



Fundamenta-Lakáskassza Zrt.

Separate Financial Statements

prepared in accordance with International
Financial Reporting Standards as adopted by the
European Union

31 December 2025

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SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

(HUF million)	Note	31.12.2025	31.12.2024
Cash and cash equivalents	9.	37,597	12,888
Securities	10.	73,280	105,691
<i>of which blocked as collateral</i>	10.	15,344	6,254
Receivables from customers	11.	515,175	520,521
Other financial receivables	12.	876	665
Investments in subsidiaries	13.	1,359	1,359
Property, plant and equipment	14.	3,928	4,832
Intangible assets	15.	11,911	11,541
Current income tax assets	31.	193	213
Other assets	16.	957	1,512
TOTAL ASSETS		645,276	659,222
Liabilities to credit institutions	17.	27,766	20,967
Liabilities to customers	18.	514,568	541,744
Other financial liabilities	19.	4,131	5,180
Provisions	20.	1,611	1,624
Current income tax liabilities	31.	167	137
Deferred tax liabilities	31.	653	651
Other liabilities	21.	2,345	1,835
TOTAL LIABILITIES		551,241	572,138
Share capital	22.	2,001	2,001
Capital reserve	22.	2,100	2,100
Retained earnings	22.	64,976	60,924
Statutory reserves	22.	18,007	17,312
Settlement reserve	22.	8,748	8,748
General reserve	22.	9,259	8,564
Profit for the year	22.	6,951	4,747
TOTAL SHAREHOLDERS' EQUITY		94,035	87,084
TOTAL EQUITY AND LIABILITIES		645,276	659,222

Budapest, 25 March 2026

László Morafcsik

Chief Executive Officer

Péter Vizkelety

Managing Director

SEPARATE STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2025

(HUF million)	Note	2025	2024
Interest income	23.	35 524	35 202
Interest expense	23.	-9 647	-8 776
NET INTEREST INCOME	23.	25 877	26 426
Fee and commission income	24.	1 050	1 119
Fee and commission expense	24.	-1 850	-1 664
NET FEE AND COMMISSION INCOME/EXPENSE	24.	-800	-545
Exchange gain/loss on foreign exchange items	25.	-30	4
Net loss arising from derecognition of financial assets and liabilities measured at amortised cost	26.	-508	-185
Changes in expected credit loss on financial assets and in credit provisions	27.	2 531	-943
Other operating income	28.	1 054	1 170
Other operating expenses	29.	-2 936	-2 349
Operating costs	30.	-17 018	-17 680
PROFIT BEFORE TAX		8 170	5 898
Income taxes	31.	-1 219	-1 151
PROFIT FOR THE YEAR		6 951	4 747
OTHER COMPREHENSIVE INCOME		0	0
TOTAL COMPREHENSIVE INCOME		6 951	4 747

Budapest, 25 March 2026

László Morafcsik

Chief Executive Officer

Péter Vizkelety

Managing Director

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2025

(HUF million)	Note	2025	2024
PROFIT FOR THE YEAR		6 951	4 747
Adjustments related to operating activities for			
Depreciation and amortisation	30.	3 233	3 138
Interest income	23.	-35 524	-35 202
Interest expenses	23.	9 647	8 776
ECL allowance for securities and reversal thereof, net	27.	-36	25
ECL allowance for receivables from customers and reversal thereof, net	27.	-2 481	881
ECL allowance for other financial receivables from customers and reversal thereof, net	27.	0	14
Effect of unrealized movements in exchange rates on cash held	9.	152	-193
Impairment of property, plant, equipment and intangible assets and reversal thereof, net	29.	-14	41
Net loss on sale of financial assets (securities)	26.	718	185
Loss from sale of property, plant and equipment, intangible assets	28.	5	9
Changes related to lease, not involving movement of funds	32.	-94	97
Loss on other derecognition of property, plant and equipment, intangible assets	14., 15.	152	20
Recognition and release of provisions	20.	-13	294
Income tax expense	31.	1 219	1 151
Operating cash flows before changes in assets and liabilities from operating activities:		-23 036	-20 764
Changes in assets and liabilities from operating activities			
Securities	10., 26.	-556	-400
Receivables from customers	11.	6 941	-4 913
Other financial receivables	12.	-213	27
Other assets	16.	556	-33
Liabilities to credit institutions	17.	0	26
Liabilities to customers	18.	-26 275	-8 309
Other financial liabilities without leases	19.	-78	360
Other liabilities	21.	508	-1 043
Total changes in assets and liabilities from operating activities:		-19 117	-14 285
Interest received	23.	29 565	28 835
Interest paid	23.	-7 895	-10 287
Income taxes paid	31.	-1 167	-1 571
Net cash from/used in operating activities		-14 699	-13 325

Investment cash flow	Note	2025	2024
Acquisition of securities	10.,26.	-12 794	-73 321
Proceeds from sale and expiry of securities	10.,26.	45 521	42 052
Acquisition of property, plant and equipment	14.	-400	-584
Income from sale of property, plant and equipment, intangible assets	14.	80	111
Acquisition of intangible assets	15.	-2 427	-3 643
Interest received	23.	6 403	6 832
Net cash from/used in investing activities		36 383	-28 553
Financing cash flow	Note	2025	2024
Interest paid	23.	-2 638	-870
Borrowings	17.	348 429	222 750
Repayment of borrowings	17.	-341 644	-217 256
Repayment of lease liabilities	32.	-970	-852
Net cash from/used in financing activities		3 177	3 772
Net increase/decrease in cash and cash equivalents		24 861	-38 106
Balance at 31 December of the previous year	9.	12 888	50 801
Effect of movements in exchange rates on cash and cash equivalents held		-152	193
Cash and cash equivalents at 31 December		37 597	12 888

The Company reports cash flows from operating activities using the indirect method.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2025

(HUF million)	Share capital	Capital reserve	Retained earnings	Statutory reserves		Profit for the year	Total
				Settlement reserve	General reserve		
Balance at 1 January 2024	2,001	2,100	51,697	8,748	8,090	9,701	82,337
<i>Profit for the year</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>4,747</i>	<i>4,747</i>
Total comprehensive income	0	0	0	0	0	4,747	4,747
<i>Transfer of previous year's profit to retained earnings</i>	<i>0</i>	<i>0</i>	<i>9,701</i>	<i>0</i>	<i>0</i>	<i>-9,701</i>	<i>0</i>
General reserve	0	0	-474	0	474	0	0
Total other changes in equity	0	0	-474	0	474	0	0
Balance at 31 December 2024	2,001	2,100	60,924	8,748	8,564	4,747	87,084
<i>Profit for the year</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>6,951</i>	<i>6,951</i>
Total comprehensive income	0	0	0	0	0	6,951	6,951
<i>Transfer of previous year's profit to retained earnings</i>	<i>0</i>	<i>0</i>	<i>4,747</i>	<i>0</i>	<i>0</i>	<i>-4,747</i>	<i>0</i>
General reserve	0	0	-695	0	695	0	0
Total other changes in equity	0	0	-695	0	695	0	0
Balance at 31 December 2025	2,001	2,100	64,976	8,748	9,259	6,951	94,035

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. General information

Fundamenta-Lakáskassza Zrt. – up to 30 June 2003 Fundamenta Magyar-Német Lakás-takarékpénztár Rt. – (hereinafter referred to as the “Company”) was established by deed of foundation dated 5 December 1996.

In accordance with Act CXIII of 1996 on Home Savings and Loan Associations the Company’s core activity is home savings and loans, including the collection of deposits under contracts, the granting of loans under contracts, and the granting of bridging loans related to such contracts.

The National Money and Capital Market Supervisory Authority (the legal predecessor to Magyar Nemzeti Bank) authorised its establishment in resolution no. 80/1997 dated 20 March 1997, and the start of its operations in resolution 255/1997 dated 15 May 1997.

The Company was registered in the company register by the Metropolitan Court as the Court of Registration on 24 April 1997, as a company limited by shares, under no. Cg. 01-10-043304.

Fundamenta-Lakáskassza Zrt.:

Tax number:	12217595-4-44
CSO statistical code:	12217595-6419-114-01

The Company is consolidated as a subsidiary by MBH Bank Nyrt. Registered office of MBH Bank Nyrt.: 1056, Budapest, Váci u. 38., website: www.mhbank.hu.

The Company also publishes these financial statements on its website (www.fundamenta.hu/eredmenyek) and ensures continuous availability for inspection of the published data at least until data relating to the second succeeding financial year are published.

Ownership structure as at 31 December 2025:

Shareholders	Registered ordinary share			Ownership share (%)
	Nominal value (HUF)	Quantity (no)	Value (THUF)	
MBH Bank Nyrt. (HU-1056 Budapest, Váci u. 38.)	10,000	152,771	1,527,710	76.35
Generali Biztosító Zrt. (HU-1066 Budapest, Teréz krt. 42-44.)	10,000	29,770	297,700	14.88
UniCredit Bank Hungary Zrt. (HU-1054 Budapest, Szabadság tér 5-6.)	10,000	14,777	147,770	7.38
Fundamenta-Lakáskassza Kft. (1123 Budapest, Alkotás utca 55-61.)	10,000	2,782	27,820	1.39
TOTAL	-	200,100	2,001,000	100.00

MBH Bank Nyrt. exercises the rights pertaining to the main shareholder with full powers. MBH Bank Nyrt. is the ultimate parent company of the Group, and no ultimate controlling party can be identified among the shareholders of MBH Bank Nyrt.

On 11 November 2024, MBH Bank Nyrt. signed a share purchase agreement with Generali Biztosító Zrt. for the acquisition of a 14.88% stake in Fundamenta-Lakáskassza Zrt. The prior approval of the transaction was provided by the supervisory authority on 12 March 2026 and following this procedure the transaction was closed. The total purchase price was HUF 11,827 million.

On 1 January 2025 Fundamenta-Lakáskassza Zrt. and Fundamenta-Lakáskassza Kft. joined the VAT group represented by MBH Bank Nyrt. Group ID number: 17782672-5-44, Group EU VAT number: HU17782672.

On 1 January 2025 Fundamenta-Lakáskassza Zrt, Fundamenta-Lakáskassza Kft. and Fundamenta Értéklánc Kft. joined the corporate tax group represented by MBH Bank Nyrt. Group ID number: 17100119-6-44.

Under Act LXXXIV of 2023, the members of the banking group are subject to the global minimum tax; however, based on Section 47 of the same act they benefit from a temporary exemption.

Two internal Board members jointly or one internal Board member jointly with one managing director are authorised to sign the financial statements.

Internal Board members and managing directors as at the end of the financial year:

László Morafcsik

Member of the Board, Chief Executive Officer, Managing Director

2112 Veresegyház, Kilátó utca 9.

Attila Soós

Member of the Board, Deputy-CEO, Managing Director

2040 Budaörs, Domb utca 5-7. B. ép. 1. ajtó

Judit Dóra Jakabfalvy

Managing Director

2011 Budakalász, Erdőhát utca 1. A. ép.

Péter Vizkelety

Managing Director

2096 Üröm, Gábor Áron sétány 35. 1.

2. Compliance with IFRSs

The separate financial statements were prepared in accordance with the International Financial Reporting Standards (hereinafter referred to as: IFRSs) as adopted by the European Union (EU).

The Company meets its annual reporting obligation under Act C of 2000 on Accounting (“Act on Accounting”) with these separate financial statements, in accordance with Section 9/A of the Act on

Accounting.

The Company prepared separate IFRS financial statements for the first time as of 31 December 2018. The Company has kept its accounting records and satisfied its reporting obligation under the Act on Accounting in accordance with IFRSs since 1 January 2018.

These financial statements were approved for issue by the Board of Directors on 25 March 2026.

3. Functional and presentation currency

These financial statements were prepared in Hungarian forints as the presentation currency, which is the Company's functional currency.

Unless otherwise indicated, financial data presented in Hungarian forints in the financial statements is rounded to HUF million, while figures in other currencies are rounded to one unit of the foreign currency.

4. Judgements and estimates used in the financial statements

In preparing the financial statements in conformity with the accounting policies, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Future changes in the economic environment, financial strategy, regulatory environment, accounting regulations and other areas may result in changes in estimates, which may have a significant effect on future financial statements.

When preparing the financial statements, the management made an assessment of the entity's ability to continue as a going concern and established that it has the necessary resources to continue as a going concern in the foreseeable future.

The management is not aware of any material uncertainty that would cast significant doubt on the Company's ability to continue as a going concern. Therefore the financial statements have been prepared on a going concern basis.

4.1. Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the financial statements is as follows:

a) IFRS 9 business model and SPPI considerations

Upon the first adoption of IFRS 9, and thereafter upon the recognition of financial assets, the Company assesses whether based on the facts and circumstances that exist at that date it holds the given financial asset in a business model whose objective is to hold assets to collect contractual cash flows, or both to collect contractual cash flows and to sell financial assets.

If the Company determines that the objective of the business model for the given financial asset is to collect contractual cash flows, at the time of initial recognition the Company examines the contractual cash flows of financial assets that are debt instruments, based on which it determines whether the contractual terms of the given financial asset give rise, on specified

dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Treatment of bridging loans, immediate bridging loans and housing loans

For its customers with home savings contracts in the saving phase, the Company may grant a bridging or immediate bridging loan on one occasion during the savings period if the terms set forth in the loan agreement are met (both bridging and immediate bridging loans hereinafter referred to as: “bridging loans”); following the disbursement date the Company may grant a housing loan based on the loan agreement.

When the contractual amount in the home savings contracts is disbursed, the bridging loans are paid off from the amounts deposited by the customer and from the housing loan amount granted.

The Company treats the bridging loans and the subsequent housing loan as different financial instruments. The bridging loans end and are derecognised upon the disbursement of the contractual amount, while the granted housing loan is entered into the books as a new loan.

The transaction costs related to the granting of the bridging loans are amortised until the payment of the contractual amount, not until the end of the housing loan phase. During the housing loan phase, the transaction cost associated with the bridging loan phase is not amortised.

The bridging loans bear different interest to the housing loans. The Company applies different effective interest rates for the bridging loans and for the housing loan created as of the disbursement date, in light of the different interest conditions for the loans and the practice regarding the amortisation of the transaction cost detailed above.

In the case of the housing loan, the commissions payable on the housing loan are accounted for as transaction cost using the effective interest method.

4.2. Assumptions and estimation uncertainties

Information on assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the reporting year, is as follows:

Provisions

The recognition and measurement of provisions and contingent liabilities also imply a high degree of estimation uncertainty, particularly with regard to the most important assumptions on the magnitude and probability of an outflow of resources. For more details please refer to Note 20.

Lease liabilities and right-of-use assets

On initial recognition the Company recognises lease liabilities at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, using the Company's incremental borrowing rate.

In relation to right-of-use assets, the above is relevant when determining the cost.

After the commencement date, the Company measures the lease liability at amortised cost using the effective interest method.

For more details please refer to Note 32.1.

Finance lease receivables

The Company uses the interest rate implicit in the lease to measure the net investment in the lease. In the case of a sub-lease, if the interest rate implicit in the sub-lease cannot be readily determined, the Company as intermediate lessor may use the discount rate used for the head lease (adjusted for any initial direct costs associated with the sub-lease) to measure the net investment in the sub-lease. For sensitivity purposes it does not differ from a lease liability.

Finance lease receivables are measured by the Company at an amount equal to lifetime expected credit loss, determined by applying a simplified methodology. To this end, expected credit losses are quantified using the ECL matrix used to measure lease receivables.

Expected credit loss on financial instruments under IFRS 9

When determining the expected credit loss on financial assets under IFRS 9 the management uses estimates to assess whether or not the credit risk of the financial asset has risen significantly following the initial recognition, and also makes estimates when using forward-looking information for measuring expected credit loss.

The IFRS 9 model is used to determine expected credit loss (ECL).

Under IFRS 9, expected loss is assessed rather than incurred loss.

The Company uses the following parameters for determining expected credit loss:

- LGD = loss given default = expected loss likely to occur in connection with the transaction, expressed in percent
- PD = probability of default = the probability of default of the transaction
- ECL = expected credit loss = the amount of expected loss
- CR = cure rate
- EAD = exposure at default = the gross amortised cost of the transaction at a point in time
- EADD(n) = exposure at default discounted = the average EAD value of the transaction for period n, discounted using EIR
- EIR = effective interest rate
- LEL = lifetime estimated loss = the loss expected for the entire life of the transaction
- 12M EL = 12 month estimated loss = 12-month expected loss

For further details please refer to Note 34.1.d) Amounts arising from expected credit loss.

Impairment of non-financial instruments under IAS 36

The Company monitors indications that the carrying amount of a non-financial asset within the scope of IAS 36 Impairment of assets exceeds its recoverable amount. If any such indication exists, then the asset's recoverable amount is estimated.

Determination of the effective interest rate (customer bonus)

From time to time the Company advertises customer campaigns, and for certain groups of customers it gives permanent customer bonuses. The common feature in the customer campaigns is that customers receive the bonus upon disbursement (after 4-13 years of saving). Customers do not receive the customer bonus automatically, it is subject to the terms advertised in the promotion campaign.

The Company regularly assesses the probability of a customer becoming entitled to the bonus by reaching the end of the savings period (the terms of the campaign are fulfilled and the contract is not cancelled). Since this probability is 80% on a prolonged basis no change is expected by the Company in the foreseeable future. The Company takes the amount of the customer bonus into account with the probability determined in this way when recording the initial cash flow of the deposit, and reviews the probability estimate every year. If the backtested probability differs from the probability in the system by more than 5 percentage points, this is treated as an estimate change. The loss of entitlement to the bonus is also treated as an estimate change by the Company.

5. Measurement principles

When preparing the financial statements the assets and liabilities were measured at their historical cost.

6. Material accounting policies

6.1. Transactions in foreign currency

Transactions in foreign currency are translated into the Company's functional currency using the official exchange rate of the MNB as of the transaction dates.

Non-monetary items measured at cost are translated into the functional currency using the exchange rate valid on the date of the transaction.

6.2. General rules on the recognition, classification and measurement of financial instruments

a) Recognition and measurement

The Company applies settlement date accounting for regular-way purchases or sales of financial instruments and on initial recognition measures them at fair value.

b) Classification

Classification of financial assets

Financial assets that are debt instruments are measured by the Company at amortised cost.

Business model applied to manage financial assets

In the case of its financial assets the Company determined the business model at portfolio level, during which it identified the following portfolios:

- Current accounts and bank deposits
- Securities
- Receivables from customers
- Other receivables from customers: deposit-related fee receivables (e.g. account-opening fees) and other receivables from customers
- Other financial receivables

For all sub-portfolios the objective of the Company's business model is to hold to maturity and collect the contractual cash flows.

Reclassifications

The Company reclassifies its affected financial assets when, and only when, it changes its business model for managing financial assets.

If the Company reclassifies financial assets, it shall apply the reclassification prospectively from the reclassification date. The Company does not restate any previously recognised gains, losses (including gains or losses due to expected credit loss) or interest.

Classification of financial liabilities

The Company measured all of its financial liabilities at amortised cost.

c) Derecognition

Derecognition of financial assets

The Company derecognises financial assets when its rights to the contractual cash flows cease or expire, or if the contractual rights related to the asset (significant risks and rewards of ownership) are transferred.

In the case of financial assets measured at amortised cost, the gain or loss on the derecognition is the difference between the carrying amount and the consideration received, and it is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when the contractual obligations are discharged, cancelled or expire. The difference between the carrying amount of a financial liability (or part thereof) extinguished or transferred to a third party and the consideration paid (including non-cash assets and assumed liabilities transferred) must be recognised net in profit or loss.

d) Changes in respect of expected cash flows

Changes in expected cash flows

In the case of a change in the estimated cash flows of the transaction, the Company changes the gross carrying amount of the financial asset or liability by re-calculating the net present value of the "new" debt instrument based on the new cash flows and the original effective interest rate. The difference between the net present value determined as described above and the carrying amount before the change in cash flows is recognised in profit or loss as interest income/expense.

Modifications resulting in derecognition

The Company accounts for exchanges between an existing borrower and lender of debt instruments with substantially different terms as an extinguishment of the original financial asset or financial liability and the recognition of a new financial asset or financial liability at fair value. Similarly, a substantial modification of the terms of an existing financial asset or financial liability or a part of it (whether or not attributable to the financial difficulty of the debtor) is accounted for by the Company as an extinguishment of the original financial asset or financial liability and the recognition of a new financial asset or financial liability at fair value.

In this respect, the terms are substantially different if, based on the new terms, the present value of the cash flows – including paid fees and excluding received fees – discounted using the original effective

interest rate differs by at least 10 percent from the discounted present value of the remaining cash flows of the original financial asset or liability.

If the exchange of debt instruments or the modification of terms is accounted for as an extinguishment, the gain or loss on derecognition is recognised as interest income/interest expense. Direct costs and fees connected to the new financial asset or liability are accounted for over the remaining term of the new debt instrument using the effective interest method, as interest income/ interest expense.

Modifications not resulting in derecognition

If the financial asset or liability is not derecognised, the Company has to change the carrying amount of the financial asset or liability by re-calculating the net present value of the “new” financial asset or liability based on the new contractual terms (cash flows) and the original effective interest rate. In this case, the difference between the present value of the “new” financial asset or liability and the carrying amount of the financial asset or liability before the modification of terms is recognised in profit or loss as interest income / interest expense, or as a separate line item, if justified.

e) Fair value measurement

As at the end of the reporting period, the Company does not have any financial assets and liabilities measured at fair value in the statement of financial position. The fair value of instruments not measured at fair value is presented in Note 36.3.

When determining the fair value of financial instruments, the Company applies market prices in the case of transactions with an active market. For the majority, however, there is no reliable public market information available, so the Company applies different valuation techniques to measure the fair value of financial instruments.

6.3. Expected credit loss on financial assets, write-offs

General rules on ECL on financial assets

The Company recognises loss allowances for expected credit loss in the case of financial assets measured at amortised cost or for loan commitments to which the ECL requirements of IFRS 9 apply.

