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Press Conference | 02 June 2026

FINANCIAL STABILITY REPORT, JUNE 2026

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I. The Hungarian banking system remains stable

II. Subsidised loans shape the credit market both qualitatively and quantitatively

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THE STABILITY INDICATORS OF THE DOMESTIC BANKING SYSTEM ARE STILL FAVORABLE

STABILITY INDICATORS OF THE BANKING SYSTEM

Financial Stability Indicators	2008	2019	2025
Liquid assets / total assets	10.0%	28.2%	29.9%
Loan-to-deposit ratio	152.0%	75.5%	76.1%
Foreign funds / total liabilites	33.9%	12.7%	9.7%
Capital adequacy ratio	12.9%	18.0%	20.1%
Share of loans over 90 days past due	4.6%	2.1%	1.0%
Return on Equity	11.3%	11.6%	18.9%
Annual house price growth rate	0.2%	18.1%	23.5%
Estimated overvaluation of housing market	7.9%	-1.8%	22.5%
Household loans outstanding - annual growth rate	19.1%	16.7%	14.7%
Corporate loans outstanding - annual growth rate	6.5%	14.5%	7.3%

Source |MNB

CHALLENGING FINANCIAL AND CAPITAL MARKET ENVIRONMENT, UNCERTAIN OUTLOOK

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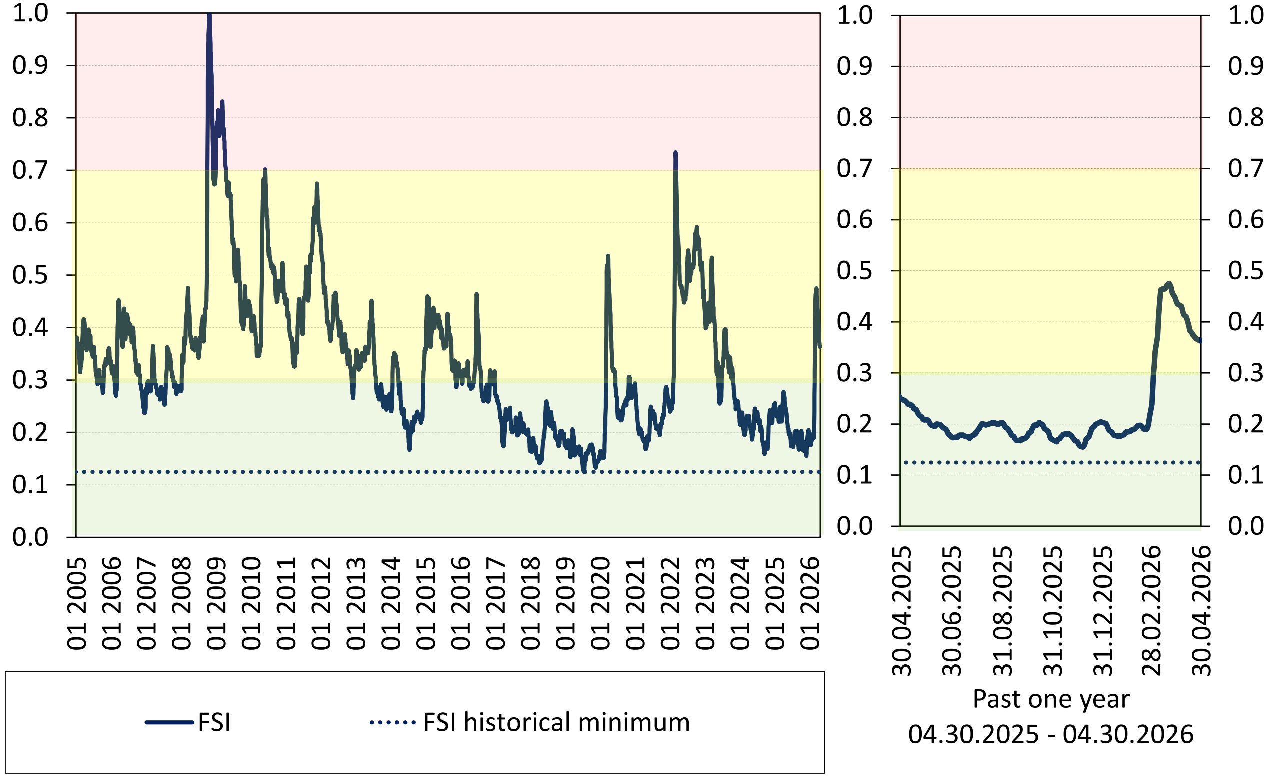
EVOLUTION OF THE FACTOR-BASED STRESS INDEX (FSI) IN HUNGARY



Developments in the war in the Middle East caused a spike in the stress level of the Hungarian financial system not seen in nearly three years. This rise was primarily driven by stress in the foreign exchange and equity markets as well as developments in government bond market yields, to a lesser extent.

Note | FSI values calculated on the basis of estimated factors for 2005-2026.
Source | based on Szendrei, T. – Varga, K. (2017); MNB

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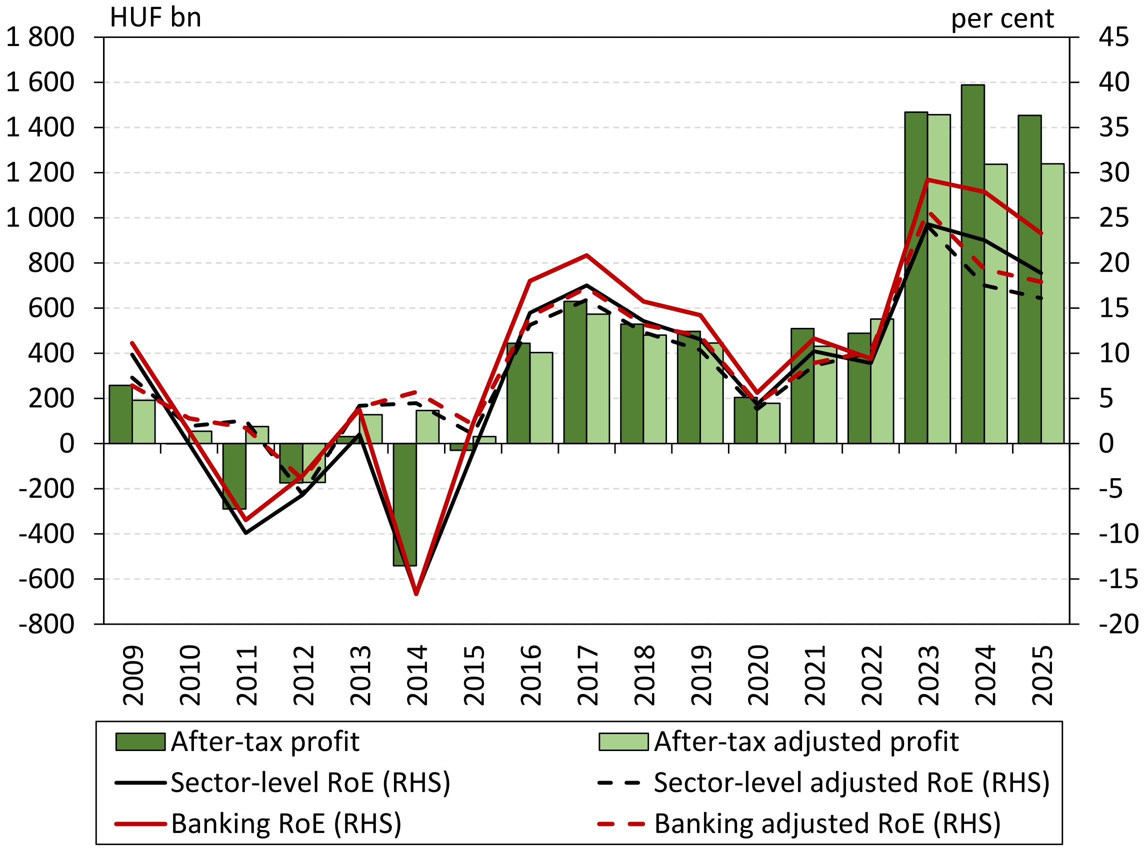
PROFITABILITY OF CREDIT INSTITUTION SECTOR REMAINS HIGH

NOMINAL AFTER-TAX PROFIT AND RETURN ON EQUITY (ROE) OF THE CREDIT INSTITUTION SECTOR



The sector continues to be characterized by high profitability. The sector achieved a return on equity of 18.9 per cent in 2025. The profit adjusted for one-off and volatile items (dividend income, windfall tax) was 16.1 per cent.

The profitability of traditional commercial banks (excluding branches and state-owned banks) exceeds the overall sector average.

