ANNUAL REPORT

2025

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2025 BUSINESS REPORT
AND FINANCIAL STATEMENTS OF
THE MAGYAR NEMZETI BANK

2025

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2025 Business Report
of the Magyar Nemzeti Bank

1 Executive summary by the Governor of the MNB

In 2025, global growth and inflationary prospects were strongly affected by the prolonged geopolitical conflicts and trade policy developments. GDP growth in European countries remained subdued, while it picked up during the year in the US and China. Global inflation eased, but the pace of disinflation slowed. International investor sentiment remained volatile.

Of the major global central banks, the European Central Bank (hereinafter: ECB) and the Federal Reserve (hereinafter: Fed) both loosened monetary policy conditions in 2025. The ECB cut its key policy rate by 100 basis points to 2 percent, in four steps. The Fed lowered the target range for the federal funds rate by 75 basis points in three steps to 3.5–3.75 percent. In the CEE region, the Czech central bank cut its policy rate by 50 basis points and the Polish central bank by 175 basis points during the year, to 3.5 percent and 4 percent, respectively. The Romanian monetary policy rate remained unchanged at 6.5 percent in 2025.

Annual average inflation amounted to 4.4 percent in Hungary in 2025. The CPI was over 5 percent in January 2025 and remained above the tolerance band until October. The forint strengthened from the beginning of the year, with the positive effects of this reflected in purchasing prices. Statutory and voluntary price cap measures were introduced in the spring, and then renewed and extended several times, as a result of which the pace of inflation returned to the tolerance band in the final two months of 2025, reaching 3.3 percent in December. Hungary's economic performance was subdued in 2025. After stagnation in the first half of the year, activity picked up somewhat in the second half, with overall GDP growth reaching 0.4 percent in 2025.

The Monetary Council continued to follow a prudent, patient approach in 2025, making data-driven decisions on a meeting-by-meeting basis, while closely monitoring developments on the domestic and international macroeconomic and financial markets. As a result, the Monetary Council did not change the 6.5-percent base rate in 2025, and accordingly the interest rate corridor also remained unchanged.

The press releases issued by the Monetary Council emphasised that, under the current economic conditions, the Monetary Council could most effectively help to ease the heightened precaution among economic agents and thus foster sustainable economic growth by achieving and maintaining price stability and by ensuring financial market stability. By ensuring positive real interest rates, restrictive monetary policy contributed to maintaining financial market stability, anchoring inflationary expectations in line with the central bank's target and thus ensuring achievement of the inflation target in a sustainable manner.

The MNB's main tool and primary method of sterilising banking system liquidity is the minimum reserve requirement. Until the end of July 2025, the minimum reserve ratio set for credit institutions was 10 percent. From 1 August 2025, in line with the gradual decline in the banking system's liquidity surplus in the first half of the year, the Monetary Council decided to reduce the minimum reserve ratio from 10 percent to 8 percent. This decision did not affect the MNB's base rates.

In 2025, the MNB's base rate was 6.5 percent, the overnight deposit rate was 5.5 percent, and the overnight secured loan rate was 7.5 percent. In addition to the minimum reserve requirement, monetary transmission was also supported by the weekly auctioned 1-week discount bond and the daily published 1-day (tomorrow next) maturity FX swap tender providing euro liquidity.

Average overall monthly banking system liquidity ranged between HUF 10,850 billion and HUF 13,600 billion in 2025. In the first half of the year, average forint liquidity amounted to HUF 12,900 billion, decreasing to around HUF 11,600 billion in the latter half of the year. Expiration of the MNB's previous crisis management programmes had a major impact on liquidity. Since the end of March 2025, secured debt instrument transactions with a 5-year original maturity have been expiring on a weekly basis and will continue to do so until the end of July 2026; the initial portfolio of HUF 2,575 billion had fallen to HUF 360 billion by the end of 2025.

The MNB closely monitored the effects of the elevated geopolitical and macroeconomic uncertainty on the financial sector, and how risks developed in the credit institution sector in 2025. Despite the challenging international environment, the Hungarian banking system remained stable, with a strong ability to withstand shocks both in terms of liquidity and loss absorption. Hungarian banks are continuously able to provide the necessary resources to economic actors. In 2025, the overall corporate loan portfolio expanded by 7.3 percent, while household loans outstanding grew at a rate of 14.7 percent on an annual basis. The Home Start Programme launched in September gave a major boost to household lending. In August 2025, the MNB also launched the Certified Corporate Loan (QCL) certification, in order to increase competition in the banking system and stimulate market rate SME lending activities.

The Hungarian credit institution sector continued to operate profitably in 2025, achieving a high after-tax result of HUF 1,448 billion (unconsolidated data) with a return on equity (RoE) of 18.8 percent at the sector level. High profitability continues to support the banking sector's strong capital position, which is also reflected in an increase in retained earnings. The ratio of non-performing loans in the banking system continued to drop in both the corporate and household segments, with 3.2 percent of corporate loans and 1.6 percent of household loans recorded as non-performing at end-November 2025.

As part of its supervisory activities in the financial market, the insurance market, the funds market and the capital market in 2025, the MNB monitored the inspection target areas set as high priority for the year. In addition to its duties arising from its statutory inspection obligation (and in line with a preventive approach to supervision), the MNB also conducts expert activities aimed at identifying and assessing risks, and supporting the ongoing supervisory activities.

As of 31 December 2025, the MNB performed full-scale supervisory activities (prudential, consumer protection, money laundering and issuer related) in relation to 1,065 institutions. Nowadays, regulatory activity refers to a much more complex set of supervisory tasks: therefore, in addition to institutions subject to prudential supervision, it is justified to also add institutions subject to other types of supervision. Taking this approach, the MNB exercised some form of supervision over another 1,000 institutions. In 2025, the MNB completed 57 prudential and 761 consumer protection inspections, 41 market surveillance proceedings, 6 supervisory authority targeted inspections at issuers and 7 anti-money laundering inspections.

Based on the financial market supervision data that are critical for the stability of the financial system, banks' lending capacity is adequate and their capital and liquidity position is also robust. The rate of non-performing loans remained low.

The insurance sector is stable and dynamically growing, with the size of the market more than doubling over the past decade, while the capital strength of insurers also improved. As a result of intense competition and improving value for money, insurance companies offer more and more favourable solutions for customers.

The funds sector remained stable, even with the temporary provision of real estate-related services, and has adequate reserves above and beyond the operating profit. The total assets of funds increased, as a result of the double-digit growth seen in payments received and the positive investment return.

In the financial markets, the MNB's 2025 consumer protection activities focused on processing cases related to payment services and financial market frauds. 761 consumer protection inspections were completed in 2025, of which 754 proceedings were launched based on an application. The number of procedures initiated upon consumer application has recently shown an upward trend. In order to ensure that customers with disabilities can also use financial services without obstacles, with equal opportunities and safely, the MNB issued a recommendation summarising the related supervisory requirements.

The MNB continuously and actively monitors the digitalisation level of the Hungarian financial system, in order to facilitate innovative, competitive operations. The MNB published an analysis of the related results in the *FinTech and Digitalisation Report,* together with the chapters describing the situation of the domestic FinTech sector and the legal environment.

The MNB considers it important to spread the use of artificial intelligence (AI) in the financial sector in a responsible and safe manner. In order to support this, it assessed the use of AI by the institutions operating in the Hungarian financial sector under its supervision and its previously issued recommendation on encouraging bank digitalisation was revised, adding a new chapter on AI.

In 2025, the resolution planning activity of the MNB (acting in its resolution function) focused on reviewing the resolution plans, conducting procedures for assessing resolvability, reviewing the minimum requirements for own funds and eligible liabilities (MREL requirements) and verifying their fulfilment, and acting as a resolution authority for domestic institutions, and in the case of cross-border groups, for the groups and their subsidiaries.

In line with the practice of the European partner authorities, the focus of the planning activity in Hungary is now also shifting to testing the enforceability of the resolution plans. Accordingly, the MNB conducted its first testing exercise to assess the liquidity-related data reporting capacity of the large domestic banks in the case of a possible resolution.

Resolution planning processes continued in accordance with the EU requirements[1] in 2025, also in respect of the central counterparty falling under the jurisdiction of the MNB, by conducting a resolvability assessment process, and preparing a resolution plan.

The MNB published a template for the form of the resolvability self-assessments, in order to ensure regulatory compliance with the EBA guidelines related to further improving resolvability, and to facilitate the related tasks of the institutions.

The MNB calculated the 2025 regular annual contributions for the member institutions of the Resolution Fund, participated in the work of the Board of Directors of the Resolution Fund and the National Deposit Insurance Fund, and fulfilled its duties as the owner of MSZVK Magyar Szanálási Vagyonkezelő Zrt., the resolution asset management vehicle.

Another area of special attention for the MNB in 2025 was ensuring the safe and efficient operation of the domestic payment system, as well as protecting consumers and raising their awareness. As part of this, the MNB continued to supervise the payment infrastructure, supported the cooperation of market players, and actively participated in Hungarian and EU legislative activities affecting payment flows.

In order to reduce cyber fraud, the MNB developed a set of measures called "five strikes" and launched the Central Fraud Detection System (hereinafter: CFDS): in conjunction with improving the banks' systems, this led to a decline in card and bank transfer-related frauds. The MNB also focused on the operation of the qvik services related to instant payments, especially with regard to service quality and expanding the network where these services are accepted. In order to improve the transparency of the payment system, the MNB published the 2025 *Payment Systems Report*, and as part of an agreement with the Hungarian Banking Association, used new tools to support the comparability of banking costs and their reduction for households. The MNB also continued consultations with key market players within the framework of the Payment Services Consultation Board.