At the end of each month the Company assesses whether the credit risk on the financial asset has risen significantly since the initial recognition. During the assessment the Company examines the change in the default risk over the expected life of the financial asset.

If forward-looking, reasonable and supportable information is available without undue cost or effort, the Company may not rely solely on default information when determining whether the credit risk has risen significantly since initial recognition, but it also considers other indications of credit deterioration of the customer.

If the credit risk of a financial asset has not risen significantly from the initial recognition until the reporting date, the Company measures the loss allowance for the given financial asset at an amount equal to 12-month expected credit loss (*Stage 1*).

On each reporting date the Company measures the loss allowance for the financial asset at an amount equal to lifetime expected credit loss, if the credit risk of the financial asset – assessed either individually or collectively – has risen significantly since initial recognition, taking all reasonable and supportable information into account, including forward-looking information (*Stage 2 or Stage 3*). The Stage 3 portfolio is the same as the credit-impaired portfolio.

For financial assets measured at amortised cost, the Company recognises – as a gain or loss due to expected credit loss in the profit or loss – the amount of expected credit losses or reversal thereof which is used to adjust the loss allowance to the amount determined as of the reporting date.

The Company applies the general principles presented above to determine the expected credit loss for the following financial assets:

- Cash and cash equivalents
- Securities
- Receivables from customers (bridging loans; housing loans granted after bridging loans; housing loans granted without preceding bridging loans; bridging loans granted based on preferential list of fees)

Despite the above, the Company always measures the loss allowance for trade receivables or contract assets that result from transactions that are within the scope of IFRS 15 which do not contain a significant financing component in line with IFRS 15 at an amount equal to lifetime expected credit loss (or if the Company applies the practical expedient for contracts that are one year or less). Such include during the Company's operation deposit-related fee receivables as well as other financial receivables, for which the Company adopts a simplified approach.

i. Measurement of expected credit loss

Expected credit losses are probability-weighted estimates of the credit losses arising during the expected life of the financial asset (i.e. the present value of all cash shortfall). The estimated expected credit loss always has to reflect the possibility of the credit loss occurring and not occurring, even if the most likely outcome is that there will be no credit loss. The expected credit loss estimate has to reflect an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. (For a detailed description of incorporation of forward-looking information see Section "Forward-looking information" in Note 34.1 "Credit risk".)

ii. Low credit-risk financial assets

The Company considers financial assets with an external rating of "investment grade" to have a low credit risk. The low credit risk (i.e. whether the conditions for the rating as a financial asset with a low credit risk still apply) is reviewed by the Company as of every reporting date, taking also into account previous experience with the external ratings agency and its ratings, or the experience available through the parent company.

iii. Purchased or originated credit-impaired financial assets

The Company considers financial assets to be classified into the purchased or originated credit-impaired financial assets (hereinafter referred to as "POCI assets") category if the counterparty has Stage-3 status on initial recognition. When calculating the credit-adjusted effective interest rate for POCI assets that are credit-impaired on initial recognition the Company takes the initial estimated credit loss into account in the estimated cash flows, and on the reporting date only recognises cumulative changes since initial recognition in the lifetime expected credit loss in profit or loss.

Special rules governing ECL on financial assets

i. Expected credit loss on securities

The investment grade category includes the securities which are rated as investment grade by at least two rating agencies from Moody's, Standard & Poor's and Fitch. If a given security is in

the investment grade category, the Company considers it to be a low credit risk, classifies it in Stage 1, and applies a 1-year probability of default (PD) to quantify the expected credit loss.

If the given security does not qualify as having a low credit risk as of the measurement date, a threshold calculation (relative change in lifetime probability of default) is required to determine whether the rating of the security has deteriorated significantly since initial recognition.

ii. Expected credit loss on interbank and central bank deposits, sight deposits

The Company's interbank and central bank deposits as well as sight deposits are essentially short-term financial assets measured at amortised cost.

Expected credit loss is only booked on interbank and central bank deposits by the Company if they expire after more than 4 working days following the given close date. Given the short term of these financial assets, a 1-year PD is always applied.

iii. Expected credit loss on bridging loans and housing loans

In the case of bridging loan/housing loan arrangements, when the contractual amount specified in the home savings contract is paid out, the bridging loan is paid off from the deposits collected by the customer and from the housing loan, without a new loan assessment. The Company measures the expected credit loss for the period it is exposed to credit risk. Owing to the relationship between the bridging loan and the housing loan, for the purposes of assessing expected credit loss and measuring credit loss the period for measuring expected credit loss during the bridging period lasts until the end of the housing loan.

The credit risk still exists during the period of the housing loan, which is why the Company calculates the lifetime expected loss not until the end of the disbursement phase but until the end of the housing loan phase, i.e. until the complete elimination of the credit risk.

When calculating the expected credit loss, aside from the losses expected in the bridging loan phase, the housing loan anticipated to be drawn and the expected losses as a result are also quantified (taking the term of the housing loan into account if lifetime expected loss needs to be accounted for).

In the housing loan phase, the ECL calculation takes into account the term of the housing loan if lifetime expected loss needs to be accounted for.

iv. Expected credit loss on deposit-related fee receivables

Concluding home savings contracts creates an account-opening fee receivable for the Company from its customers; these receivables are not exactly loan-type claims, but receivables in relation to which, given their economic substance, the Company is not exposed to a credit risk. The Company treats these receivables as trade receivables that result from transactions within the scope of IFRS 15, and that do not contain a significant financing component.

v. Expected credit loss on other financial receivables

Other financial assets include receivables from sales partners as sales agents, other trade receivables, advances paid to employees as well as compensation receivables and other financial receivables.

The Company treats these receivables as trade receivables that result from transactions within the scope of IFRS 15, and that do not contain a significant financing component. These receivables are measured by the Company at an amount equal to lifetime expected credit loss, applying simplified ECL methodology to determine the expected credit loss. To this end, expected credit losses are quantified using an ECL matrix, and drawing on past experience in relation to credit losses.

vi. Expected credit loss on loan commitments

In the case of loan commitments, when calculating ECL the Company considers the date of initial recognition to be the date when the Company becomes a party to the irrevocable commitment.

In the case of loan commitments, the Company takes into account the changes in the default risk for the loan to which the loan commitment relates.

In the event certain financial assets comprise both a loan component and an undrawn commitment component, the Company's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Company's exposure to credit losses to the contractual notice period.

Loan commitments in relation to which a loan has been granted receive the same Stage classification and the same ECL rate is applied for them as in the case of the related loan granted.

If there is no loan granted connected to the given loan commitment, the Company assesses the amount of the expected credit loss for the loan commitment on a group basis, for provisions no individual assessment is performed.

Presentation of allowance for expected credit loss in the statement of financial position

The Company recognises ECL allowances for financial assets in the statement of financial position as follows:

- For financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- For loan commitments: as a provision. The Company recognises loss allowances for loan commitments separately, as a provision, if the financial instrument contains both a loan component (i.e. a financial asset) and an undrawn commitment component (i.e. a loan commitment).

Write-offs

If there are no reasonable expectations of recovering a financial asset in its entirety or a portion thereof, then the Company classifies the financial asset as unrecoverable and reduces the gross carrying amount of the financial asset directly. A write-off is a derecognition event, for which the Company applies the rules detailed in Note 6.2 c).

6.4. Cash and cash equivalents

Cash and cash equivalents include the balances of current accounts and deposits maturing in three months, which the Company uses to settle current liabilities and which do not have a significant fair value risk.

The Company measures cash and cash equivalents at amortised cost after their initial recognition; related interest is accounted for using the effective interest method.

6.5. Securities

Securities include government bonds and mortgage bonds. There are measured at amortised cost based on the business model test and SPPI test performed.

Upon initial recognition, securities measured at amortised cost are measured by the Company at fair value plus or minus transaction costs that are directly attributable to the acquisition of the security. Subsequent measurement is at amortised cost.

The Company considers the related transaction costs, fees and commissions to be part of the cost, and these are taken into account during the effective interest rate calculation. Consequently, interest and amortisation costs are accounted for using the effective interest method.

6.6. Receivables from customers

Receivables from customers comprise immediate bridging loans and bridging loans (collectively referred to as: bridging loans), housing loans, bridging loans granted based on preferential list of fees, and other customer receivables.

Upon initial recognition, the Company measures receivables from customers at fair value plus or minus transaction costs that are directly attributable to the origination or acquisition of the receivable. Subsequent measurement is at amortised cost based on the business model and SPPI tests conducted.

For receivables from customers measured at amortised cost the Company considers the related transaction costs, fees and commissions to be part of the cost, and these are taken into account during the effective interest rate calculation. Consequently, interest as well as transaction costs, fees and commissions are accounted for using the effective interest method.

6.7. Other financial receivables

Other financial receivables mainly include sales agent commission reversals, trade receivables, deposits paid for the office rent, finance lease receivables and receivables due to share-based benefit plan for employees.

After initial recognition the Company measures these receivables at amortised cost.

6.8. Investments in subsidiaries

Following initial recognition the Company measures its subsidiary investment at cost as per IAS 27, less any impairment.

Taking into account IFRS rules on the impairment of interests, the differences between fair value less costs and value in use, and the reliable data available to the Company, the Company primarily applies the value in use method to calculate the recoverable amount of the interest. The Company calculates the value in use applied as the recoverable amount if there is an indication of impairment. The value in use is calculated based on the accepted 3-year future plans that are updated annually.

6.9. Property, plant and equipment

The Company classifies assets within the scope of IAS 16 Property, Plant and Equipment and assets within the scope of IFRS 16 Leases into the following groups: own plant and office equipment, own other tangible assets, leased plant and office equipment or assets under construction.

a) Initial recognition and measurement

The Company measures property, plant and equipment at cost.

b) Measurement after recognition

The Company applies the cost model to measure property, plant and equipment after their initial recognition.

c) Subsequent expenditure

In the carrying amount of an item of property, plant and equipment the Company does not recognise the costs of day-to-day operation. These costs are recognised in profit or loss when incurred.

d) Depreciation

The Company records depreciation on property, plant and equipment from the day such are ready for use. The depreciation on property, plant and equipment is recognised on a straight-line basis, taking into account the expected duration of use and the residual value.

The useful lives defined for property, plant and equipment are as follows:

Categories	useful life (years)
Leasehold improvements	up to the term of the lease
Right-of-use assets	up to the term of the lease
IT equipment	3-12 years
Telephones and other telecommunication devices	2-7 years
Furniture, equipment, fittings, administration equipment	7 years
Motor vehicles	4-6 years
Non-bank machinery and equipment	7 years
Other items of property, plant and equipment	7 years

In certain cases amortisation rates and useful lives different from the above may also be applied, if justified by a contract or by other reasons.

Depreciation methods, useful lives and residual values are reassessed annually at each reporting date.

e) Impairment

Details of impairment of property, plant and equipment are included in Note 6.11.

f) Derecognition

The Company accounts for the gain or loss arising from the derecognition of an item of property, plant and equipment on a net basis under other operating income or other operating expense, as appropriate.

6.10. Intangible assets

a) Initial recognition and measurement

Purchased intangible assets

Purchased intangible assets shall be measured at cost less booked amortisation and impairment.

Internally generated intangible assets

To assess whether an internally generated intangible asset meets the criteria for recognition, the Company classifies the generation of the asset into:

- a research/assessment phase; and
- a development phase

The Company recognises research costs as cost when they arise. The costs of an intangible asset arising from development or from the development phase of an internal project are capitalised according to set criteria.

The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

If the Company cannot distinguish the research/assessment phase from the development phase of an internal project to create an intangible asset, it shall account for the expenditure on the project as expense in the period when it is incurred.

b) Measurement after recognition

The Company applies the cost model to measure intangible assets after their initial recognition.

c) Subsequent expenditure

Costs are capitalised to the carrying amount of the intangible asset until the start of operation. Subsequent expenditure shall be recognised in profit or loss.

d) Amortisation

The Company does not have any intangible assets with indefinite useful lives. Intangible assets are recognised based on their useful lives.

The amortisation of intangible assets with a finite useful life is recorded from the first day after the asset becomes ready for use.

The useful lives for intangible assets with finite useful lives are as follows:

- Rights and concessions: as per contract, or 3-12 years;
- Intellectual property, own software: 3-12 years.

In certain cases amortisation rates and useful lives different from the above may also be applied, if justified by a contract or by other reasons.

Useful lives are reviewed once a year. The Company does not record amortisation for intangible assets that are not yet ready for use, but every year it performs an impairment test, whereby it compares the carrying amount of the intangible asset with its recoverable amount, regardless whether or not there is any indication of impairment.

e) Impairment

Details of impairment of intangible assets are included in Note 6.11.

f) Derecognition

Intangible assets shall be derecognised on disposal, or when no future economic benefits are expected from their use or disposal.

The Company determines the gain or loss arising from the derecognition of an intangible asset on a net basis and it is then recognised in profit or loss under other operating income or other operating expense, as appropriate, when the asset is derecognised.

6.11. Impairment of non-financial assets

If there is an indication that the carrying amount of a non-financial asset exceeds its recoverable amount, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

The Company recognises impairment under other operating expenses and reversed impairment under other operating income.

6.12. Leases

a) Definition of and identifying a lease

In accordance with IFRS 16 applied, at inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The non-lease components of the contracts are not separated. As a practical expedient, the Company has elected not to separate non-lease components from lease components, and instead account for them as a single lease component. The Company assesses each contract whether it contains a lease component.

b) The Company acting as a lessee

As a lessee, the Company has property lease transactions (office, car park and warehouse leases).

The Company recognises the right-of-use asset and the lease liability as at the commencement date.

After the commencement date the Company depreciates the right-of-use asset using the straight-line method, from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Initially the Company recognises the lease liability at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, using the Company's incremental borrowing rate.

The Company selects and uses the interest rate in the appropriate currency, for the appropriate term or fixed for an appropriate term, relating to the appropriate date or period, or the closest date or period to that, from the statistics published by Magyar Nemzeti Bank on a monthly basis on average interest rate in the contract on loans disbursed to non-financial companies, to determine the incremental borrowing rate.

The Company presents right-of-use assets that do not meet the definition of investment property in 'Property, plant and equipment' and lease liabilities in 'Other non-current financial liabilities' and 'Trade and other current liabilities' in its statement of financial position.

After the commencement date, the Company recognises in profit or loss, unless the costs are included in the carrying amount of another asset, the interest on the lease liability in 'Net finance income/expense', and variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs in 'Material-type expenses'. The Company recognises depreciation of the right-of-use asset in profit or loss in 'Depreciation'.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense in 'Material-type expenses' on a straight-line basis over the lease term.

c) The Company acting as a lessor

The Company sub-leases offices leased by it, partly to subsidiaries under operating lease contracts, and through its subsidiary to external third parties under finance lease contracts.

When the Company acts as an intermediate lessor, it accounts for head lease and sub-lease contracts separately. The sub-lease is classified by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to the ownership of the underlying asset (in the case of sub-leases the right-of-use asset).

Finance lease

At the commencement date, the Company recognises assets held under a finance lease in its statement of financial position and present them as a receivable at an amount equal to the net investment in the lease.

Operating leases

The Company recognises lease payments received under operating leases on a straight-line basis. The Company recognises costs, including depreciation, incurred in earning the lease income as an expense (in 'Depreciation').

The Company calculates depreciation based on the method described in Note 6.9. d).

The lease transactions of the Company are presented in Note 32.1.

6.13. Liabilities to credit institutions

The Company records liabilities to credit institutions at amortised cost.

6.14. Liabilities to customers

The liabilities to customers item shall include liabilities from financial services to non-banks and non-financial institutions, including the deposits placed by customers as well as government grants received by customers in connection with their deposits.

The Company measures liabilities to customers at amortised cost. The Company takes the related transaction costs, fees and commissions into account in the effective interest rate calculation, consequently, interest as well as transaction costs, fees and commissions are accounted for using the effective interest method.

6.15. Other financial liabilities

Under other financial liabilities the Company recognises trade liabilities and liabilities to sales agents as well as other liabilities. The Company measures these items at amortised cost, and they are accounted for using the effective interest method.

6.16. Provisions

The Company recognises provisions if it has a present obligation or liability (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying

economic benefits will be required to settle the obligation, and the amount of the obligation can be estimated reliably.

The Company measures provisions at the present value of the expenses expected to be required to settle the obligation, using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks associated with the obligation. The increase in the value of the provisions over time is recognised as an interest expense, when material.

For more details on the provisions recorded by the Company see Note 20.

6.17. Contingent liabilities

The Company classifies, among others, loan commitments into contingent liabilities and commitments.

A loan commitment is an irrevocable commitment of the Company.

The loan agreement enters into force on the date the signed loan agreement is received back; however, the date on which the agreement was sent is considered the start date of the loan agreement, therefore the Company has to make a credit facility available for the customer from the date on which the agreement was sent.

6.18. Contingent assets

Contingent assets are not recognised in the statement of financial position, but are recorded in account class 0, since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

6.19. Capital and reserves

a) Share capital

Share capital is the nominal value of issued equity instruments. All amounts are considered share capital that are subscribed by the shareholders or other owners in accordance with relevant laws.

b) Capital reserve

The capital reserve equals the amount of the items recognised in equity that cannot be classified in the other equity components.

c) Retained earnings

Retained earnings essentially include the following:

- The reserves derived from the profits or losses of previous periods:
 - profit or loss carried forward from previous years;
 - any movements derived from transfers between retained earnings and other equity components;
- the impacts of the retrospective application of changes in accounting policies, except when transitional provisions of a standard or interpretation require the impacts of retrospective application as adjustments to other components of equity;
- amounts restated retrospectively due to error corrections, except when a standard or interpretation requires the retrospective restatement of another equity component;

- gains and losses that must be recognised directly in retained earnings.

Dividend payments are decided upon by the General Meeting, and must be recognised directly against retained earnings as of the day of the dividend decision.

d) Statutory reserves

Statutory reserves are the reserves required by law, which for the Company can be the following: settlement reserve and general reserve.

Settlement reserve

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

The base for the settlement reserve recognised in the reporting year shall be calculated as the difference between the reporting-year yield on the placement of free assets and the interest amount on the average portfolio of free assets in the reporting year determined using the rate of collective interest. The settlement reserve is calculated at the end of the reporting year based on the change in portfolio compared to the previous period, whereby the reserve can be recognised as early as 30 June if justified. Each year, the Company calculates the amount of the settlement reserve expected at the year-end based on the actual data as at 31 May, and forecast data for the remaining months of the year. If based on the calculation it can be established that recording the reserve will be irrevocably necessary at the end of the year, the Asset-Liability Committee can decide to recognise the reserve at half year at the estimated amount. The settlement reserve may not exceed 10% of the deposit portfolio as of 31 December of the reporting year.

The Company shall use the settlement reserve to settle the difference between the interest payable pro rata for the reporting year on any loan drawn to cover the granting of housing loans, and the pro rata interest for the reporting year on such loans determined using the rate of collective interest.

The recording and use of the settlement reserve affects the retained earnings and therefore does not influence the given year's profit or loss in any way.

General reserve

In accordance with Section 83 of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (hereinafter referred to as: "Credit Institutions Act"), a general reserve amounting to ten percent of the after-tax profit must be recognised. A general reserve recognised and used in accordance with Hungarian legal regulations directly affects retained earnings in the financial statements, so there is no impact on the given year's profit or loss.

6.20. General principles on revenue recognition based on IFRS 15

Following the identification of customer contracts, the Company reassesses their recognition only if there is an indication of a significant change in facts and circumstances. Revenue is recognised and the transaction price is determined in accordance with the provisions of IFRS 15.

6.21. Interest income and interest expense

The net interest income item in the statement of profit or loss includes interest income and interest expenses determined using the effective interest method.

When using the effective interest method the Company applies the effective interest rate to the gross carrying amount of the financial asset, except for the following:

- purchased or originated credit-impaired financial assets (“POCI assets”), where the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition;
- financial assets that subsequently became credit-impaired financial assets. For these financial assets the Company applies the effective interest rate to the amortised cost of the financial assets in subsequent reporting periods.

In line with the above rule, for loans classified in Stage 1 or Stage 2 the Company applies the effective interest rate to the gross carrying amount, while for loans classified in Stage 3 to the net carrying amount.

The accounting policy applied by the Company for amounts recognised in interest income/interest expenses upon modification of financial assets and liabilities is described in Note 6.2 d).

6.22. Fee and commission income, fee and commission expense

The accounting of income related to the fees for financial services depends on the targets in relation to which the fees were determined, and depends on the accounting basis for the associated financial instruments. Fees that form an integral part of the effective interest rate for a financial instrument are recognised by the Company under interest income or interest expense.

Under fee and commission income and fee and commission expenses the Company recognises the fees and commissions related to loans and deposits along with the turnover commissions on other securities transactions and payment transactions which do not form an integral part of the effective interest rate for the financial instruments.

6.23. Dividend income

The Company accounts for dividend income when the dividend payment is approved and the amount can be reliably quantified.

The Company can receive dividend income from its subsidiary, the amount of which is approved by the owner of the subsidiary, i.e. the Company’s Board of Directors, and until such time there is no dividend entitlement.

Interim dividends must be accounted for as a liability against the cash payment.

6.24. Exchange gain/loss on foreign exchange items

Exchange gain/loss on FX items comprises the exchange differences (gains and losses) derived from changes in the exchange rate.

6.25. Net loss arising from derecognition of financial assets and liabilities measured at amortised cost

Net profit/loss arising from derecognition of financial assets measured at amortised cost includes net profit/loss arising from derecognition of securities classified as measured at amortised cost and the result of the derecognition of the Member loan disbursed during the year.

6.26. Employee benefits

The Company provides employee benefits to employees in exchange for services rendered by them, or in connection with the termination of employment. The cost of an employee benefit is recognised in the period when the employee rendered the service in exchange for the benefit, irrespective of the payment or maturity of the benefit. The Company provides benefits to the employees based on the Remuneration policy; as a part of this, certain employees receive share-based payments. Accounting for share-based payments affects other financial receivables, accrued expenses and deferred income (in the balance sheet Other liabilities) and personnel expenses.