Note | Based on non-consolidated data. In the case of adjusted indicators, filtered-out volatile and one-off items: dividend income; bank levy (special tax on financial institutions and windfall tax); one-off revaluation related to the merger of subsidiary banks, exchange rate cap, early repayment, settlement. Bank RoE: banking system excluding branches and state-owned banks. RoE is calculated on an after-tax profit basis, with an average 12-month equity excluding current year profit. Source | MNB

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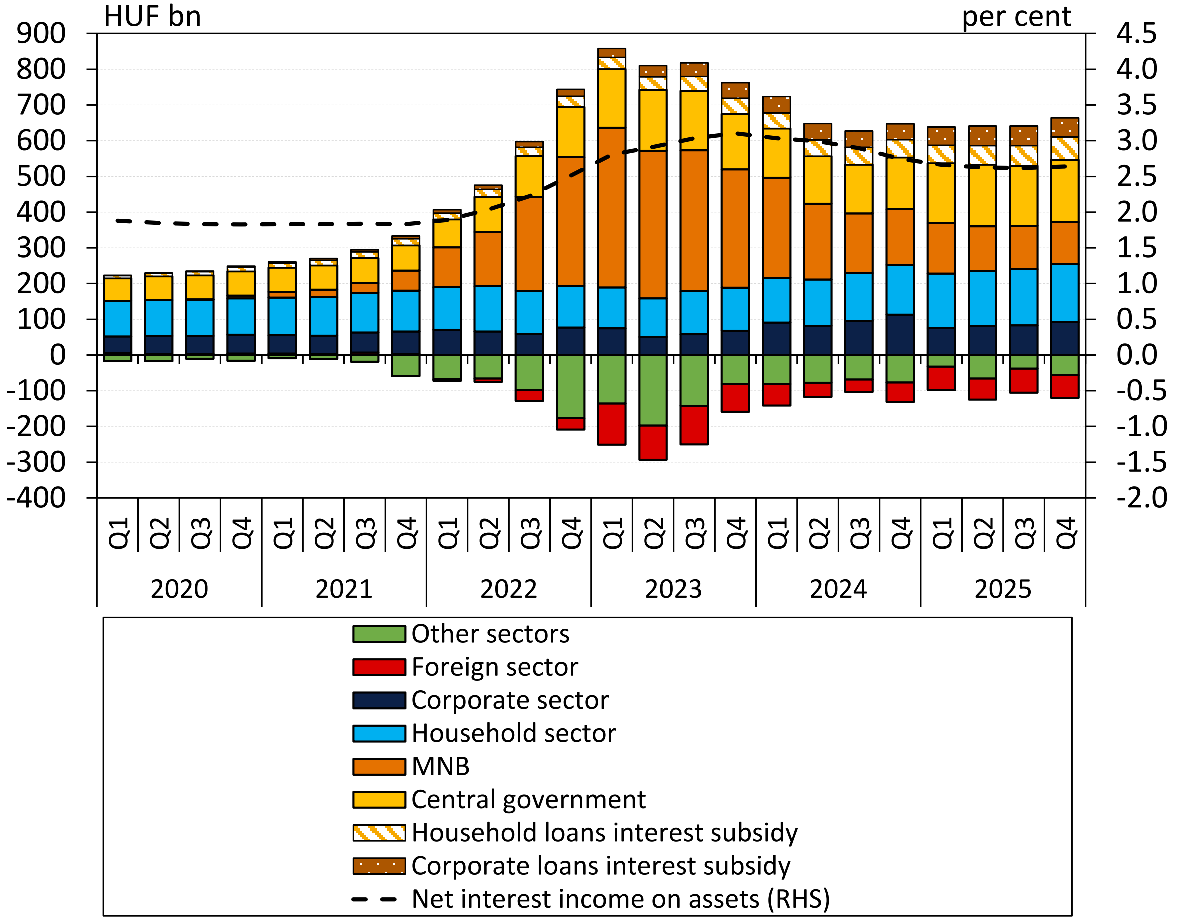
AN INCREASING SHARE OF BANKS' NET INTEREST INCOME ORIGINATES FROM THE CENTRAL BUDGET

NET INTEREST INCOME OF THE BANKING SYSTEM AS A RATIO OF TOTAL ASSETS AND SECTORAL BREAKDOWN



Banks' total interest income amounted to HUF 2,137 billion in 2025, continuing to play a decisive role in the development of after-tax profit.

The banking sector generated net interest income of HUF 682 billion from the central government, while interest subsidies on household and corporate loans resulted an estimated HUF 440 billion amount in interest income.

Note | Based on non-consolidated data. Quarterly data. Other sectors: money market funds, investment funds, insurance companies, municipalities and other financial intermediaries. The interest income as a ratio of total assets is a 12-month rolling indicator. Source | MNB

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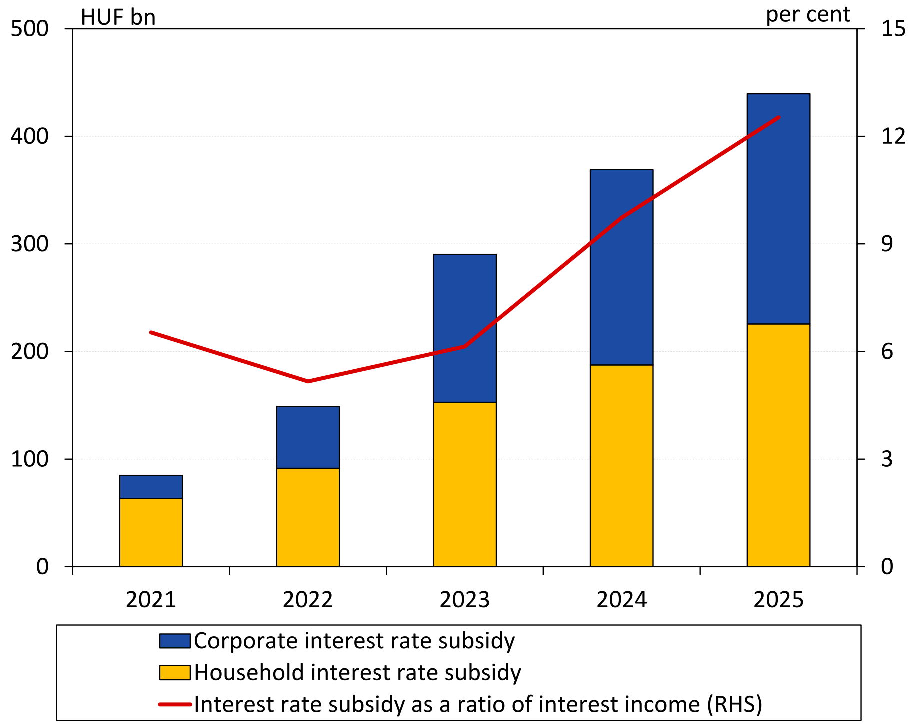
SUBSIDIZED LOANS CONTRIBUTED SIGNIFICANTLY TO INTEREST INCOME…

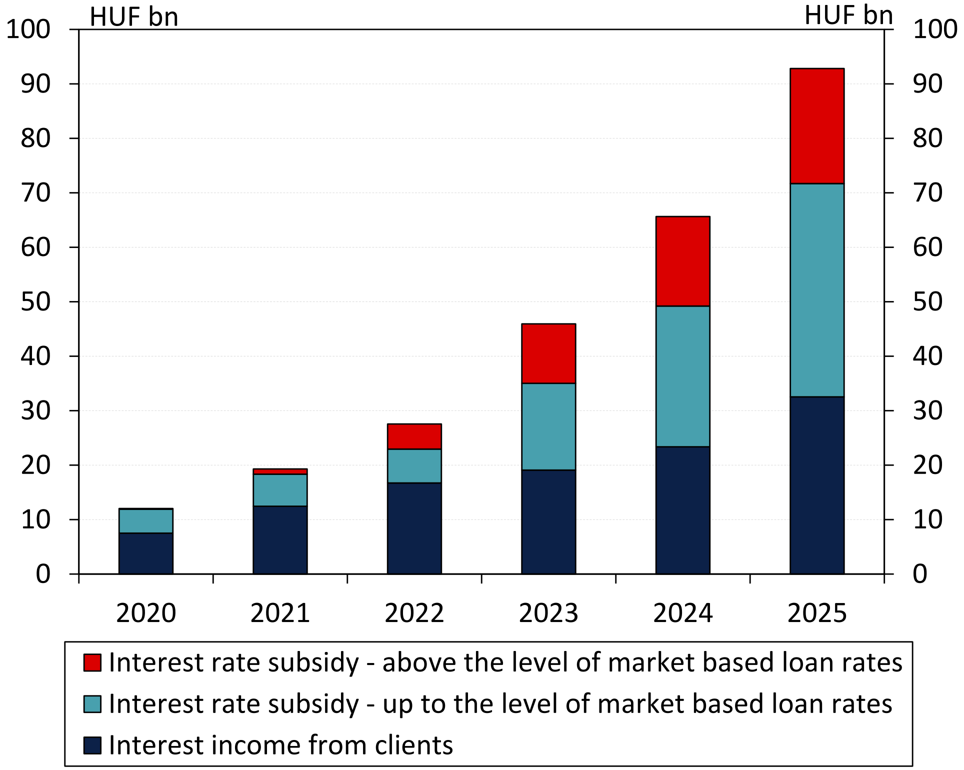
…partly due to the pricing of subsidized loans that differs from the market-based loans

YEARLY EVOLUTION OF INTEREST RATE SUBSIDY IN NOMINAL TERMS AND AS A RATIO OF INTEREST INCOME



Note | Interest income does not include income effect of derivatives and swaps between the MNB and credit institutions. Source | MNB

COMPOSITION OF BANK INTEREST INCOME ON CERTAIN SUBSIDISED HOUSEHOLD LOANS



Note | HPS, HPS Plus, Home Start loans. Only loans disbursed after 2016. Source | MNB

