on the group in the third quarter.

¹IFRS figures

² NBH statistics



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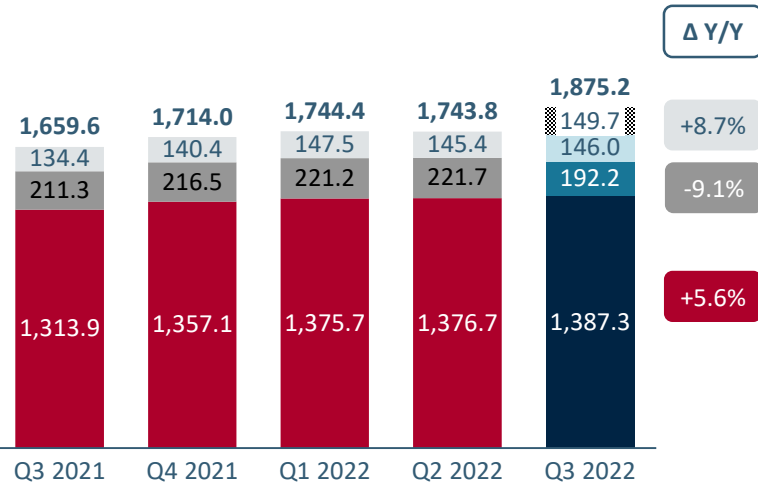
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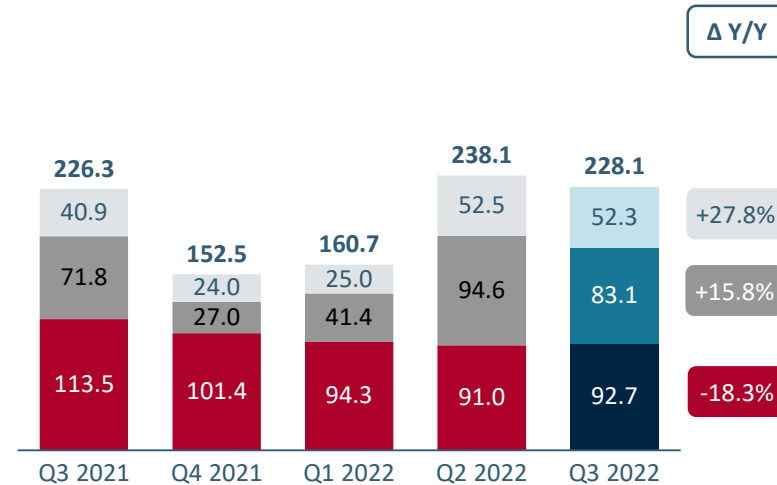
The Standard business segment's gross loan portfolio increased by 13.0%

Business Performance – Standard Business - Loans

Standard business loans –
Gross volume (HUF bn)



Standard business loans –
New loan disbursement (HUF bn)



■ Retail (Mass & Premium)
 ■ Micro business
 ■ Small business
 Sberbank portfolio

The total loans portfolio of standard business segment increased by 13.0% y/y taking into account the impact of the Sberbank portfolio.

Retail (Mass & Premium):

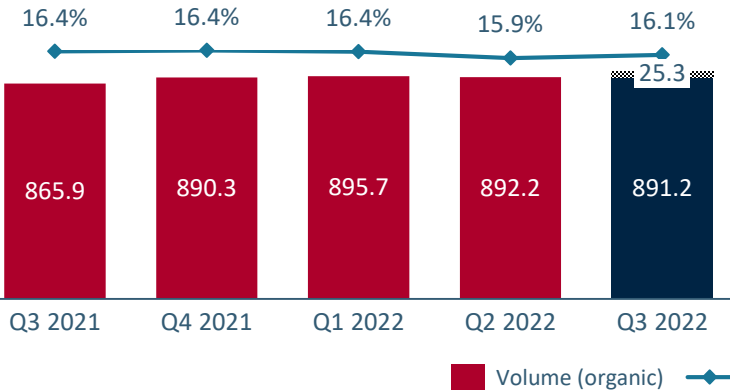
- Business loan volumes increased organically by HUF 73.5 bn y/y (+5.6%) in the retail segment. In 2022 the loan volumes stagnated, attributable to the slowing loan market.
- The volume of new loan contracted slightly exceeded 2Q level; an outstanding performance in an economic slowdown.

Micro and small business:

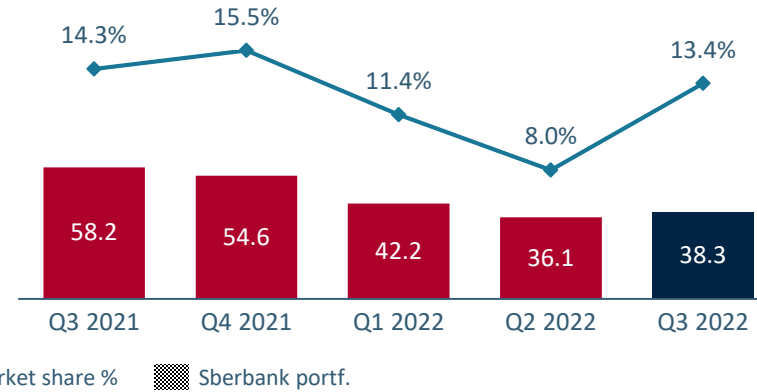
- The segment decreased by HUF 7.5 bn y/y due to resegmentation to agribusiness.
- Besides maintaining stable business operations; business support and product development functions were established on a group level and the sales organization corresponding to the new structure was set up.

Business Performance – Standard Business - Loans

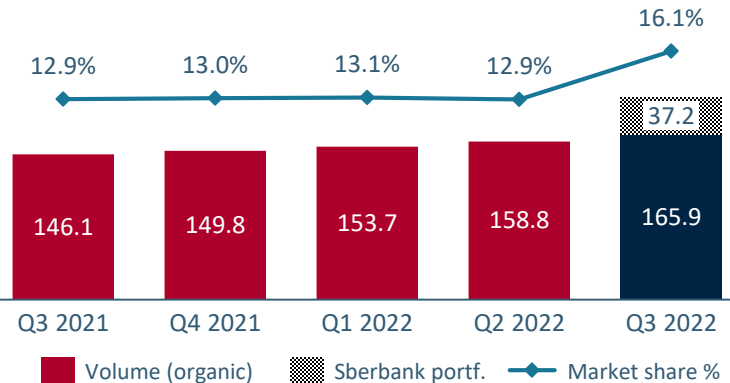
Retail mortgage loans – Gross volume (HUF bn) and market share (%)



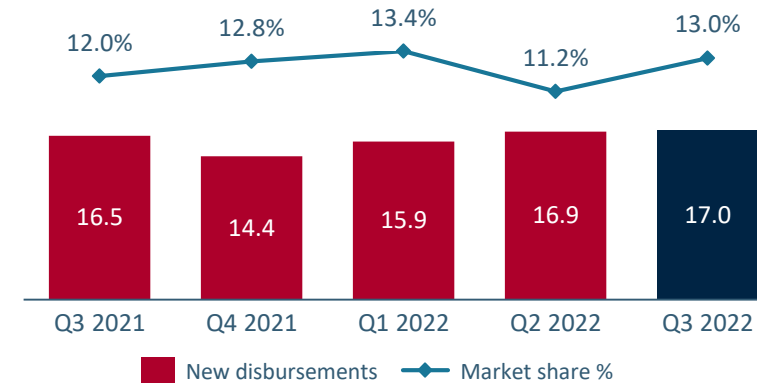
Retail mortgage loans – New loan disbursement (HUFbn) and market shares (%)



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



Retail personal loans – New loan disbursement (HUFbn) and market shares (%)



Mortgage loans:

- The volume of retail mortgage loans - taking into account the Sberbank portfolio - significantly grew on a y/y basis by HUF 50.6 bn. Market share of retail mortgage loans reached 16.1%.
- **The volume of retail mortgage loan contracted** amounted to HUF 38.3 bn in 3Q 2022.