6.27. Income tax

The Company considers corporate tax, local business tax and innovation contribution as income taxes.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss, except to the extent it relates to items recognised in other comprehensive income and directly in equity, in which case it is recognised in other comprehensive income and in equity.

Current tax is the expected tax payable on the taxable income for the reporting year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

6.28. Other comprehensive income

The Company has no items that are to be recognised in other comprehensive income and which will not need to be reclassified to profit or loss subsequently.

7. Adoption of revised and new IFRS/IAS standards

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

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

- Amendments to IAS 21 „The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability (issued on 15 August 2023 and effective for reporting periods beginning on or after 1 January 2025).

The Company determined that the application of the above amendment to the existing standard has no significant impact on the Company’s financial statements.

8. New Accounting Pronouncements

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

- IFRS 18 „Presentation and Disclosure in Financial Statements” (issued on 9 April 2024 and effective for reporting periods beginning on or after 1 January 2027). IFRS 18 will replace IAS 1. The introduction of IFRS 18 will primarily result in a structural transformation of the Group’s statement of profit or loss and other comprehensive income, due to the new subtotals required by the standard.
- IFRS 19 „Subsidiaries without Public Accountability: Disclosures” (issued on 9 May 2024 and effective for reporting periods beginning on or after 1 January 2027).
- Amendments to IFRS 19 „Subsidiaries without Public Accountability: Disclosures” (issued on 21 August 2025 and effective from 1 January 2027).

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

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

- IFRS 14 „Regulatory Deferral Accounts” (issued on 30 January 2014 and effective for reporting periods beginning on or after 1 January 2016, only applicable in a first-time adopter’s first financial statements under IFRS) - the European Commission has decided not to launch the endorsement process of this interim standard and to wait for the final standard.
- Amendments to IFRS 10 „Consolidated Financial Statements” and IAS 28 „Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (issued on 11 September 2014 and effective for periods beginning on or after a date to be determined by the IASB). The effective date is deferred indefinitely.

The above mentioned standards have no impact on the Company's financial statements.

8.3. IASB Standards and interpretations effective from 1 January 2026 or later

Amendments to IFRS 9 and IFRS 7 relating to the classification and measurement of financial instruments (issued on 30 May 2024, endorsed on 27 May 2025 and effective for reporting periods beginning on or after 1 January 2026).

Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity (issued on 18 December 2024 and effective for reporting periods beginning on or after 1 January 2026).

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

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

The new standards and interpretations are not expected to affect the Company's financial statements.

Notes to the financial statement items

9. Cash and cash equivalents

Table 9.1 - Cash and cash equivalents

(HUF million)	31.12.2025	31.12.2024
HUF current accounts held at MNB	35,202	9,956
HUF and FX current deposit accounts held at other credit institutions	2,395	2,932
Total cash and cash equivalents	37,597	12,888

The year-on-year change in cash and cash equivalents is related to the restructuring of the securities portfolio, which is described in more detail in Note 26.

The credit rating classification of cash and cash equivalents is included in Note 34.

10. Securities

Table 10.1 - Securities

(HUF million)	31.12.2025	31.12.2024
Investment securities measured at amortised cost	73,337	105,784
ECL allowance (-)	-57	-93
Total securities	73,280	105,691

In the reporting year the Company sold securities before maturity as permitted by the accounting policies; for details please see Note 26.

Table 10.2 - Securities measured at amortised cost - reporting year

(HUF million)	31.12.2025
2026/D MÁK	3,391
2026/F MÁK	49
2026/H MÁK	9,178
2027/A MÁK	10,812
2028/A MÁK	12,859
2028/B MÁK	11,275
2029/A MÁK	1,308
2029/C MÁK	4,135
2030/A MÁK	909
2031/A MÁK	4,021
MJ29NF01	6,277
MJ31NF02	5,256
TJ26NF02	2,860
TZJ27NF1	950
Total debt instruments	73,280

Table 10.3 - Securities measured at amortised cost - previous year

(HUF million)	31.12.2024
2025/B MÁK	11,757
2025/C MÁK	956
2026/D MÁK	3,288
2026/E MÁK	2,855
2026/F MÁK	2,841
2026/H MÁK	9,446
2027/A MÁK	10,758
2028/A MÁK	13,112
2028/B MÁK	11,069
2029/A MÁK	1,254
2030/A MÁK	909
2031/A MÁK	8,894
D250625	22,298
MJ29NF01	6,254
Total debt instruments	105,691

11. Receivables from customers

Table 11.1 - Overview of receivables from customers

(HUF million)	31.12.2025	31.12.2024
Receivables from customers measured at amortised cost	522,460	530,767
ECL allowance (-)	-7,285	-10,246
Total receivables from customers	515,175	520,521

Table 11.2 - Receivables from customers (by product type)

(HUF million)	31.12.2025		
	Gross value	Expected credit loss	Carrying amount
Bridging loans	100,830	-431	100,399
Immediate bridging loans	339,960	-6,430	333,530
Housing loans	81,306	-424	80,882
Other receivables from customers	364	0	364
Total	522,460	-7,285	515,175

(HUF million)	31.12.2024		
	Gross value	Expected credit loss	Carrying amount
Bridging loans	104,137	-595	103,542
Immediate bridging loans	356,606	-9,069	347,537
Housing loans	69,682	-582	69,100
Other receivables from customers	342	0	342
Total	530,767	-10,246	520,521

12. Other financial receivables

Table 12.1 - Other financial receivables

(HUF million)	31.12.2025	31.12.2024
Lease receivables	245	341
Trade receivables	1	1
Security deposit	304	330
Settlements related to the share-based benefit plan	330	0
Other receivable-type items	49	46
ECL allowance (-)	-53	-53
Total other financial receivables	876	665

Note 32.1. contains more detailed information on leases as a lessor. The security deposit line item includes the security deposit paid in connection with the lease of the office building.

As a result of joining the MBH Group, the Company had the possibility of joining the share-based benefit plan, thus a part of bonuses will be paid through the plan after 2026. The increase in the reporting year, presented in the Settlements related to the share-based benefit plan line item, is due to the mandatory deposit period.

13. Investments in subsidiaries

Fundamenta-Lakáskassza Pénzügyi Közvetítő Korlátolt Felelősségű Társaság

The Company is the sole owner (31 December 2024: 100%) of Fundamenta-Lakáskassza Kft. The activity of the subsidiary includes financial service brokerage as a multi-agent, work as a tied agent brokering mortgage loans, and in the case of other products (e.g. home savings contracts) tied-agent activity, insurance brokerage as a tied (multi-) agent as well as capital market tied-agent activity in respect of mediation of government securities contracts.

The carrying amount of the investment as of 31 December 2025 was HUF 459 million (31 December 2024: HUF 459 million). No impairment was recognised.

Table 13.1. - Equity and reserves of Fundamenta-Lakáskassza Kft.

(HUF million)	31.12.2025	31.12.2024
Registered capital	150	150
Capital reserve	306	306
Retained earnings	2,280	2,228
Profit for the year	253	52
Accumulated other comprehensive income	21	28
Total equity components of the subsidiary	3,010	2,764

The profit for the reporting year of the subsidiary derives mainly from net commission income; however, the increase is mainly due to a decrease in operating costs as well as to interest income on fixed deposits.

Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Korlátolt Felelősségű Társaság

The Company established Fundamenta Értéklánc Kft. in 2019; it is the sole owner of the subsidiary (31 December 2024: 100%). The deed of foundation of the subsidiary is dated 18 March 2019; its activity includes mainly real estate agency.

The carrying amount of the investment as of 31 December 2025 was HUF 900 million (31 December 2024: HUF 900 million).

Table 13.2. - Equity and reserves of Fundamenta Értéklánc Kft.

(HUF million)	31.12.2025	31.12.2024
Registered capital	50	50
Capital reserve	850	850
Retained earnings	-618	-636
Profit for the year	60	100
Total equity components of the subsidiary	342	364

The reporting-year profit of the subsidiary reached HUF 60 million. The upturn of the division is continuous, stable and profitable operations are sustainable. Because of these positive trends the Company has determined that no impairment needs to be accounted for.

The Company had no dividend income from its subsidiaries in 2024 and 2025.

14. Property, plant and equipment

Table 14.1 - Changes in property, plant and equipment

(HUF million)	Leasehold improvements	Office equipment	Motor vehicles	Assets under construction	Total
Gross value					
Balance at 1 January 2024	1,166	4,400	557	2	6,125
Capitalisation	4	340	242	-586	0
Acquisition	0	0	0	584	584
Disposals	0	-287	-184	0	-471
Balance at 31 December 2024	1,170	4,453	615	0	6,238
Capitalisation	8	255	137	-400	0
Acquisition	0	0	0	400	400
Disposals	0	-20	-127	0	-147
Balance at 31 December 2025	1,178	4,688	625	0	6,491
Depreciation and impairment					
Balance at 1 January 2024	-554	-3,177	-147	0	-3,878
Depreciation for the year	-119	-546	-49	0	-714
Disposals	0	285	66	0	351
Balance at 31 December 2024	-673	-3,438	-130	0	-4,241
Depreciation for the year	-119	-427	-53	0	-599
Disposals	0	19	43	0	62
Balance at 31 December 2025	-792	-3,846	-140	0	-4,778
Net value					
Balance at 1 January 2024	612	1,223	410	2	2,247
Balance at 31 December 2024	497	1,015	485	0	1,997
Balance at 31 December 2025	386	842	485	0	1,713

Reporting-year changes in right-of-use assets related to leases are presented separately in Note 32.1. As at 31 December 2025 the Company had HUF 112 million contractual commitments connected to future acquisitions (31 December 2024: HUF 83 million).

15. Intangible assets

Table 15.1. - Changes in intangible assets

(HUF million)	Internally developed software	Intellectual property	Rights and concessions	Intangible assets not taken into use	Total
Gross value					
Balance at 1 January 2024	4 976	1 607	10 724	757	18 064
Capitalisation	632	11	2 390	-3 033	0
Acquisitions	0	0	0	3 643	3 643
Disposals	-1	-20	-28	0	-49
Balance at 31 December 2024	5 607	1 598	13 086	1 367	21 658
Capitalisation	805	12	1 133	-1 950	0
Acquisitions	0	0	0	2 427	2 427
Disposals	0	-22	-1 254	0	-1 276
Balance at 31 December 2025	6 412	1 588	12 965	1 844	22 809
Amortisation and impairment					
Balance at 1 January 2024	-1 663	-1 425	-5 292	0	-8 380
Amortisation for the year	-483	-48	-1 193	0	-1 724
Impairment recognised in profit or loss	0	0	-41	0	-41
Disposals	1	20	7	0	28
Balance at 31 December 2024	-2 145	-1 453	-6 519	0	-10 117
Amortisation for the year	-553	-18	-1 348	0	-1 919
Reversal of impairment recognised in profit or loss	0	0	14	0	14
Disposals	0	22	1 102	0	1 124
Balance at 31 December 2025	-2 698	-1 449	-6 751	0	-10 898
Net value					
Balance at 1 January 2024	3 313	182	5 432	757	9 684
Balance at 31 December 2024	3 462	145	6 567	1 367	11 541
Balance at 31 December 2025	3 714	139	6 214	1 844	11 911

Intangible assets include devices used by the Company for administration, recording and calculation purposes in connection with its business activities.

The gross value of intangible assets rose as a result of IT development at the Company. In the case of internally developed software, the acquisitions item also includes personnel expenses arising during the development of the software.

Due to logo replacement the right of use of trademark purchased from the former parent company was scrapped in an amount of HUF 152 million. Intangible assets are tested for impairment annually; no impairment was accounted for in the reporting year (2024: HUF 41 million).

No research and development expenses were incurred in either 2025 or 2024. Contractual commitments of the Company related to future acquisitions of intangible assets amounted to HUF 1,107 million as at 31 December 2025 (31 December 2024: HUF 943 million).

16. Other assets

Table 16.1 - Other assets

(HUF million)	31.12.2025	31.12.2024
Inventories	12	12
Accruals and deferrals	459	834
Advances	38	11
Other items similar to tax	361	540
Additional other assets	87	115
Total other assets	957	1,512

In 2020 other items similar to tax included the one-off special tax on the banking sector in connection with the pandemic, amounting to HUF 956 million. The amount of the tax paid can be deducted in equal instalments during five years starting in 2021 from the special tax for financial institutions payable in the given year. In 2024 no deduction from the special tax for financial institutions payable was possible in line with the provisions of Act LIV of 2025, thus the amount of the related asset as of 31 December 2025 totals HUF 190 million, which will be deducted in 2026.

The main reason behind the reporting-year fall in prepayments is that the fee for IT services purchased in 2024 in advance for several years were deferred.

17. Liabilities to credit institutions

Table 17.1 - Liabilities to credit institutions (type of instrument)

(HUF million)	31.12.2025	31.12.2024
Loan related to the Green Home Program	11	12
Refinancing loan	13,900	15,250
Refinancing loan accrued interest	42	47
Repo liabilities	13,781	5,645
Repo accrued interest	32	13
Total liabilities to credit institutions	27,766	20,967

In compliance with legal regulations, the refinancing credit line agreement concluded in 2022 is used to finance bridging loans. During the reporting year the Company repaid HUF 1,350 million of the outstanding principal amount of the refinancing loan.

In 2025 the Company entered into many repo transactions. The year-end amount of liabilities to credit institutions include liabilities outstanding due to repo transactions with delivery not closed as at the reporting date.

Table 17.2 - Movements in liabilities to credit institutions

(HUF million)	
Balance at 1 January 2024	15,460
Borrowings	222,750
Repayment of borrowings	-217,256
Accrued interest	13
Balance at 31 December 2024	20,967
Borrowings	348,429
Repayment of borrowings	-341,644
Accrued interest	14
Balance at 31 December 2025	27,766

18. Liabilities to customers

Table 18.1 - Liabilities to customers (product type)

(HUF million)	31.12.2025	31.12.2024
Retail customers:		
Payments by customers and interest thereon	417,766	434,364
Government grant and interest thereon	61,907	73,841
Other liabilities to customers	497	522
Multi-occupancy buildings, cooperatives:		
Payments by customers and interest thereon	31,229	29,356
Government grant and interest thereon	3,145	3,631
Other liabilities to customers	24	30
Total liabilities to customers	514,568	541,744

The home saver or the beneficiary thereof is entitled to government grant in the given savings year on the amount of monthly savings made, in line with the deposit amount paid in the given savings year; the government grant is given every savings year by the Hungarian State Treasury (MÁK). Under the legislative amendment related to government grant that entered into force on 17 October 2018, home savings contracts concluded after the amendment entered into force shall not entitle the home saver to government grant.

The amount of government grant is transferred by the MÁK, then the Company credits this once a year to the separate home savings account of the home saver within a month of the end of the savings year. The Company treats the credited government grant and related interest separately on the account of the home saver. Credited government grant is recognised under liabilities to customers in the statement of financial position.

For savings years beginning after 1 January 2007, those who do not make regular payments during the savings year may miss out on government grant and interest. (For the amount paid in the third and fourth savings quarter, maximum 25% of the government grant earned based on the entire annual saving may be requested from the Hungarian State Treasury in each quarter.) Entitlement to government grant is lost by home savers if the savings period does not last for four years until the deposit is withdrawn, or the deposit increased with the government grant and interest is not used for appropriate housing purposes within Hungary. If the savings period is shorter than four years when the deposit is withdrawn, the Company deducts all the credited government grant from the separate account of the home saver, together with all the credited deposit interest, and transfers the deducted amount to the Hungarian State Treasury. If the beneficiary, or for lack of such, the home saver does not use part of the amount – underlying the government grant entitlement – for housing purposes, the proportionate sum of the government grant including the deposit interest is deducted by the Company from the home saver's separate account, and the deducted amount is transferred to the central budget; if the home saver or the beneficiary has already withdrawn the amount increased with the government grant, a proportionate sum of the government grant must be repaid.

19. Other financial liabilities

Table 19.1 - Other financial liabilities

(HUF million)	31.12.2025	31.12.2024
Liabilities related to leases	3,232	4,286
Liabilities and accruals from commissions to sales agents	158	145
Trade liabilities	401	294
Other	340	455
Total other financial liabilities	4,131	5,180

Information on leases is included in Note 32.1.

20. Provisions

Table 20.1. - Balance of provisions

(HUF million)	31.12.2025	31.12.2024
Provision for retention commissions	431	454
Provision for quality commission bonus	363	340
Provision recognised based on remuneration policy	255	477
Provision for other liabilities	522	299
Provision for line of credit	40	54
Total balance of provisions	1 611	1 624

Under the provisions for other liabilities, the balance of the provision for bonus payments related to contracts already matured but not yet settled increased by HUF 242 million, due to the growing number of contracts and higher bonus amounts.

The table below presents changes to provisions recognised based on IAS 37 and IFRS 9:

Table 20.2 - Changes in provisions

(HUF million)	Provision for retention commissions	Provision for quality commission bonus	Provision recognised based on remuneration policy	Provision for other liabilities	Provision for line of credit	Total
Balance at 1 January 2024	465	325	254	255	31	1,330
Provisions recognised during the period	6	61	223	65	395	750
Provisions used during the period	-17	-46	0	-21	-372	-456
Balance at 31 December 2024	454	340	477	299	54	1,624
Provisions recognised during the period	7	37	189	242	486	961
Provisions used during the period	-30	-14	-411	-19	-500	-974
Balance at 31 December 2025	431	363	255	522	40	1,611
Non-current portion	230	39	255	11	0	535
Current portion	201	324	0	511	40	1076

20.1. Provisions for pending litigation

When evaluating during litigation whether a past event resulted in a present obligation, the Company takes into account expert opinions (internal or external), judicial practice in similar cases as well as experience from authorities and the profession to estimate the expected loss. The amount of any provision for litigation is determined using the expected payable amount (e.g. compensation), together with the default interest (based on the central bank's key interest rate), and legal costs.

In the event the lawsuit is lost, the Company uses the provision; otherwise it releases the provision. Provisions are used and released at the level of individual cases.

20.2. Provisions for retention commissions

In the case of commissions payable on loans, a contract commission is calculated when concluding the contract, and a retention commission is calculated in line with legal provisions after the contract. The retention commission is paid in the period after the contract is concluded. The length of the period depends on the term of the contract. The Company recognises a provision for expected retention commission payments existing as of the reporting date.

An expected cash flow is recorded based on the product of the selected, unpaid commissions and the probability of payment based on experience. The amount of the provision is the discounted present value of the recorded cash flow.

According to the sensitivity analysis of the provisioning method, statistically significant changes to the parameters used in provisioning would cause only a $\pm 3\%$ variation in the provision balance (HUF 14.5 million).

20.3. Provision for quality commission bonus

The quality commission bonus relates to the savings contracts brokered by Fundamenta-Lakáskassza Kft. (hereinafter referred to as: the Kft.).

If the ratio of expected to completed payments for a given savings contract is at least 80% over the 12 months from the start of the saving (from receipt of the first monthly savings payment), then the Company pays the commission bonus detailed in the prevailing contract to the Kft. The month containing the savings start date is also included in the period considered, i.e. 13 months are taken into account.

The expected cash flow, the expected savings start dates and payments, the expected contract cancellations and as a result, the expected commission bonus payments are forecast by the Company based on prior experience. The amount of the provision is the estimated amount of commission bonuses payable in the future for contracts already concluded.

According to the sensitivity analysis of the provisioning method, statistically significant changes to the parameters used in provisioning would cause only a $\pm 8\%$ variation in the provision balance (HUF 29 million).

20.4. Provision recognised based on remuneration policy

Based on the Company's remuneration policy, the payment of task-specific bonuses to a select group of senior managers is distributed over several years. The amounts due for payment in the following year are accrued by the Company, while a provision is recognised for the payments affecting subsequent years. The amounts derived from previous-year results but affecting subsequent years are not fixed in

light of the backtesting of multi-year targets; they are recalculated depending on the yearly reassessment and based on the updated forecasts.

A sensitivity analysis is not relevant for this particular type of provision, as there are no variable parameters in the calculation.

20.5. Provision for other liabilities

Provisions for other commitments comprises the following main items:

- In connection with the amendment to the Home Savings and Loans Act in October 2018, a significant number of offers and contract amendments were received dated 16 October 2018, which was late compared to the deadline set by the Company. For the offers and amendments which were received after 18 October 2018 but the delay was not attributable to the client, the Company will pay compensation following a management decision, and it has recognised a provision for this.

According to the sensitivity analysis of the provisioning method, even relatively extreme changes ($\pm 70\%$) in the parameters used for the provisioning would result in only a 4% change in the provision balance (HUF 0.7 million).

- If the customer is entitled to receive customer bonus and reached the end of the term of the contract but has not yet given instructions relating to payment, the Company recognises a provision for the amount of customer bonus due to the customer.

No variable parameters are considered when calculating the provision.

20.6. Provision for line of credit

Further information is included in Note 6.3.

21. Other liabilities

Table 21.1 - Other liabilities

(HUF million)	31.12.2025	31.12.2024
Accruals and deferrals	477	471
Returned government grant	173	146
Other liabilities related to employees	1,112	894
Payment liabilities to tax authorities	583	324
Total other liabilities	2,345	1,835

Due to the achievement of weighted corporate targets, the value of liabilities to employees increased.

22. Shareholders' equity

22.1. Share capital

The Company's official, issued, called and fully paid share capital comprises 200,100 (31 December 2024: 200,100) shares, each with a nominal value of HUF 10.000 (31 December 2024: HUF 10,000). Issued shares are completely equal in the event of a liquidation.

22.2. Capital reserve

Capital reserve amounted to HUF 2,100 million as at 31 December 2025 (31 December 2024: HUF 2,100 million).

22.3. Retained earnings

In the reporting year the Company's retained earnings changed due to the recognition of general reserve (HUF 695 million) and the transfer of profit for the previous period (HUF 4,747 million). Subsequent to the reporting date the Company's management did not propose to pay dividend.