As part of its supervisory activities, the MNB conduced several inspections related to payment services, as well as sectoral inspections in the field of fraud prevention and instant payments, and also inspected the operation of GIRO Zrt. and KELER KSZF Zrt. Furthermore, the MNB also supported the development of financial market infrastructure, including transitioning the VIBER system to comply with the ISO 20022 standard and preparations to shorten the capital market settlement cycle.

The MNB's international reserves increased by approximately EUR 5.7 billion in 2025, and at the end of December 2025 the reserves amounted to EUR 50.2 billion. The level of foreign exchange reserves rose during the year as a result of the issuance of foreign currency bonds by the Government Debt Management Agency (hereinafter: GDMA), incoming EU transfers from the European Commission, the revaluation of foreign currency assets other than euro and the value of gold reserves expressed in euros, due to exchange rate changes. On the other hand, growth was reduced by the state's debt repayments and the foreign currency-denominated expenditures of the Hungarian State Treasury (hereinafter: Treasury).

The total value of cash in circulation was HUF 9,310.3 billion on 31 December 2025, showing an increase of 4.6 percent compared to the previous year-end. Slower growth in cash in circulation was typical for the year as a whole. The growth in cash holdings was mostly driven by an increase in precautionary demand for cash.

Cash in circulation compared to GDP has been stable since 2023 and reached 10.7 percent in 2025, breaking the downward trend seen in earlier years. At 21.3 percent, the ratio of cash holdings to household consumption expenditures declined further in 2025, in line with the trend from earlier years.

In line with the trend of previous years, the level of counterfeiting of forint banknotes remains insignificant, and

[1] Regulation (EU) No 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties and amending Regulations (EU) No 1095/2010, (EU) No 648/2012, (EU) No 600/2014, (EU) No 806/2014, (EU) No 2015/2365 and Directives 2002/47/EC, 2004/25/EC, 2007/36/EC, 2014/59/EU and (EU) 2017/1132.

the number of forint counterfeits detected in the payment system was only 476, and the total damage caused was HUF 5.49 million in 2025. The number of counterfeit banknotes per million genuine banknotes in circulation was 0.65 last year, which is a very good figure by international standards.

In terms of the requirements for the development of the national cash payment infrastructure, significant changes occurred in the legal environment in 2025. From 15 April 2025, the Fundamental Law of Hungary defines cash payment as a fundamental right. Act XVIII of 2025 on the installation of ATMs obliged payment service providers to install ATMs in all settlements where there is none, and authorised the MNB to develop the detailed rules on the territorial distribution of ATM installations and the sharing of costs between the payment service providers. The MNB issued MNB Decree 19/2025 (VI. 26.) to fulfil the tasks specified in the law.

Due to the changes in the legal environment governing the cash payment infrastructure, it was necessary to review and amend the provisions of MNB Decree 1/2023 (I. 17.) on the technical tasks related to the processing and distribution of banknotes and their protection against counterfeiting ("Banknote Decree") applicable to the restriction and termination of the operation of teller windows at the bank branches. The amendments became effective on 27 June 2025, on the basis of MNB Decree 20/2025 (VI. 26.).

By 31 December 2025, 286 ATMs had been installed out of the required 423 ATMs, and the installation of ATMs was in progress in another 137 settlements.

The MNB continued to renew and extend its statistical publications in 2025. One of the most significant changes was that from June 2025, the deposit register (BETREG) related data reporting must be fulfilled with the broader data content stipulated in the MNB Decree.

In 2025, the MNB recorded a loss of HUF 554.0 billion, which is HUF 234.7 billion lower than the loss recorded for 2024. As a result of the forint interest rate level, which was lower than in the previous year, and expiration of some central bank programmes, the forint interest and interest-related loss decreased sharply, but the effect of this was mitigated by the decline in the foreign currency interest and interest-related gain. Pursuant to the MNB Act and the resolution of the Fiscal Council, the central government had no reimbursement obligation in 2025, due to the central bank's capital position.

The MNB's actual operating expenses amounted to HUF 91,125 million in 2025, which is 4.4 percent lower than the approved planned amount (without central reserve) and 4.8 percent higher than the 2024 expenses.

The increase compared to 2024 was mainly due to higher staff expenditures, while the general costs of banking operations (mostly operating and other costs) declined. In terms of 2025 personnel expenses, wage costs increased mainly due to the fact that certain banking security activities previously carried out by a subsidiary were reintegrated into the MNB, resulting in additional personnel expenses and salary payments. The cost increase related to staff reductions in 2025 was offset by the savings made (e.g. the Balatonakarattya Education and Conference Centre being closed).

The approved level of 2025 investments (as amended) was HUF 96,309.7 million, of which the value of investments effectively carried out amounted to HUF 93,976.4 million. The majority of the 2025 investment plan covered the reconstruction costs of the MNB headquarters allocated to 2025 (HUF 79,811.8 million); the actual cost was HUF 79,590.5 million. Further payments were related to investments in the normal course of business, mainly IT related investments.

30 April 2026, Budapest

Mihály Varga
Governor of the Magyar Nemzeti Bank

2 Brief description of the Magyar Nemzeti Bank

Company name: Magyar Nemzeti Bank

Seat: H-1054 Budapest, Szabadság tér 8-9.

Company form: public company limited by shares. When displaying the name of the Magyar Nemzeti Bank, its company form (company limited by shares) or its abbreviation ("Zrt.") does not need to be indicated.

Year of establishment: 1924

Owner (shareholder): the State of Hungary – represented by: the Minister in charge of public finances (hereinafter: Minister)

Fields of activity: as defined in Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter: MNB Act)

Subscribed capital: HUF 10 billion

2.1 PURPOSE, PRIMARY AND OTHER TASKS OF THE MNB

The MNB is a legal entity operating in the form of a special company limited by shares, which carries out the scope of activities specified in the MNB Act.

The MNB Act, which regulates the primary objectives, essential and other tasks, as well as the institutional, operational, personal and financial independence of the MNB, and its functioning, declares – in accordance with Article 127 of the Treaty on the Functioning of the European Union – that the primary objective of the MNB is to achieve and maintain price stability. Without prejudice to its primary objective, the MNB is also responsible for supporting the stability of the financial intermediary system and the enhancement of its resilience, ensuring its sustainable contribution to economic growth, and supporting the government's economic and environmental sustainability policies using the instruments at its disposal.

The MNB Act – in accordance with Article 130 of the Treaty on the Functioning of the European Union – also lays down that the central bank is independent. On the basis of the principle of independence of the central bank, the MNB and the members of its bodies shall, in the performance of their tasks and duties under the MNB Act, remain independent, and shall neither seek nor take instructions from the Government, the European Central Bank (hereinafter: ECB) or from the various EU institutions, bodies or agencies, the governments of the Member States or any other organisation or political party, except for tasks arising from its membership of the European System of Central Banks (hereinafter: ESCB) and the European System of Financial Supervision. The Government and any other body shall adhere to this principle and shall not attempt to influence the MNB or the members of its bodies in the course of the performance of their tasks.

The basic tasks of the MNB are as follows:

– to define and implement monetary policy;

– as the sole right-holder, to issue banknotes and coins, including commemorative banknotes and coins, which are the legal tender of Hungary;

– as the sole right-holder, to create and manage the official foreign exchange and gold reserves, in order to preserve the external stability of the Hungarian economy;

– as the sole right-holder, to conduct foreign exchange operations in connection with the management of the foreign exchange reserves and the implementation of exchange rate policy;

– as the sole right-holder, to oversee the payment and securities settlement systems, including the operations of the system and the organisation performing central counterparty activity, in order to ensure the sound, efficient operation of the systems involved and the smooth circulation of money, and within the scope of these powers and legislative powers to participate in the development of the payment and securities settlement systems;

– to collect and publish the statistical information required for the performance of its tasks and for the fulfilment of statistical reporting requirements vis-à-vis the ECB, as laid down in Article 5 of Protocol (No 4) on the Statute of the European System of Central Banks and of the European Central Bank, annexed to the Treaty on the Functioning of the European Union;

– to establish the macroprudential policy for the stability of the entire system of financial intermediation, with the objective of enhancing the resilience of the system of financial intermediation and ensuring its sustainable contribution to economic growth; as part of this, to explore the business and economic risks threatening the financial intermediary system as a whole, within the framework set by the MNB, to promote the prevention of the development of systemic risks and the reduction or elimination of evolved systemic risks; to contribute to the balanced functioning of the system of intermediation in financing the economy by stimulating lending in the event of disturbances in the credit market and by restraining lending in the event of excessive credit outflow.

Beyond its basic tasks, the MNB also has the following tasks:

– to act as the resolution authority;

– to exercise exclusive responsibility for the supervision of the financial intermediary system, in the interests of

a) ensuring the smooth, transparent and efficient functioning of the financial intermediary system;

b) facilitating the prudent operation of persons and entities that are part of the financial intermediary system, and supervising the prudent exercise of the rights of the owners;

c) discovering undesirable business and economic risks threatening certain financial institutions or certain sectors of the financial institutions, reducing or eliminating evolved specific or sectoral risks, and applying preventive measures to ensure the prudent operation of individual financial institutions; and

d) protecting the interests of the users of the services provided by the financial institutions, with a view to strengthening public confidence in the financial intermediary system;

– to settle out-of-court disputes – via the Financial Arbitration Board – between consumers and financial intermediaries concerning the establishment and performance of legal relationships concerning the services.