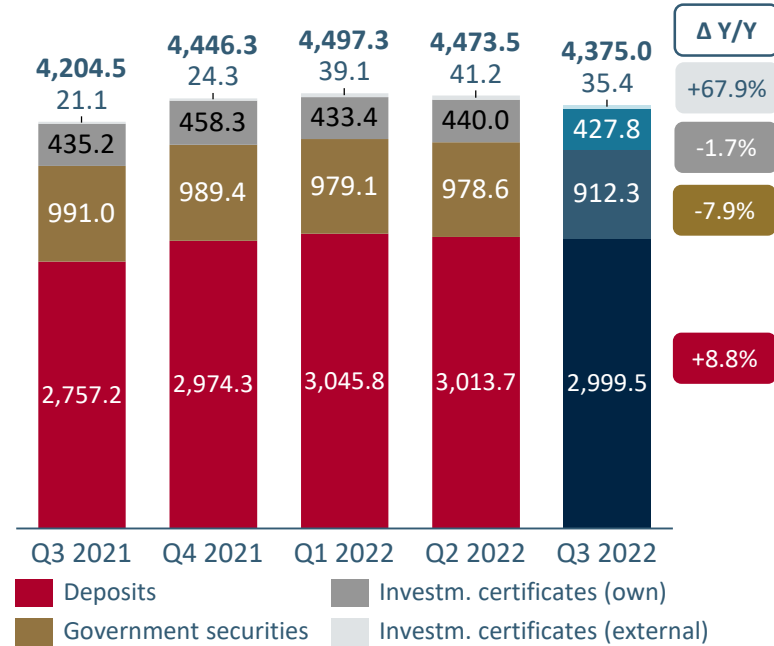
Personal loans:

- The volume of personal loans increased. The Bank maintained and increased its market shares with the Sberbank portfolio. (Excluding the impact of the acquisition of the Sberbank portfolio, the personal loan market share reached 13.1%).

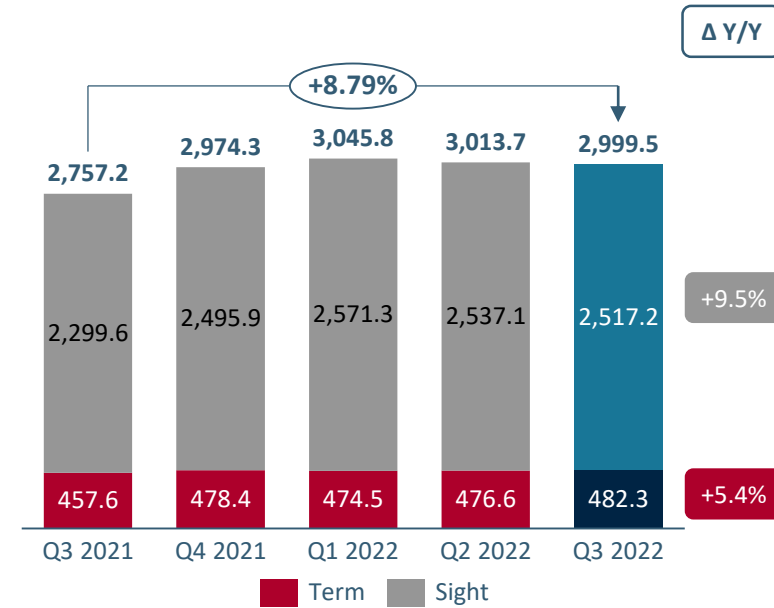
Clients' deposits increased by 8.8% annually, mainly driven by sight deposit

Business Performance – Standard Business – Deposits and Savings

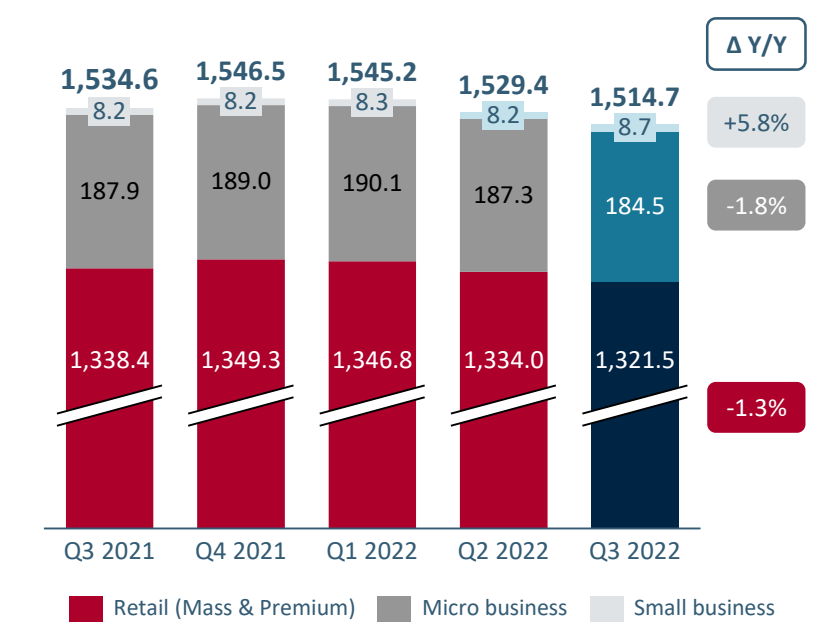
Standard business – Client savings (HUF bn)



Standard business – Client deposits by type (HUF bn)



Standard business – Number of active clients (thousands)



- Standard business segment savings increased by 4.1% y/y (+HUF 170.5 bn). With the increasing inflationary pressure in 3Q 2022, savings of the retail segment decreased by a small extent of 2.2%.
- Client deposits increased by 8.8% on an annual basis (+HUF 242.4 bn y/y), driven by the growth of sight deposits. Sight deposit accounts for around 84% of the total standard business portfolio in Q3. Despite the deposit portfolio decreased by 0.5% q/q in 3Q, the portfolio structure also shifted towards the term deposits.
- MKB had over 1.5 million active clients within its standard business line.

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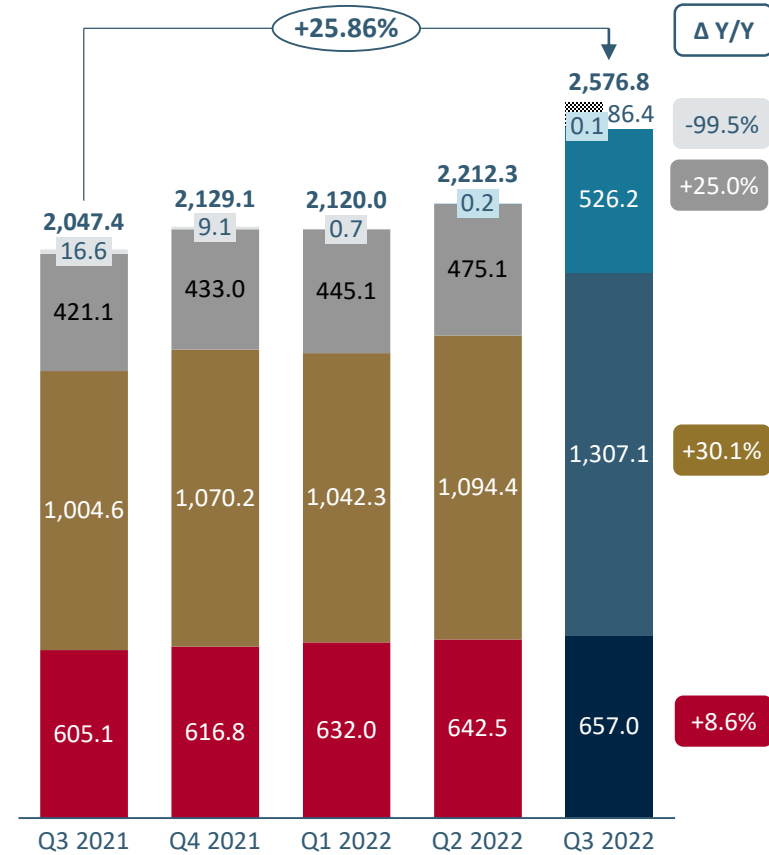
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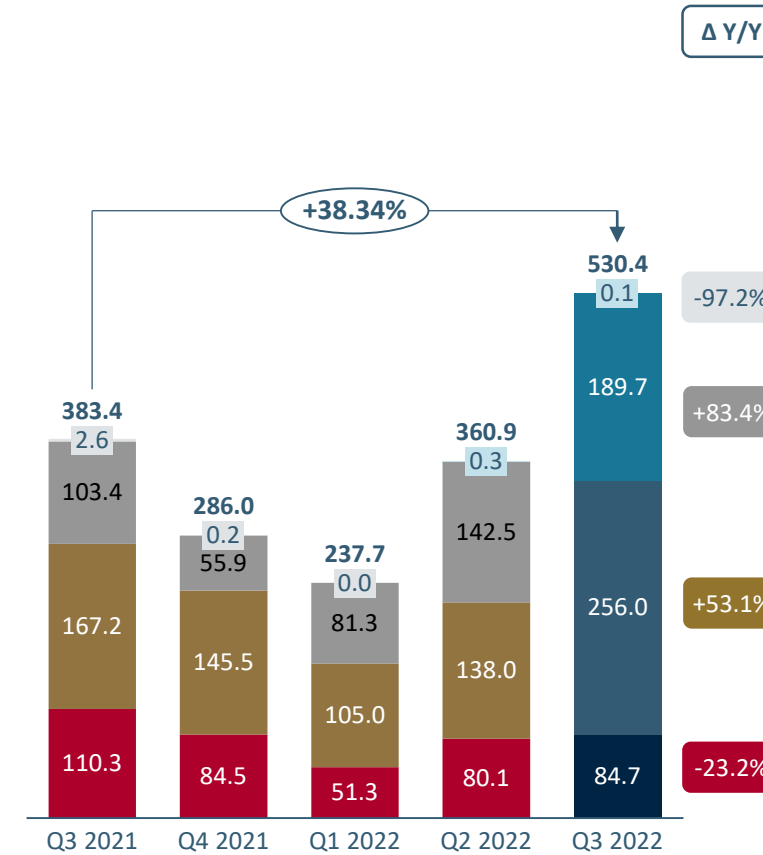
The Non-standard business segment's gross loan portfolio increased by 25.9%