22.4. Statutory reserves

Settlement reserve

Rules relating to making settlement reserves are described in Note 6.18 d).

No settlement reserve was made in the reporting year or the previous year.

General reserve

Rules relating to making and using general reserve are described in Note 6.18 d).

In the reporting year the Company recognised HUF 695 million general reserve from retained earnings (2024: HUF 474 million). The reserve was not used during the year.

23. Net interest income

23.1. Interest income

Table 23.1.1 - Interest income

(HUF million)	2025	2024
Interest income from cash and cash equivalents	2,225	2,789
Interest income from securities	4,620	4,314
<i>Interest income from government bonds</i>	3,170	3,176
<i>Interest income from discounted Treasury bills</i>	434	808
<i>Interest income from mortgage bonds</i>	1,016	330
Interest income from receivables from customers	28,668	28,085
<i>Interest income from immediate bridging loans</i>	19,223	19,165
<i>Interest income from bridging loans</i>	5,891	5,632
<i>Interest income from housing loans</i>	3,554	3,288
Interest income from leases	11	14
Total interest income	35,524	35,202

The interest income presented in the above table was accounted for using the effective interest method, while interest income related to leases was accounted for based on the provisions of IFRS 16. Interest income includes the gain or loss from the modification of financial assets not resulting in derecognition as well as from change in the estimate relating to the expected cash flows of the instrument; this decreased interest income by HUF 17 million (2024: HUF 3 million increase).

The decline in interest income from cash and cash equivalents was due to a decrease of nearly HUF 10 billion during the reporting year in the average balance of funds held with the MNB.

The structural change in the securities portfolio had a positive effect on interest income from this asset group as well.

Interest income from loans came in as envisaged.

23.2. Interest expense

Table 23.2.1 – Interest expense

(HUF million)	2025	2024
Interest expense on liabilities to customers	-6,994	-6,532
<i>Interest expense paid on amounts paid by customers</i>	-6,463	-5,843
<i>Interest expense attributable to government grant</i>	-531	-689
Interest expenses on refinancing loans and repo transactions	-2,512	-2,075
Interest expense on leases	-140	-169
Other interest expense	-1	0
Total interest expense	-9,647	-8,776

The interest income presented in the above table was accounted for using the effective interest method, while interest income related to leases was accounted for based on the provisions of IFRS 16. Interest expenses include the gain or loss from the modification of financial liabilities as well as from change in the estimate relating to the expected cash flows of the liabilities; this reduced interest expenses by HUF 809 million (2024: HUF 1,095 million).

As the repo portfolio increased, the related interest expenses also rose (HUF 508 million), while for refinancing loans, expenses decreased slightly during the reporting year owing to repayments.

24. Net fee and commission expense

24.1. Fee and commission income

Table 24.1.1 - Fee and commission income

(HUF million)	2025	2024
Fee and commission income from home savings transactions	719	739
<i>Fee income from loans</i>	427	396
<i>Fee income from deposits</i>	292	343
Other fee and commission income	331	380
Total fee and commission income	1,050	1,119

Major items within fee income from loans include partial and full early repayments and the fees of loan-related correspondence. Fee income from deposits include inter alia fee income from account management related to home savings contracts.

24.2. Fee and commission expense

Table 24.2.1 - Fee and commission expense

(HUF million)	2025	2024
Commission expense on loans	-179	-213
Commission expense on deposits	-1,408	-1,183
Commission expense on securities transactions	-8	-10
Commission expense on payment transactions	-255	-258
Total fee and commission expense	-1,850	-1,664

Commission expense on deposits comprises commissions paid, payable to sales agents related to home savings contracts; the reporting-year increase resulted from higher performance.

25. Exchange gain/loss on foreign exchange items

Table 25.1. - Exchange gain/loss on foreign exchange items

(HUF million)	2025	2024
Realised exchange difference on FX items	18	-21
Unrealised exchange difference on FX items	-48	25
Total exchange gain/loss on foreign exchange items	-30	4

Exchange differences realised on foreign exchange transactions produced a HUF 18 million gain during the reporting year, HUF 39 million more than in the comparative period. Unrealised exchange rate differences were loss-making on the whole, which is explained by the strengthening of the forint in the reporting year.

26. Net loss arising from derecognition of financial assets and liabilities measured at amortised cost (AC)

Table 26.1. - Net profit/loss arising from derecognition of financial assets and liabilities measured at amortised cost

(HUF million)	2025	2024
Net loss arising from derecognition of securities measured at amortised cost	-717	-185
<i>Realised profit arising from derecognition of securities</i>	15	0
<i>Realised loss arising from derecognition of securities</i>	-732	-185
Profit/Loss arising from derecognition of other assets measured at amortised cost	209	0
Total net loss arising from derecognition of financial assets and liabilities measured at amortised cost	-508	-185

Securities are classified by the Company as measured at amortised cost, and so the net gain/loss arising from their derecognition is recognised in the statement of profit or loss under net gain/loss arising from derecognition of financial assets and liabilities measured at amortised cost.

The loss in the reporting year was driven by government bond and treasury bill sales in accordance with the accounting policies. Significant sales were made from securities with less than one year to maturity, driven by the aim to improve short-term liquidity management efficiency. Hence the realised capital gains/losses are not meaningful per se, and must be evaluated as part of the overall impact on profit. Since the MNB did not cut the base rate during the reporting year, these transactions resulted in a positive outcome for the Company.

In accordance with accounting policy requirements, the expectation that nominal cash flows would be recovered to a significant extent (more than 90%) was met in all of the above transactions, as supported by calculations.

In addition, an external, individual and significant environmental change affecting business operations (primarily the development of deposits) necessitated a review of the portfolio's maturity structure. As part of this review, a portion of the securities portfolio was reallocated into series with shorter maturities. The volume of sales did not exceed the limits specified in the business model, and the justification for the executed transactions was corroborated by an impact analysis conducted based on early warning indicators rolled out in connection with the aforementioned extraordinary event.

In addition, during the reporting year, the Company assigned its terminated or matured loans for the purposes of streamlining its portfolio. The last sale from the portfolio occurred in 2019, and over the intervening years, a stock of terminated receivables had accumulated again that could no longer be enforced effectively. Approximately 80% of this stock was covered by expected credit losses, so the net result of the derecognition was an overall gain of HUF 209 million.

27. Changes in expected credit loss on financial assets and in credit provisions

Table 27.1 - Change in expected credit loss on financial assets and changes in credit provisions

(HUF million)	2025	2024
Expected credit loss on receivables from customers and reversal thereof	2,481	-881
Expected credit loss on securities and reversal thereof	36	-25
Expected credit loss on other financial receivables and reversal thereof	0	-14
Changes in provision for loan commitments	14	-23
Total changes in expected credit loss on financial assets and in credit provisions	2,531	-943

Table 27.2 - Expected credit loss on receivables from customers and reversal thereof

(HUF million)	2025	2024
Increase due to origination	-461	-385
Further amounts recognised	-5,823	-6,407
Release	7,550	5,089
Decrease due to derecognition	1,224	852
Write-off/forgiveness	-9	-30
Total expected credit loss on receivables from customers and reversal thereof	2,481	-881

The reversal of the expected credit loss in 2025 is due partly to the IFRS 9 model review (since positive risk outcomes following the expiry of the moratorium (2022-2025) were incorporated into the model), and partly to the aforementioned sale of receivables.

28. Other operating income

Table 28.1 - Other operating income

(HUF million)	2025	2024
Profit from re-charged services	928	898
Miscellaneous income	126	272
Total other operating income	1,054	1,170

The decline in miscellaneous income can be explained by the reduction in the floor area of office spaces sublet within the Group. For this reason, fee income from this activity was also significantly lower than in the previous year (- HUF 164 million).

29. Other operating expenses

Table 29.1 - Other operating expenses

(HUF million)	2025	2024
NDIF annual fee, fee to the Resolution Fund	-308	-300
Impairment booked on intangible assets, plant, equipment, vehicles and other assets	0	-41
Extra-profit tax	-924	-572
Special tax for financial institutions	-1,297	-1,322
Other expenses due to tax	-29	-19
Miscellaneous expenses	-378	-95
Total other operating expenses	-2,936	-2,349

The increase in the windfall tax was caused by the fact that, given the nature of the Company's operations and taking into account its long-term strategic plans, it was unable to take advantage of the tax reduction opportunity provided by legislation.

A significant item (HUF 152 million) under miscellaneous expenses relates to the scrapping of intangible assets, which stems entirely from the derecognition of trademarks linked to the Company's former majority owner.

30. Operating costs

Table 30.1. - Operating costs

(HUF million)	2025	2024
Personnel expenses	-8,759	-8,604
Material-type expenses	-5,026	-5,938
Depreciation/ Amortisation	-3,233	-3,138
Total operating costs	-17,018	-17,680

Operating costs overall were in line with plans.

Table 30.2 - Personnel expenses

(HUF million)	2025	2024
Wage costs	-6,988	-7,001
Taxes and contributions	-1,148	-1,059
Other	-623	-544
Total personnel expenses	-8,759	-8,604

Short-term employee benefits are accounted for as current costs in the period when the employee rendered the service in return for the benefits. Short-term employee benefits are employee benefits (other than termination benefits) that shall be settled within twelve months after the end of the period. Bonuses and task-specific bonuses payable to staff, recognised under provisions (if long-term) and under accruals (if short-term), are accounted for by the Company under personnel expenses (Other operating costs).

The Company currently does not provide post-employment benefits.

Wage costs are almost the same as in the previous year. In 2025 average headcount was 545 persons (2024: 585 persons). In 2025 the social contribution tax payment liability amounted to HUF 1,046 million (2024: HUF 975 million).

Table 30.3 - Material-type expenses

(HUF million)	2025	2024
Office stationery	-799	-997
Building maintenance costs	-103	-122
Contributions and fees	-102	-134
Expenses of hired personnel	-31	-30
Advisory services	-298	-451
IT costs	-2,341	-2,545
Rentals	-31	-245
PR/marketing costs	-213	-1,042
Authorities	-155	-142
Other costs	-953	-230
Total material-type expenses	-5,026	-5,938

Table 30.4 - Depreciation/ Amortisation

(HUF million)	2025	2024
Property, plant and equipment	-599	-714
Intangible assets	-1,919	-1,724
Right-of-use assets	-715	-700
Total depreciation/ amortisation	-3,233	-3,138

31. Income taxes

The Company considers corporate tax, local business tax and innovation contribution as income taxes. The taxable bases for the individual tax types differ.

In Hungary the standard rate of corporate tax is 9%, which is why the Company assumes this rate of tax when calculating tax. The corporate tax base is defined based on Act LXXXI of 1996 on Corporate and Dividend Tax.

The rate of local business tax is no more than 2%; the individual local governments can make their own decisions on the rate of the tax. The base for local business tax is the reporting-year sales revenue, less material costs, the cost of goods sold and the value of re-invoiced services, and adjusted for other reconciling items. Reporting-year sales revenue contains interest income along with the fee and commission income from home savings transactions. In addition, sales revenue also includes the exchange gain realised on securities as well as the revenue from sales of inventories and services. Other reconciling items include paid and payable fees and commissions accounted for in the financial year that reduced the amount of interest income.

The innovation contribution rate is 0.3% and is calculated using the same base as the local business tax.

The tax authority may examine books and records and set additional taxes or fines at any time within 6 years of the given tax year. The management of the Company is not aware of any circumstances which may result in significant liabilities on these grounds.

31.1. Income tax booked for the current period

Table 31.1.1 - Income tax booked for the current period

(HUF million)	2025	2024
Current income tax		
Income tax on profit for the year	-1,217	-1,183
Total current income tax (expense -)/ income (+)	-1,217	-1,183
Deferred tax expense		
Origination and reversal of temporary differences	-2	32
Total deferred tax expense (-) / income (+)	-2	32
Total income tax	-1,219	-1,151

31.2. Income tax recognised in the statutory reserve

The Company recognises the current and deferred tax on the settlement reserve in the statutory reserve. The Company considers this deferred tax asset non-current.

31.3. Reconciliation of effective tax rate

The table below presents quantitative reconciliation of income tax calculated based on accounting profit and the income tax recognised in profit or loss for the year, as well as the applicable tax rate (9% corporate tax, 2% local business tax, 0.3% innovation contribution) and the average effective tax rate.

Table 31.3.1 - Reconciliation of effective tax rate

(HUF million)	%	2025		2024	
		Amount	%	Amount	%
Profit before tax		8,170		5,898	
Tax calculated using the Company's domestic tax rate	9.00%	-735	9.00%	-531	
Other income taxes	8.11%	-663	11.56%	-682	
Effect of other income taxes on the corporation tax	-0.73%	60	-1.04%	61	
Tax effect related to other member of the tax group	1.45%	119	0.00%	0	
Other	0.00%	0	-0.01%	1	
Total income tax	17.83%	-1,219	19.51%	-1,151	

31.4. Movement in deferred tax balances

Table 31.4.1 - Movement in deferred tax balances

(HUF million)	Net balance at 1 January 2025	Recognised in profit or loss	Amount recognised in the settlement reserve	Net balance at 31 December 2025
Property, plant and equipment; Intangible assets	-10	-2	0	-12
Expected credit loss	5	0	0	5
Settlement reserve	-787	0	0	-787
Other provisions	141	0	0	141
Tax assets (+) / Tax liabilities (-)	-651	-2	0	-653

(HUF million)	Net balance at 1 January 2024	Recognised in profit or loss	Amount recognised in the settlement reserve	Net balance at 31 December 2024
Property, plant and equipment; Intangible assets	-17	7	0	-10
Expected credit loss	4	1	0	5
Settlement reserve	-787	0	0	-787
Other provisions	117	24	0	141
Tax assets (+) / Tax liabilities (-)	-683	32	0	-651

31.5. Changes in the balance of current income tax assets and liabilities

Table 31.5.1 - Changes in the balance of current income tax assets

(HUF million)	Opening balance at 1 January 2025	Recognised in profit or loss	Amount recognised in the settlement reserve	Payments	Transfers	Closing balance at 31 December 2025
Corporation tax	166	-554	0	563	0	175
Local business tax	47	-574	0	545	0	18
Current income tax assets (+)	213	-1,128	0	1,108	0	193

(HUF million)	Opening balance at 1 January 2024	Recognised in profit or loss	Amount recognised in the settlement reserve	Payments	Transfers	Closing balance at 31 December 2024
Corporation tax	0	-501	0	818	-151	166
Local business tax	3	-593	0	663	-26	47
Current income tax assets (+)	3	-1,094	0	1,481	-177	213

Table 31.5.2 - Changes in the balance of current income tax liabilities

(HUF million)	Opening balance at 1 January 2025	Recognised in profit or loss	Amount recognised in the settlement reserve	Payments	Transfers	Closing balance at 31 December 2025
Innovation contribution	-137	-86	0	56	0	-167
Local business tax	0	-3	0	3	0	0
Current income tax liabilities (-)	-137	-89	0	59	0	-167

(HUF million)	Opening balance at 1 January 2024	Recognised in profit or loss	Amount recognised in the settlement reserve	Payments	Transfers	Closing balance at 31 December 2024
Corporation tax	-103	0	0	0	103	0
Innovation contribution	-113	-89	0	90	-25	-137
Local business tax	-26	0	0	0	26	0
Current income tax liabilities (-)	-242	-89	0	90	104	-137

32. Other disclosures

32.1. Leases

The Company acting as a lessee

As a lessee, the Company has office lease transactions. The property leased by the Company under a lease contract in Budapest is used as its registered office and customer service office. The contracts contain no restrictions, purchase and termination options or escalation clauses. The majority of the lease contracts contain extension options, which are mostly exercisable only by the Company.

The accounting policy on leases is included in Note 6.12.

Table 32.1.1 - Carrying amount of property, plant and equipment

(HUF million)	2025	2024
Property, plant and equipment owned	1,713	1,997
Right-of-use assets	2,215	2,835
Total	3,928	4,832

Table 32.1.2 - Changes in right-of-use assets

(HUF million)	Property
Balance at 1 January 2024	3,632
Additions	125
Other decrease	-222
Depreciation charge for the year	-700
Balance at 31 December 2024	2,835
Additions	105
Other decrease	-10
Depreciation charge for the year	-715
Balance at 31 December 2025	2,215

The effect of the increase in rentals due to indexing is presented in the Additions line item.

Table 32.1.3 - Changes in lease liabilities

(HUF million)	Property
Balance at 1 January 2024	4,990
Additions	140
Other decrease	-250
Lease payments	-1,021
Effect of movements in exchange rates	258
Accounting for interest expense	169
Balance at 31 December 2024	4,286
Additions	118
Other decrease	-11
Lease payments	-1,110
Effect of movements in exchange rates	-191
Accounting for interest expense	140
Balance at 31 December 2025	3,232

See Table 34.2.3 for the maturity analysis of lease liabilities.

Table 32.1.4 - Fixed and variable lease payments

(HUF million)			31.12.2025
	Fixed cash outflows	Variable cash outflows	Total
Contracts containing only variable lease payments	0	1,110	1,110
Total	0	1,110	1,110

(HUF million)			31.12.2024
	Fixed cash outflows	Variable cash outflows	Total
Contracts containing only variable lease payments	0	1,021	1,021
Total	0	1,021	1,021

A 1% growth in the consumer price index would increase the amount of variable lease payments by 1%.

Table 32.1.5. - Disclosures related to the statement of profit or loss and the statement of cash flows

(HUF million)	2025	2024
Interest on lease liabilities	-140	-169
Variable lease payments not included in the measurement of lease liabilities	-185	-243
Income from sub-leasing right-of-use assets	93	258
Total cash outflow for leases	-1 110	-1 021

The Company presents right-of-use assets in 'Property, plant and equipment' and lease liabilities in 'Other financial liabilities' in its statement of financial position.

After the commencement date, the Company recognises in profit or loss, unless the costs are included in the carrying amount of another asset, the interest on the lease liability in 'Income expenses'. Variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs are recognised in 'Operating costs'. The Company recognises depreciation of the right-of-use asset in profit or loss in the 'Depreciation' line item.

The Company acting as a lessor

The Company sub-leases a part of the offices and parking places leased by it directly to its subsidiaries under operating lease contracts, and indirectly, through Fundamenta Értéklánc Kft., to external third parties under finance lease contracts.

Revenue of the Company relating to areas sub-leased to subsidiaries under operating leases declined due to a reduction in the area leased.

Table 32.1.6 - Lease income as a lessor

(HUF million)	2025	2024
Finance lease		
Finance income on the net investment in the lease	0	39
Income related to variable lease payments not included in the measurement of the net investment in the lease	0	15
Operating lease		
Lease income	93	258

Table 32.1.7 - Lessor operating leases

(HUF million)	2025	2024
Less than one year	93	93
One to two years	23	93
Two to three years	0	23
Total undiscounted lease payments	116	209

Table 32.1.8 - Lessor finance leases

(HUF million)	2025	2024
Less than one year	86	92
One to two years	86	92
Two to three years	86	92
Three to four years	1	92
Total undiscounted lease payments receivable	259	368
Unearned finance income	14	27
Net investment in the lease	245	341

32.2. Related party disclosures

Balances of business transactions with related parties

In the financial statements the Company defines related parties as follows:

A person or a close member of that person's family (they are considered other related parties) is related to the Company if that person has control or joint control, or has significant influence over the Company, or is a member of the key management personnel of the Company or of a parent of the Company.

An entity is related to the Company if any of the following conditions applies:

- The entity and the Company are members of the same group;
- One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- The entity is controlled or jointly controlled by a person identified above;
- A person identified above has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Table 32.2.1 - Balances with related parties

	31.12.2025			
(HUF million)	Parent company	Subsidiary	Key management personnel of the Company or its parent company	Other related parties
Assets				
Cash and cash equivalents	2,239	0	0	0
Securities	0	0	0	15,344
Receivables from customers	0	0	63	4
Other financial receivables	332	250	0	0
Liabilities				
Liabilities to credit institutions	13,813	0	0	0
Liabilities to customers	0	0	62	3
Other financial liabilities	0	126	0	60
Provisions	0	0	255	0
Other liabilities	34	358	0	0

31.12.2024				
(HUF million)	Parent company	Subsidiary	Key management personnel of the Company or its parent company	Other related parties
Assets				
Cash and cash equivalents	255	0	0	0
Securities	0	0	0	6,254
Receivables from customers	0	0	68	6
Other assets	0	347	0	0
Liabilities				
Liabilities to credit institutions	5,658	0	0	0
Liabilities to customers	0	0	58	8
Other financial liabilities	1	127	0	31
Provisions	0	0	477	0
Other liabilities	26	308	0	0

Provisions for expected liabilities include remuneration benefits that are already due based on the conditions for entitlement but have not yet been accrued.

Table 32.2.2 - Related party transactions

31.12.2025				
(HUF million)	Parent company	Subsidiary	Key management personnel of the Company or its parent company	Other related parties
Comprehensive income				
Interest income	7	11	3	1,016
Interest expense	-781	0	-1	0
Gain/Loss on derecognition of assets measured at amortised cost	0	0	0	411
Fee and commission expenses	-727	-8,873	0	0
Other operating income	11	913	0	0
Other operating expenses	0	0	0	0
Expected credit loss on financial assets	0	0	0	-2
Personnel expenses	0	0	-932	-116
Material-type expenses	-2	-8	-36	-203

(HUF million)	Parent company	Subsidiary	Key management personnel of the Company or its parent company	Other related parties
Comprehensive income				
Interest income	4	14	2	330
Interest expense	-179	0	-1	0
Fee and commission expenses	-139	-8,459	0	0
Other operating income	0	1,154	0	0
Expected credit loss on financial assets	0	0	0	-2
Personnel expenses	-71	0	-893	-32
Material-type expenses	-38	-2	-40	-831

In the above tables, balances and transactions are presented in respect of the Company's products and in relation to remunerations.