Furthermore, the MNB may be assigned other tasks by law, or by other legislation issued on the basis of a statutory mandate in connection with the supervision of the financial intermediary system, which must be consistent with the MNB's basic tasks and responsibilities, as defined in the MNB Act.

Pursuant to Act CXCIV of 2011 on the Economic Stability of Hungary (hereinafter: Stability Act), the Governor of the MNB is a member of the Fiscal Council and thus supports the work of the Fiscal Council with the information and expertise available in the MNB. The MNB prepares background analyses for the duties of the Fiscal Council, as required by the Stability Act, and provides such to the Fiscal Council.

2.2 BODIES AND MANAGEMENT OF THE MNB

The MNB is a legal entity, operating in the form of a single-member company limited by shares. The general rules applicable to companies limited by shares and the relevant provisions of the Civil Code shall apply to the MNB with the derogations set out in the MNB Act.

The Hungarian State, as the sole shareholder, is represented by the Minister. The MNB does not hold General Meetings.

The **Shareholder** has the right to decide on the establishment and amendment of the Statutes, as well as on the appointment, dismissal and remuneration of the auditor, by a shareholder resolution.

The remuneration of the Governor, the Deputy Governors, the other members of the Monetary Council and the members of the Supervisory Board of the MNB is determined by the MNB Act, not by the Shareholder, as opposed to the rules applied to other companies limited by shares – in order to guarantee its independence.

The MNB's bodies, such as the Monetary Council, the Financial Stability Council, the Executive Board and the Supervisory Board, are also defined by the MNB Act.

The MNB's supreme decision-making body is the **Monetary Council**.

The responsibilities of the Monetary Council:

– to take strategic decisions on monetary policy, the issuance of legal tender, the holding and management of foreign exchange and gold reserves, the conduct of foreign exchange operations in the context of managing foreign exchange reserves and implementing exchange rate policy, and on statistical tasks, in particular decisions on the minimum reserve and the interest rate payable on reserves, decisions on the exchange rate regime, and determining the base rate;

– to take decisions on the strategic framework within which the Financial Stability Council decides on macroprudential tasks, supervisory authority tasks, oversight and resolution authority proceedings;

– to establish its own rules of procedure;

– to take decisions on all other matters which the Monetary Council has exclusive competence to decide by law.

The members of the Monetary Council are: the MNB's Governor as the Chairperson of the Monetary Council, the MNB's Deputy Governors and the members elected by the Parliament for 6-year terms. Based on the regulations in force until 11 June 2025, the Monetary Council had at least five members and at most nine members; however, after 12 June 2025, as the number of Deputy Governors of the MNB increased, with the maximum number of members of the Monetary Council rising to eleven.

At the first meeting of the year, the Monetary Council elects a Deputy Chairperson from among the MNB's Deputy Governors, who substitutes for the Chairperson in the event of he/she is prevented from attending, except when a decree is issued. At the first meeting held in 2025, Deputy Governor Barnabás Virág was elected as Deputy Chairman of the Monetary Council. After Barnabás Virág resigned, from 2 December 2025 Péter Benő Banai was elected as Deputy Chairman of the Monetary Council.

Members of the Monetary Council in 2025:

– Mihály Varga, Governor of the MNB and Chairman of the Monetary Council since 4 March 2025,
– Dr György Matolcsy, Governor of the MNB and Chairman of the Monetary Council from 4 March 2013 to 3 March 2025,
– Zoltán Kurali, Deputy Governor from 22 April 2025,
– Dr Mihály Patai, Deputy Governor from 22 April 2019 to 21 April 2025,
– Péter Benő Banai, Deputy Governor from 1 December 2025,
– Barnabás Virág, Deputy Governor from 22 June 2020 to 30 November 2025,
– Dr Levente Sipos-Tompa, Deputy Governor from 2 October 2025,
– Dr Csaba Kandrács, Deputy Governor from 2 October 2019 to 1 October 2025,
– Dániel Palotai, Deputy Governor from 1 September 2025,
– Dr Péter Gottfried, from 1 January 2021,
– Dr Kolos Kardkovács, from 13 September 2016,
– Andrea Mager, from 5 March 2025,
– Gyula Pleschinger, from 5 March 2013 to 4 March 2025,
– Dr Éva Búza, from 6 April 2023,
– Zoltán Kovács, from 27 March 2023,
– Dr József Dancsó, from 23 June 2025.

Within the strategic framework set by the Monetary Council, the **Financial Stability Council** acts on behalf of the MNB in decision-making on supervisory, macroprudential and resolution authority tasks and oversight of the financial intermediary system.

Within these powers, the Financial Stability Council has the following tasks:

– to monitor the stability of the financial intermediary system as a whole and of the financial markets, in order to maintain the stability of the financial intermediary system as a whole;

– to identify risk factors threatening the financial intermediary system as a whole;

– to analyse the risks associated with certain types of institutions or products or with the rapid spread of such, which may represent a threat to the financial intermediary system as a whole;

– to monitor events on international and European markets, and the risks to the stability of the financial intermediary system as a whole, and to decide on the necessary measures, within the strategic framework defined by the Monetary Council;

– to discuss strategic, regulatory and risk-related issues affecting the financial intermediary system as a whole, and to take a position where necessary;

– in a situation threatening the stability of the financial intermediary system as a whole, to assess the systemic risks and decide on the measures necessary to reduce or eliminate such;

– where necessary, to put on the agenda the recommendations, resolutions and risk warnings of the ESRB, relevant to the financial intermediary system as a whole;

– to discuss, as appropriate, the recommendations and decisions issued by the European Supervisory Authorities, including decisions calling for specific action by the national supervisory authorities, where there is a serious threat to the stability of the European financial system, and to take a position on the resulting tasks;

– to issue recommendations on the fundamentals of the MNB's law enforcement practice, which are not binding on the persons and entities supervised by the MNB;

– to set out the priority areas for the MNB's control activities each year;

– to make decisions in respect of the MNB's decisions ordering a resolution or applying resolution measures, within the framework of exercising the MNB's resolution powers, and to exercise powers related to certain official decisions of the MNB, and also in official proceedings relating to the exercise of resolution tasks, in accordance with the MNB Decree on the detailed rules governing the exercise of powers in relation to certain official decisions of the MNB and the replacement and exclusion of persons exercising such powers;

– to make decisions in administrative proceedings related to the exercise of supervision of individuals, organisations, entities and activities falling under the scope of the laws specified in Articles 39–41 of the MNB Act, and the directly applicable EU legal acts, in administrative proceedings related to the exercise of supervision pursuant to the MNB Decree on the detailed rules governing the exercise of powers in relation to certain decisions of the MNB as an authority and the replacement and exclusion of body exercising such powers; and

– to make decisions in administrative proceedings related to the exercise of macroprudential powers, pursuant to the MNB Decree on the detailed rules governing the exercise of powers in relation to certain decisions of the MNB as an authority and the replacement and exclusion of the body exercising such powers.

As of 31 December 2025, the members of the Financial Stability Council are:

– the Governor of the MNB, as the Chairman of the Financial Stability Council;

– the Deputy Governor responsible for monetary policy, financial stability and foreign exchange reserve management; the Deputy Governor responsible for analysis, payments, and the MNB's programmes; and the Deputy Governor responsible for the supervision of financial institutions and consumer protection;

– as managers appointed by the Governor of the MNB: the Managing Director responsible for monetary policy, financial stability and the MNB's toolkit; the Managing Director responsible for financial markets and digitalisation; and the Managing Director responsible for the capital, insurance and funds markets; and

– the Chief Operating Director.

In accordance with the MNB Act, the **Executive Board** is responsible for implementing the decisions of the Monetary Council and the Financial Stability Council, and for managing the MNB's operations.

The responsibilities of the Executive Board are to:

– manage implementation of the decisions taken by the Monetary Council and the Financial Stability Council;

– approve the MNB's financial statements, deciding on the payment of dividends pursuant to Article 166(1a) of the MNB Act and approve the draft year-by-year forecast of the preliminary level of the equity at the end of the previous year and expected developments;

– approve the draft report to be sent to the Shareholder on the business management and assets of the MNB;

– approve matters relating to the organisation and internal governance of the MNB;

– approve the business plans and programmes related to the operation of the MNB and the performance of its tasks, including the development budget and operating expenses;

– manage the MNB's internal audit organisation regarding tasks not falling within the competence of the Supervisory Board, and discuss the observations and plans of the internal audit;

– amend the collective agreements relating to the rights and obligations arising from employment, the manner in which such rights are exercised or such obligations are fulfilled, and the related procedures; and

– make decisions related to the central bank's entitlement to manage account and other financial services, ancillary financial services and certain services ancillary to investment services.

The members of the Executive Board, acting as the MNB's executive body, are: the MNB's Governor, as the Chairperson of the Executive Board, and the MNB's Deputy Governors.

The tasks and operating procedures of the Monetary Council, the Financial Stability Council and the Executive Board are regulated by the MNB Act, the MNB's Statutes and the MNB's Operational Rules as well as the rules of procedure established by these bodies.

The **auditor** of the MNB may be appointed for a fix term, for maximum of five years, and his/her appointment and recall, as well as the determination of his/her remuneration, shall be decided by a shareholder resolution. Before appointing or proposing the dismissal of the MNB's auditor, the Governor of the MNB shall request the opinion of the President of the State Audit Office.

In addition to the auditor appointed by the Shareholder, the State Audit Office and the MNB's Supervisory Board also have the right to control the MNB's operations.