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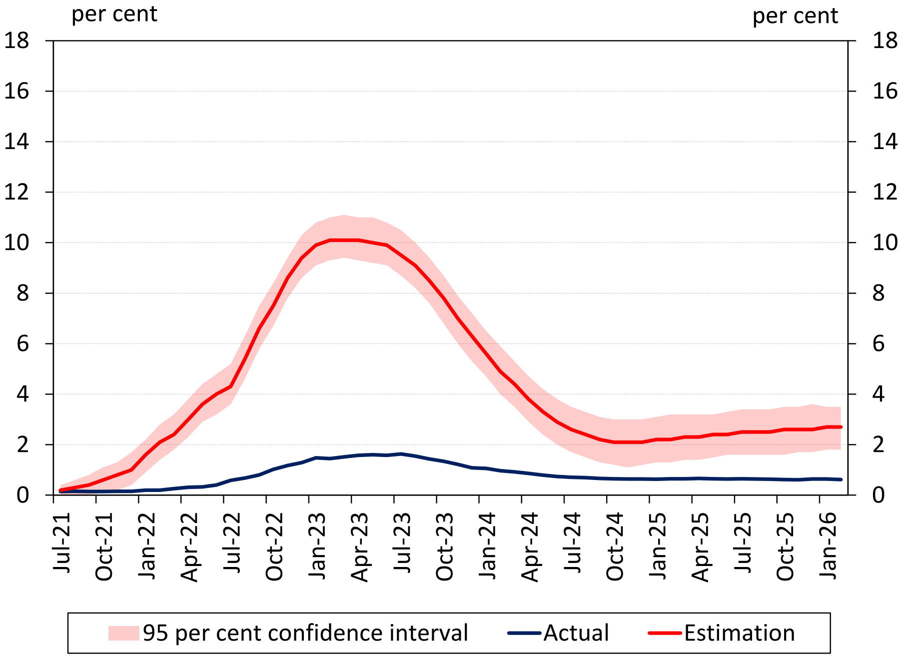
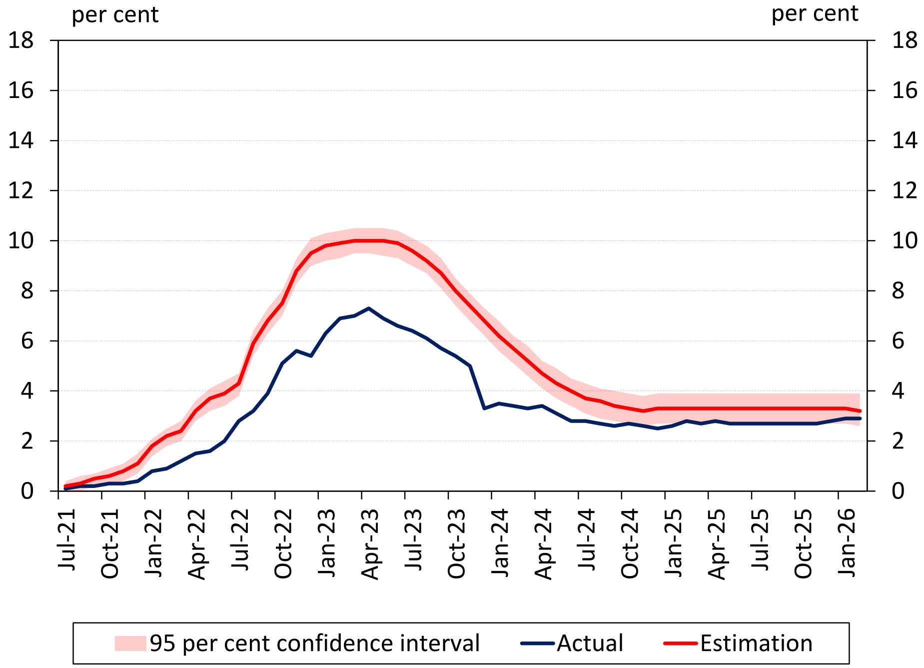
14 PER CENT OF NET INTEREST INCOME IS DUE TO LOWER DEPOSIT INTEREST RATE TRANSMISSION THAN BEFORE

COMPARISON OF TRANSMISSION-BASED AND ACTUAL DEPOSIT INTEREST RATES BETWEEN 2003 AND 2021

TOTAL HOUSEHOLD DEPOSIT STOCK



TOTAL CORPORATE DEPOSIT STOCK



Banking system's profitability was supported by the weaker deposit interest rate transmission – assuming all the factors remain the same – by approximately HUF 304 billion over the past year.

Note | Exposure-weighted average deposit interest rates (including demand and term deposits). Source | MNB

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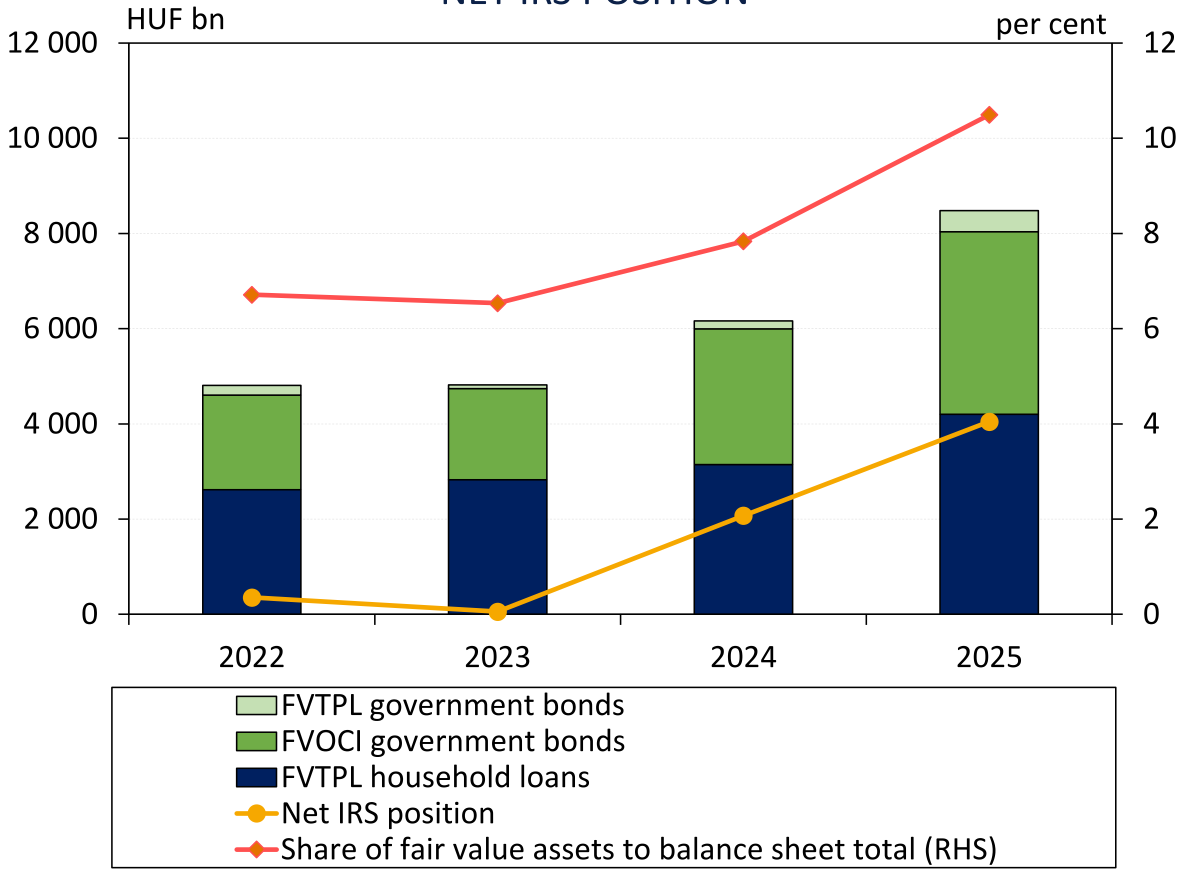
THE ROLE OF IMMEDIATE REVALUATION IN BANKING INCOME IS INCREASING

FAIR VALUE ASSETS OF THE BANKING SYSTEM, AND THE SECTOR'S NET IRS POSITION



The ratio of credit and securities exposures measured at fair value has increased significantly since 2023, **due to the special accounting treatment of subsidized household loans.**

Banks hedge 50-60 percent of the interest rate risk exposure of subsidized household loans through interest rate swaps. This generates additional demand in the IRS market, which may be challenging to satisfy in a tense market situation. (Box 2)

We recommend to replan the pricing formula for subsidized household loans, removing the "GDMA multiplier" included in it. !

Note | FVTPL: transactions measured at fair value through profit or loss. FVOCI: transactions measured at fair value through other comprehensive income. Net IRS position is the difference between the fix interest paying and the variable interest paying transactions in case of HUF interest rate swaps. Positive value means that the credit institution sector is paying fix interest rate in net terms. Source | MNB

CREDIT RISKS ARE AT LOW LEVELS BOTH IN THE HOUSEHOLD AND THE CORPORATE CREDIT MARKETS

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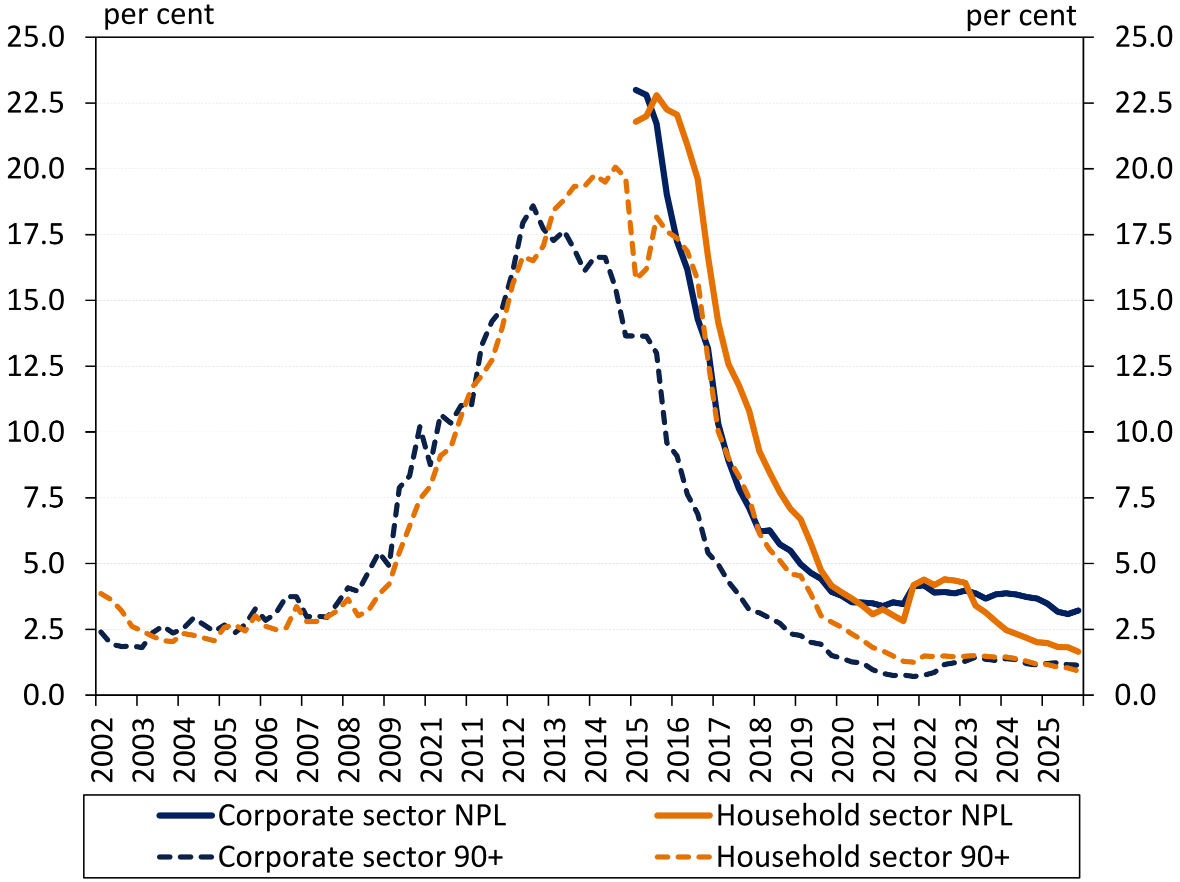
SHARE OF NON-PERFORMING LOANS AND LOANS MORE THAN 90 DAYS PAST DUE IN THE PRIVATE SECTOR