Key management personnel are those who – directly or indirectly – have the authorisation and responsibility to plan, direct and control the Company's activity.

The members of the Company's and the parent company's Supervisory Board as well as Board of Directors and the management are considered key management personnel.

Remuneration of key management personnel

The table below presents remuneration of key management personnel:

Table 32.2.3 - Remuneration of key management personnel

(HUF million)	2025	2024
Short-term employee benefits	729	698
Other long-term benefits	240	195
Total	969	893

Remuneration of key management personnel includes wages, in-kind benefits and related taxes. The benefits as per IAS 24.17 b and d are not relevant to the Company.

Table 32.2.4 - Remuneration of the members of the Board of Directors and the Supervisory Board

(HUF million)	2025	2024
Members of the BoD and managing directors	800	815
Supervisory Board members	169	78
Total	969	893

32.3. Off-balance sheet items

Legal disputes

Up to the reporting date various claims were reported against the Company and various legal proceedings were in progress which belong to the ordinary course of business based on their nature.

In the Company's opinion, the claims against it and the litigated receivables do not affect materially its financial position, future results of operations or cash flows, although the outcome of claims and litigated receivables cannot be guaranteed. As at 31 December 2025 no provision was recognised due to legal disputes.

Loan commitment

The primary goal of these instruments is for the Company to make funds available to its customers as required.

The Company makes loan commitments for the undrawn parts of authorisable loan facilities. With regard to the credit risk of loan commitments the Company is potentially exposed to a risk of loss equal to the entire amount of the undrawn commitment. Nonetheless, the probable amount of the loss is lower than the entire amount of the undrawn commitment facility since most loan commitments are subject to customers meeting certain creditworthiness requirements.

Similar credit risk monitoring and lending rules apply for undrawn loan commitments as for lending. According to the Company management, the market risk connected to undrawn loan commitments is minimal.

Contingent assets

Contingent assets are not recognised in the statement of financial position, but are recorded in account class 0, since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

As at 31 December 2025 the Company has HUF 164 million (31 December 2024: HUF 167 million) contingent litigated assets.

32.4. Subsequent events

Events after the end of the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. These can be adjusting events (providing evidence of conditions that existed at the end of the reporting period) and non-adjusting events (events occurring after the end of the reporting period).

When compiling its financial statements the Company took into account all adjusting events after the reporting period.

a) The acquisition of a 14.88% stake in the Company

On 11 November 2024, MBH Bank Nyrt. signed a share purchase agreement with Generali Biztosító Zrt. for the acquisition of a 14.88% stake in Fundamenta-Lakáskassza Zrt. The prior approval of the transaction was provided by the supervisory authority on 12 March 2026 and following this procedure the transaction was closed. The total purchase price was HUF 11,827 million.

32.5. IT systems

The following IT systems support the Company's financial/accounting/treasury processes:

- Moonsol account management system,
- CODA general ledger application,
- Application supporting Érték sales processes,
- Clavis securities system,
- FunIZSR GIRO management,
- MBH Netbank and CIB Business Online electronic banking administration platform,
- Abacus working hours and payroll system,
- ECM content management system,
- eBankár CRM system/client master,
- WebBankár.

The applications include systems developed by the Company itself and others coded by external partners.

The Company relies on both administrative and technical controls to ensure its IT security. Access to the entire IT system is only permitted via a pre-defined access management process.

For the purposes of enhancing availability, the Company operates test systems and only allows programme developments and modifications to go live in an operational setting in a strictly regulated manner and after appropriate testing.

The Company uses a central data backup system to prevent data loss; the archived backups are stored in physically separate and remote data centres, and recovery tests are employed to ensure the integrity of the saved data.

The Company deploys a solution that supports security processes to prevent data leaks.

Regular external and internal audits also ensure the ongoing compliance of IT systems with legislation.

The Company has Business Continuity Planning (BCP) and Disaster Recovery Plan (DRP) in place for all its business-critical systems and processes, which is regularly tested in coordination with Security Management.

33. Categories of financial instruments

The Company records its financial instruments in the amortised cost category except for interests in subsidiaries, which are measured in accordance with the provisions of IAS 27.

34. Management of financial risk

The Company is exposed to the following main risks derived from financial instruments:

- credit risk
- liquidity risk
- market risk (including currency and interest rate risk).

This Note presents information about the Company's exposure to the above risks, the Company's objectives, policies and processes for measuring and managing risks.

34.1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to pay for its obligation. For the Company, it essentially arises in the case of loans and advances to customers and other banks and partners as well as the investment securities held by the Company.

b) Credit risk management

The Company is a credit institution specialised in lending with a conservative lending policy and risk appetite, which manages its risks bearing the principle of prudence in mind. The Company's Board of Directors is committed to controlling its risk exposures to ensure that all of the risks assumed by the Company do not jeopardise the stable operation of the credit institution in either the short or the long run. The Company shapes its risk assumption, risk management and control procedures such that they support its secure operations.

The Company ensures that it elaborates, implements and executes the right standard of risk management procedure by engaging an independent risk management organisation.

The Company's procedure for assuming risks consists of identifying, measuring, managing and strictly monitoring risks. In terms of measurement methods the Company strives to select the best methodology that properly reflects its risk profile, and is the best tool for estimating potential losses from risks. Prior to introducing new products and services and for all material risk types the Company assesses the risks of the product and defines the risk management methods, including the monitoring activity.

The risk strategy is based on the general business strategy.

The risk appetite of the MBH Group is applicable to the Company as well after it joined the MBH Bank Prudential Group. This risk appetite describes in a qualitative way the risk level that the Group is willing to undertake within a given risk category. Risk limits were implemented to determine the risk appetite of the MBH Group. The limits allocated to the Company define the acceptable risk levels by risk category in quantitative terms. In addition to the limits mentioned above, Fundamenta-Lakáskassza Zrt. applies other institution-level and portfolio specific internal limits as well.

Credit risks are managed at the Risk Management Directorate. Risk Management is responsible for planning and measuring credit risks and risk costs. This task is carried out via the following departments:

- The Risk Controlling team is responsible for assessing and analysing the risks of the Company, and for establishing, enforcing and monitoring the rules on risk management. It plans risk costs and prepares internal and external risk reports.
- Modelling provides the data infrastructure for risk management. It designs, maintains, backtests and develops the debtor rating system, conducts analytical tasks related to the rated loan portfolio, determines ratings and expected credit loss, and develops management proposals.

- The Work-out department is responsible for the ongoing monitoring, collection and related administration of loan arrears. This includes renegotiating arrears cases based on an assessment and evaluation of the debtors' ability to repay, determining individual expected credit loss, and ultimately launching and monitoring the enforcement process. It handles central collateral assessments.
- The Loan Decision group is responsible for reviewing issues that exceed the powers of the Loan department, or which require an individual procedure for other reasons, and for proposing decisions, participating in the work of the operative "fraud team" to investigate and address quickly fraud issues arising in connection with loan transactions, recommending the integration of the experiences from issues of suspected fraud into the process.
- The Product Risk department supports the development of new-risk products, the performance analysis of existing product portfolios as well as lending processes.

Alongside the Risk Management Directorate, the Security Management Directorate also plays a key role in shaping risk awareness and operating risk management processes, while Compliance and Internal Audit in the supervision of the operation of processes. The Legal Directorate is responsible for promoting the operations of Fundamenta-Lakáskassza Zrt. in compliance with laws, directives, opinions from authorities and money market standards, for supporting lawful operation and for the lawfulness of the contracts used by the Company.

The Risk Board convenes every month and checks the work of risk management areas based on the Risk Management Strategy; it makes decisions on submissions regarding risk management issues as well as on ensuring the personnel and material conditions required to implement the Strategy.

The credit risk strategy is also approved by the Supervisory Board of the Company. One standing item on the agendas of the Supervisory Board meetings is the report on the size, development and quality of the loan portfolio.

Underwriting

Credit risk management is carried out by several areas within the organisation. Individual underwriting decisions related to the granting of loans are taken by the Loan Decision group of the Risk Management Directorate in accordance with the rules set forth in the General Underwriting Policy. For loan placements in excess of the amount recorded in the General Underwriting Policy, and in the other cases defined in the Censor Committee Policy, risk management adopts its decisions in cooperation with the Censor Committee, and also after receiving professional assistance from MBH Bank Nyrt.

The ongoing management of credit risks at portfolio level is conducted by the modelling professionals and the Risk Controlling team of the Risk Management Directorate, and at operative level by the Work Out department. They are responsible for ongoing monitoring, proposals for modifying the loan assessment system and policies, initiating sanctions against customers in arrears where necessary, cancellation recommendations, management of cancelled contracts and outsourcing it to law offices to claim receivables through legal channels. The Loan Decision group handles the examinations of cases suspected of fraud, and makes recommendations on introducing procedures to prevent fraud.

The product risk management function was set up within the Risk Management Directorate, which provides risk support for the development of new loan products as well as measuring the parameters and associated risks of existing products by applying a risk-return concept.

Limit system

The Company uses a limit system to restrict the assumption of credit risks.

In addition to the limits described earlier, the Company applies other institution-level and portfolio specific internal limits as well.

The main principle applied when determining these internal credit risk limits is compliance with the provisions of the Home Savings and Loans Act, furthermore, that the limits must always relate to the quality of the economic/financial situation, creditworthiness and solvency of those subject to the limits. The upper – statutory – limit of the limit system relating to the bridging loans is that 90% of the free assets may be used to grant bridging loans (including the immediate bridging loans that used to be distinguished by law). Over and above this, bridging loans may be granted from external funding and/or from equity while complying with prudential provisions applicable to the Group.

The Company introduced a limit system for business loans from 2011.

In the segments where the expected risk of placed loans is higher, or unknown, the Company uses limits to restrict the volume that may be placed. The limits are defined in connection with the risks that can still be assumed, while changing them depends on the recovery of the portfolio.

Different policies define the terms and conditions for product limits on housing loans as well as bridging and immediate bridging loans. In the case of housing loans the product limit only changes in the event of a modified tariff or the introduction of a new tariff, while for bridging loans the limit applied is in line with Section 15 (4) of the Home Savings and Loans Act, which is modified when the Home Savings and Loans Act is amended.

Reporting

The Risk Controlling team is responsible for constantly monitoring and analysing credit risks.

The head of Risk Management, or his/her representative, reports on the quality of the portfolio every month at the Risk Board meetings. A defined scope of data is also provided to MBH Bank Nyrt. on a monthly or quarterly basis.

One standing item on the agendas of the Supervisory Board meetings is the report on the size, development and quality of the loan portfolio.

Monthly and quarterly summaries and analyses are prepared on the quality of the loan portfolio. These are prepared by the members of the Risk Controlling team. The analyses are prepared per type of loan, highlighting certain loan conditions based on the given risk level, and look at the impact of certain parameters on quality. The examined parameters were previously defined on the basis of professional consultations. The results of the analyses are monitored and evaluated on a monthly basis.

Monitoring

The Risk Board is responsible for the ongoing supervision of the Company's lending activity; the ongoing supervision of the collection and work-out activity; the risk supervision of the loan portfolio; for requesting reports on the operating risks arising at the Company and for accepting any measures; as well as for supervising information security risks and prescribing risk mitigating measures. In addition, the Risk Board ensures an optimal flow of information and communication between the organisational units, detects and discusses the problems arising during the Company's operations; it makes decisions to handle the problems or puts forward proposals.

The Risk Board has no decision-making rights regarding loan transactions.

Main duties of the Risk Board:

- approving the risk management strategy before it is approved by the Board of Directors; the risk management strategy is then submitted for approval to the Supervisory Board;
- risk management monitoring of the loan portfolio;
- monitoring of the risky loan portfolio required by MNB executive circulars relating to own funds;
- monitoring of operational risks;
- monitoring of interest rate risk in the banking book;
- monitoring of collection and workout activity;
- monitoring of information security risks, deciding on their assumption or on possible risk mitigating measures;
- monitoring of risk limits defined by the Group-level risk strategy of the MBH Bank Prudential Group;
- providing information to the Management Board on a regular basis on decisions adopted by the Risk Board.

c) Credit quality analysis

The following table provides information on the credit quality of financial assets measured at amortised cost and loan commitments.

The definitions for 12-month expected credit loss, lifetime expected credit loss and credit-impaired financial assets are contained in Note 6.3.

The carrying amounts presented in the tables represent the maximum credit risk exposure of the Company.

Table 34.1.1. - Classification by credit quality category

				31.12.2025
(HUF million)	12-month expected credit loss	Lifetime expected credit loss Not credit- impaired	Lifetime expected credit loss Credit- impaired	Total
Receivables from customers at amortised cost				
<i>Bridging loans</i>				
<i>Arrears of 0 day</i>	92 216	7 405	0	99 621
<i>Arrears for no more than 1 month</i>	586	192	0	778
<i>Arrears for no more than 2 months</i>	0	60	0	60
<i>Arrears for no more than 3 months (not default)</i>	0	8	0	8
<i>More than 3 months, not significant</i>	0	5	0	5
<i>More than 90 days but not more than 3 months, significant</i>	0	0	9	9
<i>More than 3 months, significant</i>	0	0	56	56
<i>Restructured</i>	0	0	155	155

<i>Objective evidence</i>	0	0	56	56
<i>Associated due to Basel</i>	0	0	30	30
<i>Cancelled</i>	0	0	41	41
<i>Persistence</i>	0	0	220	220
<i>Watch list due to associated contract</i>	0	0	155	155
Immediate bridging loans				
<i>Arrears of 0 day</i>	293 878	31 092	0	324 970
<i>Arrears for no more than 1 month</i>	2 448	1 395	0	3 843
<i>Arrears for no more than 2 months</i>	0	1 063	0	1 063
<i>Arrears for no more than 3 months (not default)</i>	0	276	0	276
<i>More than 3 months, not significant</i>	0	7	0	7
<i>More than 90 days but not more than 3 months, significant</i>	0	0	321	321
<i>More than 3 months, significant</i>	0	0	1 160	1 160
<i>Restructured</i>	0	0	3 196	3 196
<i>Objective evidence</i>	0	0	278	278
<i>Associated due to Basel</i>	0	0	294	294
<i>Cancelled</i>	0	0	718	718
<i>Persistence</i>	0	0	2 590	2 590
<i>Watch list due to associated contract</i>	0	0	1 244	1 244
Housing loans				
<i>Arrears of 0 day</i>	75 942	4 114	0	80 056
<i>Arrears for no more than 1 month</i>	414	170	0	584
<i>Arrears for no more than 2 months</i>	0	145	0	145
<i>More than 90 days but not more than 3 months, significant</i>	0	0	33	33
<i>More than 3 months, significant</i>	0	0	39	39
<i>Restructured</i>	0	0	139	139
<i>Objective evidence</i>	0	0	46	46
<i>Associated due to Basel</i>	0	0	27	27
<i>Cancelled</i>	0	0	71	71
<i>Persistence</i>	0	0	93	93
<i>Watch list due to associated contract</i>	0	0	73	73
Total gross value	465 484	45 932	11 044	522 460
<i>Allowance for expected credit loss</i>	-1 356	-610	-5 319	-7 285
Total net carrying amount	464 128	45 322	5 725	515 175

Cash and cash equivalents at amortised cost				
<i>Investment grade</i>	2 396	0	0	2 396
<i>BBB</i>	35 201	0	0	35 201
Total gross value	37 597	0	0	37 597
Total net carrying amount	37 597	0	0	37 597
Securities that are debt instruments, at amortised cost				
<i>A1</i>	15 348	0	0	15 348
<i>BBB</i>	57 989	0	0	57 989

Total gross value	73 337	0	0	73 337
<i>Allowance for expected credit loss</i>	<i>-57</i>	<i>0</i>	<i>0</i>	<i>-57</i>
Total net carrying amount	73 280	0	0	73 280
Other financial receivables - leases				
<i>Number of days past due: 0-30</i>	<i>245</i>	<i>0</i>	<i>0</i>	<i>245</i>
Total gross value	245	0	0	245
Total net carrying amount	245	0	0	245
Other financial receivables - other				
<i>Number of days past due: 0-30</i>	<i>0</i>	<i>643</i>	<i>0</i>	<i>643</i>
<i>Number of days past due: 91-</i>	<i>0</i>	<i>0</i>	<i>41</i>	<i>41</i>
Total gross value	0	643	41	684
<i>Allowance for expected credit loss</i>	<i>0</i>	<i>-18</i>	<i>-35</i>	<i>-53</i>
Total net carrying amount	0	625	6	631
Loan commitments				
<i>Arrears of 0 day</i>	<i>4 703</i>	<i>0</i>	<i>0</i>	<i>4 703</i>
<i>Arrears for no more than 1 month</i>	<i>28</i>	<i>0</i>	<i>0</i>	<i>28</i>
<i>Arrears for no more than 2 month</i>	<i>62</i>	<i>0</i>	<i>0</i>	<i>62</i>
<i>Arrears for no more than 3 months (not default)</i>	<i>9</i>	<i>0</i>	<i>0</i>	<i>9</i>
<i>Watch list due to associated contract</i>	<i>0</i>	<i>0</i>	<i>25</i>	<i>25</i>
Total loan commitments	4 802	0	25	4 827
Allowance for expected credit loss (provision)	-40	0	0	-40

31.12.2024				
(HUF million)	12-month expected credit loss	Lifetime expected credit loss Not credit- impaired	Lifetime expected credit loss Credit- impaired	Total
Receivables from customers at amortised cost				
<i>Bridging loans</i>				
<i>Arrears of 0 day</i>	95 360	7 660	0	103 020
<i>Arrears for no more than 1 month</i>	293	191	0	484
<i>Arrears for no more than 2 months</i>	0	111	0	111
<i>Arrears for no more than 3 months (not default)</i>	0	25	0	25
<i>More than 3 months, not significant</i>	0	6	0	6
<i>More than 90 days but not more than 3 months, significant</i>	0	0	25	25
<i>More than 3 months, significant</i>	0	0	134	134
<i>Restructured</i>	0	0	142	142
<i>Objective evidence</i>	0	0	65	65
<i>Associated due to Basel</i>	0	0	30	30
<i>Cancelled</i>	0	0	23	23
<i>Persistence</i>	0	0	235	235
<i>Watch list due to associated contract</i>	0	0	179	179

Immediate bridging loans

Arrears of 0 day	307 459	31 527	0	338 986
Arrears for no more than 1 month	2 500	1 638	0	4 138
Arrears for no more than 2 months	0	1 066	0	1 066
Arrears for no more than 3 months (not default)	0	246	0	246
More than 3 months, not significant	0	9	0	9
More than 90 days but not more than 3 months, significant	0	0	508	508
More than 3 months, significant	0	0	1 846	1 846
Restructured	0	0	3 224	3 224
Objective evidence	0	0	492	492
Associated due to Basel	0	0	357	357
Cancelled	0	0	1 287	1 287
Persistence	0	0	3 200	3 200
Watch list due to associated contract	0	0	1 247	1 247

Housing loans

Arrears of 0 day	64 445	4 099	0	68 544
Arrears for no more than 1 month	349	129	0	478
Arrears for no more than 2 months	0	91	0	91
Arrears for no more than 3 months (not default)	0	2	0	2
More than 90 days but not more than 3 months, significant	0	0	39	39
More than 3 months, significant	0	0	49	49
Restructured	0	0	110	110
Objective evidence	0	0	44	44
Associated due to Basel	0	0	11	11
Cancelled	0	0	82	82
Persistence	0	0	105	105
Watch list due to associated contract	0	0	127	127
Total gross value	470 406	46 800	13 561	530 767
Allowance for expected credit loss	-2 862	-753	-6 631	-10 246
Total net carrying amount	467 544	46 047	6 930	520 521

Cash and cash equivalents at amortised cost

Investment grade	2 932	0	0	2 932
BBB	9 956	0	0	9 956
Total gross value	12 888	0	0	12 888
Total net carrying amount	12 888	0	0	12 888

Securities that are debt instruments, at amortised cost

BBB	6 255	0	0	6 255
A2	99 529	0	0	99 529
Total gross value	105 784	0	0	105 784
Allowance for expected credit loss	-93	0	0	-93
Total net carrying amount	105 691	0	0	105 691

Other financial receivables - leases

<i>Number of days past due: 0-30</i>	341	0	0	341
Total gross value	341	0	0	341
Total net carrying amount	341	0	0	341
Other financial receivables				
<i>Number of days past due: 0-30</i>	0	337	0	337
<i>Number of days past due: 91-</i>	0	0	40	40
Total gross value	0	337	40	377
<i>Allowance for expected credit loss</i>	0	-20	-33	-53
Net carrying amount	0	317	7	324
Loan commitments				
<i>Arrears of 0 day</i>	6 938	0	0	6 938
<i>Arrears for no more than 1 month</i>	69	0	0	69
<i>Arrears for no more than 2 month</i>	51	0	0	51
<i>Arrears for no more than 3 months (not default)</i>	37	0	0	37
<i>More than 3 months, not significant</i>	3	0	0	3
<i>Arrears for more than 90 days but not more than 3 months, significant</i>	0	0	40	40
<i>More than 3 months, significant</i>	0	0	124	124
<i>Persistence</i>	0	0	4	4
<i>Watch list due to associated contract</i>	0	0	30	30
Total loan commitments	7 098	0	198	7 296
Allowance for expected credit loss (provision)	-52	0	-2	-54

Table 34.1.2. - ECL matrix

(HUF million)			31.12.2025
Number of days past due	Rating	ECL rate	Gross value
0-30 days	Stage 2	6%	643
31-90 days	Stage 2	8%	0
91-820 days	Stage 3	12%	4
821-1,185 days	Stage 3	36%	4
More than 1,185 days	Stage 3	100%	33
Other financial receivables - other			684

(HUF million)			31.12.2024
Number of days past due	Rating	ECL rate	Gross value
0-30 days	Stage 2	6%	337
31-90 days	Stage 2	8%	0
91-820 days	Stage 3	10%	5
821-1,185 days	Stage 3	36%	2
More than 1,185 days	Stage 3	100%	33
Other financial receivables - other			377

d) Collateral and other credit enhancements

In relation to certain credit risk exposures the Company accepts collateral and other credit enhancements. The following table presents the basic collateral accepted in relation to various financial assets.