The power of control of the **State Audit Office** over the MNB is regulated by Act LXVI of 2011 on the State Audit Office. The State Audit Office audits the MNB's financial management and its activities that do not fall within the basic tasks. In this regard, the State Audit Office checks whether the MNB is operating in accordance with the laws and its Statutes.

The MNB's body for continuous ownership control is the **Supervisory Board**, as regulated by the MNB Act. The supervisory powers of the Supervisory Board, as defined in the MNB Act, do not extend to the following areas: the MNB's basic tasks, the MNB's resolution authority procedures, the MNB's activities supervising the financial intermediary system, and the impact of such on the MNB's profit and loss. Accordingly, the Supervisory Board prepares its report related to the MNB's annual accounts, as required under Act C of 2000 on Accounting, taking account of these restrictions.

The members of the Supervisory Board as defined in the MNB Act are: the Chairperson, who is elected by the Parliament, three other members elected by the Parliament, a representative of the Minister, and an expert appointed by the Minister. The Chairperson of the Supervisory Board, elected by the Parliament, is nominated by the parliamentary panels of the governing political parties, while the other members elected by the Parliament are nominated by all parliamentary panels.

Governor, Deputy Governors and Chief Operating Director of the Magyar Nemzeti Bank

Left to right, top to bottom: Péter Benő Banai, Zoltán Kurali, Dr. Levente Sipos-Tompa, Judit Gondos, Mihály Varga, Dániel Palotai

Members of the Monetary Council of the Magyar Nemzeti Bank

Left to right, top to bottom: Dr. Kolos Kardkovács, Dr. József Dancsó, Péter Benő Banai, Dr. Levente Sipos-Tompa, Zoltán Kovács, Dr. Péter Gottfried, Zoltán Kurali, Dr. Éva Búza, Mihály Varga, Andrea Mager, Dániel Palotai

Members of the Supervisory Board of the Magyar Nemzeti Bank

Left to right: Dr. Zoltán Kovács, László Madarász, Dr. Gábor András Szényei, Dr. Ferenc Papcsák, Mihály Hoffmann, Kornél Kisgergely

On 24 February 2025, the Parliament elected the members of the Supervisory Board of the MNB nominated by the parliamentary panels, after which the Minister appointed his representative and an expert; accordingly, the members of the Supervisory Board are:

– Dr Ferenc Papcsák, Chairman,
– László Madarász,
– Dr Gábor András Szényei,
– Dr Zoltán Kovács,
– Kornél Kisgergely, and
– Mihály Hoffmann.

Prior to this, the members of the Supervisory Board were:

– Dr Ferenc Papcsák, Chairman,
– László Madarász,
– Dr László Nyikos,
– Dr Gábor András Szényei,
– Péter Benő Banai, and
– Viktor József Asztalos.

2.3 ORGANISATION OF THE MNB

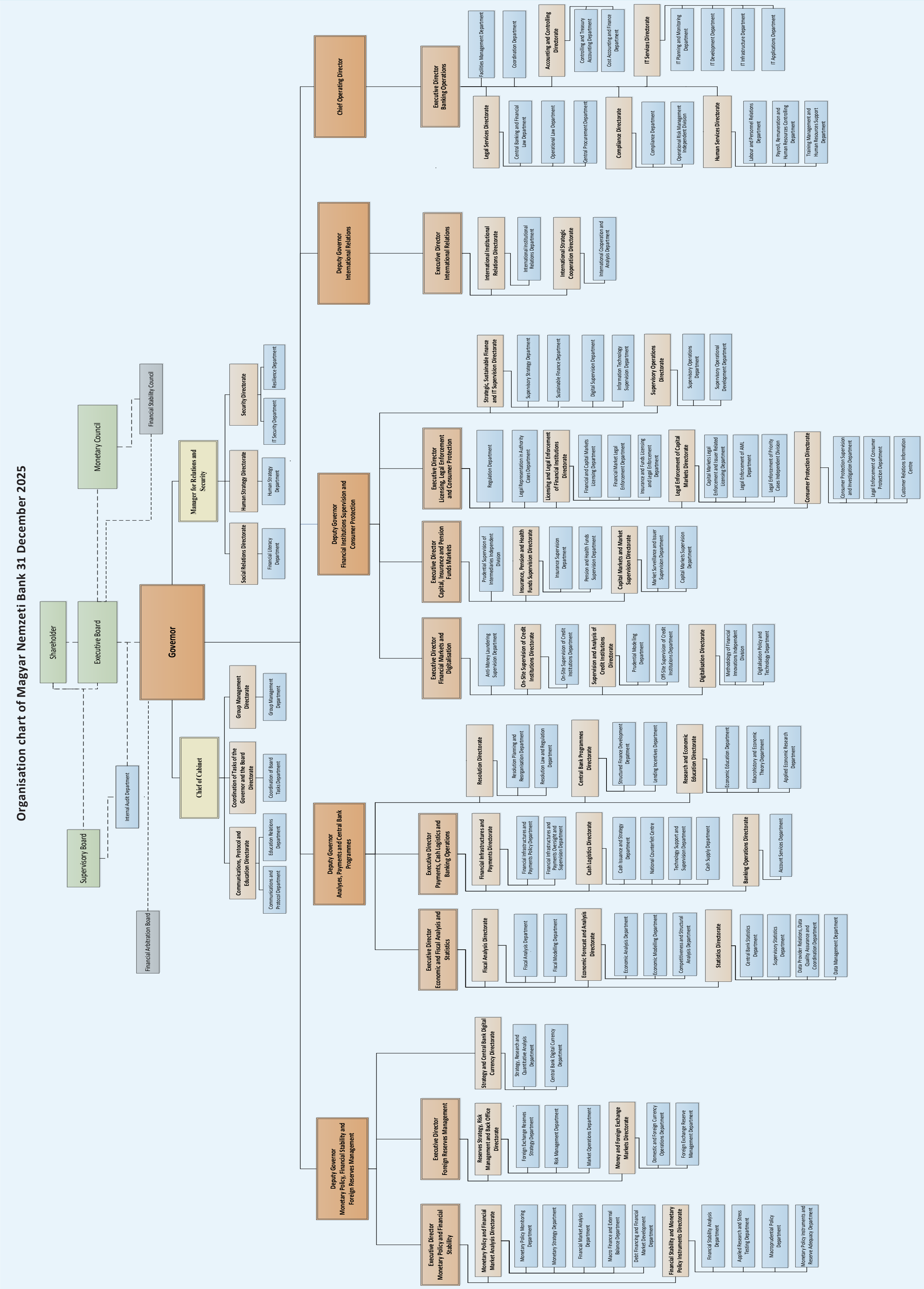
The MNB's organisational structure is designed in accordance with the operating and operational management system introduced for the MNB on 1 July 2013, and for the integrated organisation on 1 October 2013. The structure of the work organisation has changed several times since then, and a major change in the organisational structure was carried out in the year under review, in accordance with the requirements of the MNB's new management. The fourth Deputy Governor was also appointed on 1 September 2025, on the basis of the MNB Act.

As a result of the above, the MNB's organisational structure underwent comprehensive changes in 2025. These changes were primarily intended to facilitate more efficient and transparent operations, and to develop a rational organisational model, adapted to the new challenges.

According to the revised operating principle applicable to the organisational structure, fulfilment of the MNB's statutory and operational tasks are directed and supervised by the members of the Executive Board, the Chief Operating Director and the Managing Directors, who implement decisions with executive power.

The structure of the work organisation as a result of these organisational changes as of 31 December 2025 is illustrated in the **organisational chart** below.

Organisation chart



2.4 THE MNB AS A MEMBER OF THE EUROPEAN SYSTEM OF CENTRAL BANKS

Hungary's accession to the EU also meant that the MNB joined the European System of Central Banks (ESCB). The ESCB is composed of the ECB, which was established in June 1998 with headquarters in Frankfurt, and the national central banks of the EU Member States; the governing bodies are the Executive Board and the Governing Council, the latter consisting of the members of the ECB's Executive Board, as well as the governors of the central banks of the euro area Member States. The third decision-making body of the ECB is the General Council, which ensures an institutional link between the euro system and the central banks of the non-euro area Member States. The General Council meets quarterly and is composed of the ECB's President, Vice-President, and the central bank governors from each EU Member States. The General Council's main tasks are advising on preparations for euro area accession, approving the ECB's Convergence Reports and monitoring the functioning of the ERM II system. As part of this, the General Council assesses the sustainability of the bilateral exchange rates of the non-euro area currencies participating in the ERM II and of the euro, and provides a forum for the coordination of monetary and exchange rate policies, and for the management of the ERM II intervention and financing mechanism. The General Council is also involved in verifying whether the EU central banks and the ECB comply with the prohibition of the monetary financing of the central budget and privileged access of the public sector to the financial institutions. It also participates in the ECB's advisory function and in the collection of statistical data, and must be consulted on changes to the ECB's accounting and financial reporting rules, as well as on issues related to determining the ECB's capital key. The mandate of the General Council will end when all EU countries have adopted the euro.

The number of ESCB members and euro area central banks remained unchanged in 2025.

The ESCB members are also the owners of the ECB, with their ownership shares determined according to each member state's share of EU GDP and their proportion of the total EU population (based on statistics compiled by the European Commission). Since 1 July 2013, the ECB's total subscribed capital has been set at EUR 10.825 billion.