Note | The definition of non-performing loans changed in 2015. From then on, in addition to loans over 90 days past due, loans less than 90 days past due where non-payment is likely are also classified as non-performing. Calculated by clients until 2010 and by contracts from 2010. Source | MNB

Risky portfolios

For one-fifth of the **prenatal baby support loan contracts** with a child-bearing deadline in mid-2026, amounting to 24,700 contracts (HUF 182 billion), **the child-bearing condition was not met by H2 2025**.

The war in Iran that broke out in early 2026 **may adversely affect energy-intensive sectors.** In December 2025, these enterprises held HUF 3,425 billion in bank loans, accounting for **one-quarter of the total corporate loan portfolio.**

Interest rate cap: currently has no end date, the question is, what does the new Government plan to do with this measure? **Cancelling the end date could mean a loss of HUF 125 billion for the sector.**

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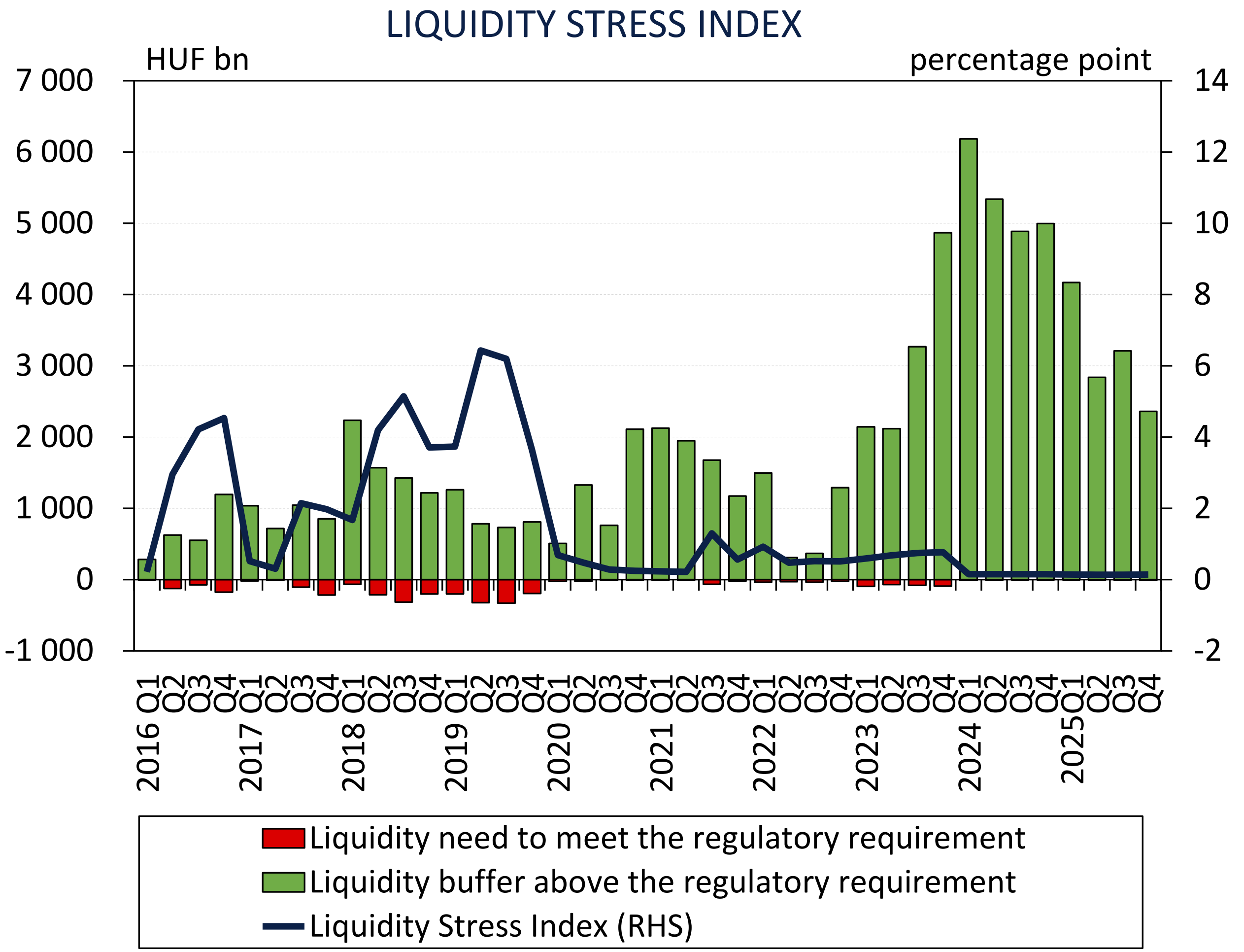
STRESS TEST-RESULTS (1): THE SECTOR'S LIQUIDITY IS AMPLE, SUITABLE FOR RESISITING EVEN A SEVERE SHOCK SCENARIO



At the end of 2025, there was a liquidity surplus of HUF 7,600 billion above the LCR requirement at the sector level.

After the stress scenario and adjustment, this liquidity buffer remained at more than HUF 2,300 billion. In contrast, the deficit of banks facing liquidity needs amounted to only HUF 14 billion.

Note | The index indicates the total liquidity shortfalls in percentage points (up to a maximum of 100 percentage points), weighted by total assets, in relation to the 100 per cent regulatory limit for the LCR in the stress scenario. A higher indicator signifies a higher liquidity risk. Until 2018 Q1, it was based on the data from the top nine banks; afterwards, it was based on the data from the entire credit institution sector. Source| MNB

RESULTS OF THE STRESS TEST (2): THE CAPITAL POSITION REMAINS STRONG AGAINST VARIOUS STRESS SCENARIOS

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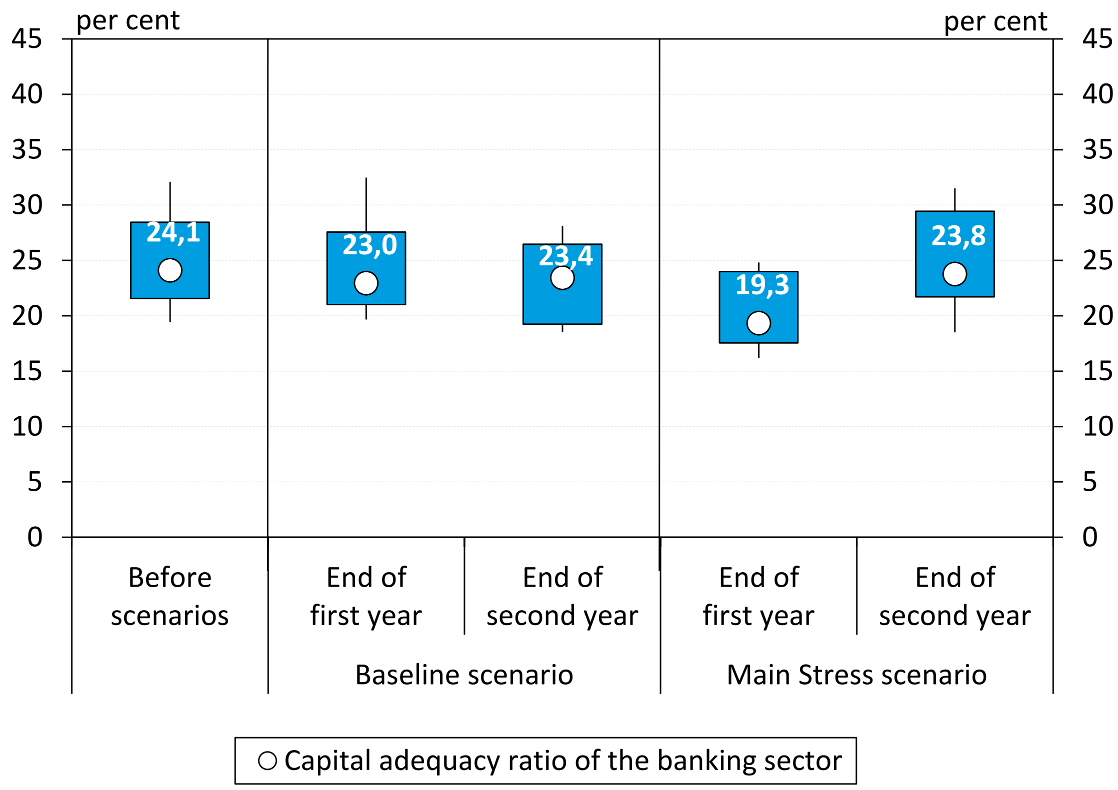
DISTRIBUTION OF BANKS BY CAPITAL ADEQUACY RATIO



Note | Sub-consolidated capital adequacy ratio (excluding foreign subsidiaries), including the interim, unaudited profit. Vertical line: 10–90-per cent range, rectangle: 25–75-per cent range. Sector-level average, weighted by total risk exposure. Source | MNB

The real **GDP** shows a decrease of approximately **14 per cent**, while the total number of **people employed** is **160,000** lower, and **exports** fall nearly **20 per cent** versus the baseline scenario. We model a significant depreciation of the forint exchange rate and a higher interest rate environment

Alternative scenario I: *Germany's weakening industrial performance , lower interest rate environment*

Alternative scenario II.: *escalating trade war*

System-wide CAR amounts between 19 – 24 per cent in the stress scenarios. In the main stress scenario HUF 30 billion, in the alternative scenarios HUF 0-24 billion additional capital need occurs.