Business Performance – Non-standard Business – Loans

Non-standard business – Gross loan portfolio (HUF bn)



Non-standard business – New loan disbursement (HUF bn)



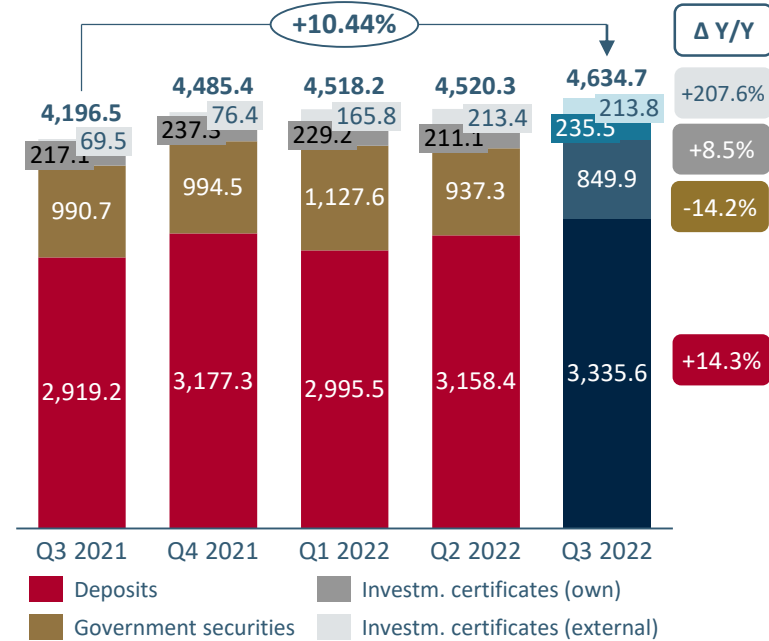
■ Medium business
 ■ Agriculture business
 ■ Large business
 ■ Private banking
 ■ Sberbank portf.

- The non-standard business grew by 25.9% during the last one year in term of loans provided to customers, reaching HUF 2,576.8 bn at the end of 3Q 2022, taking into account the impact of the Sberbank portfolio.
- Significant growths were experienced in all non-standard segments, except for the private banking (regarding the lombard loan run outs).
- **Agribusiness**, as one of the strategic focus segments of MKB, has been growing most rapidly with organically increases of 25.0% y/y and 10.8% q/q, reaching HUF 526.2 bn of outstanding loans at the end of 3Q 2022.
- **Large business segment**, which accounts for around 50% of the total non-standard business loans, grew by 30.1% organically compared to the same period last year, reaching HUF 1,307.1 bn. The large corporate segment has experienced an impressive growth, partly due to some individual large transactions and partly due to the change in the exchange rate.
- The amount of loans provided to medium-sized businesses was at HUF 657.0 bn at the end of 3Q 2022, amounting to an organically increased of 8.6% y/y. This segment has been a key segment of the Group with increasing product penetration playing a central role.
- Thanks to the traditionally close cooperation between MKB Bank and Eximbank, customers can benefit from EXIM's financing sources. MKB Bank reached 21.8% market share of all refinanced disbursement in Q3(Y) 2022.

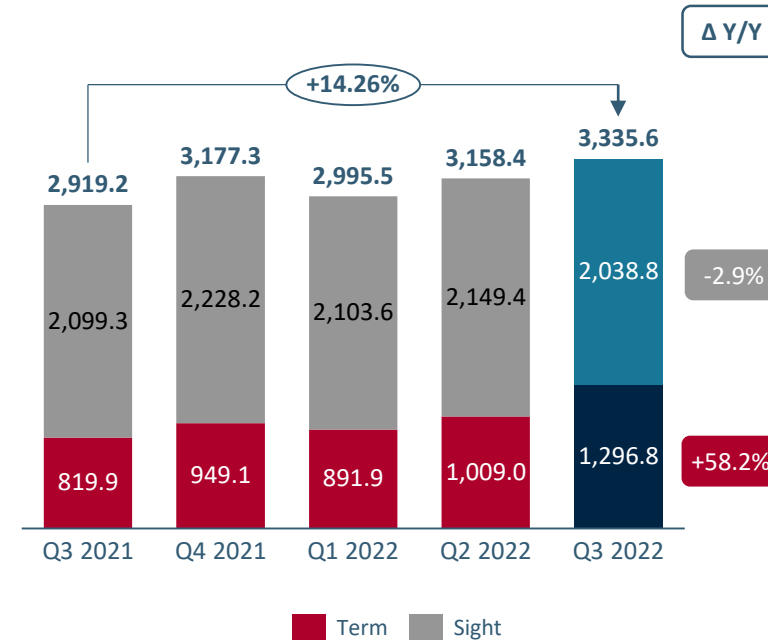
Clients' savings increased by 10.4% annually, mainly driven by deposits

Business Performance – Non-standard Business – Deposits and Savings

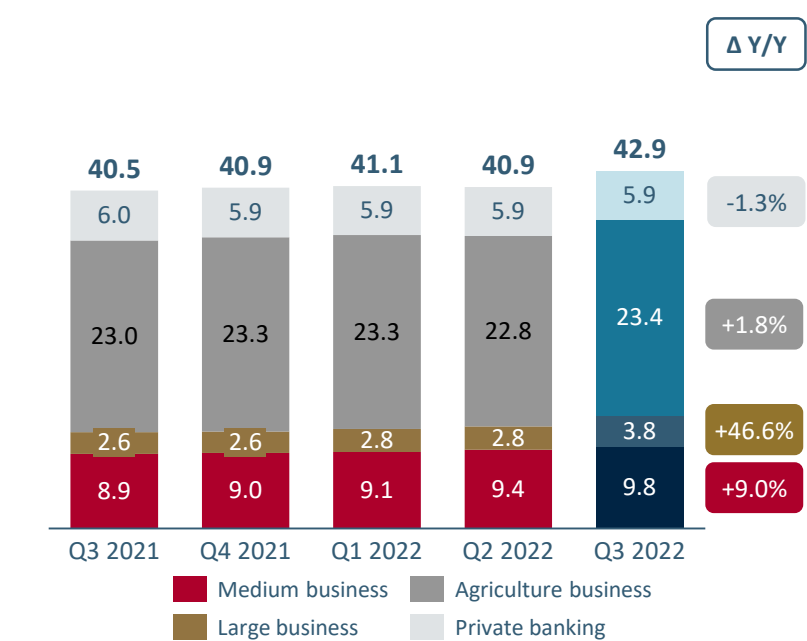
Non-standard business – Client savings (HUF bn)




Non-standard business – Client deposits by type (HUF bn)



Non-standard business – Number of active clients (thousands)



- Non-standard business savings in total increased by 10.4% y/y (+HUF 438.2 bn y/y), driven by the growth of 14.3% in deposits supported by the government programs and partially by the moratorium induced lack of repayment.
- Term deposit accounts for around 40% of the total non-standard business portfolio and increased by 58.2% compared to 3Q 2021 (+476.9 bn y/y). The amount of sight deposits collected from non-standard business customers showed a slight decrease of 2.9% (HUF -60.6 bn y/y).
- MKB had 42.9 thousand active clients within its non-standard business line, representing an increase of over two thousand clients y/y despite the fierce competition on the market.