In 2025, 82 percent of the ECB's total subscribed capital was subscribed by euro area central banks, with the remaining 18 percent of the share capital allocated among the central banks of non-euro area Member States.[2] The latter are required to contribute to the ECB's operating expenses arising from their ESCB membership, by paying a predetermined minimum ratio of their share in the share capital. From 29 December 2010, the rate of contribution is 3.75 percent of the respective share of capital (previously it was 7 percent). In accordance with the Statute of the ESCB and the ECB, the capital key is adjusted every five years, or whenever there is a change in the number of national central banks contributing to the ECB's subscribed capital. The capital key was last adjusted with effect from 1 January 2024, as part of the normal 5-year review. As a result of the adjustment, the MNB's capital key increased to 1.5819 percent, and the amount of paid-in capital rose to EUR 6.4 million.

The ESCB committees have an important role in the work of the ECB's decision-making bodies, playing a decision-preparatory and coordinating role in the horizontal division of labour between the different central bank functions, covering all areas of central banking operations, from monetary policy to communication and statistical reporting. Experts from the central banks of the non-euro area Member States are present at the committee meetings where issues concerning the ESCB as a whole, or falling within the competence of the General Council are on the agenda. The committees meet four to five times a year on average, according to a pre-defined schedule, and discuss the current issues in their own area of expertise within the ESCB. (The activities of the ESCB committees and the other support forums are described in Chapter 3.14.)

The MNB's managers and relevant experts continue to actively participate in the work of these committees and the working groups established by them. The ESCB committees remain a useful forum for professional work and exchange of experience in 2025.

[2] The Bulgarian National Bank became a member of the Euro system on 1 January 2026, as a result of which euro area central banks paid up 83 percent of the ECB's total subscribed capital and central banks of non-euro area Member States paid up 17 percent.

3 Report on the 2025 activities of the MNB

3.1 MONETARY POLICY

International financial market developments

Global growth and inflationary prospects were strongly affected by the prolonged geopolitical conflicts and trade policy developments in 2025. Economic growth in European countries and in Germany – Hungary's most important foreign trade partner – remained subdued during the year, while growth picked up in the US and China. Global inflation eased, but the pace of disinflation slowed. Disruptions in international supply chains due to tariffs, high global food prices and the continued strong price increases in market services posed an upside risk to global inflation. Average inflation in the OECD countries fell from 4.7 percent at the beginning of the year to 4.2 percent by mid-year and 3.9 percent in November.

International investor sentiment remained volatile. In the first half of the year, the focus was mainly on developments related to US tariff policy, announcements of fiscal policy loosening in Germany and prolonged geopolitical conflicts. The trade agreement concluded between the European Union and the United States at the end of July then mitigated the uncertainty in global financial markets. At the same time, protracted negotiations between China and the US continued to generate uncertainty. In the autumn, negotiations on ending the Russian-Ukrainian war started, which was received positively by market participants. In the final months of the year, trade policy developments, the US government shutdown and expectations about the Fed's monetary policy were the main factors behind the moderate improvement in international market sentiment.

International monetary policy environment

Of the world's major central banks, both the ECB and the Fed loosened monetary policy conditions in 2025. In the first half of the year, the ECB continued its interest rate cut cycle. From January to June, the ECB lowered its key policy rate by a total of 100 basis points to 2 percent. From mid-year, inflation was in line with the central bank's expectations and it remained near the target for the rest of the year. Accordingly, after its July meeting, the Governing Council did not change interest rate conditions. Between January and July, the Fed did not change its monetary conditions; then, starting from September, it reduced the target range for the federal funds rate by a total of 75 basis points to 3.5–3.75 percent in three steps. In the CEE region, the Czech central bank cut its policy rate by 25 basis points in both February and May to reach a rate of 3.5 percent; following this, it left interest rate conditions unchanged for the rest of the year. The Polish central bank cut its policy rate by 50 basis points in May and 25 basis points in July, and from September it continued the interest rate cuts with 25-basis point reductions until the end of the year. As a result, the Polish policy rate fell 175 basis points to 4 percent. The Romanian central bank did not change its monetary policy rate of 6.5 percent.

Domestic macroeconomic environment

Annual average inflation amounted to 4.4 percent in Hungary in 2025. Consumer price inflation was above 5 percent in January, remained above the tolerance band until October and then declined to the tolerance band from November. The increase early in the year was driven by the fact that the combined effect of rising global commodity prices and fluctuations in the forint market was quickly reflected in prices of imported goods. The mandatory and voluntary price cap measures, which entered into force in mid-March and were renewed and extended several times, had a significant disinflationary effect. At the same time, strong corporate repricing continued to be observed outside their scope. From 2025 H2, the positive effects of the forint, which had been strengthening since the beginning of the year, increasingly appeared in purchase prices, with global commodity and food prices also falling. The pace of inflation slowed down and returned to the tolerance band in the final two months of 2025, to reach 3.3 percent in December. Core inflation advanced to 6.2 percent by February and then declined steadily throughout the year, falling below 4 percent in August and September; after a temporary increase, it was at 3.8 percent in December.

Hungary's economic output was moderate in 2025, increasing by 0.4 percent for the year overall, based on unadjusted data. In the first half of the year, GDP stagnated overall in year-on-year terms. Economic growth showed a mixed picture: retail trade expanded and construction sector production remained broadly unchanged, while industrial production fell significantly in a year-on-year comparison. The uncertain global market environment led to a general decline in exports of industrial products. The significant rise in real wages supported consumption growth, but investments declined for a prolonged period. Household consumption expenditures increased by 3.1 percent in the first quarter and 3.5 percent in the second quarter. Investments fell 8.7 percent and 5.7 percent in the same periods year on year. In the second half of the year, economic activity improved somewhat. In the third quarter, GDP grew at a year-on-year rate of 0.6 percent, but stagnated in a quarter-on-quarter comparison. The services sector contributed the most to GDP growth, while the industrial and agricultural sectors restrained it. Expenditure-side GDP showed that household consumption and change in inventories supported annual growth, while net exports and investment held it back. In the third quarter, household consumption expenditures increased by 2.6 percent, and investments contracted by 3 percent year on year. In the fourth quarter, Hungarian economic activity was moderate, with year-on-year GDP growth at 0.7 percent, based on unadjusted data. Employment remained at a high level, and labour market tightness eased. The unemployment rate was low, averaging 4.4 percent for the year.

Monetary policy measures

Based on the macroeconomic data, the inflation outlook and the risk environment, the Monetary Council decided to maintain the base rate at 6.5 percent at each of its policy meetings, in line with its stability-oriented approach. Accordingly, the O/N deposit rate, which is the lower limit of the interest rate band, remained unchanged at 5.5 percent, and the O/N lending rate, which is the upper limit, stayed at 7.5 percent in 2025.

Global and domestic inflation risks, volatility in international investor sentiment and the interest rate policies of the major global central banks warranted careful, patient monetary policy throughout the year. In December, according to the Monetary Council's assessment, the risks around the inflation outlook became more balanced. After an assessment, the Council's forward guidance changed in December, stating that, based on the incoming macroeconomic data and factors influencing the inflation outlook, the Monetary Council would make its decisions on the base rate in a cautious, data-driven manner from meeting to meeting.

In its statements, the Monetary Council emphasised that, under the current economic conditions, achieving and maintaining price stability and ensuring financial market stability was the most effective way for the Monetary Council to contribute to easing economic agents' increased precaution and thus fostering sustainable economic growth. By ensuring positive real interest rates, restrictive monetary policy helped to maintain financial market stability, anchor inflationary expectations in line with the MNB's target and thus ensure achievement of the inflation target in a sustainable manner.

In order to ensure the effective transmission of monetary policy, the MNB held daily FX swap tenders and weekly discount bill auctions. It is crucial for the MNB that short-term interest rates develop in accordance with the rates set by the Monetary Council, in all sub-markets and in all periods.

2025 inflation trends

Inflation in Hungary rose to more than 5 percent in early 2025 and remained above the tolerance band until October. Starting from the spring, however, inflation gradually decelerated, and by November the rate was within the tolerance band, before falling to 3.3 percent in December (Chart 1). Average consumer price inflation amounted to 4.4 percent in 2025.

Higher inflation at the beginning of the year was mainly explained by the increase in prices for market services and processed food, as well as the combined effect of rising global commodity prices and developments on the forint market, which rapidly appeared in prices of imported goods. From the spring, statutory and voluntary price cap measures led to a slowdown in inflation. The government's margin restriction on food came into effect in March, while the margin restriction on household goods came into effect in May, and in December restrictions on food prices were extended to other product groups. Starting from the spring, banking and telecommunications companies agreed to apply a voluntary price cap on certain services. Declines in global commodity and food prices, and the effect of the stronger forint on purchasing prices also supported disinflation.

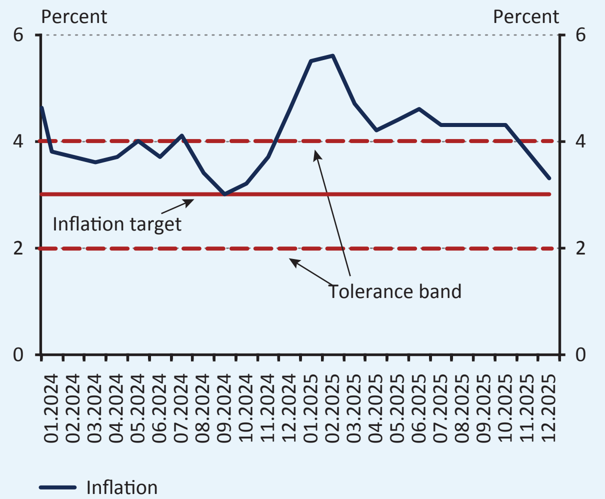
Core inflation advanced to a year-on-year rate of 6.2 percent in February 2025, after which it started to steadily decrease. It fell below 4 percent in August and September, and then following a temporary increase, it continued to drop to 3.8 percent in December. Average annual core inflation was 4.6 percent, and core inflation excluding indirect tax effects was 4.4 percent in 2025.