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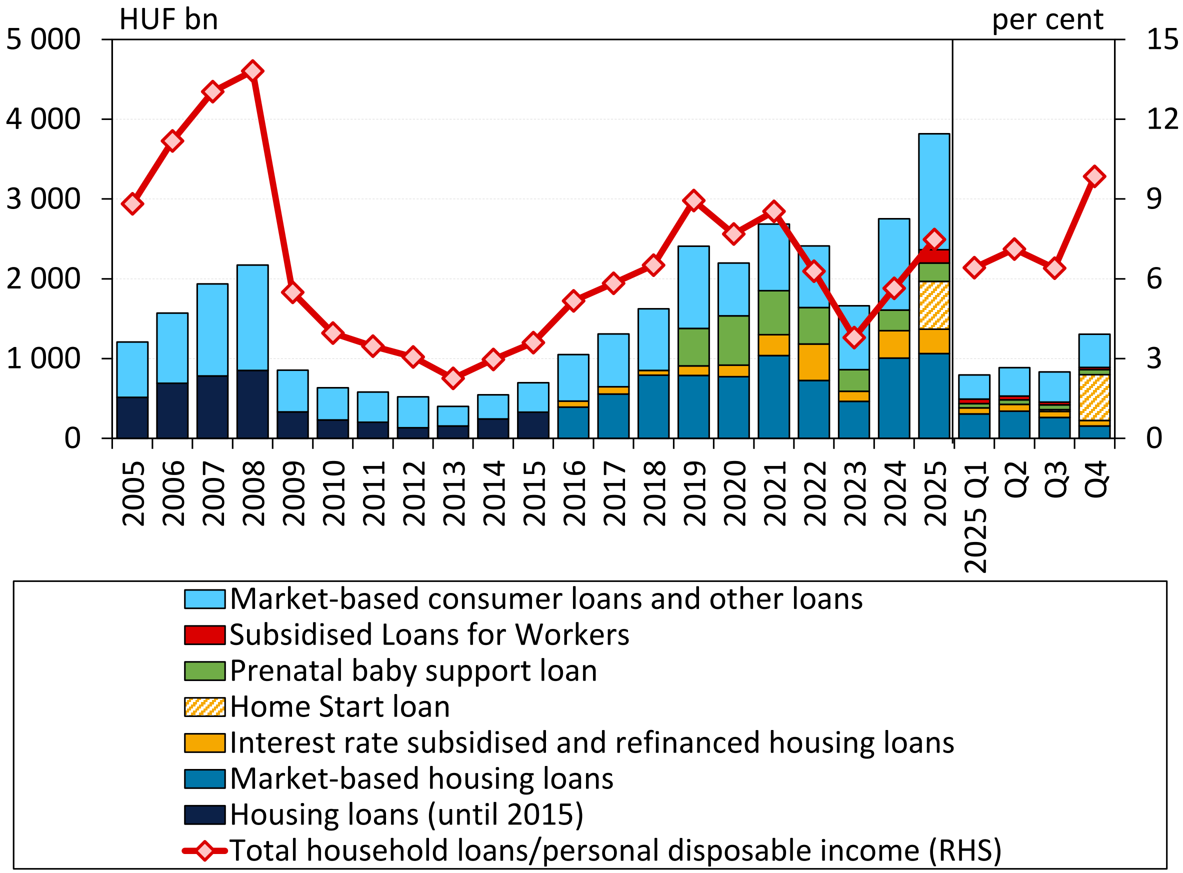
HOUSEHOLD LOANS OUTSTANDING EXPANDED BY 15 PER CENT, AND NEW DISBURSEMENT BY 39 PER CENT IN 2025

NEW HOUSEHOLD LOANS IN THE CREDIT INSTITUTION SECTOR



Annual growth rate of the loan portfolio:
2025Q4: 14.7 per cent
2026Q1: 17.3 per cent

According to our estimate, **two-thirds of the loan volume disbursed within the Home Start Programme was additional, and one-third would have been realized without the programme.**

59 per cent of Home Start loans were taken out by those in the highest income decile, and 76 per cent went to those in the top income quintile. **These proportions are higher not only than those of HPS Plus but even than those observed for market-based loans. (Box 3)**

Note | Between 2005 and 2015, data on housing loans by loan structure is not available. From 2016, renegotiated and restructured loans are excluded. Interest rate subsidised and refinanced housing loans include the following schemes: HPS, Rural HPS, HPS Plus, FGS Green Home Programme, Home Start loans are indicated by the hatched columns from this category. Personal disposable income is the sum of earnings, cash transfers and other income. Source | HCSO, MNB

SIGNIFICANT GROWTH IS SEEN IN THE LOAN-TO-VALUE RATIO OF HOUSING LOANS

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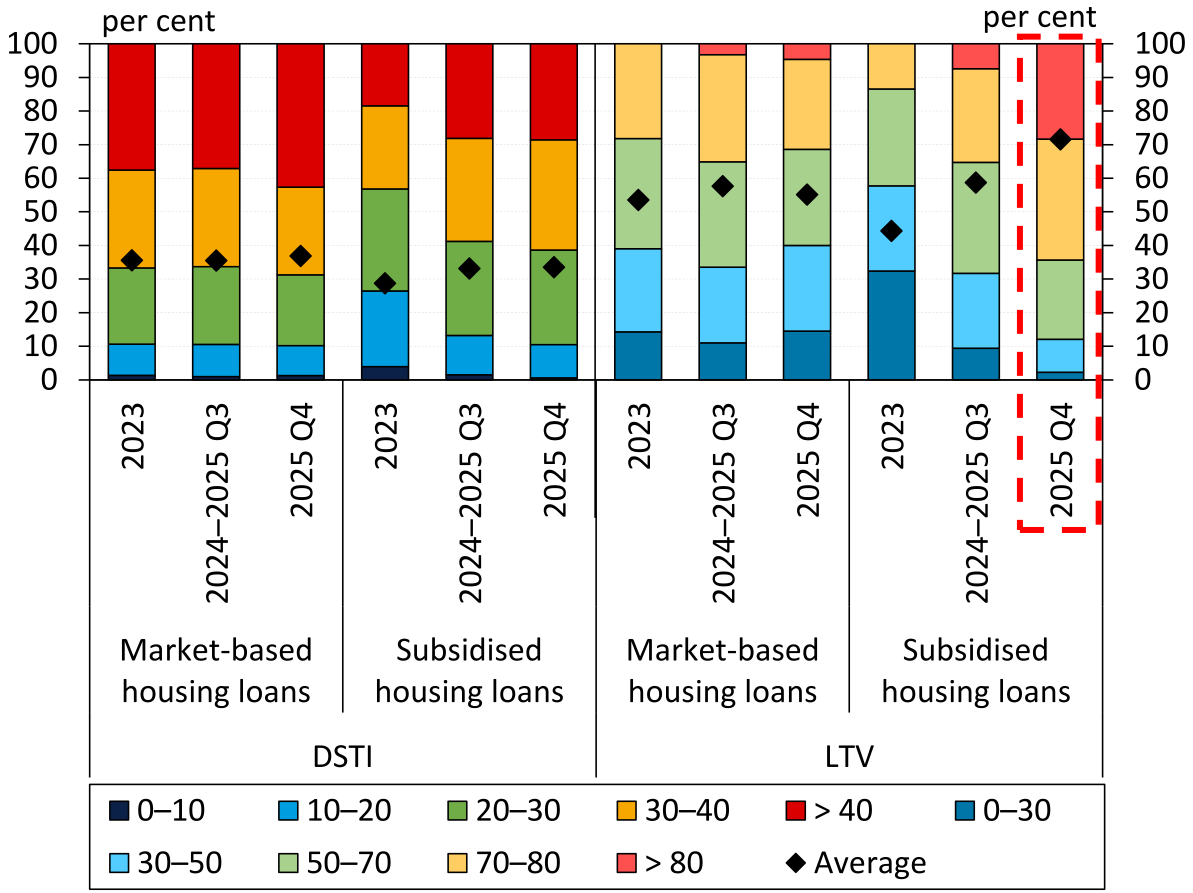
VOLUME-BASED DISTRIBUTION OF KEY RISK INDICATORS FOR NEW HOUSING LOANS



The volume-weighted average LTV increased from 59 per cent to 68 per cent. At the same time, the distribution of the **debt-service-to-income ratio ratio (DSTI)** did not change significantly.

Pricing: interest paid by new customers has decreased substantially, while the spread achieved by banks on housing loans has increased significantly.