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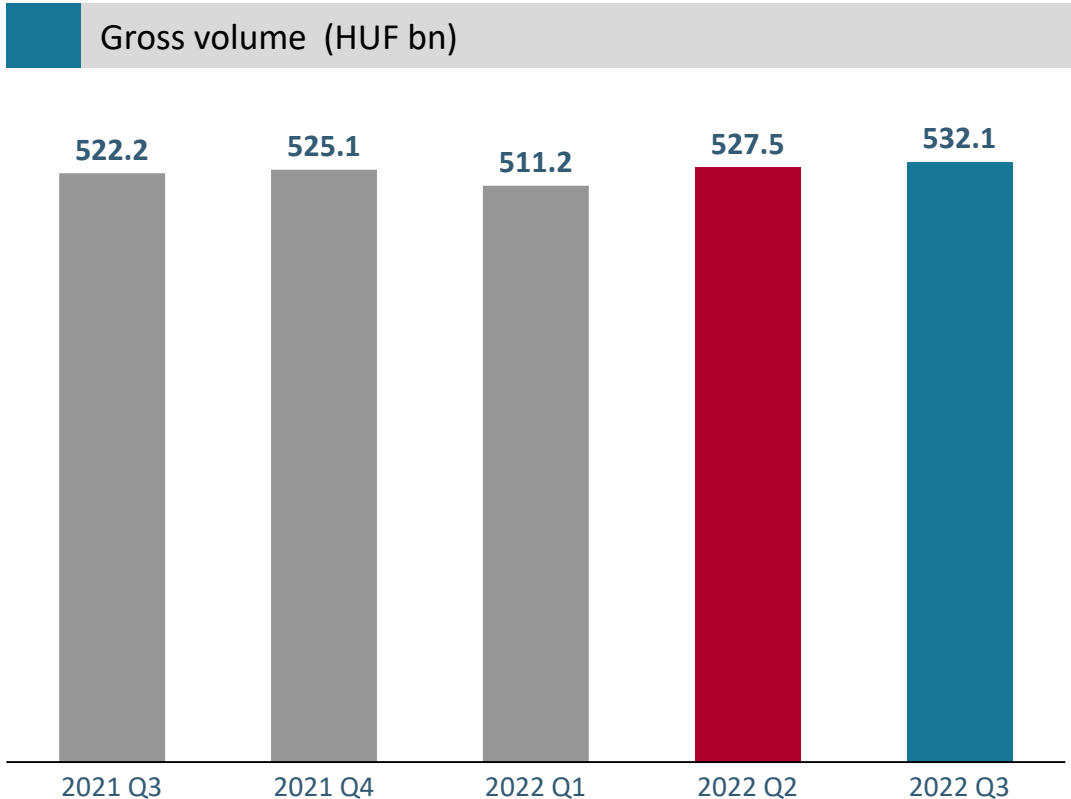
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Gross volume (HUF bn)



- The leasing portfolio of MKB Leasing Group amounted to HUF 532.1 billion as of 30 September 2022, by HUF 9.9 billion (+1.9% y/y) higher compared to Q3 2021.
- In the last quarter, the volume of the portfolio was maintained despite the difficult market environment.
- The Group remains committed to supporting micro, medium and small enterprises, and is therefore intensively involved in the market introduction of state aid schemes in line with and above its market share
- MKB Leasing Group's objective for 2022 is to maintain and strengthen its market position. Based on the statistical data of the Hungarian Leasing Association for the first three quarters of the year, this goal seems to have been achieved. The Group is the market leader in terms of stock in 2022 in the major segments of the leasing market, as well as in terms of the size of the portfolio under management.



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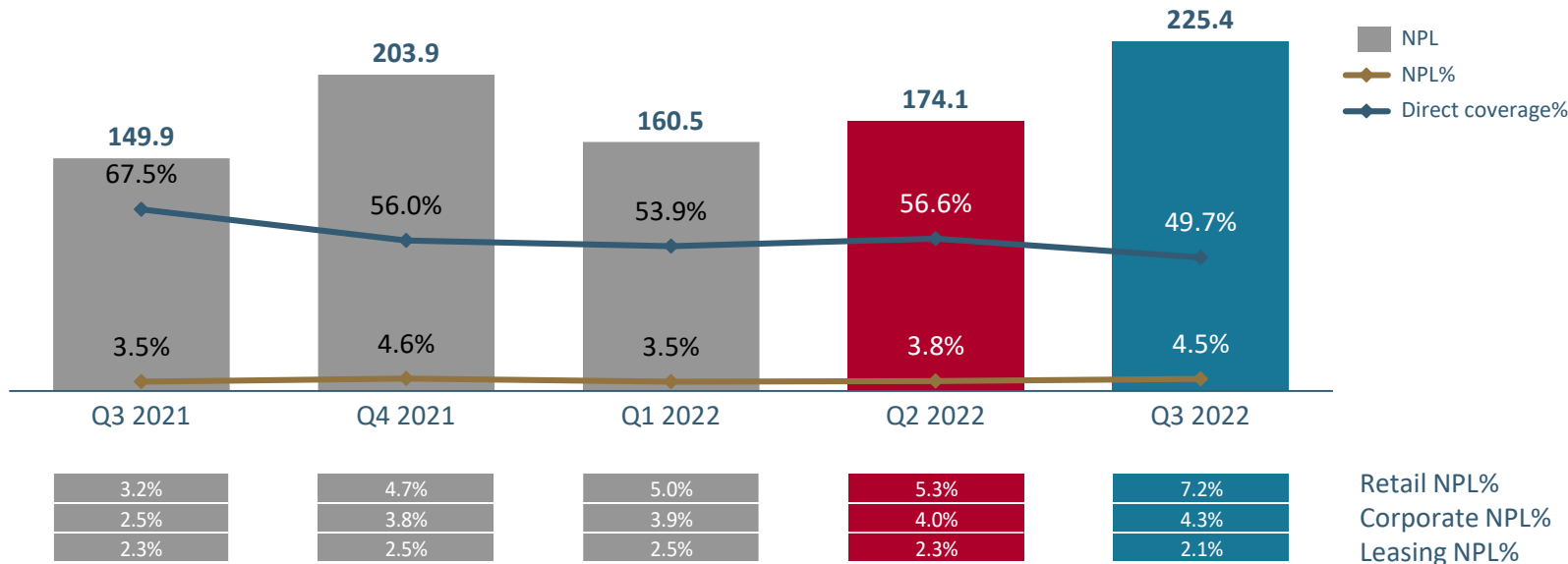
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Increased NPL% due to moratoria and methodological changes

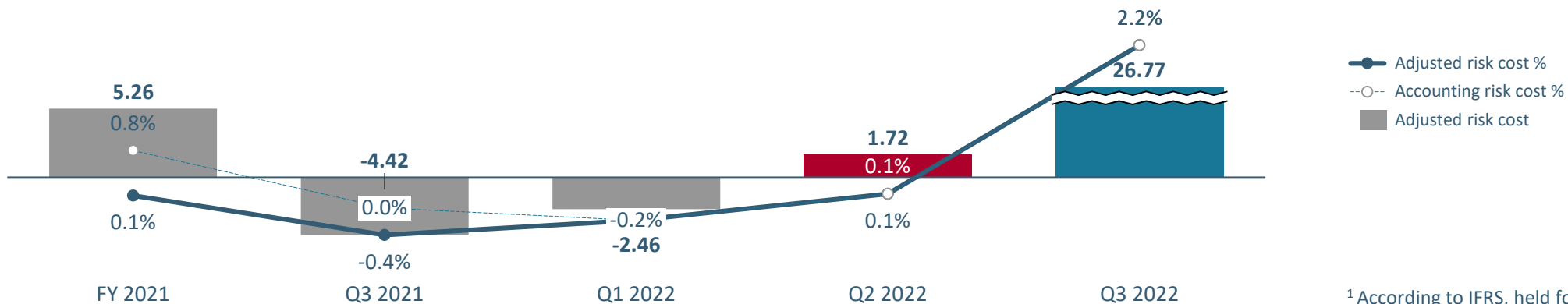
Portfolio Quality Performance - Risk

NPL exposures (HUF bn), NPL ratio and NPL coverage (%) ^{1,2}



- The amount of NPL loans increased to HUF 225.4 bn at the end of Q3 2022, which showed an increase of HUF 51.3 bn (+29.5% q/q) compared to Q2 2022.
- NPL% ratio also increased to 4.5% from the level of 3.8% in the previous quarter. These increases were mainly caused by the methodological changes and Stage 3 impairments due to moratorium.
- HUF 26.8 bn of risk cost was incurred in Q3 2022. Consequently, the total amount of risk cost for the first three quarters of 2022 was HUF 26.0 bn.