The market value of collateral totalled HUF 2,205,649 million as at 31 December 2025 (31 December 2024: HUF 2,093,209 million).

During collection of accounts receivable, the amount realised from claiming collateral totalled HUF 81 million in 2025 (2024: HUF 105 million). Collateral is claimed through enforcement proceedings or by participating in such proceedings to the extent of the receivables of the Company.

Table 34.1.3 - Collateral

(HUF million)	Ratio of exposures subject to collateral requirements (%)		Basic type of collateral
	31.12.2025	31.12.2024	
Receivables from customers - Retail customers			
Immediate bridging loans	100.00%	99.99%	property collateral
Bridging loans	99.61%	99.49%	property collateral
Housing loans	95.74%	92.87%	property collateral
Receivables from customers - Multi-occupancy buildings			
Immediate bridging loans	0.00%	0.06%	-
Housing loans	0.22%	0.00%	-

Retail mortgage lending

The following tables group the credit risk exposure of mortgage loans and advances to retail customers based on the loan-to-value (LTV) ratio. The loan-to-value ratio shows the gross value of the loan (for loan commitments, the amount of the commitment) relative to the value of the collateral. The collateral value of mortgage loans associated with residential properties is based on the collateral value valid at the time of the loan disbursement, which is remeasured in accordance with Basel requirements.

Table 34.1.4 - Loan-to-value ratio (LTV) of mortgage loans

(HUF million)	31.12.2025	31.12.2024
Less than 50%	180,673	174,955
51-70%	129,140	132,627
71-90%	179,025	184,444
91-100%	59	60
No LTV	33,199	38,339
Total gross value of loan receivables	522,096	530,425

Table 34.1.5 - Loan-to-value ratio (LTV) of credit-impaired loans

(HUF million)	31.12.2025	31.12.2024
Less than 50%	2,223	2,397
51-70%	2,488	3,185
Over 70%	5,272	6,322
No LTV	1,061	1,657
Total gross value of credit-impaired loan receivables	11,044	13,561

Table 34.1.6 - Loan-to-value ratio (LTV) of mortgage loan commitments

(HUF million)	31.12.2025	31.12.2024
Less than 50%	3,052	3,903
51-70%	515	1,401
71-90%	886	1,586
No LTV	374	406
Total	4,827	7,296

Other collateral and credit enhancements

In the event the debtor defaults on payment, the purpose of the collateral is for the Company to use it to recover all its receivables from the debtor – costs, transaction and default interest as well as the principal.

Only the following real collateral (and combinations thereof) may be accepted as security for bridging and immediate bridging loans granted by the Company: mortgage right, separate lien, general mortgage (for loan contracts concluded before 15 March 2014), security deposit. Non-real collateral may include the following: property insurance securing the collateral property, assignment (for loan contracts concluded before 15 March 2014), risk life insurance, surety, lien on income from common charges, lien on income from rents, debt recognition, immediate collection (immediate debt collection).

In line with statutory requirements the Company appraises residential properties every three years, and non-residential properties every year. The prevailing portfolio is revised in stages, at least annually.

As of 31 December 2025 the Company had no financial instruments for which no ECL had been accounted for on account of collateral. The value of the collateral property does not impact ECL; it is only the basis of portfolio segmentation whether the given contract is secured or not by collateral property. As at 31 December 2025 95.45% of the portfolio was secured by collateral property, while the same ratio for the credit-impaired portfolio was 95.63%. The backtested PDs and LGDs for the secured portfolio are more favourable than for the unsecured portfolio, thus the ECL rates applied to that are also lower.

e) Amounts arising from expected credit loss

Inputs, assumptions and methods used to estimate expected credit loss

The Company applies 7 product categories for PD classification: housing loans (secured / unsecured), bridging loans (secured / unsecured), immediate bridging loans (secured, unsecured), loans to non-natural persons. Short (PIT) and long-term (TTC) PDs are estimated with the help of the at least T-5 and T-3 annual cohorts. Forward-looking information is incorporated by modifying the PIT PD.

LGD segments are established based on the product type (housing loan, bridging loan, immediate bridging loan) and the termination status (not terminated, terminated due to non-performance, terminated due to missing verification of housing purpose). Deposits are taken into account as loss-reducing items. The data of previous collateral valuation actions are taken into account when calculating the ultimate LGD figures, as final loss-reduction items.

The EADs are based on amortised cost.

The curing ratios are segmented based on the product age (younger/older than 48 months) and coverage (secured / non secured).

For further details and the related accounting policy please refer to Note 6.3.

Significant increase in credit risk

The objective of the assessment is for the Company to identify, whether a significant increase in credit risk has occurred for an exposure by comparing:

- the remaining lifetime probability of default (PD) as at the reporting date; and
- the remaining lifetime probability of default as at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).
- If a behavioural score deteriorates by at least 2 notches compared to the rating upon initial recognition, this indicates a significant increase in the credit risk of the transaction.

Credit risk rating grades

The Company differentiates between several credit risk rating grades.

Performing rating grades:

1. No arrears
2. Arrears for no more than 1 month
3. Arrears for no more than 2 months
4. Arrears for no more than 3 months
5. More than 3 months, not significant

Non-performing rating grades:

6. Arrears for more than 90 days but not more than 3 months, significant
7. More than 3 months, significant
8. Restructured
9. Objective evidence
10. Associated due to Basel
11. Cancelled
12. Persistence
13. Watch list due to associated contract

The 'No arrears' grade includes contracts where there are no transactions in default. In the case of bridging loans and immediate bridging loans, arrears with the savings must also be taken into account in addition to arrears with loans.

The grade of 'Arrears for no more than 1 month' includes contracts where there is a transaction in default and the number of days in default is greater than zero but no more than 31.

The grade of 'Arrears for no more than 2 months' includes contracts where there is a transaction in default and the number of days in default is greater than 31 but no more than 62.

The grade of Arrears for no more than 3 months includes contracts where there is a transaction in default and the number of days in default is greater than 62 but no more than 92 (in the case of 91 and 92 days only debts of a non-significant amount are included).

The 'More than 3 months, not significant' grade contains the contracts where the number of days in default is greater than 92 but the amount of the arrears is not significant.

If the defaulted loan obligation for the transaction has persisted for more than 90 days, i.e. the arrears have prevailed for 91 or 92 days and the amount of arrears qualifies as significant, it falls into the 'Arrears for more than 90 days but not more than 3 months, significant' grade.

The contracts classified in the 'More than 3 months, significant' grade have arrears for more than 92 days which are significant.

The 'Restructured' grade lists loans where the transaction contracts were subject to distressed restructuring – in the form of a repayment agreement – and are in restructuring phase 1 or 2 at the time of the rating.

The 'Objective evidence' grade contains contracts where there is objective evidence triggering a default.

At the 'Associated due to Basel' category it is examined whether contracts have an associated contract on borrower lines backed by property accepted under BASEL (including cases where there is not only property accepted by BASEL behind the contract, or the entire exposure is not covered by BASEL property) and it is labelled "Default", or if there is an associated contract on borrower lines that is not a retail loan contract and it is labelled "Default".

The 'Cancelled' grade contains contracts that have been cancelled.

The 'Persistence' grade includes loans which had significant debts of 90+ days or objective evidence triggering a default on at least one occasion during the last three ratings, yet which currently have no criteria triggering a default.

The 'Watch list due to associated contract' grade includes contracts that fall under Stage 1 or Stage 2 in their own right, but have connections to Stage 3 contracts based on debtor groups, where the default indicator of the Stage 3 contract may also be cross-default.

Upon initial recognition, the Company classifies all exposures into one of the credit risk rating grades based on information available on the debtor. The exposures are constantly reviewed, which can mean that over time an exposure must be classified into a different credit risk rating grade. The reviews generally draw on the following data:

Defining the term structure of probability of default

Credit risk rating grades are the most important inputs for determining the probability of defaults (PD) for exposures. The Company collects performance and default information about its credit risk exposures analysed by product and customer type as well as by credit risk rating grade.

The Company applies statistical models to analyse the data collected as well as to estimate the lifetime expected PD of the exposures and what change is expected in them as time progresses.

This analysis includes the identification and calibration of the relationship between changes in default rates and changes in key macro-economic factors as well as in-depth analysis of the impact of other factors (for example restructuring experience) on default risk. Key macro-economic factors for most exposures: GDP growth, expansion of the retail loan market.

The purpose of estimating the PD parameter is to quantify the probability of default of a given transaction at the Company. The aim of the PD segmentation is to group the portfolio

transactions into homogeneous risk groups (from a PD parameter perspective) based on legal type (non-natural persons / natural persons), product type (housing loan / immediate bridging loan / bridging loan) and coverage (secured / unsecured). The Company determined its PD curves with the help of survival functions applied to the historical default rates of segments with the same risks (Weibull distributions).

Modified financial assets

The contractual terms of a loan may be modified for a number of reasons, including changing market conditions, customer retention and other factors not related to a current or potential credit deterioration of the customer. An existing loan whose terms have been modified may be derecognised and the renegotiated loan recognised as a new loan at fair value in accordance with the accounting policy set out in Note 6.2 c) and d).

When the terms of a financial assets are modified by the Company and the modification does not result in derecognition, the determination of whether the asset's credit risk has increased significantly reflects comparison of:

- its remaining lifetime PD at the reporting date based on the modified terms; with
- the remaining lifetime PD estimated based on data at initial recognition and the original contract terms.

The Company renegotiates loans to customers in financial difficulties to maximise collection opportunities and minimise the risk of default.

The Company strives to elaborate payment relief options for its customers who want to pay but whose ability to pay has temporarily suffered a setback, bearing in mind the following guidelines:

- reaching an agreement which the debtor can meet in accordance with the terms and conditions in the agreement,
- the terms of the restructuring agreement are developed with the interests of the Creditor in mind too, alongside the ability of the borrowers to pay,
- restoring the debtor's ability to pay in the short term primarily, and if not then in the long term.

Alongside the above guidelines, the Company pays special attention to restoring retail mortgage loans that have fallen into default and to consumer protection principles, based on MNB Recommendation 5/2022 (IV.22).

For loan accounts in arrears and loan contracts earmarked for cancellation the Company examines the circumstances surrounding the debtor's ability to pay, and based on its own business policy it weighs up whether it is possible to apply bridging solutions should the debtor default on payment. When making this decision the receivables from the debtor are reviewed both separately and collectively.

Definition of default

A customer shall be considered to be in default if at least one of the following events occurs:

- the significant defaulted loan obligation for the transaction has persisted for more than 90 days and the amount of the arrears is significant, or
- the transaction contract has been cancelled,
- the transaction contract is subject to distressed restructuring – in the form of a repayment agreement – and is in restructuring stage 1 or 2 at the time of the rating,

- there is objective evidence triggering a default for the contract, (examples: all participants of the contract died, disappeared, the collateral is destroyed, changed risk conditions, MBH Group default, MBH Group under cure),
 - cross-default: a default must be treated collectively with respect to a parent company and its subsidiaries, therefore after the Company joined the MBH Bank Prudential Group, if a transaction is not in default status at the Company, but it is defaulted at MBH Group-level, the Company also considers it defaulted. The Company records the cross-default indicator as objective evidence.
- persistent default (contracts for which the default criterion was applicable in the last 3 months).

The Company applies the default definition at transaction level.

The amounts in default arising in connection with the loan and the deposit account associated with the loan account (in the case of bridging loans) are recognised as defaulted items on a transaction basis.

When examining the default criterion the Company examines the joint fulfilment of the following two conditions:

- the degree of the default can be considered critical if it has prevailed for more than 90 days at the time of the rating,
- the amount of the default can be considered critical if the amount exceeds both of the following two threshold values:

Absolute threshold	Relative threshold
<ul style="list-style-type: none"> • HUF value equivalent to EUR 100 calculated using MNB exchange rate* 	<ul style="list-style-type: none"> • 1% of the total contractual liability of the transaction

*The Company applies the EUR 100 threshold uniformly in the case of private individuals and multi-occupational buildings/housing cooperatives.

The time of the default is the due date of the oldest outstanding transaction from those past due by more than 90 days (if the overall default is significant).

If a default is cured, the Company applies a 3-month curing period based on which the transaction is still treated as being in default for a further three months after the default is eliminated. For restructured transactions the Company does not apply the 3-month curing period.

For a transaction in default because of a previous significant late payment in excess of 90 days, it is considered cured if neither the default criterion above nor any other default criterion applies, and the three-month persistence period has lapsed.

For restructured loans the default criterion is monitored by tracking the contracts entering the repayment agreement category. The monitoring of contracts in default on account of restructuring can be split into two parts:

- monitoring of contracts in stage 1: the loans which have a repayment agreement in place at the time of the rating,
- monitoring of contracts in stage 2: the loans currently in their first, 1-year trial period.

Curing is subject to the contracts not being in default during the afore-mentioned stage 2. If this condition is breached, stage 2 commences with a 1-year curing period again after the default

has been eliminated. Furthermore, curing is also only possible if, in addition to the default criterion above, no other default criterion applies to the transaction either.

Following a 1-year curing period, the transaction can be declared performing (stage 3). During the performing stage the transaction must be monitored for another two years (trial period). The “restructured” label can be removed from the transaction after two years if instalments deemed more than non-significant were made during half of the period, and none of the debtor group’s transactions were in default at the end of the trial period.

The default events are identified every day by the account-management system, and checked by the Risk Management Directorate. The analysis is based on the daily tracking lists, which contain the daily default contracts, as well as on the databases and reports that contain the default indicators.

Non-performing contracts for the Company are those in default in their own right as well as contracts classified in Stage 3 because of the related contract.

The inputs used to evaluate whether a financial instrument is non-performing and their importance may change over time to reflect changes in circumstances.

The definition of default largely aligns with that applied by the Company for regulatory capital purposes.

Forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of expected credit loss.

The Company takes forward-looking information into account by adjusting certain ECL parameters. The Company collected the historical trends of various types of macro-economic indicator for modelling purposes, and arranged them in a standard database. Macro forecasts provided by MBH Bank Nyrt. are quarterly; the Company averaged these for each year to apply the macroeconomic adjustment multipliers annually. The MNB forecasts are annual, so no further transformation is required to use the adjustments derived from them (the associated table shows the MNB forecast at a quarterly level for consistency purposes). The following variables were collected and examined during the modelling:

- GDP: the Company adopted the forecasts of MBH Bank Nyrt. for 2025, 2026 and 2027 disclosed in October 2025;
- Annual change in the price index of residential properties: MNB did not publish such forecast, therefore the Company calculates with the following changes in prices for the next 12 months, on an expert basis: favourable (15%), baseline (0%), unfavourable (-5%);
- Gross Fixed Capital Formation: the Company adopted the forecasts of MBH Bank Nyrt. for 2025, 2026 and 2027 disclosed in October 2025;
- Average gross wages in the private sector: the Company adopted the MNB’s forecasts for 2025, 2026 and 2027 disclosed in its September 2025 circular;
- Inflation: the Company adopted the forecasts of MBH Bank Nyrt. for 2025, 2026 and 2027 disclosed in October 2025;
- Unemployment rate: the Company adopted the forecasts of MBH Bank Nyrt. for 2025, 2026 and 2027 disclosed in October 2025;

- Scenario weights: in accordance with the MNB executive circular, MBH Bank Nyrt. recommends the following weights for the three scenarios: favourable 5% (MNB: 5-10%), baseline 80% (MNB: 65-80%), unfavourable 15% (15-25%). The Company adopted the scenario weights recommended by the parent bank.

	GDP (MBH Bank Nyrt.)		
	Unfavourable	Baseline	Favourable
2025 Q3	0.8	0.8	1.4
2025 Q4	0.4	0.9	1.7
2026 Q1	-2.5	2.2	4.7
2026 Q2	-5.6	2.4	6.1
2026 Q3	-6.3	3.2	6.2
2026 Q4	-5.4	3.5	6.1
2027 Q1	-1.9	3.9	4.8
2027 Q2	2.6	3.3	2.5
2027 Q3	4.5	2.9	2.0
2027 Q4	4.9	2.5	1.6

	Gross Fixed Capital Formation (MBH Bank Nyrt.)			Average gross wages in the private sector (MNB)		
	Unfavourable	Baseline	Favourable	Unfavourable	Baseline	Favourable
2025 Q3	-7.3	-5.3	-5.0	8.2	8.5	8.7
2025 Q4	-5.1	-3.5	1.1	8.2	8.5	8.7
2026 Q1	-8.0	-1.3	8.2	6.0	9.3	11.3
2026 Q2	-7.0	2.7	10.7	6.0	9.3	11.3
2026 Q3	-6.0	4.0	10.3	6.0	9.3	11.3
2026 Q4	-5.5	5.0	9.7	6.0	9.3	11.3
2027 Q1	-4.0	5.0	12.1	8.5	9.4	9.9
2027 Q2	0.7	5.2	7.6	8.5	9.4	9.9
2027 Q3	2.0	4.2	6.3	8.5	9.4	9.9
2027 Q4	3.1	3.3	5.7	8.5	9.4	9.9

	Unemployment rate (MBH Bank Nyrt.)			Inflation (MBH Bank Nyrt.)		
	Unfavourable	Baseline	Favourable	Unfavourable	Baseline	Favourable
2025 Q3	4.4	4.3	4.3	4.3	4.3	4.3
2025 Q4	4.4	4.4	4.4	4.7	4.3	4.3
2026 Q1	4.6	4.5	4.5	5.0	3.2	4.9
2026 Q2	4.8	4.4	4.4	7.0	3.6	5.0
2026 Q3	5.1	4.1	4.1	9.4	4.3	5.2
2026 Q4	5.3	4.0	4.0	9.2	4.5	5.3
2027 Q1	5.5	4.0	3.9	9.1	4.3	5.2
2027 Q2	5.2	4.0	3.8	8.5	4.5	5.0
2027 Q3	4.7	3.7	3.6	7.6	3.5	4.7
2027 Q4	4.3	3.5	3.5	6.8	3.1	2.5

The Company identified and documented the key credit risk and credit loss factors for each individual portfolio of financial instruments, and estimated the relationships between macro-economic variables and credit risk and credit losses by using analyses of historical data.

When assessing expected credit loss the following information relating to the future was used in the case of PD:

- Annual volume index of GDP
- Unemployment rate
- Inflation

When assessing expected credit loss the following information relating to the future was used in the case of LGD:

- Annual change in the price index of residential properties

When assessing expected credit loss the following information relating to the future was used in the case of LGD:

- Gross Fixed Capital Formation
- Average gross wages in the private sector
- Inflation
- Unemployment rate

MBH Bank Nyrt. currently does not have an EAD and LGD macro adjustment model, thus the Company – in line with MBH Bank Nyrt. – did not use adjustment factors for LGD and EAD parameters; however, it retained the macro model that uses the variables described above to maintain the opportunity for any future corrections.

Measurement of expected credit loss

The products of the Company are not credit line products so there are no undrawn lines where the expected ratio of the drawdown would have to be quantified. Consequently, there is no need to model a CCF (Credit Conversion Factor) parameter.

In the case of transactions in default, the value of the EAD equals the gross IFRS exposure.

When measuring expected credit loss on a collective basis, the classification into measurement group is based on the oldest outstanding arrears/portion of arrears.

The Company uses external benchmark information to measure the credit loss expected from cash and cash equivalents and the securities portfolio. External benchmark information represents a significant input into measurement of expected credit loss in the case of the following portfolios.

Table 34.1.7 - External benchmark information

(HUF million)	Exposure	External benchmark used	
		PD	LGD
Hungarian State, MNB	93,191	0.23%	40.00%
MBH	17,583	0.23%	11.25%
CIB	157	0.15%	56.00%

Consideration of economic impacts

During the review of the expected credit loss model for 2025, the Company took care to incorporate future risks (new macro weightings, persistence) into the expected credit loss model. Default rate data observed in 2024 indicated that PD PMA would no longer be required for 2025. By contrast, PDs forecast by this year's base model did not differ significantly from the cumulative PDs forecast by the 2024 base model. However, the observed default rates remained at a high level. Moreover, although inflation began to decline in 2024, its previously high readings continue to exert a prolonged effect by initially using customer savings to offset their reduced customer willingness to pay. The correlation has a negative impact on solvency and the marketability of real estate collateral with a lag of 1, 2 and 3 years. Given that this factor cannot be addressed in the model, PMA modifiers were temporarily introduced into the PD model until back-testing proves otherwise, or the observed default rates decline significantly. The Company consistently increased the PD curve values for the first three years by 50%, 35% and 20%, resulting in an expected credit loss increase of HUF 388 million. In addition, the PMA LGD factor also was revised. It was noticed that wage and housing price index values have increasingly diverged in recent periods, which may indicate a moderation of future demand. The introduction of the Otthon Start loans drove a significant increase in house prices, which also warrants caution. A similar loan package was launched in Poland, which boosted house prices in a similar fashion, but this upwards pressure stalled and corrected after demand subsided. Based on these metrics, the Company considers the continued application of LGD PMA to be good practice due to the risks of a future correction. The applied value is 15%, which increased the expected credit loss by HUF 520 million.

Fundamenta-Lakáskassza Zrt. still believes the extensive analysis conducted in 2023 on managing ESG impacts to be relevant. The changes in the examined parameters from 2023 to 2025 are considered negligible, so use of the multiplier determined in 2023 remains justified. The impact of the ESG multiplier on expected credit loss is allocated to the portfolio by the Company through LGD, totalling HUF 283 million.

Allowance for expected credit loss

The following table shows reconciliation from the opening to the closing balance of ECL allowance by class of financial instrument.