Note | DSTI: debt-service-to-income ratio. LTV: loan-to-value ratio. The black markers indicate the average values of each indicator in the periods examined. Source | MNB

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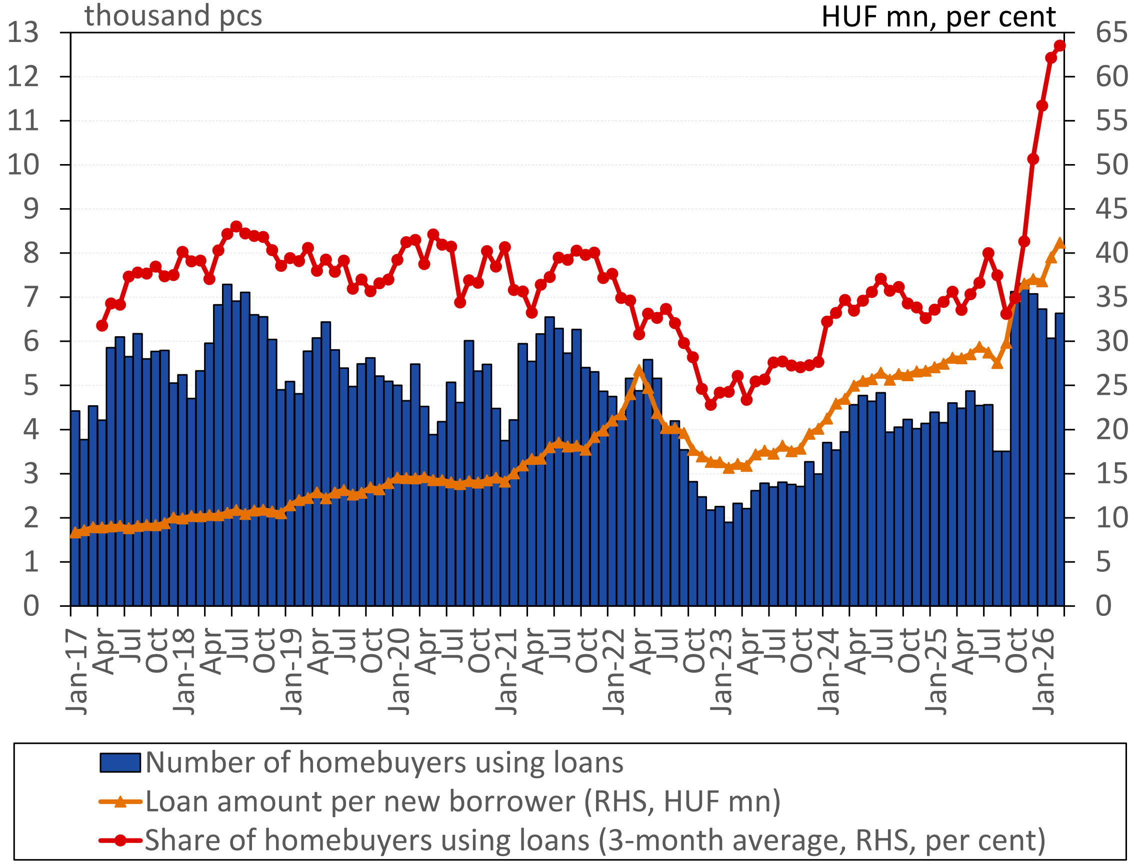
THE PROPORTION OF HOMEBUYERS USING LOANS AND THE AMOUNT OF LOANS TAKEN OUT HAVE INCREASED SIGNIFICANTLY

NUMBER AND ESTIMATED SHARE OF HOMEBUYERS USING LOANS AND AVERAGE LOAN AMOUNT PER NEW BORROWER



The HSP has fundamentally reshaped the structure of demand: while we estimate that prior to HSP launch 35–40 per cent of homes were purchased with the help of a loan, **the estimated proportion already exceeded 60 per cent in 2026 Q1.**

The proportion of first-time homebuyers within the housing market rose by approximately 10 percentage points, while the proportion of buyers purchasing for investment purposes declined.

Note | Taking into account only loans for home purchases. Estimating the number of housing market transactions is more uncertain than usual, as the launch of the Home Start Programme may have altered the market share of intermediary firms. Source | MNB, housing market intermediary database

HOUSING PRICES ROSE SIGNIFICANTLY IN 2025

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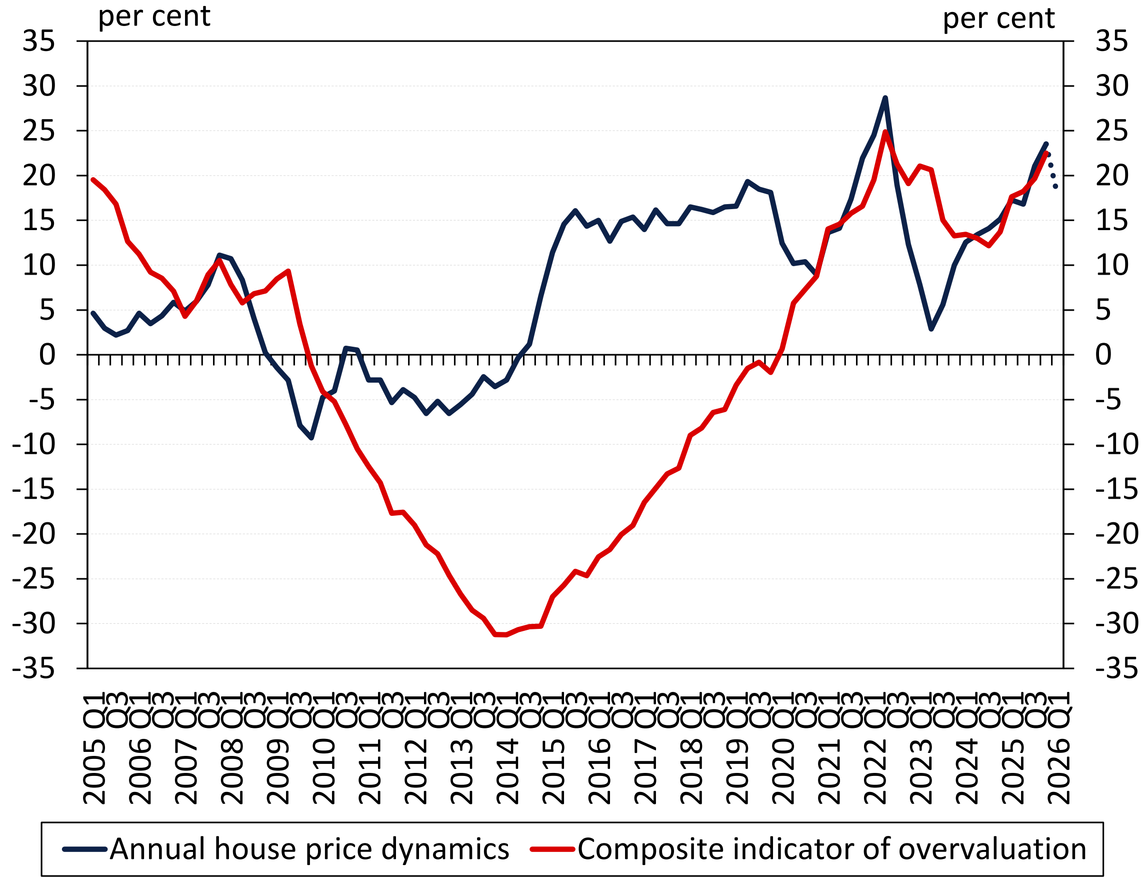
ANNUAL HOUSING PRICE DYNAMICS AND THE ESTIMATED LEVEL OF HOUSING MARKET OVERVALUATION NATIONWIDE



House prices increased by 23.5 per cent nominally and 19 per cent in real terms in 2025.

The deviation of house prices from the estimated level justified by fundamentals **rose to 22.5 per cent in the fourth quarter, representing an 8.8-percentage point increase in overvaluation over the course of one year.**

Note | Based on house price index preliminary data for 2026 Q1. The methodology of the composite indicator is presented in [MNB Occasional Paper No. OP 154 (Lados 2025)](). Source | MNB, NTCA, B400

SEVERAL INDICATORS AND MEASURES POINT TO A SUBSTANTIAL EXPANSION OF NEW SUPPLY

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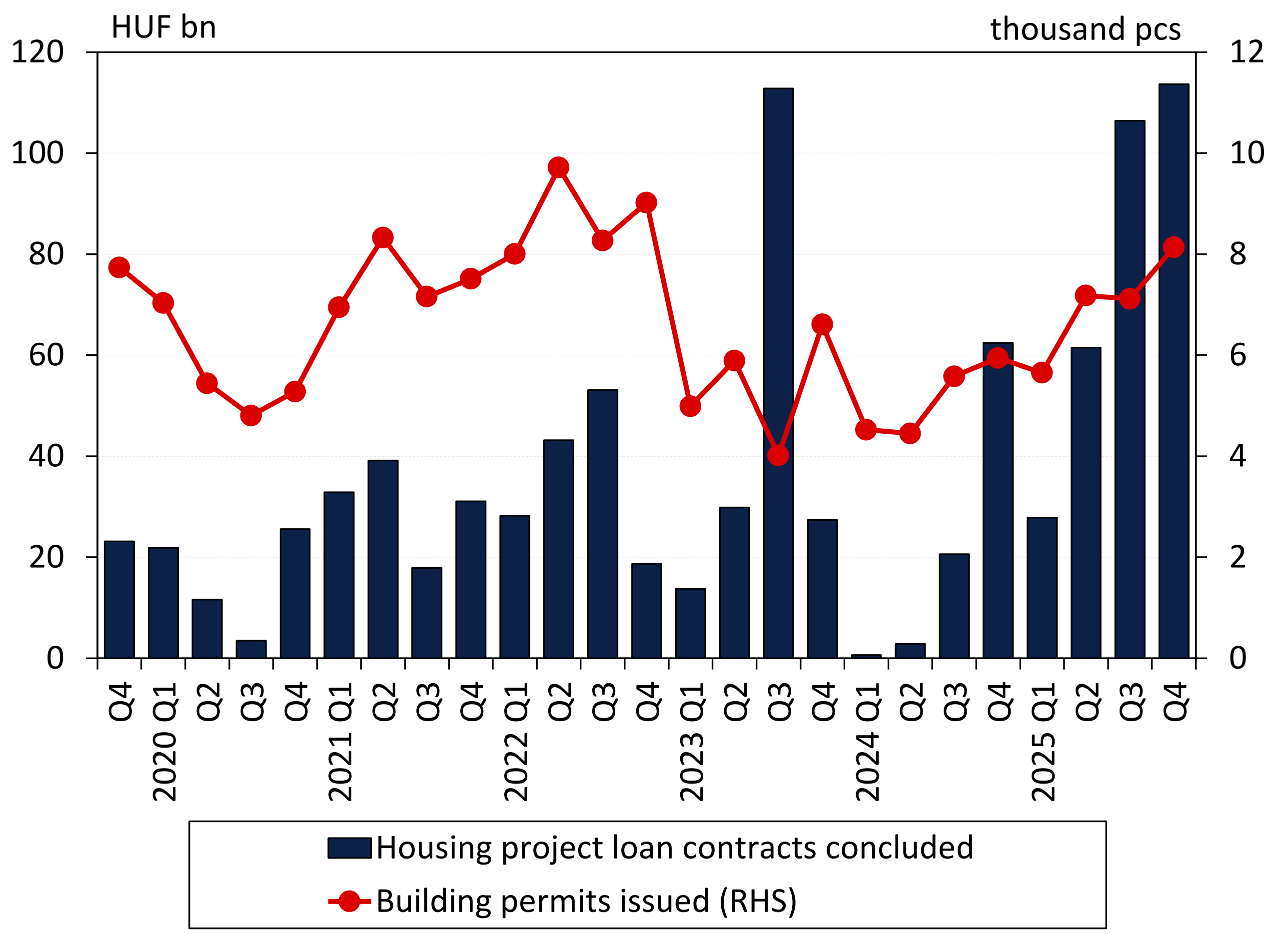
HOUSING PROJECT LOAN CONTRACTS CONCLUDED BY CREDIT INSTITUTIONS AND BUILDING PERMITS ISSUED