Adjusted risk cost (HUF bn) and annualised rate (%)



¹ According to IFRS, held for sale and FVTPL portfolio is not included.

² Please note, the figures have been methodologically revised.



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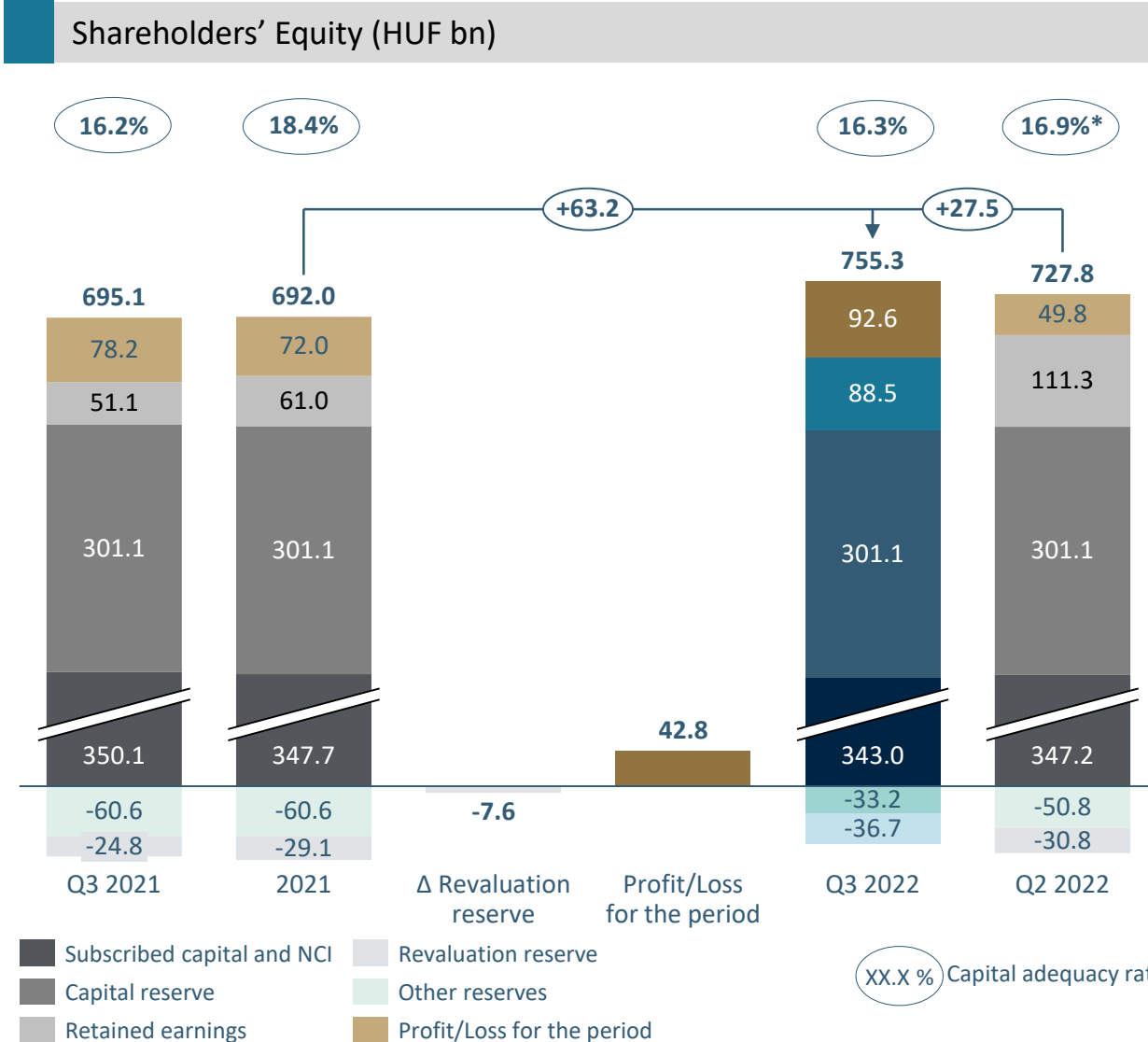
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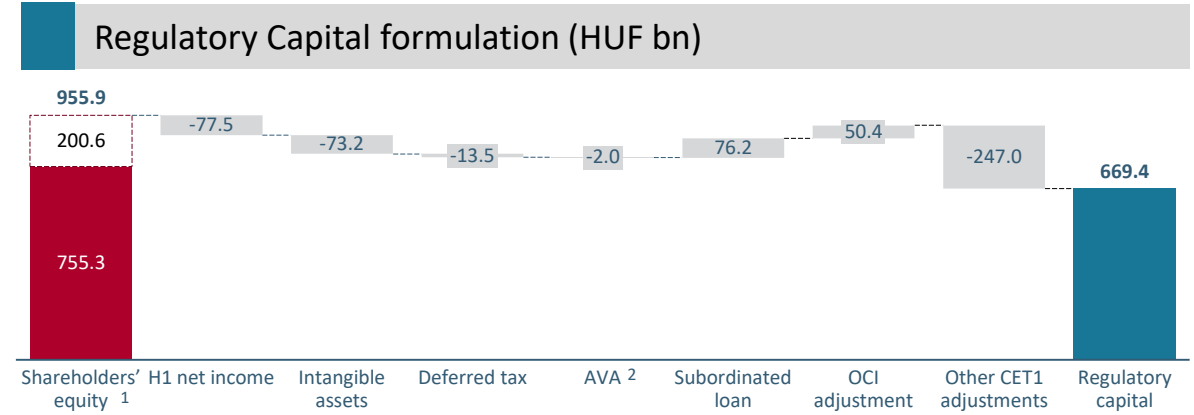
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* Please note, the Q2 2022 figures have been revised.

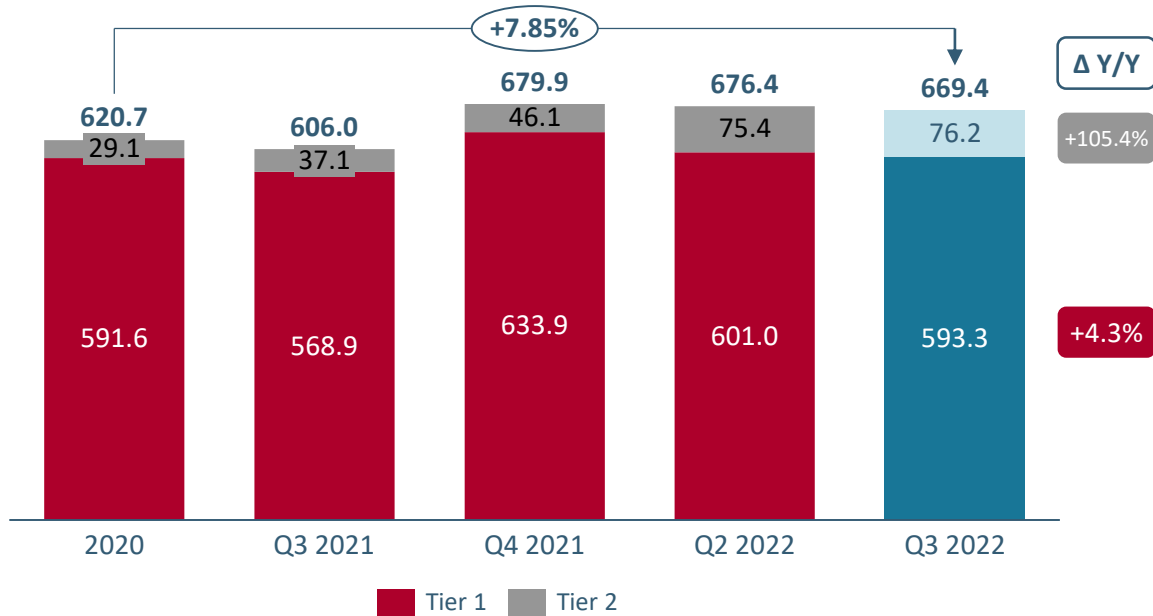


¹Equity under IFRS and prudential consolidation differ due to differences in the range of firms included in the calculation
²AVA = Asset value adjustments – CRR specification