Inflation in the CEE countries (except for the Czech Republic) exceeded the EU average in 2025. Romania recorded the highest average harmonised CPI in the region (at 6.8 percent). The average price increase was 4.4 percent in Hungary, 4.2 percent in Slovakia, 3.3 percent in Poland and

2.3 percent in the Czech Republic in 2025, according to the Eurostat harmonised price index.

The generally tense geopolitical situation continued to play a major role in the evolution of global inflation prospects in 2025. Although global energy prices are lower than in the previous years, tensions due to geopolitical conflicts and trade policy events continue to cause significant volatility.

Chart 1
Inflation target and inflation trends

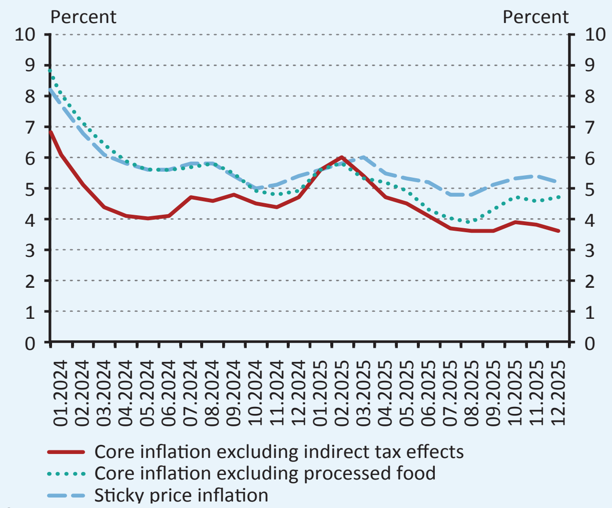


Source: HCSO, MNB.

Indicators capturing longer-term inflation trends were volatile during the year and showed an overall decline compared to 2024. Core inflation excluding indirect tax effects, core inflation excluding processed food and sticky price inflation also rose in the first few months of 2025, before gradually decreasing until mid-year. In the autumn, however, core inflation excluding processed food and sticky price inflation started to rise again (Chart 2), with the first indicator coming in at 4.8 percent and the latter at 5.3 percent on average in 2025.

Food price inflation stood at 6.7 percent in February 2025, but later fell to -1.3 percent by the end of the year, due to

Chart 2
Indicators capturing the underlying inflation trend



Source: MNB.

margin restriction measures and lower global food prices in the autumn months. The annual average rate of food inflation was 3.2 percent in 2025. For industrial goods, a 2-percent price increase was recorded for January, rising to 3.5 percent in May and then tapering to 2.5 percent by December, with the average for the year coming in at 2.6 percent. As seen at the global level, disinflation in services was slower than in other product groups, after the inflationary waves in the 2020s. In 2025, among the other sub-items of inflation, inflation in market services was the highest in the EU. In Hungary, inflation in market services eased from 9.6 percent in January to 6.3 percent in October, partly due to voluntary price restriction measures by service providers. Afterwards, due to base effects and the year-end repricing in the telecommunications sector, the annual price increase amounted to 7.6 percent in December.

Table 1
Changes in consumer prices and their components

	2023	2024	2025	2025			
				Q1	Q2	Q3	Q4
Core inflation	18.2	4.6	4.6	5.9	4.7	3.9	4.0
Unprocessed food	19.9	1.5	4.4	6.4	5.2	6.1	-0.2
Fuel and market energy	25.8	0.1	-1.7	3.7	-3.6	-2.2	-4.6
Regulated prices	13.0	2.6	5.9	2.8	5.9	7.5	7.5
Consumer price index	17.6	3.7	4.4	5.3	4.4	4.3	3.8
Consumer price index at constant tax rates	16.7	3.3	4.2	5.0	4.1	4.0	3.5

Note: Percentage change year on year. When calculating the price index with unchanged tax content, the HCSO corrects the CPI for the technical effect of changes in indirect taxes.
Source: HCSO.

Changes in the monetary policy toolkit

The MNB's main policy tool and primary method of sterilising banking system liquidity is the minimum reserve requirement. 2.5 percent of the minimum reserve is non-interest-bearing, while the MNB pays interest on the entire interest-bearing portion and any amount in excess of the minimum reserve requirement at the base rate.

Until the end of July 2025, the minimum reserve ratio for credit institutions was set at 10 percent. From 1 August 2025, in line with the gradual decline in the banking system's liquidity surplus during the first half of the year, the Monetary Council decided to lower the minimum reserve rate from 10 percent to 8 percent, thus reducing the minimum reserve requirement for the overall banking system by HUF 850 billion. The decision to lower the minimum reserve rate did not affect the non-interest-bearing portion of the minimum reserve, which remained at 2.5 percent. Credit institutions must meet the minimum reserve requirement on a daily and monthly basis. The minimum reserve requirement is determined by the MNB on the basis of the monthly average liabilities of the banks subject to the minimum reserve requirement, for each period. At the level of the overall banking system, the mandatory reserve ranged from HUF 3,322 billion to HUF 4,193 billion in 2025.

The Monetary Council did not change the base rate during the year, and the upper and lower boundaries of the interest rate corridor also remained unchanged. At the end of 2025, the MNB's base rate stood at 6.5 percent, with the overnight deposit rate at 5.5 percent and the overnight covered loan rate at 7.5 percent.

Along with the minimum reserve requirement, monetary transmission was also supported by the weekly auctioned 1-week discount bill and the daily published 1-day (tomorrow next) maturity FX swap tender providing euro liquidity. The pricing of discount bills was adjusted to the base rate, while the implied interest rate used in FX swap tenders was announced at 50 basis points below the base rate.

Use of the MNB's facilities

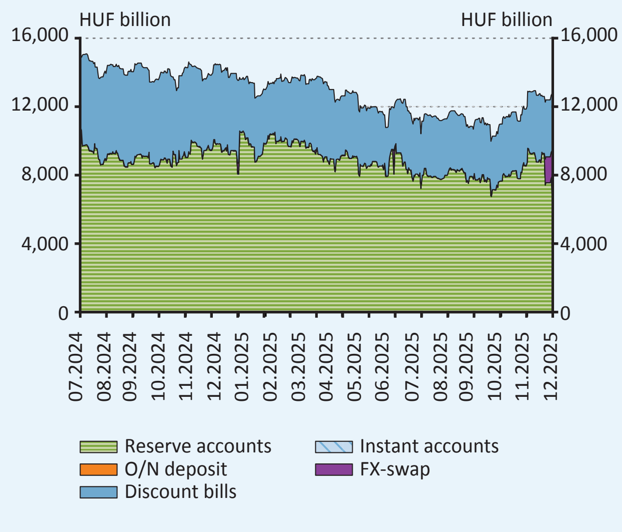
The banking system's total forint liquidity (consisting of the balance of the reserve accounts and instant payment system-related accounts, the standing facilities of overnight deposits and loans, the forint leg of FX swaps providing euro liquidity and the netted value of discount bills) amounted to approximately HUF 12,250 billion on average during the year. In 2025, average monthly total banking liquidity ranged between HUF 10,850 and HUF 13,600 billion. In the first half of the year, average forint liquidity stood at HUF 12,900 billion, while in the second half of the year it declined by HUF 1,200 billion to HUF 11,700 billion on average.

The decline in banking system liquidity was due to the amortisation of earlier MNB programmes (covered central bank loans, the Funding for Growth Scheme (hereinafter: FGS)) and higher cash holdings. On the other hand, banking system liquidity increased due to the MNB's interest payments, and to a lesser extent, due to the lower balance of the Single Treasury Account (hereinafter: STA).

Among the specific MNB assets, average monthly liquidity placed in the reserve accounts fluctuated between HUF 7,574 billion and HUF 10,092 billion, with an average of HUF 8,750 billion. The average volume of monthly bids received for MNB discount bills ranged from HUF 2,214 to HUF 3,993 billion.

With the 10-percent minimum reserve requirement, the total mandatory reserve obligation of the banking system was between HUF 4,020 billion and 4,193 billion on a monthly basis, whereas with the 8-percent requirement it ranged between HUF 3,322 billion and HUF 3,359 billion. Total reserves deposited by the banks were higher than the minimum requirement in each month. The cumulative amount of excess reserves fluctuated between HUF 4,227 billion and HUF 5,991 billion.

Chart 3
Use of the MNB's deposit facilities



Source: MNB.

Discount bill auctions are held on a weekly basis, with 1-week maturity and T+1 day settlement. The MNB adjusts the issue price to the prevailing base rate. In the 53 tenders held in 2025, the MNB accepted all the bids submitted. To facilitate year-end liquidity management, the MNB held an extra tender on 17 December (in addition to the usual weekly tenders) for a 3-week maturity bill, expiring on 8 January 2026.

As in the previous periods, the MNB held daily FX swap tenders providing 1-day (tomorrow-next) maturity EUR liquidity throughout 2025. The volume offered was EUR 6 billion each time, and the maximum implied interest rate of the bids was determined to be 50 basis points below the base rate (6 percent). In addition to the regular daily tenders, on 18 December, the MNB also announced a longer-term FX swap instrument expiring on 6 January 2026.