Banks concluded loan agreements totalling HUF 309 billion for housing projects in 2025, which is more than 2.5 times the annual average of the previous four years.

There is a risk, in particular regarding the implementation of priority projects, that the rise in energy prices has significantly elevated the cost of many construction materials.

Source | HCSO, MNB

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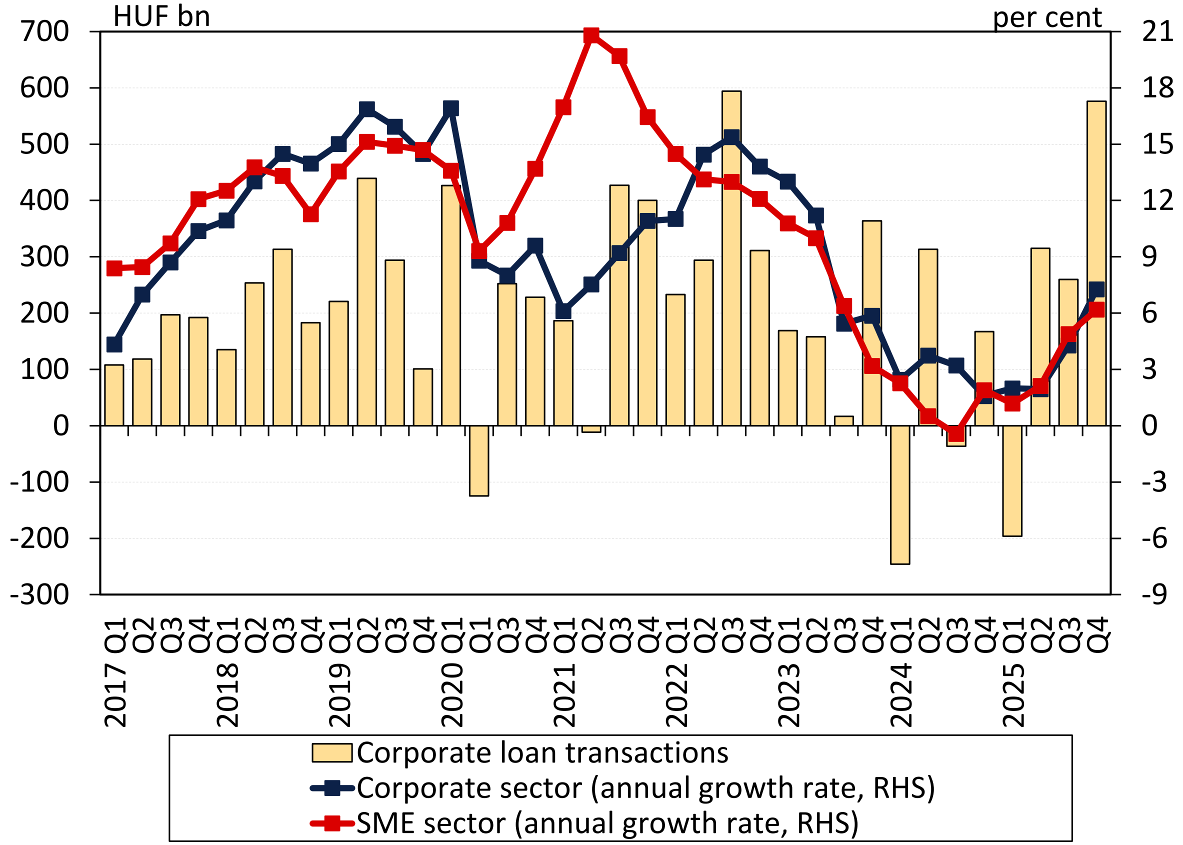
ANNUAL GROWTH RATE OF CORPORATE LOANS INCREASED AT THE END OF THE YEAR…

…but a lasting turnaround also requires real economic recovery.

ANNUAL GROWTH RATE OF THE CORPORATE LOAN PORTFOLIO AND THE VOLUME OF TRANSACTIONS



Year-on-year growth rate of the loans outstanding:
2025Q4: 7.3%
2026Q1: 9.7%

Note | Credit institution sector, transaction-based annual growth rates. Source | MNB

THE STATE'S ROLE REMAINED SIGNIFICANT IN SUSTAINING LENDING

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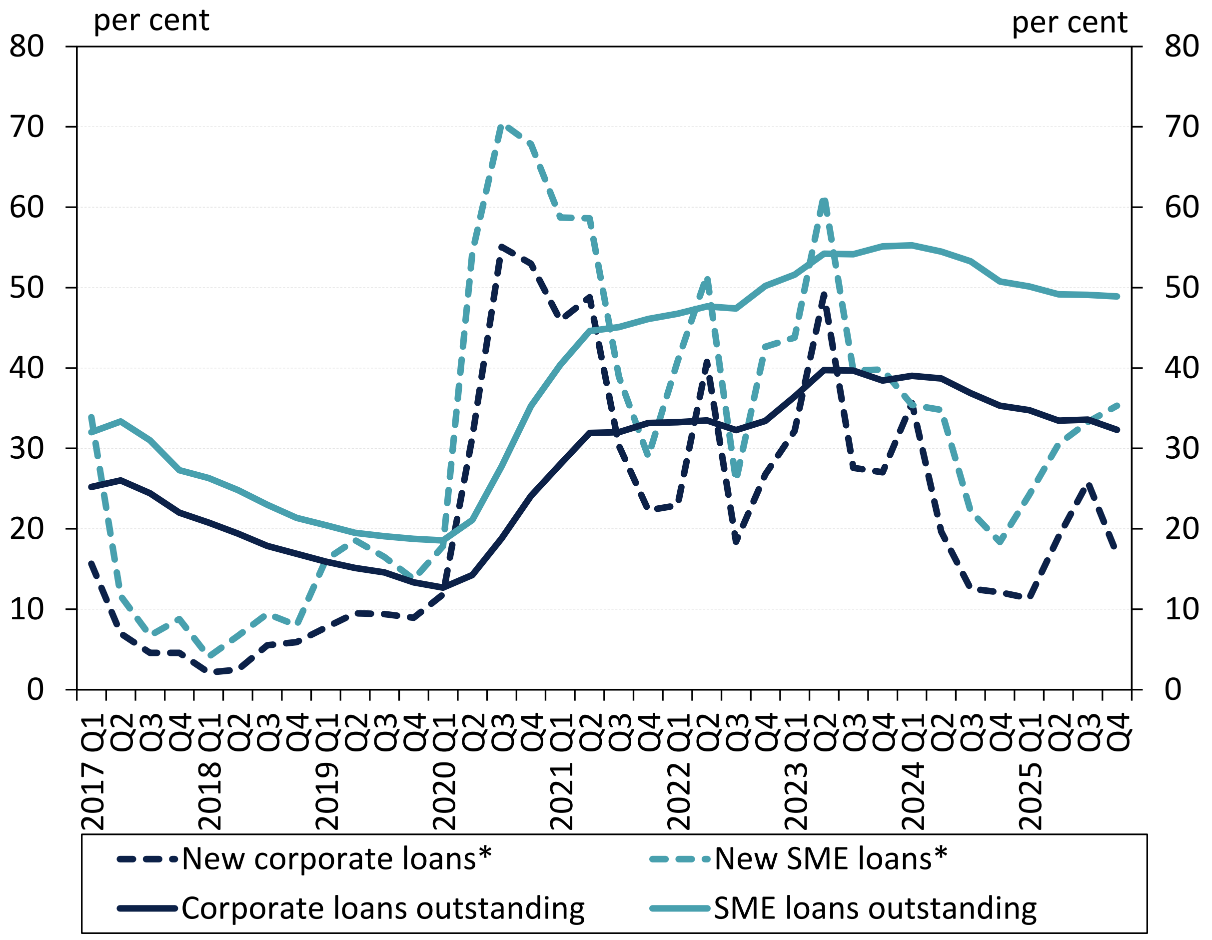
THE SHARE OF SUBSIDISED CORPORATE LOANS



The interest rate reduction for Széchenyi Card Programme products resulted in **increased demand**. The programme's direct impact on the real economy is limited by the relatively high, 56-per cent share of overdraft facilities, **while its impact on financial inclusion is limited by the narrow circle of enterprises newly included in the programme.**

According to our estimates, the share of corporations among new borrowers that held an SZKP loan at the time of taking out the given loan **was around 70 per cent by end-2025**, following a steady rise.