Table 34.1.8 - Movements in expected credit loss (Receivables from customers)

(HUF million)	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit-impaired (Stage 2)	Lifetime expected credit loss - credit-impaired (Stage 3)	Total
Expected credit loss on receivables from customers				
Balance at 31 December 2024	2,862	753	6,631	10,246
Reclassifications	1,623	2,493	-4,116	0
Increase due to origination	461	0	0	461
Further amounts recognised	170	537	5,116	5,823
Release	-3,432	-3,077	-1,040	-7,549
Decrease due to derecognition	-328	-96	-800	-1,224
Other changes	0	0	292	292
Sale of loans	0	0	-764	-764
Balance at 31 December 2025	1,356	610	5,319	7,285

(HUF million)	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit-impaired (Stage 2)	Lifetime expected credit loss - credit-impaired (Stage 3)	Total
Expected credit loss on receivables from customers				
Balance at 31 December 2023	2,825	666	5,610	9,101
Reclassifications	1,402	2,284	-3,686	0
Increase due to origination	385	0	0	385
Further amounts recognised	184	542	5,680	6,406
Release	-1,703	-2,666	-720	-5,089
Decrease due to derecognition	-231	-73	-548	-852
Other changes	0	0	295	295
Balance at 31 December 2024	2,862	753	6,631	10,246

Table 34.1.9 - Movements in gross value (Receivables from customers)

	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit- impaired (Stage 2)	Lifetime expected credit loss (Stage 3)	Total
Balance at 31 December 2023	471,705	43,449	11,175	526,329
<i>Increase due to origination and purchase</i>	68,754	0	0	68,754
<i>Other changes</i>	-35,512	-3,785	-355	-39,652
<i>Decrease due to derecognition</i>	-19,668	-4,003	-942	-24,613
<i>Transfer between Stages</i>	-14,872	11,139	3,733	0
<i>Write-off/forgiveness</i>	-1	0	-50	-51
Balance at 31 December 2024	470,406	46,800	13,561	530,767
<i>Increase due to origination and purchase</i>	72,867	0	0	72,867
<i>Other changes</i>	-45,686	-4,850	-260	-50,796
<i>Decrease due to derecognition</i>	-23,070	-4,892	-1,430	-29,392
<i>Transfer between Stages</i>	-9,032	8,874	158	0
<i>Write-off/forgiveness</i>	-1	0	-19	-20
<i>Change due to payment moratorium</i>	0	0	-966	-966
Balance at 31 December 2025	465,484	45,932	11,044	522,460

Table 34.1.10 - Movements in expected credit loss (additional financial assets and provisions for line of credit)

(HUF million)	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit- impaired (Stage 2)	Lifetime expected credit loss (Stage 3)	Total
Expected credit loss on securities that are debt instruments				
Balance at 31 December 2024	93	0	0	93
<i>Increase due to origination and purchase</i>	6	0	0	6
<i>Decrease due to derecognition</i>	-42	0	0	-42
Balance at 31 December 2025	57	0	0	57
Expected credit loss on other financial receivables				
Balance at 31 December 2024	0	20	33	53
<i>Increase due to origination</i>	0	5	0	5
<i>Movement due to change in credit risk (net)</i>	0	0	4	4
<i>Other changes</i>	0	-2	0	-2
<i>Decrease due to derecognition</i>	0	-5	-2	-7
Balance at 31 December 2025	0	18	35	53
Provision for credit losses				
Balance at 31 December 2024	52	0	2	54

<i>Increase due to origination</i>	486	0	0	486
<i>Decrease due to derecognition</i>	-495	0	-5	-500
<i>Transfer between Stages</i>	-3	0	3	0
Balance at 31 December 2025	40	0	0	40

(HUF million)	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit-impaired (Stage 2)	Lifetime expected credit loss (Stage 3)	Total
Expected credit loss on securities that are debt instruments				
Balance at 31 December 2023	68	0	0	68
<i>Increase due to origination and purchase</i>	63	0	0	63
<i>Movement due to change in credit risk (net)</i>	1	0	0	1
<i>Decrease due to derecognition</i>	-39	0	0	-39
Balance at 31 December 2024	93	0	0	93
Expected credit loss on other financial receivables				
Balance at 31 December 2023	0	16	23	39
<i>Increase due to origination</i>	0	4	0	4
<i>Movement due to change in credit risk (net)</i>	0	0	11	11
<i>Decrease due to derecognition</i>	0	-4	-1	-5
Balance at 31 December 2024	0	20	33	53
Provision for credit losses				
Balance at 31 December 2023	31	0	0	31
<i>Increase due to origination</i>	395	0	0	395
<i>Decrease due to derecognition</i>	-370	0	-2	-372
<i>Transfer between Stages</i>	-4	0	4	0
Balance at 31 December 2024	52	0	2	54

Table 34.1.11 - Movements in gross value (additional financial assets and lines of credit)

(HUF million)	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit-impaired (Stage 2)	Lifetime expected credit loss (Stage 3)	Total
Securities that are debt instruments				
Balance at 31 December 2024	105,784	0	0	105,784
<i>Increase due to origination and purchase</i>	12,768	0	0	12,768
<i>Other changes</i>	338	0	0	338
<i>Decrease due to derecognition</i>	-45,553	0	0	-45,553
<i>Transfer between Stages</i>	0	0	0	0
Balance at 31 December 2025	73,337	0	0	73,337

Other financial receivables				
Balance at 31 December 2024	341	337	40	718
<i>Increase due to origination and purchase</i>	0	421	0	421
<i>Other changes</i>	-7	-31	-1	-39
<i>Decrease due to derecognition</i>	0	-81	-1	-82
<i>Lease payments</i>	-89	0	0	-89
<i>Transfer between Stages</i>	0	-3	3	0
Balance at 31 December 2025	245	643	41	929
Line of credit				
Balance at 31 December 2024	7,098	0	198	7,296
<i>Increase due to origination and purchase</i>	63,054	0	0	63,054
<i>Decrease due to derecognition</i>	-65,090	-2	-431	-65,523
<i>Transfer between Stages</i>	-260	2	258	0
Balance at 31 December 2025	4,802	0	25	4,827

(HUF million)	12-month expected credit loss (Stage 1)	Lifetime expected credit loss - not credit- impaired (Stage 2)	Lifetime expected credit loss (Stage 3)	Total
Securities that are debt instruments				
Balance at 31 December 2023	74,029	0	0	74,029
<i>Increase due to origination and purchase</i>	72,829	0	0	72,829
<i>Other changes</i>	651	0	0	651
<i>Decrease due to derecognition</i>	-41,725	0	0	-41,725
Balance at 31 December 2024	105,784	0	0	105,784
Other financial receivables				
Balance at 31 December 2023	391	314	39	744
<i>Increase due to origination and purchase</i>	0	88	0	88
<i>Other changes</i>	38	17	0	55
<i>Decrease due to derecognition</i>	0	-76	-5	-81
<i>Lease payments</i>	-88	0	0	-88
<i>Transfer between Stages</i>	0	-6	6	0
Balance at 31 December 2024	341	337	40	718
Line of credit				
Balance at 31 December 2023	5,214	0	0	5,214
<i>Increase due to origination and purchase</i>	61,739	0	0	61,739
<i>Decrease due to derecognition</i>	-59,459	-3	-195	-59,657
<i>Transfer between Stages</i>	-396	3	393	0
Balance at 31 December 2024	7,098	0	198	7,296

Credit-impaired financial assets

See Note 6.3 on accounting policies.

In the Company's internal credit rating system, credit-impaired loans and advances are classified into Stage 3.

As at 31 December 2025 the Company had HUF 1 million financial assets that were written off during the period and that are still subject to enforcement activity (2024: HUF 47 million).

Modified financial assets

The following table provides information on financial assets that were modified while they had an ECL allowance measured at an amount equal to lifetime ECL:

Table 34.1.12 - Modified financial assets

(HUF million)	31.12.2025	31.12.2024
<i>Financial assets modified during the year</i>		
Amortised cost before modification	561	733
Net modification loss	1	-2

Table 34.1.13 - Modified financial assets

(HUF million)	31.12.2025	31.12.2024
	Gross carrying amount	Gross carrying amount
Loans cured following modification that have again a loss allowance measured at an amount equal to 12-month expected credit loss	3,704	3,163

HUF 3,502 million gross carrying amount was recognised at the end of the reporting year in connection with the loan moratorium (31 December 2024: HUF 3,034 million).

Restructured loans

In light of economic aspects and the principle of proportionality, the Company applies all methods and means that are generally expected and are supported by the legal environment in order to manage overdue receivables. In the case of the overdue exposures, the primary goal is to help restore the debtors' solvency. An important tool for achieving this goal is to restructure receivables, which can be done prior to rating an exposure as being in default and even in the case of exposures that are already non-performing.

Restructured loans are loans that had to be restructured due to a deterioration in the debtor's financial position, for which the concessions made by the Company ensured contractual terms and conditions for the debtor which are more favourable than those provided at initial recognition, and which the Company would not otherwise have provided. The Company recognises these loans under restructured loans until maturity, early repayment or until write-off.

Due to the customer's financial problems or the deterioration in its solvency, the original contract generating the receivable is modified at the request of the customer or the Company, and the original contractual conditions, in particular but not only the conditions relevant for the payment liability, became more favourable for the customer.

Changes to the original contractual conditions:

- modification regarding lower interest rate and/or instalment payment, forgiving;
- rescheduling, extension of term;
- release of collateral;
- all other contract modifications which have been defined by the Company in the relevant policy.

Cancellation of contracts

If the last warning prior to cancellation was unsuccessful and the debtor (or any other obligor) either did not respond or was not willing to cooperate, the loan contract becomes cancellable.

Possible reasons for cancellation:

- Non-payment;
- Other breaches of contract (Non-verification of housing purpose, collateral withdrawal, mortgage not registered);
- Enforcement initiated on collateral property;
- Joint cancellation of contracts associated based on customer group;
- Provision of false data during loan assessment (including entitlement to government grant) discovered after the granting of the loan.

If a debtor still does not cooperate and does not settle their debt, then legal proceedings to recover the receivable are launched, during which the collateral for the transaction is claimed as well. If the receivable is not recovered in full during the procedure, or partly becomes irrecoverable, the remainder is written off.

f) Concentrations of credit risk

The Company monitors concentrations of credit risk by sector and by geographic location. An analysis of concentrations of credit risk from loan receivables, loan commitments and securities is shown below:

Table 34.1.14 - Concentrations of credit risk

(HUF million)	Gross value of loan receivables	
	31.12.2025	31.12.2024
Concentration by sector		
Multi-occupancy buildings, Housing cooperatives	19,962	19,201
Mortgaged	8	9
Unsecured loans	19,954	19,192
Retail	502,134	511,224
Mortgaged	498,436	505,910
Unsecured loans	3,698	5,314
Total	522,096	530,425
Concentration by geographic location		
Bács-Kiskun	26,583	26,514
Baranya	10,881	11,319
Békés	10,232	10,461
Borsod-Abaúj-Zemplén	24,214	25,389
Budapest	97,764	100,078
Csongrád-Csanád	25,208	25,421
Fejér	29,923	30,361
Győr-Moson-Sopron	37,668	36,884
Hajdú-Bihar	26,865	26,660
Heves	11,579	11,875
Jász-Nagykun-Szolnok	18,444	18,407
Komárom-Esztergom	31,285	31,678
Nógrád	5,026	5,348
Pest	91,072	92,448
Somogy	7,123	7,633
Szabolcs-Szatmár-Bereg	19,309	19,803
Tolna	9,133	9,843
Vas	8,519	8,475
Veszprém	23,201	23,578
Zala	8,067	8,250
Total	522,096	530,425

(HUF million)	Loan commitments	
	31.12.2025	31.12.2024
Concentration by sector		
Multi-occupancy buildings, Housing cooperatives	325	356
Unsecured loans	325	356
Retail	4,502	6,940
Mortgaged	4,453	6,891
Unsecured loans	49	49
Total	4,827	7,296
Concentration by geographic location		
Bács-Kiskun	385	246
Baranya	80	145
Békés	159	143
Borsod-Abaúj-Zemplén	214	416
Budapest	913	1,572
Csongrád-Csanád	181	390
Fejér	272	255
Győr-Moson-Sopron	313	573
Hajdú-Bihar	305	496
Heves	131	165
Jász-Nagykun-Szolnok	187	306
Komárom-Esztergom	280	345
Nógrád	43	57
Pest	816	946
Somogy	57	95
Szabolcs-Szatmár-Bereg	93	232
Tolna	51	198
Vas	57	169
Veszprém	135	385
Zala	155	162
Total	4,827	7,296

Carrying amount as at 31 December 2025 of securities that are debt instruments totalled HUF 73,280 million (31 December 2024: HUF 105,691 million), which also includes bonds issued by mortgage banks in addition to securities issued by the state.

34.2. Liquidity risk

Liquidity risk is the current or expected risk affecting profitability and the capital situation that an institution will not be able to fulfil its due liabilities without significant losses.

a) Management of liquidity risk

The toolbox and rules for managing liquidity risk are included in the Company's liquidity policy. The internal regulations are based on the following basic pillars:

- The harmony between the business strategy and the liquidity strategy is ensured as the liquidity plan prepared for an appropriate period forms an integral part of the business plans.

- The liquidity management organisation is clearly regulated. In line with the appropriate recommendation of the central bank, the Management Board members of the Company supervise liquidity management processes in a committee (ALCO) as well as through regular reporting and the controls built into business processes.
- The time horizons, inputs and outputs of liquidity planning are regulated.
- We have processes developed to review the fulfilment of liquidity plans and the evaluation of plans/actual data.
- We have a model for forecasting cash flows related to the customer portfolio. We pay attention to measuring/back-testing the model's parameters and regularly review the planning parameters in a way that is embedded in our planning process.
- The organisational units impacting on liquidity and the affected IT systems are identified, the related information flow is regulated.

For liquidity management we have the right indicators, including the regulatory liquidity ratios (LCR- Liquidity Coverage Ratio, NSFR – Net Stable Funding Ratio) and other liquidity risk reports, as well as all the internal ratios which are related to the course of business due to regulatory requirements or any other special reasons (required liquidity level pertaining to remuneration policy, liquidity available within 30 days, liquidity buffers).

The Company has an internal policy for the management of emergency liquidity situations.

According to its valid business strategy, the Company is a specialised risk-averse credit institution. Ensuring continuous liquidity is an especially important element of the strategy targeting prudent credit institution operations in all aspects. For all this it is crucial that the Group particularly bears in mind the impact on liquidity of strategic decisions related to the core business activity.

In practice, this can be realised if modelling expected changes to liquidity always forms an integral part of the business plans built around the individual strategic ideas. Modelling is performed jointly by the Strategy Management (SM) Directorate and the Asset and Liability Management (ALM) Directorate of the Company.

The Company's Management Board supervises the liquidity management processes, evaluates liquidity risks at both strategic and tactical level (involving the Treasury Directorate into this latter), under normal and stressed circumstances and in light of both financing and market risks, relying on the reports prepared by the responsible professional units (particularly ALM and SM). This activity is performed in most detail in the framework of the Asset-Liability Committee (hereinafter referred to as: the "ALCO").

Apart from the report prepared for the ALCO meetings, the Management Board receives reports with even a greater frequency about the processes affecting liquidity (a weekly report received from the Treasury Directorate) which supports the responsible control function.

On a quarterly basis detailed information is provided to the Board of Directors and the Supervisory Board about the processes affecting liquidity.

Liquidity risk exposure

The main indicators applied for the management of liquidity risk include the nominal magnitude of liquidity accessible within 30 days and the liquidity ratio stressed on the side of customer payments, defined as follows:

Liquidity accessible within 30 days

Using the data in the liquidity plan broken down by month, the experiential distribution data and the factual information derived from the books, we prepare a liquidity plan every day that is available for 30 days. The sum of the free liquidity available by the end of the 30th day based on the planned course of business and the liquidity buffers must definitely reach the minimum level defined by the ALCO. Current value of the limit: HUF 15 billion.

Table 34.2.1 - Liquidity risk exposure - Liquidity accessible within 30 days

(HUF million)	31.12.2025	31.12.2024
At 1 January	103,632	114,535
At 31 December	89,596	103,632
Average in the period	96,600	109,754
Maximum in the period	109,337	118,536
Minimum in the period	84,577	103,632

Liquidity ratio stressed on the side of customer payments

(Principal and interest amount of money market deposits maturing within 30 days + collateral value of securities that can be accepted as collateral + principal and interest amount due within 30 days of securities that are excluded from securities accepted as collateral only because of the short remaining term) / Payments expected within 30 days. Payments expected within 30 days are calculated by excluding cash flows that arise due to liquidity neutral transactions (repo transactions with liquid securities and purchase of liquid securities).

Minimum required value: 150%

As of the reporting date and during the period, the indicators applied to manage liquidity risk were as follows:

Table 34.2.2 - Liquidity ratio stressed on the side of customer payments

(%)	31.12.2025	31.12.2024
At 1 January	719.41%	793.32%
At 31 December	585.97%	719.41%
Average in the period	597.07%	732.84%
Maximum in the period	920.40%	1,039.79%
Minimum in the period	423.65%	564.60%

b) Maturity analysis for financial assets and financial liabilities

During the reporting year, the Company revised the maturity classification of liabilities to customers in accordance with the methodology applied by its main parent company. As a result, cancelled deposits were classified in the shortest time category, state-subsidised contracts were classified based on the tariff-based notice period, and for other contracts, the maturity was determined by the expected payout date or the tariff-based savings period.

The following table sets out the remaining contractual cash flows of the Company's financial liabilities and financial assets :

Table 34.2.3 - Maturity analysis

(HUF million)	Carrying amount	Gross nominal inflow (+) and outflow (-)						31.12.2025
		Total	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	More than 5 years	
Type of financial liability								
Non-derivative financial liabilities								
Liabilities to credit institutions	27,766	-30,971	-14,002	-229	-1,066	-15,674	0	
Liabilities to customers	514,568	-676,985	-1,024	-7,502	-172,607	-246,977	-248,875	
Other financial liabilities	4,131	-4,319	-977	-197	-823	-2,322	0	
<i>of which: Lease liabilities</i>	3,232	-3,419	-91	-183	-823	-2,322	0	
Unrecognised loan commitments	4,827	-4,827	-4,827	0	0	0	0	
Total	551,292	-717,102	-20,830	-7,928	-174,496	-264,973	-248,875	
Type of financial asset								
Non-derivative financial assets								
Cash and cash equivalents	37,597	37,597	37,597	0	0	0	0	
Securities	73,280	84,119	0	876	18,403	55,218	9,622	
Receivables from customers	515,175	645,679	9,398	19,439	74,227	309,776	232,839	
Other financial receivables	876	943	8	21	107	807	0	
<i>of which: Lease receivables</i>	245	259	7	14	65	173	0	
Total	626,928	768,338	47,003	20,336	92,737	365,801	242,461	

To ensure comparability, the table below presents prior-year maturity analysis using the altered methodology:

(HUF million)	Carrying amount	31.12.2024 (using altered methodology)					
		Total	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	More than 5 years
Type of financial liability							
Non-derivative financial liabilities							
Liabilities to credit institutions	20,967	-20,301	-132	-251	-1,169	-18,749	0
Liabilities to customers	541,744	-664,681	-1,297	-7,036	-174,998	-279,863	-201,486
Other financial liabilities	5,180	-5,506	-988	-187	-843	-3,488	0
<i>of which: Lease liabilities</i>	4,286	-4,612	-94	-187	-843	-3,488	0
Unrecognised loan commitments	7,296	-7,296	-7,296	0	0	0	0
Total	575,187	-697,784	-9,713	-7,474	-177,010	-302,100	-201,486
Type of financial asset							
Non-derivative financial assets							
Cash and cash equivalents	12,888	12,888	12,888	0	0	0	0
Securities	105,691	119,179	0	513	38,965	69,056	10,645
Receivables from customers	520,521	639,419	6,794	19,375	67,755	270,169	275,326
Other financial receivables	665	745	9	20	104	612	0
<i>of which: Lease receivables</i>	341	368	8	15	69	276	0
Total	639,765	772,231	19,691	19,908	106,824	339,837	285,971

The values included in the tables above in the case of non-derivative financial liabilities and financial assets are the undiscounted cash flows, which include estimated interest payments, while in the case of off-balance sheet loan facilities, the values were assigned to the earliest possible contractual maturity. As part of the management of liquidity risk arising from financial liabilities, the Company holds liquid assets (cash and cash equivalents, debt instruments issued by sovereigns) which can be readily sold to meet liquidity requirements.

The following table shows the part of the carrying amount of non-derivative financial assets and liabilities which will be recovered or settled more than 12 months after the reporting date.

Table 34.2.4 - Instruments recovered/settled after more than 12 months

(HUF million)	31.12.2025	31.12.2024
Financial assets		
Securities	45,318	70,681
Receivables from customers	437,144	436,844
Other financial receivables	801	597
Financial liabilities		
Liabilities to credit institutions	13,953	15,308
Liabilities to customers	197,860	176,237
Other financial liabilities	2,235	3,300

c) Liquidity reserves

The following table sets out the components of the Company's liquidity reserves.

Table 34.2.5 - Liquidity reserves

(HUF million)	31.12.2025		31.12.2024	
	Carrying amount	Fair value	Carrying amount	Fair value
Balances at central banks	35,202	35,202	9,956	9,956
Cash and balances at other banks	2,395	2,395	2,932	2,932
Unencumbered debt securities issued by the state	57,926	56,443	99,426	96,669
Total liquidity reserves	95,523	94,040	112,314	109,557

d) Assets offered as collateral and available to support future funding

In the reporting period the Company had refinancing transactions. In the transactions it transferred financial assets in a way that the transactions did not meet the derecognition criteria. The tools for obtaining future funding can be divided into two main groups:

- Assets eligible as collateral at the central bank for credit operations: For the Company at the end of 2025 these assets were mortgage bonds and government bonds issued by the Hungarian State.
- Mortgage loans eligible for mortgage-based refinancing – with the corresponding real estate as collateral – for which a separate lien is registered for the Company: Based on the framework agreement signed on 1 April 2022, this group of assets is eligible for long-term borrowing. For this very reason, the asset group is analysed based on the rules laid down in the Mortgage Act and the related framework agreement. Subject to ALCO approval, for those – and only those – transactions and related collateral where Lakás-takarékpénztár is satisfied as to their eligibility as collateral, it uses appropriate flags in its account management system to be able to track their use as such in principle. Based on the information available as of the reporting date, the

value of the eligible transactions well exceeds the amount of the refinancing facility available for Lakás-takarékpénztár, which satisfies its business needs.