Table 2
Total volume of discount bills issued on the auctions held in 2025 (in HUF billion)

Tender period	Number of tenders	Average bid amount	Average allotted amount
January	4	3,507	3,507
February	4	3,476	3,476
March	4	3,830	3,830
April	5	3,993	3,993
May	4	3,579	3,579
June	4	2,922	2,922
July	5	3,300	3,300
August	4	3,436	3,436
September	4	3,219	3,219
October	5	3,294	3,294
November	4	3,391	3,391
December	6	2,214	2,214
Total	**53**	**3,314**	**3,314**

Source: MNB.

Table 3
Amounts accepted in FX swap tenders

Value date	Maturity date	Converted spot exchange rate	Maximum offered amount (EUR million)	Maximum offered amount (HUF billion)	Bid/allotted amount (EUR million)	Bid/allotted amount (HUF billion)
28.03.2025	31.03.2025	400.2	6,000	2,401.2	50	20.0
31.03.2025	01.04.2025	401.8	6,000	2,410.8	560	225.0
30.04.2025	05.05.2025	404.2	6,000	2,425.2	25	10.1
30.06.2025	01.07.2025	399.6	6,000	2,397.6	3,430	1,370.6
31.07.2025	01.08.2025	399.5	6,000	2,397.0	1,310	523.4
29.08.2025	01.09.2025	396.7	6,000	2,380.2	10	4.0
30.09.2025	01.10.2025	390.6	6,000	2,343.6	1,345	525.4
22.12.2025	06.01.2026	389.0	6,000	2,334.0	3,866	1,503.9
31.12.2025	05.01.2026	386.5	6,000	2,319.0	2,078	803.2

Source: MNB.

The covered loan instrument transactions used to manage the COVID-19 crisis with an original 5-year maturity have been expiring on a weekly basis since end-March 2025 and will continue to do so until end-July 2026. Loans outstanding amounted to HUF 2,575 billion at the beginning of 2025 and dropped to HUF 360 billion by the end of the year. The expiring loans led to lower banking system liquidity, but total banking sector liquidity still remained at a high level in 2025.

In the Green Home Programme with a total budget of HUF 300 billion, which was launched on 4 October 2021 as part of the FGS, the outstanding loan volume decreased to HUF 247 billion by end-December 2025, due to overall repayments being somewhat higher than disbursements. Total outstanding SME sector loans from the previous phases of the FGS fell to HUF 900 billion by the end of 2025.

Total FGS loans outstanding declined by HUF 260 billion in 2025.

Within the framework of the Bond Funding for Growth Scheme (hereinafter: BGS), a total of 89 issuers issued 114 bond series, raising HUF 2,859 billion of external funding.

On 14 December 2021, the Monetary Council decided to close the BGS, and the last bond issue and central bank purchase under this programme occurred in April 2022. In 2025, the MNB only carried out portfolio management activities related to the existing bond portfolio.

3.2 STABILITY OF THE FINANCIAL INTERMEDIARY SYSTEM

In the *Financial Stability Reports* and *Macroprudential Report*, which feature regular, comprehensive assessments of stability risks in the financial intermediary system, in 2025 the MNB once again provided a detailed description of the risks affecting operation of the Hungarian banking system and how to address such risks. While changes in the international environment have significantly impacted the Hungarian economy, the country's banking system remained stable and its resilience against shocks is strong, both in terms of liquidity and loss-absorbing capacity. Hungarian banks are continuously able to provide the necessary resources to economic actors. In August 2025, the MNB launched the Certified Corporate Loan (CCL) certification, to increase competition in the banking system and stimulate market-based SME lending activities.

In 2025, the MNB closely monitored the development of geopolitical and macroeconomic uncertainty and real estate market risks. In order to strengthen the shock resilience of the banking system, starting from 1 July, the MNB applied a so-called positive neutral approach to the countercyclical capital buffer (CCyB) with a 1-percent rate. To mitigate mounting real estate market risks, the MNB decided to issue a comprehensive regulatory package in September 2025. As part of this, starting from 1 January 2026, the MNB requires credit institutions to generate a 1-percent sectoral systemic risk buffer (sSyRB) for both their residential and commercial real estate exposures. In addition, the age restriction applied to the downpayment requirement for first-time home buyers was abolished, and the income threshold enabling a higher debt-service-to-income ratio was increased to HUF 800,000, in line with the nominal wage increase. In the interests of supporting the stable financing of mortgage loans, from October 2026 the mortgage financing adequacy ratio requirement will set incentives to diversify the investor base, and it will be possible to involve other stable financing instruments that are used internationally.

Key trends in the financial system

Pursuant to the MNB Act, the central bank's primary objective is to achieve and maintain price stability. The MNB supports the stability of the financial intermediary system, the improvement of its resilience and its sustainable contribution to economic growth, and, using the tools at its disposal, implements the Government's policy on economic and environmental sustainability, without jeopardising its primary objective of achieving and maintaining price stability. The MNB supervises the domestic financial intermediary system and acts as a resolution authority within the scope of its powers specified in a separate law. Furthermore, given that the MNB is a member of the European System of Financial Supervision, it performs the tasks delegated to it from the powers of the EBA, EIOPA, the European Securities and Markets Authority and the ESRB, as well as the supervision of the domestic financial intermediary system, and also acts as a resolution authority.

The banking system remained stable in 2025. The sector's consolidated capital adequacy ratio (CAR) declined from 20.9 percent at end-2024 to 19.9 percent at end-2025, which continues to reflect a strong capital position. During the same period, the CET1[3] rate fell from 18.6 percent to 17.7 percent. However, depending on the amount of dividend payments, the 2025 profit (which is unaudited and thus cannot be included in capital) may significantly increase the capital adequacy ratio. The level of unaudited profit was higher than ever before, exceeding HUF 1,000 billion, amounting to 2.3 percent of the total risk exposure amount (TREA). Uncommitted capital above the capital requirement of the overall sector amounted to HUF 2,091 billion at the end of December, which is 4.4 percent of TREA. The 3-percent leverage requirement was met by all members of the sector.

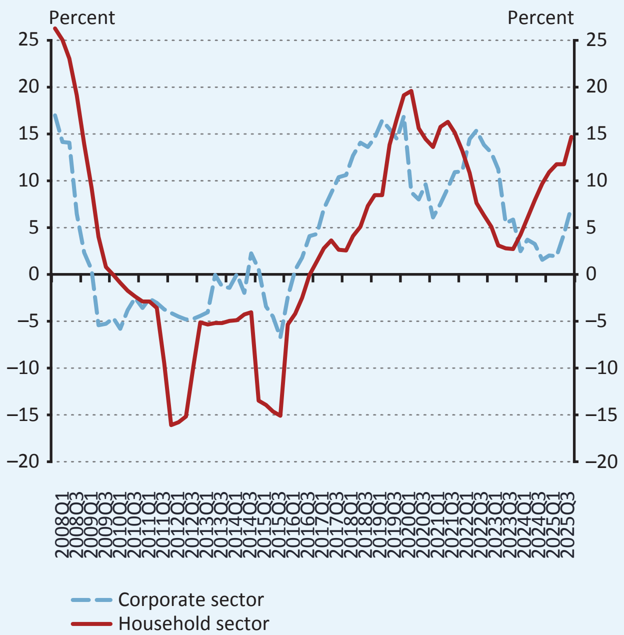
In 2025, the overall credit institution sector realised a cumulative after-tax profit of HUF 1,448 billion, based on individual, unconsolidated data, which is HUF 141 billion lower than the previous year's profit. The decline in after-tax profit was primarily due to higher operating expenses and the end of certain profit-boosting factors. The higher bank levies and decline in annualised net interest income also reduced profit. No major credit risks materialised in 2025. The share of non-performing loans in the household loan portfolio shrank to a historical low of 1.6 percent. Banks' active portfolio cleaning efforts and robust new lending activity also had a benign effect on the NPL ratio. In the corporate loan segment, the share of non-performing loans also decreased significantly by 0.5 percentage point, falling to 3.2 percent at the end of December. The ratio of non-performing loans over 90 days is very low in both the corporate and household segments, at 1.1 percent and 0.9 percent of total loans outstanding, respectively. The sector's

[3] The ratio of Common Equity Tier 1 capital to risk-weighted assets.

return on equity (RoE) declined from 22.5 percent at end-2024 to 18.8 percent at the end of the year, while the return on assets (RoA) dropped from 2 percent to 1.8 percent.

The loan market was marked by dual trends in 2025. Credit institutions' household loans outstanding grew strongly by HUF 1,600 billion in 2025, as a result of disbursements and repayments, representing a 14.7-percent increase (Chart 4). The volume of new loans provided exceeded HUF 3,800 billion in 2025, showing a 39-percent year-on-year increase. The Home Start Programme, which was available from September 2025, played an important role in the expansion of lending activity: in the fourth quarter, this product accounted for three-quarters of new home loans. The volume of new housing loan contracts in 2025 reached HUF 2,000 billion, 46 percent higher than the previous year's disbursements. The fourth quarter also showed robust year-on-year growth of 130 percent, due to the high, HUF 600 billion volume of new Home Start loans. At the end of 2025, the corporate loan portfolio featured growth of 7.3 percent, with an expansion of 6.2 percent registered in the SME loan portfolio, marking a significant increase versus 2024. Demand declined primarily for HUF-denominated and long-term loans.