Note | For new issuance, ratios exclude direct loan issuance by MFB and Eximbank and overdrafts (e.g. overdrafts under the Széchenyi Card Programme). * Annualised rolling average. Source | MNB

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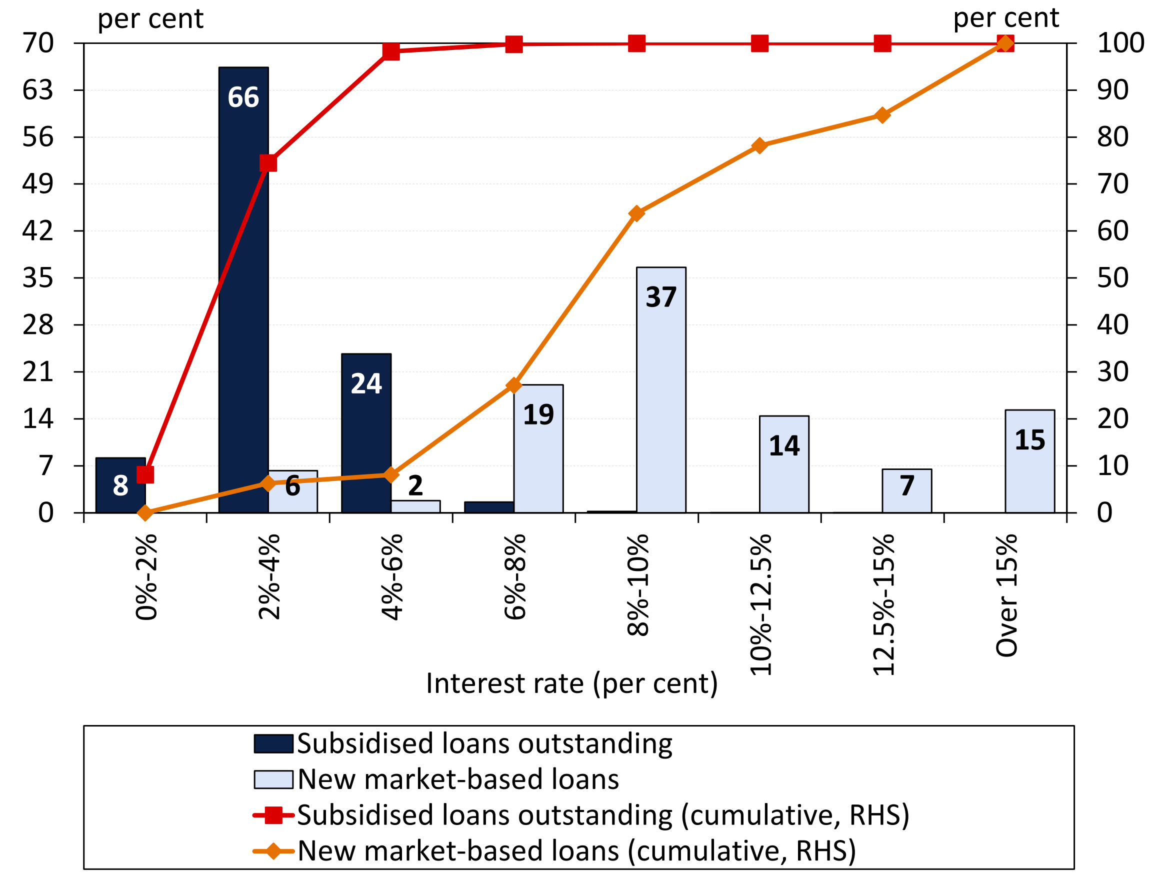
MARKET-BASED REFINANCING OF MATURING SUBSIDISED LOANS WOULD SUBSTANTIALLY INCREASE COMPANIES' INTEREST PAYMENT BURDENS…

DISTRIBUTION OF SUBSIDISED CORPORATE LOANS OUTSTANDING AND NEW MARKET-BASED CORPORATE HUF LOANS BY INTEREST RATE



The median interest rate on the portfolio of subsidised HUF loans outstanding at the end of 2025 – which mature within 3 years and typically have fixed interest rates – was 3.5 per cent, while new HUF loan contracts of similar type were issued typically at a significantly higher interest rate.

Refinancing may pose difficulties over the medium term for 8–25 per cent of subsidised HUF loans.

Note | For subsidised loans, only those maturing within 3 years are taken into account. For new market-based contracts, loans with contract types typical of the subsidised loan portfolio issued in December 2025 and January 2026 were taken into account. Source | MNB

…AT THE SAME TIME, THE DEPOSIT PORTFOLIO OF COMPANIES IS SIGNIFICANT

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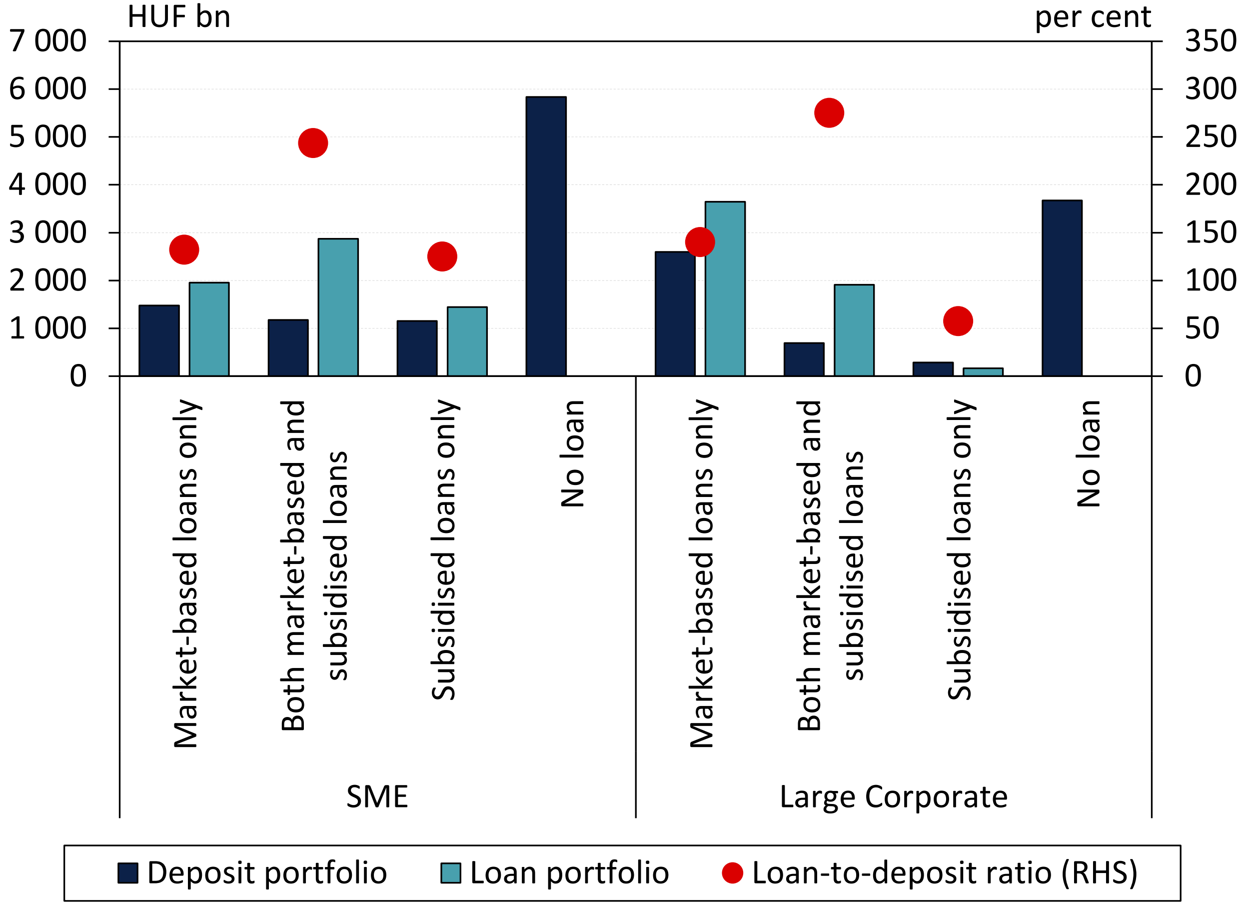
LOAN AND DEPOSIT PORTFOLIO OF LOAN DEBTOR ENTERPRISES



For many companies, the deposit portfolio mitigates the potential impact of subsidized loan maturities.

Overall, enterprises without loans account for a majority share of 56 per cent of credit institutions' corporate deposit portfolio.

The significant deposit portfolio of companies and the outstanding lending capacity of the banking system ensure that the financing needs of real economy actors are met even in a booming economy.

Note: December 2025 data. Source: MNB

MAIN MESSAGES

The Hungarian banking system continued to be characterized by ample liquidity and a strong capital position in 2025. The ratio of non-performing loans continued to decline and was at a historically low level at the end of the year.

The profitability of Hungarian banks was high throughout 2025. The sector's return on equity (RoE) was 18.9 per cent at the end of the year. The most important source of income for banks is net interest income.

The capital position of the banking system would remain robust in the event of any of the three scenarios included in the forward-looking solvency stress test.

The credit market expanded significantly in 2025. Households' loan portfolio expanded by 15 per cent during the year, to which the outstanding volume of contracts concluded in the Home Start Programme contributed.

The average loan-to-value ratio has increased significantly due to the Home Start Programme. Debtors are taking out significantly higher loans, both nominally and in proportion to their annual income, compared to previous periods. The housing market overvaluation has increased to 22.5 per cent.

Corporate credit expanded significantly in the last months of 2025, increasing by 7.3 per cent in the year. However, the recovery in the corporate credit market is fragile, as the macroeconomic fundamentals that determine lending have not improved significantly in the recent period.

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THANK YOU FOR YOUR ATTENTION!