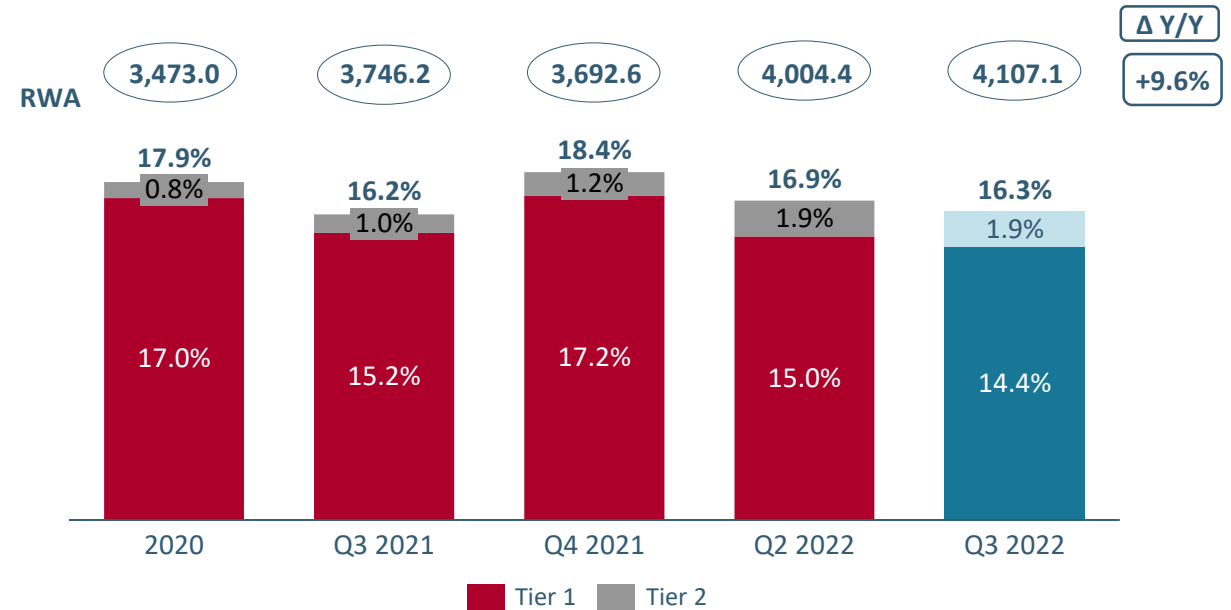
- The capital position of MKB Bank remained strong y/y supported with a Capital Adequacy Ratio increase of 0.1% points. Q3 however showed a decline of 0.6% points in CAR between Q2 2022 and Q3 2022
- Retained earnings increased by HUF 37.4 bn during the last 1 year as a result of high profitability, which ensures the Group's solid dividend-paying capability and sustainable capital position.
- Capital position underpins the 2022 business growth and supports the implementation of the MKB goals
- The strong capital position also strengthened MKB's shock absorbing capacity
- MKB Group's unadjusted total comprehensive income was HUF 36.5 bn in Q3 2022

Capital Position

Development of Regulatory Capital (HUF bn)



CAR (%) and Total RWA (HUF bn)*



- MKB's capital position stayed strong despite the prolonged effect of COVID-19 and the macroeconomic uncertainty caused by the Russia-Ukraine war. The Capital adequacy ratio of 16.3% in Q3 2022, although showed a slight decrease of 0.6%p compared to the previous quarter due to the challenging business environment, however improved by 0.1%p relative to Q3 2021.
- Due to the increase in MKB's loan portfolio, the amount of RWA increased by HUF 102.7 bn q/q between Q2 2022 and Q3 2022. As well as by increase of cca. HUF 120 bn in credit-risk RWA caused by, inter alia, FX changes, increased interbank portfolio, IFRS discount.

* Please note, the Q2 2022 figures have been revised.

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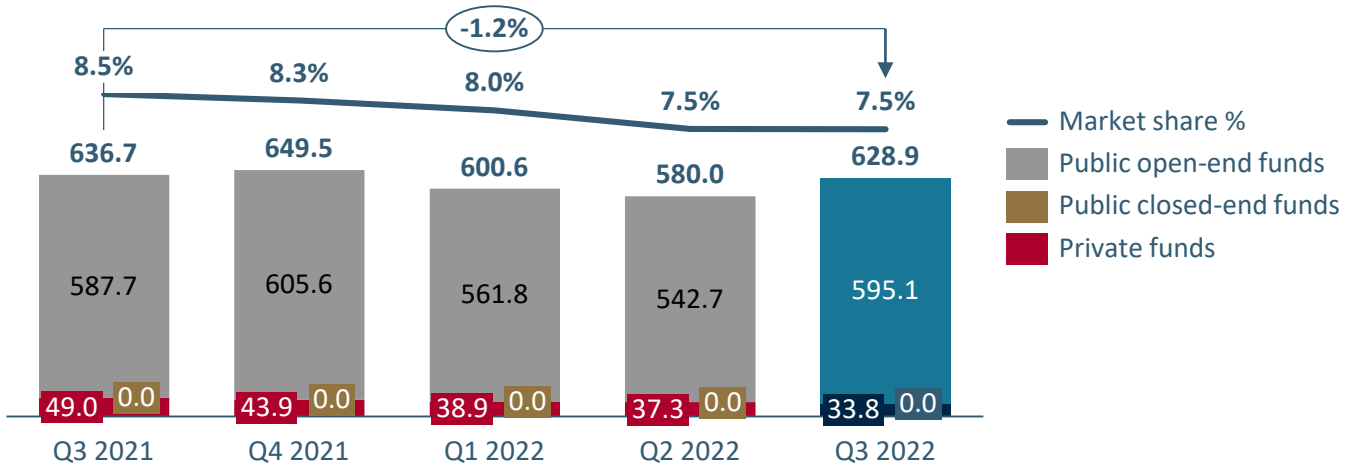
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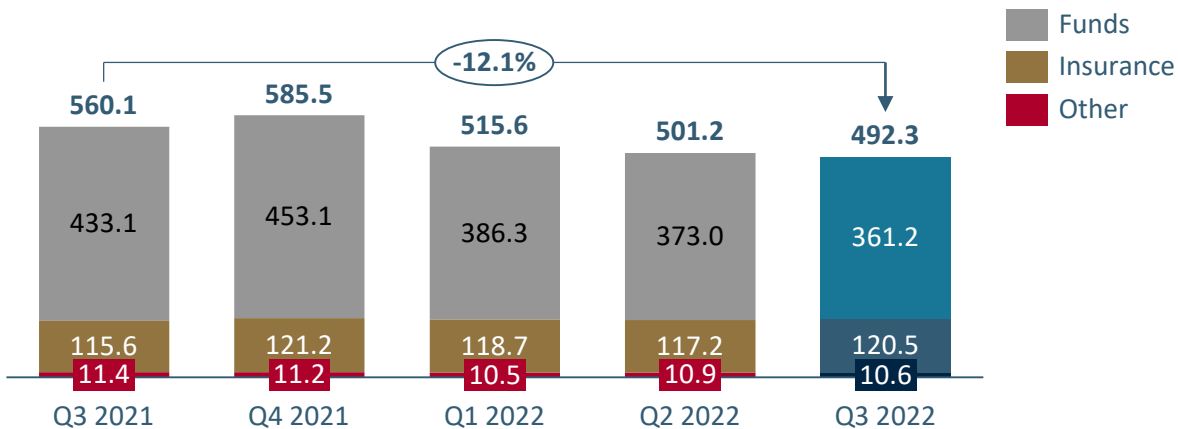
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Breakdown of investment fund (HUF bn)

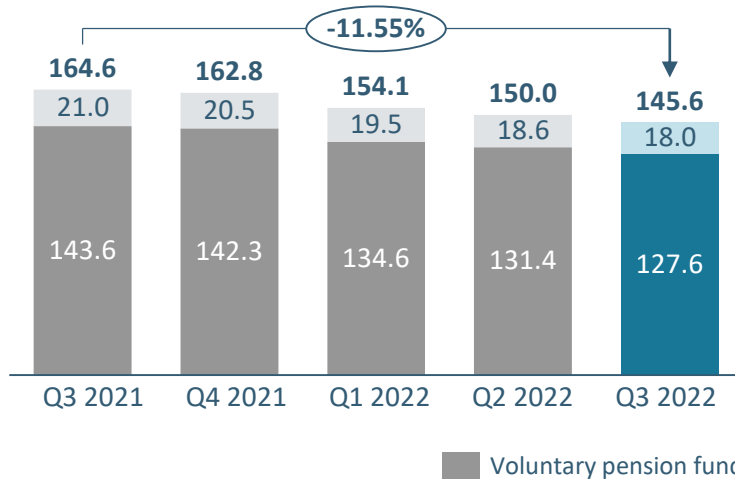


Breakdown of managed portfolios (HUF bn)