As of the reporting date, the Company had the following encumbrances regarding its securities:

Table 34.2.6 - Financial assets pledged as collateral

(HUF million)	31.12.2025		
	Blocked	Blocked, encumbered	Blocked, not encumbered
Nominal value	50	11	39
Net carrying amount	49	11	38

As at 31 December 2025 the Company had four open repo transactions with an encumbered mortgage bond with a nominal value of HUF 15,100 million and carrying amount of HUF 15,344 million recorded as collateral.

In relation to mortgage refinancing with an outstanding principal amount of HUF 13,900 million as of 31 December 2025, 962 mortgage loan transactions with an outstanding principal amount of HUF 14,272 million along with the related collateral real estate were recorded as collateralised.

34.3. Market risk

Market risk is the risk that the change in market prices such as interest rates, equity prices, foreign exchange rates and credit spreads (not related to changes in the obligor's/issuer's credit standing) will affect the Company's profit or loss and the value of the financial instruments included in its financial statements. The objective of the Company's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Company's solvency while optimising the return on risk.

Management of market risks

The Company does not have any trading book items.

The Company aims to apply a prudent investment policy. In line with the legal requirements, it primarily invests its assets in government securities and mortgage bonds. These are recognised in the banking book and managed according to the business model recorded in the accounting policies. The re-pricing interest risk affects the Company to a limited extent since it sells its deposits and loans with an interest rate fixed for the term, so the risk related to changes in the interest rate directly affects the securities investments. The base risk, yield curve risk and option risk do not materialise because of the special regulated nature of the Company and due to its product portfolio.

Foreign currency risk can arise in connection with FX trade liabilities. These liabilities can generally be planned well in advance. The Company's practice is that in the case of a favourable exchange rate, it buys the necessary foreign currency in advance and fixes it until maturity.

Exposure to market risks

The Company's banking book items may be exposed to interest rate risk and foreign currency risk.

The following table presents the carrying amount of the Company's banking book items by interest rate type:

Table 34.3.1 - Exposure to interest rate risk

(HUF million)	31.12.2025			31.12.2024		
	Fixed rate	Floating rate	Non-interest-bearing	Fixed rate	Floating rate	Non-interest-bearing
Cash and cash equivalents	37,597	0	0	12,888	0	0
Receivables from customers	515,175	0	0	520,521	0	0
Securities	73,280	0	0	105,691	0	0
Other financial receivables	245	0	631	341	0	324
Total financial assets	626,297	0	631	639,441	0	324
Liabilities to credit institutions	27,766	0	0	20,967	0	0
Liabilities to customers	514,568	0	0	541,744	0	0
Other financial liabilities	3,232	0	899	4,286	0	894
Total financial liabilities	545,566	0	899	566,997	0	894

It is clear from the table above that the Company's exposure to interest rate risk is not significant.

The following table shows the carrying amount of the Company's banking book items by currency:

Table 34.3.2 - Exposure to currency risk

(HUF million)	31.12.2025				31.12.2024			
	EUR	HUF	USD	Total	EUR	HUF	USD	Total
Financial assets subject to foreign currency risk								
Cash and cash equivalents	2,086	35,420	91	37,597	2,826	10,022	40	12,888
Receivables from customers	0	515,175	0	515,175	0	520,521	0	520,521
Securities	0	73,280	0	73,280	0	105,691	0	105,691
Other financial receivables	531	345	0	876	652	13	0	665
Total	2,617	624,220	91	626,928	3,478	636,247	40	639,765
Financial liabilities subject to foreign currency risk								
Liabilities to credit institutions	0	27,766	0	27,766	0	20,967	0	20,967
Liabilities to customers	0	514,568	0	514,568	0	541,744	0	541,744
Other financial liabilities	2,622	1,509	0	4,131	3,560	1,620	0	5,180
Total	2,622	543,843	0	546,465	3,560	564,331	0	567,891
Net exposure to foreign currency risk	-5	80,377	91	80,463	-82	71,916	40	71,874

The FX item under other financial liabilities primarily comprises liabilities related to leases.

In the period covered by these financial statements the following significant exchange rates prevailed (expressed in HUF):

Table 34.3.3 – Exchange rates

Currency	Average exchange rate		Spot exchange rate at the reporting date	
	2025	2024	31.12.2025	31.12.2024
1 EUR =	397.91	395.20	385.40	410.09
1 USD =	353.20	365.24	328.42	393.60

The Company's exposure to foreign currency risk was not significant in FY 2025.

34.4. Operational risk

Operating risk is the risk of loss from inadequate internal processes and systems, inadequate performance of duties by people, or external events,

which includes, among other things, legal risk, model risk and information and communication technology (ICT) risk, but does not include strategic and reputation risk. The Company manages operational risks according to the standardised (SMA) approach. Operating risk management activity is managed by the Risk controlling group.

Primary methods for operational risk management: continuous collection of loss data, monitoring of key risk indicators, loss analysis, making action recommendations to prevent losses and mitigate losses occurred, regular and one-off reporting service.

Strategic goals of the operational risk management:

- improving the risk culture and risk sensitivity of the managers and staff,
- identifying the risks of the transaction arrangement processes and taking steps to avert them,
- preparing for minimising a potential loss,
- establishing the amount of damage derived from operations as precisely as possible and predicting this for the future.

The organisational structure of the Company ensures the continuous and regulated cooperation in the long run of all organisational units participating in managing and controlling operational risks. All of the Company's organisational units, departments and groups have operational risks, thus these can affect all staff and every individual employee can contribute to avoiding operational risks.

All employees of the Company have a duty to contribute (particularly through the quick and thorough reporting of loss events) to the identification, measurement and management of operational risks.

Together with the Risk Controlling team, the managers must assign suitably qualified staff members responsible for operational risks (such staff known by the Hungarian abbreviation "MKF") at their individual organisational units. With questions regarding operational risks and risk management, the employees of the given organisational unit can contact to the MKF directly. This way the MKF perform the tasks related to local operational risk controlling too.

Senior staff (directors, heads of department, team managers) are responsible for managing operational risks within their organisational unit based on the provisions generally applicable for the team.

The Risk Controlling team is the Company's central body for managing and controlling operational risks. Its main tasks and responsibilities are as follows:

- It prepares the reports on operational risks and sends them to the recipients by the given deadlines.
- It acts as the central contact point and professional advisor for the Company's organisational units in issues affecting operational risks.
- If governance limits and restrictions are breached, it initiates measures (in consultation with the Risk Board).
- It commands the necessary initiative, methodological and system competence and is responsible for the controlling of operational risks accordingly.
- In accordance with the central and local division of tasks, it is responsible for the controlling process of operational risks.
- It is responsible for the aggregate recording, documentation and rating of operational risks.
- It is responsible for carrying out educational tasks related to operational risks, as well as for providing professional direction to MKFs.
- It is responsible for the management of Oprisk Manager rights, and in connection with this, for keeping up-to-date records.
- In collaboration with the HR department, it is responsible for ensuring that the appendix supplementing the job description of the newly appointed MKFs is signed.

The Company's Management Board defines the basic conditions for the management of operational risks. At the highest level it is the Management Board that is responsible for the basic and appropriate management of operational risks affecting the group, it has the following tasks and responsibilities:

- Acceptance of operational risk policies and the methods and procedures proposed for the management and controlling of measures related to operational risks.
- If necessary, approval of the measures proposed to manage the obvious operational risks.
- Ensuring the conditions necessary to comply with the policies and review them regularly, including the design of a suitable organisation and the compilation of a cost budget necessary to implement it.

The above tasks and responsibilities are fulfilled by the Management Board based on the reports (including any extraordinary reports) on operational risks made available by Risk Controlling team on a regular basis. As part of the regular reports, the Management Board receives information on the development and status of the management processes applied for operational risks.

As for the identification, rating and measuring of operational risks, a risk classification is needed that differentiates between the individual operational risks based on various aspects, and also separates them. For this the Company applies the exposure classes defined in the CRR and the Basel directives, as well as MNB guidelines.

According to the requirements of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (hereinafter referred to as: the "CRR"), credit institutions shall ensure sufficient capital to cover the risks derived from their operation. They can choose from several approaches to calculate the capital to be provided based on the complexity and riskiness of the given institution's operation and other aspects. Such "other" aspects include, for example, whether the requirements have to be met as

an institution that is independent from a regulatory point of view or as part of a group of institutions subject to consolidated supervision.

The Company, as a subsidiary of MBH Bank Nyrt., is subject to consolidated supervision.

As of 27 March 2024 MBH Bank Nyrt. acquired a qualifying holding in the Company and as a result, the Company became included in the prudential consolidation scope of MBH Bank. At MBH Bank Nyrt. at consolidated level and at Fundamenta-Lakáskassza Zrt. at sub-consolidated level, effective from 1 January 2025 the Standardized Measurement Approach (SMA) was uniformly implemented to calculate the operational risk capital requirement as a result of amendments to legislation due to CRR3. Fundamenta-Lakáskassza Zrt. applies the simplified approach for company-level calculations.

35. Capital management

The main goal of the Company's capital management is to ensure prudent operations, fully comply with the regulatory capital adequacy requirements in order to pursue the given activity smoothly whilst maximising shareholder value and optimising the funding structure.

The Company's capital management covers the evaluation and management of own funds and capital-type financing available for covering risks, and all material risks to be covered by capital. The Company's capital management is based on the continuous monitoring of the capital situation in the short run, and on the business and strategic planning process in the long run, during which the Company's expected capital position is measured and forecast.

Essentially, the Company ensures an adequate capital level for the planned underwriting and to align with the regulatory requirements by developing and maintaining its profitability. If the Company's planned underwriting activity exceeds the capital coverage provided by own funds and the previously added Tier 2 items, the Company ensures prudent operations via one-off measures.

In its plans, the Company assumes a moderate dividend policy alongside stable profitability, owing to which the significant increase in equity facilitates compliance with the statutory capital requirements as well as with those calculated based on the internal capital calculation.

Following its inclusion in the prudential consolidation scope of MBH Bank Nyrt., the Company calculates its regulatory capital and RWA and ensures fulfilment of legal requirements related to capital adequacy at company-level (both regulatory capital and MREL). The Group leader MBH Bank Nyrt. monitors the regulatory capital and RWA calculations of the Company. The calculation of capital adequacy at consolidated level of the MBH Bank Prudential Group is the responsibility of MBH Bank Nyrt. MBH Bank Nyrt. requires the Company to provide data in order to enable the Bank to make the calculations necessary for capital adequacy at consolidated level as well as to check and enforce continuous compliance with capital adequacy requirements. The related necessary Pillar 2 capital adequacy calculations are mainly performed by the MBH Bank Nyrt. based on data provided by the Company, and in part by the Company.

The regulatory capital of the Company comprises only core capital (TIER 1).

According to Basel III requirements, the Company's regulatory capital breaks down as follows:

Table 35.1 - Capital management table

(HUF million)	31.12.2025	31.12.2024
Tier 1 - Core capital /CET1/		
Share capital	2,001	2,001
Capital reserve	2,100	2,100
(-) Indirect interests in own CET1 equity instruments	-57	-57
Retained earnings	71,065	64,809
Other reserve	9,259	8,564
Deductions	-11,914	-11,559
<i>of which: Intangible assets</i>	-11,911	-11,541
<i>of which: Insufficient collateral of non-performing exposures</i>	-3	-18
Total regulatory capital	72,454	65,858

36. Fair value measurement

The Company has no financial instruments measured at fair value.

36.1. Fair value models

The Group measures fair values using the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

- Level 1: quoted market prices (unadjusted) for identical assets and liabilities on active markets.
- Level 2: based on input information other than those included within Level 1, that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices) in connection with the given asset or liability. This category includes instruments valued using: quoted market prices on active markets for similar instruments; quoted market prices for identical or similar instruments on markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable.
- Level 3: inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the value of the instrument. This category includes instruments that are valued based on quoted market prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The Company's objective is to maximise the use of observable (Levels 1 and 2) and minimise the use of unobservable (Level 3) inputs when measuring the fair value of the individual assets and liabilities.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

36.2. Valuation framework

In order to measure fair value reliably, from its financial instruments measured at amortised cost, the Company applies the discounted cash flow method to its receivables from clients, liabilities to banks and its customer deposits. Cash and cash equivalents include items that are immediately accessible, so their fair value equals the carrying amount.

The input information of the measurement techniques applied to measure the fair value of receivables from and liabilities to customers includes the following assumptions:

- for receivables from customers, the discount rates used for the discounting equal the sum of the risk-free interest rate and risk premium in the given foreign currency, valid for the given period,
- for liabilities to customers, the discount rates used for the discounting are the home savings market interest rates for the given year,
- the fair value of sight deposits cannot be lower than their carrying amount.

In the case of asset and liability groups not measured at fair value in the statement of financial position, the Company applies an income approach when measuring fair values, transforming future cash flows into one current value.

Fair value of securities

The fair value of securities is measured based on the closing bid price quoted on the active market, applicable on the reporting date. For lack of this, the Group makes an estimate using directly or indirectly observable input data in order to measure fair values.

The Company uses the following information for fair value measurements:

- Stock exchange price,
- Government securities market quotes published by the ÁKK (Government Debt Management Agency),
- Current market yield premium in excess of the risk-free yield (government security with a similar term),
- Reference yields.

Fair value is measured as follows:

- Discounted Treasury bills: the exchange rate pertaining to the Government Debt Management Agency's (ÁKK) best purchase yield, calculated as of the reporting date.
- Treasury bills with a term shorter than 3 months: the exchange rate pertaining to the best purchase yield of the Treasury bill with the shortest maturity included in the ÁKK's quotation, calculated as of the reporting date.
- Government bonds: ÁKK's best buying rate as of the reporting date.
- Government bonds with a term shorter than 3 months: the exchange rate pertaining to the purchase yield of the government bond with the shortest maturity included in the ÁKK's quotation, calculated as of the reporting date.
- Discount MNB bonds: the exchange rate pertaining to the best purchase yield of the Treasury bill with the shortest maturity included in the ÁKK's quotation, calculated as of the reporting date.

In the case of other bond assets not mentioned above it has to be examined whether there is an objective, transparent price source (stock market, OTC quotation operating in a regulated

form). If yes, these price sources can be applied when measuring fair value, otherwise the Company applies the discounted cash flow method.

Fair value of bank deposits and interbank lending, trade receivables and other financial assets from non-derivative transactions

Bank deposits and interbank lending, trade receivables and other financial receivables typically have short-term maturity, thus the fair value of these financial assets measured for disclosure purposes equals the carrying amount.

Fair value of receivables from customers

The Company applies the discounted cash flow method when measuring the fair value of customer loans.

The Company uses the following techniques to measure fair value for fixed rate loans granted to customers:

- Bridging loans: For the portfolio of bridging loans, the expected cash flows on the existing contractual portfolio are calculated, which include future cash flows arising in connection with interest payments due in the bridging loan phase and the principal repayment in one amount at the end of the term, assuming that the cash flows will be received by the end of the bridging loan phase as set forth in the contract. The future cash flow arrived at is discounted back using the market interest rate prevailing at the end of the year.
- Housing loans: housing loans are repaid on an annuity basis so there are both interest rate payments and principal repayments. For the portfolio of housing loans, the expected cash flows on the existing contractual portfolio are calculated, which include future cash flows arising in connection with interest payments and principal repayments due in the housing loan phase, assuming that the cash flows will be received by the end of the housing loan phase as set forth in the contract. The future cash flow arrived at is discounted back using the market interest rate prevailing at the end of the year.

Fair value of liabilities to customers

The Company applies the discounted cash flow method when measuring the fair value of liabilities to customers.

Expected cash flows are determined for the deposit portfolio on a monthly basis, taking customer bonuses payable because of customer campaigns also into account. Future cash flows determined this way include contractual cash flows assuming the following:

- the customer will make payments as set forth in the contract over the term specified in the tariff;
- the Company does not reckon on payments to and from the deposit that deviate from the customer behaviour expected according to the contract;
- the amount of customer bonuses is considered in the determination of the deposit cash flow with a probability that equals the probability based on backtesting of the customer being expected to become entitled to receive customer bonus at the end of the savings period specified in the tariff.

The Company uses home savings market interest rates as the discount factor to calculate discounted cash flows. This discount factor is the weighted average of:

- transaction interest rate of new home savings contracts as per the tariff,
- the interest rate annualised using the amount of bonus due under the customer campaign and the account-opening fee and the account-management fee.

Fair value of trade liabilities, other financial liabilities from non-derivative transactions

Trade liabilities and other financial liabilities typically have short-term maturity, thus the fair value of these financial liabilities measured for disclosure purposes equals the carrying amount.

36.3. Financial instruments not measured at fair value

The following table summarises the fair values of financial instruments not measured at fair value according to the level of the fair value hierarchy into which they would have been put based on the inputs underlying the measurement:

Table 36.3.1 - Financial instruments not measured at fair value

(HUF million)					31.12.2025	
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount	
Assets						
Cash and cash equivalents	0	37,597	0	37,597	37,597	
Securities	71,894	0	0	71,894	73,280	
Receivables from customers	0	0	489,565	489,565	515,175	
Other financial receivables	0	0	876	876	876	
Liabilities						
Liabilities to credit institutions	0	28,783	0	28,783	27,766	
Liabilities to customers	0	0	469,565	469,565	514,568	
Other financial liabilities	0	0	4,131	4,131	4,131	
(HUF million)					31.12.2024	
	Level 1	Level 2	Level 3	Total fair values	Total carrying amount	
Assets						
Cash and cash equivalents	0	12,888	0	12,888	12,888	
Securities	102,956	0	0	102,956	105,691	
Receivables from customers	0	0	495,402	495,402	520,521	
Other financial receivables	0	0	665	665	665	
Liabilities						
Liabilities to credit institutions	0	22,221	0	22,221	20,967	
Liabilities to customers	0	0	513,189	513,189	541,744	
Other financial liabilities	0	0	5,180	5,180	5,180	

37. Disclosures required by the provisions of the Act on Accounting

Disclosures relating to mandatory audit

The Company's financial statements must be audited.

Information on the auditor: PricewaterhouseCoopers Könyvvizsgáló Kft. (1055 Budapest, Bajcsy-Zsilinszky út 78.)

Natural person auditor: Enikő Könczöl (Chamber registration number: 007367).

Fees charged by the audit firm in the reporting year:

- Annual audit based on contract: HUF 48.3 million + VAT
- Audit of quarterly reports: HUF 21.7 million + VAT
- Non-audit services: HUF 2.5 million + VAT

The auditor has no loan liabilities to the Company.

Person responsible for bookkeeping services

Person responsible for managing and directing bookkeeping-related tasks:

Ádám Dániel (Registration no.: 213229; field of expertise: business, IFRS).

Registered office of the Company

Registered office of the Company: 1123 Budapest, Alkotás utca 55-61.

Equity correlation table

The following equity correlation table, which complies with the requirements of Section 114/B of the Act on Accounting, shows the reconciliation of equity components as per Section 114/B of the Act on Accounting and the components of equity as per the financial statements (EU IFRSs). The reconciliation comprises the allocation of the EU IFRS equity components to the equity components under the Act on Accounting, as well as the derivation of the differences between the equities defined in two ways.

Table 37.1 - Equity correlation table

(HUF million)	Components of equity as per the Act on Accounting - 31 December 2025							Total
	Share capital as per EU IFRSs	Subscribed, but unpaid capital (-)	Capital reserve	Retained earnings	Profit after tax	Valuation reserve	Allocated reserve	
Share capital	2,001	0	0	0	0	0	0	2,001
Capital reserve	0	0	2,100	0	0	0	0	2,100
Retained earnings	0	0	0	64,976	0	0	0	64,976
Settlement reserve	0	0	0	8,748	0	0	0	8,748
General reserve	0	0	0	0	0	0	9,259	9,259
Profit for the year	0	0	0	0	6,951	0	0	6,951
Equity as per EU IFRSs allocated to components of equity as per the Act on Accounting	2,001	0	2,100	73,724	6,951	0	9,259	94,035
Equity as per the Act on Accounting	2,001	0	2,100	73,724	6,951	0	9,259	94,035

Components of equity as per the Act on Accounting - 31 December 2024								
(HUF million)	Share capital as per EU IFRSs	Subscribed, but unpaid capital (-)	Capital reserve	Retained earnings	Profit after tax	Valuation reserve	Allocated reserve	Total
Share capital	2,001	0	0	0	0	0	0	2,001
Capital reserve	0	0	2,100	0	0	0	0	2,100
Retained earnings	0	0	0	60,924	0	0	0	60,924
Settlement reserve	0	0	0	8,748	0	0	0	8,748
General reserve	0	0	0	0	0	0	8,564	8,564
Profit for the year	0	0	0	0	4,747	0	0	4,747
Equity as per EU IFRSs allocated to components of equity as per the Act on Accounting	2,001	0	2,100	69,672	4,747	0	8,564	87,084
Equity as per the Act on Accounting	2,001	0	2,100	69,672	4,747	0	8,564	87,084

The amount of share capital as per EU IFRSs shown for 31 December 2025 and 31 December 2024 in the table above equals the amount of capital registered by the court of registration.

The following table presents free retained earnings available for dividend payment:

Table 37.2 - Calculation of funds available for dividend payment

(HUF million)	31.12.2025	31.12.2024
Retained earnings	64,976	60,924
Profit for the year	6,951	4,747
Funds available for dividend payment	71,927	65,671

Budapest, 25 March 2026

László Morafcsik

Chief Executive Officer

Péter Vizkelety

Managing Director