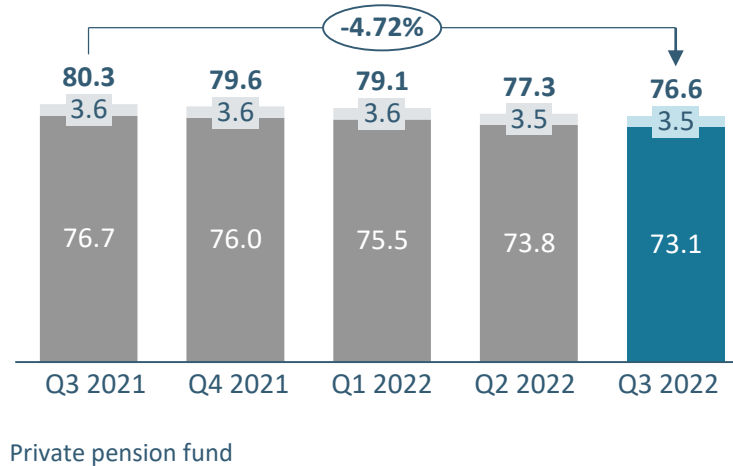


- As a result of the merger of MKB Bank and Budapest Bank on 31.03.2022, Budapest Fund Management became 100% owned by MKB Bank.
- On 31.08.2022 MKB-Pannónia Alapkezelő Zrt. merged into Budapest Alapkezelő Zrt. The merged entity operate under the name MKB Alapkezelő Zrt. The merged fund management company is 75.54% owned by MKB Bank.
- After the merger, the market share of open-end funds was 7.47%, representing assets under management of HUF 628.9 bn at the end of 3Q 2022. Due to the fusion the asset management company moved up to fourth place in terms of total portfolio and to fifth place in terms of assets under management in investment funds.*
- Open-ended investment funds increased to HUF 595.1 billion mainly due to capital inflows into short-term bond funds.
- The public open-end funds consist HUF 109 billion net asset value of the 3 funds distributed in the Czech Republic.
- There are currently no closed-end investment funds in the product range of the Fund Management company, the last public closed-end fund was closed by the end of 2021.
- The portfolio managed by the Fund Management company amounted to HUF 492.3 bn at the end of 3Q 2022. At the end of June, the total portfolio managed by the two companies amounted to HUF 501 bn. The decrease during the quarter were due to the unfavourable market trends.

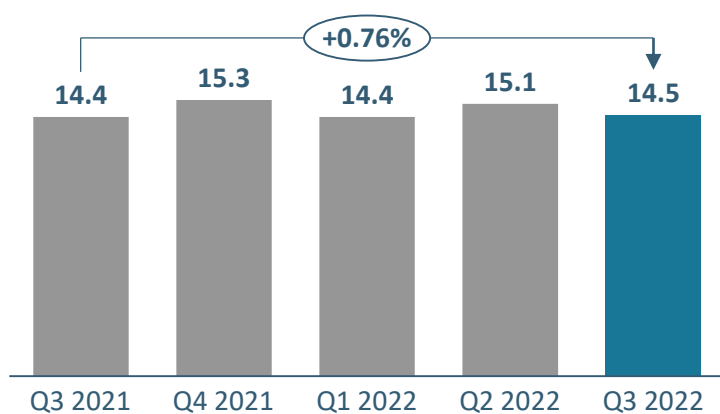
Pension Funds – Total AUM (HUF bn)



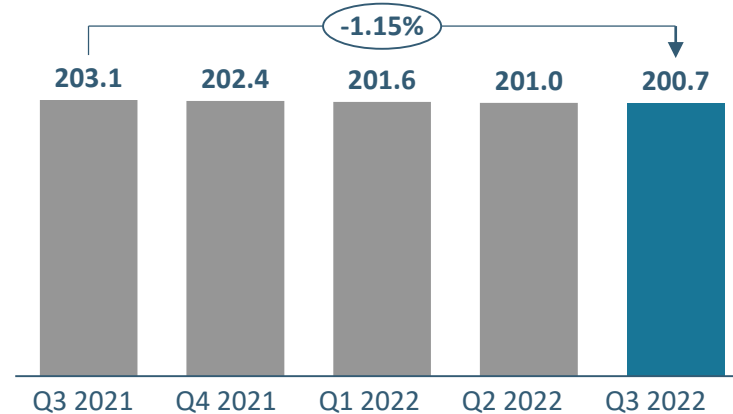
Pension Funds – Number of member (ths)



Health Funds – Total AUM (HUF bn)



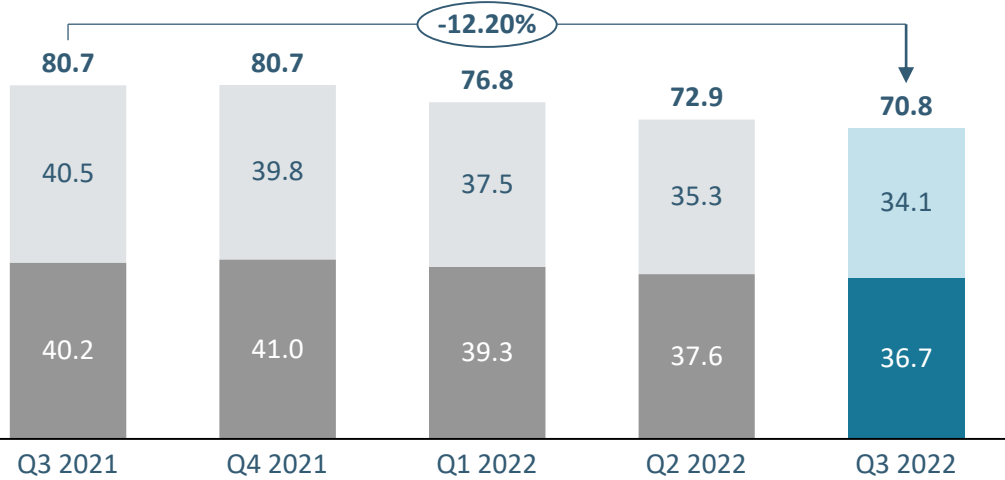
Health Funds – Number of members (ths)



- MKB Pension Fund had nearly 77,000 members and HUF 145.6 bn of assets under management at the end of 3Q 2022.
- The Voluntary pension funds had more than 73,000 members and HUF 127.6 bn in assets under management at the end of 3Q 2022.
- MKB Voluntary Pension Fund's market share in terms of assets under management is 8.53% and in terms of members 6.85% at the end of 3Q 2022.

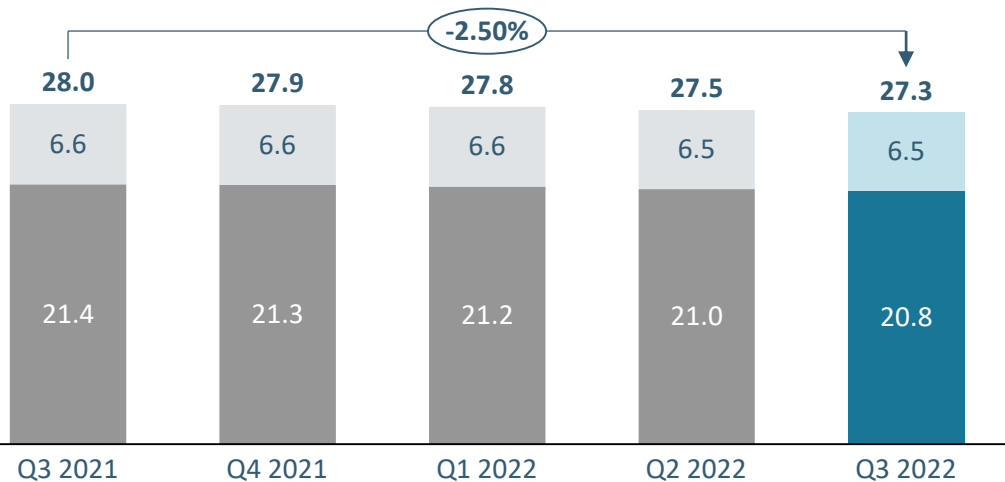
- The MKB-Pannónia Health and Mutual Fund's assets under management increased by 0.76% y/y to HUF 14.5 bn at the end of 3Q 2022.
- The number of members remained stable above 200 thousand.
- The market share reached 23.22% by assets under management and 20.58% by number of members at the end of the 3Q of 2022.

Pension Funds – Total AUM (HUF bn)



- BB Pension Fund had 27,300 members and HUF 70.8 bn of assets under management at the end of 3Q 2022.
- The Voluntary pension funds had more than 20,800 members and HUF 36.7 bn in assets under management at the end of 3Q 2022.

Pension Funds – Number of member (ths)



Voluntary pension fund
 Private pension fund



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Private Banking awards:

MKB Private Banking won multiple awards at Blochamps Capital's Private Banking Hungary 2022 ceremony.

Private Banking Director Pleschinger Gyula Márk was named *'Business Developer of the Year'* and also received the first prize in the category *'Assets under Management per Client'*.



ITBN incident management award

MKB Group's banking security and IT professionals were named

'Information Security Incident Management Team of the Year, 2022' at the ITBN Conf-Expo.

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- On October 18, 2022, MKB Bank acquired the 43,076,417 dematerialized common shares of TakarékJelzálogbank Nyrt. ("Takarék Jelzálogbank") - nominal value 100 HUF each, series "A" dematerialized common shares (ISIN code: HU0000078175); total nominal value: HUF 4,307,641,700, i.e. four billion three hundred seven million six hundred forty-one thousand seven hundred HUF - from MTB Magyar Takarékszövetkezeti Bank Zártkörűen Működő Részvénytársaság ("MTB Zrt."). With the aforementioned transaction, MKB Bank acquired a direct interest of 39.8% in TakarékJelzálogbank. MKB Bank's purchase of 39.8% direct qualified interest in TakarékJelzálogbank does not require a supervisory authorization procedure, thus MKB Bank has already had an indirect qualified interest (a total of 93.43%) in TakarékJelzálogbank, and the change only involves the ownership structure.
- The company will hold its next Extraordinary General Meeting on 9 December 2022. The agenda of the General Meeting will include:
 - decision to increase the share capital of the Company,
 - decision to amend the Articles of Association of the Company and
 - decision to merge the Company as the acquiring company with Takarékbank Zrt. as the merging company and on the date of commencement of the legal effects related to the merger



| # | Changes |
|---|---|
| 1 | Corporate interest rate freeze: the interest rate freeze (only for loans already in stock) will also be extended to SME loans. The reference date for interest rates is 28 June. The regulation will enter into force on 15 November (also retroactively) and will be in force until 30 June next year |
| 2 | Mortgage loan interest rate freeze: the interest rate freeze will also be extended to mortgage loans with maximum 5-yr interest periods. The measure will enter into force from November and will remain in force until the end of June 2023. |
| 3 | Factory Rescue Programme: in the first round, HUF 150 billion will be available for large companies to invest in energy efficiency. Companies can apply if they are expanding their energy supply capacity with a minimum investment of HUF 200 million. A decision was also made to launch a HUF 200 billion Factory Rescue Guarantee and Credit Scheme |
| 4 | Széchenyi Card Programme: From 2023, fixed 5% loans will replace the fixed 3.5% loans which will expire at the end of the year as announced by the Government, and will be available for investment, working capital, overdraft, micro, agricultural and tourism loans |
| 5 | Bank tax: the Banking Association and the Government are working together to develop a scheme to make the amount of bank tax dependent on lending |
| 6 | Széchenyi Card: the SZÉP-card pockets will be abolished, i.e. the amount on the card can be used for accommodation, catering and other purposes without internal limits |
| 7 | Retail deposits over HUF 20 million and deposits of institutional investors: the interest paid on HUF denominated sights and term deposits with a maximum 1 year maturity, concluded by 31 March 2023, may not exceed the average auction yield of a discount Treasury bill with a remaining maturity of 3 months |
| 8 | Energy-intensive SMEs: from now on, a company is considered energy-intensive if its energy costs reach 2% of turnover in 2021 (previously 3%) |



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Unadjusted and adjusted P&L

Annexes – Unadjusted Profit

| P&L Q3 2022 (HUF bn) | MKB BANK | |
|-----------------------------------|-------------------|-----------------|
| | Unadjusted P&L | Adjusted P&L |
| Net operating income | 73.3 | 77.7 |
| Gross operating income | 127.9 | 127.5 |
| Net interest income | 113.8 | 113.8 |
| Net fee and commission income | 15.9 | 15.6 |
| Other operating income | -1.9 | -1.9 |
| FX and FV results | 10.1 | 10.1 |
| Other income | -12.0 | -12.0 |
| General admin. expenses | -54.6 | -49.8 |
| Provisions and impairments | -26.8 | -27.5 |
| Banking tax | 0.2 | -2.9 |
| PBT | 46.7 | 47.3 |
| Corporate income tax | -3.9 | -4.0 |
| PAT | 42.8 | 43.3 |
| OCI | -6.3 | -6.3 |
| TOCI | 36.5 | 37.0 |

| KPIs based on unadjusted PAT (HUF bn) | MKB BANK | | | | | | | | | |
|---|----------|----------------|--------|--------|------------|--------|--------|-----------------|-------------|-------------|
| | Q3 | 2021 Q3 (Y) | FY | Q1 | 2022 Q2 | Q3 | Q3 (Y) | Δ%-p Y-Y (Y) | Δ%-p Y-Y | Δ%-p Q-Q |
| Profitability | | | | | | | | | | |
| TRM - Total Revenue Margin | 3.67% | 3.77% | 3.70% | 3.82% | 4.65% | 4.84% | 4.45% | 0.68% | 1.17% | 0.19% |
| NIM - Net Interest Margin | 2.29% | 2.21% | 2.20% | 3.01% | 3.79% | 4.31% | 3.71% | 1.50% | 2.02% | 0.52% |
| NFM - Net Fee Margin | 0.83% | 0.77% | 0.79% | 0.70% | 0.80% | 0.60% | 0.70% | -0.07% | -0.22% | -0.20% |
| CIM - Core Income Margin | 3.12% | 2.98% | 2.99% | 3.71% | 4.59% | 4.91% | 4.41% | 1.43% | 1.79% | 0.32% |
| Efficiency | | | | | | | | | | |
| CIR - Cost-to-Income Ratio | 56.56% | 55.23% | 61.03% | 51.54% | 51.55% | 42.68% | 48.24% | -7.00% | -13.88% | -8.87% |
| C/TA - Cost-to-Total Assets | 2.08% | 2.08% | 2.26% | 1.97% | 2.40% | 2.07% | 2.14% | 0.06% | -0.01% | -0.33% |
| ROAE - Return on Average Equity | 14.10% | 15.79% | 10.60% | 22.98% | 5.25% | 23.10% | 17.12% | 1.33% | 9.00% | 17.85% |
| ROMC - Return on Minimum Capital Required | 18.05% | 20.35% | 13.68% | 30.58% | 7.38% | 34.11% | 24.03% | 3.68% | 16.06% | 26.73% |
| Risk% - Risk Cost Ratio | -0.05% | 0.10% | 0.75% | -0.22% | 0.15% | 2.21% | 0.74% | 0.65% | 2.26% | 2.06% |
| Equity share information | | | | | | | | | | |
| EPS - Earning Per Share (HUF, annualized) | 311.4 | 342.0 | 231.1 | 518.1 | 121.3 | 550.2 | 396.5 | 54.6 | 238.8 | 428.9 |



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| MKB, MKB Bank, MKB Group | MKB Bank Plc. |
| MBH, Magyar Bankholding | Hungarian Bankholding Ltd. |
| BB | former Budapest Bank Ltd. (prior to merger) |
| MTB | former MTB Bank of Hungarian Savings Cooperatives Co.Ltd. (prior to merger) |
| TMB | Takarék Mortgage Bank Co. Plc. |
| NBH | National Bank of Hungary (the central bank of Hungary) |
| ECB | European Central Bank |
| FED | Federal Reserve System |
| ESG | Environmental, Social and Governance |

| | |
|----------|-------------------------------|
| y/y | Year on year |
| q/q | Quarter on quarter |
| 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 |
| AFS | Available-for-sale |

| | |
|---------------|------------------------------------|
| Secured loans | Home Loans + Free-to-Use Mortgages |
| FVTOCI | Fair value through OCI |
| FVTPL | Fair value through P&L |
| FTE | Full time equivalent |
| NPL | Non performing loans |
| NPE | Non performing exposures |
| 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 |
| CIR | Cost-to-income ratio |
| TRM | Total revenue margin |
| NIM | Net interest margin |
| NFM | Net fee margin |
| CIM | Core Income 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 |

| | |
|--------|---|
| MÁP+ | Hungarian Governmental Securities+ |
| ÁKK | Price of government bond reference yields determined daily by the National Debt Management Center (ÁKK) |
| NHP | FGS, Funding for Growth Scheme |
| KSH | Hungarian Central Statistical Office |
| AFR | Instant payment system implementation project to comply with NBH requirements |
| Hitreg | Loan registry requirements of NBH |
| PSD2 | Payment service directive 2 |

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