Chart 4
Annual growth rate of the corporate and household loan portfolios

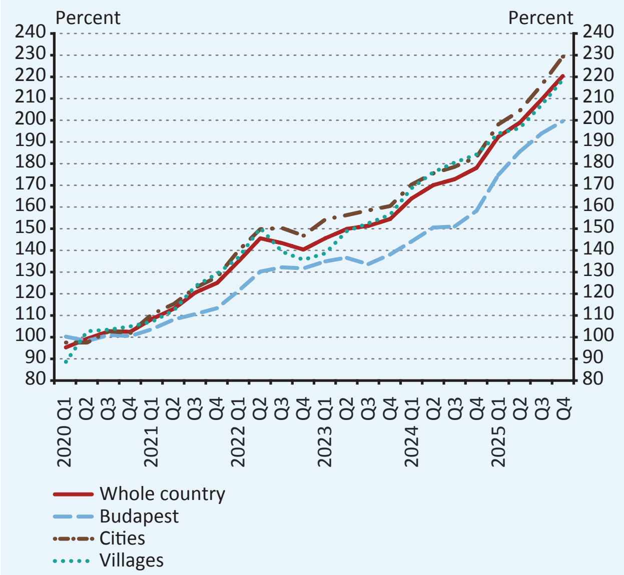


Note: Credit institution sector.
Source: MNB.

In 2025, the MNB continued to pay special attention to monitoring real estate market developments. House prices rose steadily in 2025, appreciating by 5.2 percent in the fourth quarter, while annual nominal house price appreciation amounted to 23.8 percent (Chart 5). By settlement type, house prices increased by 26.1 percent in Budapest, 25.2 percent in rural towns and 18.6 percent in villages over the course of one year. According to MNB estimates, house prices exceeded the level justified by macroeconomic fundamentals by 21.6 percent in 2025 Q4; therefore, overvaluation increased further in year-on-year terms, compared to the 13.7-percent overvaluation estimated for the same period of the previous year. According to MNB estimates, individuals completed 152,000 housing market transactions overall in 2025, of which 32,000 occurred in Budapest. This reflects a 3-percent increase for the county as a whole and an 11-percent decrease in Budapest versus 2024. In 2025, housing market transactions with borrowing accounted for 40 percent of all real estate sales transactions.

In the commercial real estate market, the stagnation in yields seen since 2024 Q2 continued in 2025, and economic activity was not able to substantially support commercial real estate market activity during the year. In the Budapest office market, the vacancy rate fell by 1.6 percentage points to 12.5 percent in 2025, while in the industrial and logistics market, the vacancy rate rose by 4.8 percentage points to 12.8 percent. Given the leasing demand in recent quarters, and the total area and composition of new buildings, the vacancy rate is expected to keep rising in both segments. In 2025, investment volume in the Hungarian commercial real estate market amounted to EUR 900 million, more than double the volume recorded for 2024.

Chart 5
Nominal MNB house price index by settlement type (2020 = 100 percent)



Source: MNB.

Macroprudential activity of the MNB

In 2025, the MNB closely monitored the impacts of the uncertain geopolitical and macroeconomic environment on financial stability and lending trends, as well as the launch of new economic policy measures that have a significant impact on the banking system, including the Home Start loan programme.

Due to the high geopolitical and macroeconomic uncertainty, the MNB applied a positive neutral countercyclical capital buffer requirement from 1 July 2025, at a rate of 1 percent, in order to maintain and strengthen the long-term shock resilience of the banking system. Imposing this countercyclical capital buffer rate supports the stable operation of banks, without substantially reducing their lending capacity. In its 2025 review, the MNB identified seven banking groups as systemically important institutions (O-SII), similar to 2024, using a revised methodology that places more emphasis on the financial services provided to the Hungarian real economy. The allocation of scores measuring systemic importance did not change significantly, nor did the level of capital buffer requirement imposed on the institutions.

In September 2025, the MNB decided to issue a comprehensive regulatory package, in response to mounting risks in the residential real estate market and the continued high risks in the commercial real estate market. From 1 January 2026, the Financial Stability Council imposed an obligation to generate a sectoral systemic risk buffer on all credit institutions. A 1-percent capital buffer is required for risk exposures to domestic customers secured by mortgages registered on Hungarian residential or commercial real estates. This measure is aimed at mitigating the risks of real estate exposures, while having a negligible impact on lending capacity. To ensure smooth lending processes, the age restriction for the application of less strict loan collateral regulations (downpayment requirement) for first-time home buyers was abolished by the MNB in September 2025. From 1 January 2026, in line with the development of wages in the recent years, the income threshold that allows for higher (60 percent) indebtedness, was raised to HUF 800,000.

In order to ensure stable financing for the fast-growing household sector mortgage loan portfolio, the MNB also amended the rules on the Mortgage Funding Adequacy Ratio (MFAR). As part of this, from 1 November 2025, the *de minimis* exemption limit was increased from HUF 40 billion to HUF 100 billion, but the scope of the previously exempted banks remained unchanged. From 1 October 2026, the MNB will discourage the sale and purchase of mortgage bonds between banks and will require that newly issued mortgage bonds be listed on the stock exchange, and mortgage-backed assets will be more widely accepted.

In August 2025, the MNB launched the Certified Corporate Loan (CCL) certification, the main purpose of which is to foster investment activity in the Hungarian SME sector and stimulate competition in the banking system. Building on the success of the certified products offered in the household sector, the scheme provides competitive sourcing for the corporate sector, with uniform investment loans featuring transparent conditions, favourable pricing and simple, fast administration.

MNB experts continued to monitor the systemic risk assessments of the financial intermediary system and international regulatory developments in 2025, and also participated in the activities of the macroprudential policy working groups of various European institutions (most importantly the ESRB).

3.3 SUPERVISORY ACTIVITY AND CONSUMER PROTECTION

As of 31 December 2025, the MNB performed full-scale supervisory activities (prudential, consumer protection, anti-money laundering and issuer related) in relation to 1,065 institutions. Nowadays, the MNB’s regulatory activity involves more complex supervision; accordingly, in addition to the institutions subject to prudential supervision, it is justified to also add institutions subject to other types of supervision. Taking this approach, the MNB exercised some form of supervision over roughly another 1,000 institutions.

In 2025, the MNB completed 57 prudential and 761 consumer protection inspections, 41 market surveillance proceedings, 6 supervisory authority targeted inspections at issuers, and 7 anti-money laundering inspections. As part of its supervisory and consumer protection activities, the MNB imposed fines in the total value of HUF 2,556 million in 2025. Of this, fines imposed in the course of prudential supervision measures amounted to HUF 764.74 million, with consumer protection fines of HUF 274.6 million, market surveillance fines of HUF 1,360.25 million, issuer supervision fines of HUF 20.5 million, anti-money laundering fines of HUF 134 million and procedural fines of HUF 2 million.

Financial market supervision

Hungarian banks have adequate lending capacity, paired with a strong capital and liquidity position. The share of non-performing loans is low, and the banks are prepared for a potential increase in defaults by accounting for impairment.

As part of its financial market supervisory activities, the MNB paid special attention to the priority areas for the inspections to be carried out in 2025. In the fields of corporate governance, internal controls and frameworks, the MNB's inspections identified major risks in the areas of outsourcing, regulatory activity, the data reporting framework and internal audits. In the field of credit risks, the MNB made several findings at institutions, in the areas of the recording and revaluation of collaterals, certain elements of the corporate lending process and the related monitoring processes. In the fields of impairment, capital and accounting, deficiencies were primarily identified in relation to transaction rating, impairment accounting and the capital calculation processes of the credit institutions.

The total number of market players in the financial markets and the members of financial groups continued to change in 2025. The MNB issued a resolution on 28 May 2025, which authorised MagNet Bank Zrt. and its owners to acquire direct and indirect qualifying holdings in Polgári Bank Zrt. After several postponements, the Hungarian branch of Revolut Bank UAB (Revolut) finally started its activities in Hungary on 1 November 2025, in accordance with the notification received from the Lithuanian supervisory authority. The activity license for "MIKROHITEL" Gazdaságfejlesztő Pénzügyi Zrt. was withdrawn by the MNB, and the MNB ordered the dissolution of the company.

In addition to the above, as part of its ongoing supervisory activities, in accordance with Act XII of 2025 on credit servicers and credit purchasers of non-performing loan agreements (hereinafter: Non-Performing Loans Act), which entered into force on 16 May 2025, the MNB issued a resolution on 3 October 2025. In this resolution, it stipulated an extraordinary data reporting obligation for a large number of financial enterprises, with the first deadline set as 14 November 2025. Among other things, the MNB also published MNB Recommendation 9/2025 (VII. 31.) on the transfer of non-performing loan agreements to entities acquiring loans. MNB Decree 43/2025 (XII. 04.) on the data reporting obligations to be fulfilled primarily for the purpose of the Magyar Nemzeti Bank's supervisory duties over money and credit market organisations also entered into force. The money market participants specified therein must apply the provisions of such to their data reporting activities starting from 1 January 2026. After the Non-Performing Loans Act entered into force, new categories of market players appeared on the financial markets, namely credit servicers and credit purchasers, which are also subject to the MNB's supervisory activities. Accordingly, the MNB Decree on data reporting obligations also applies to credit servicers and credit purchasers as defined in the Non-Performing Loans Act, which are required to satisfy quarterly data reporting obligations.

In 2025 H1, the Austrian subsidiary of the Turkish VakıfBank, VakıfBank International AG, and the German-based Trade Republic Bank established a branch in Hungary, with the Belgian-based payment institution Ebury Partners Belgium N.V. following suit in the latter half of the year. The MNB authorised MagNet Bank Zrt. to take over the deposit, payment service framework contracts, overdraft, and loan and receivables portfolio of Polgári Bank Zrt; the scheduled date of the transfer is 28 February 2026.

In the market of financial enterprises, Axfina Hungary Zrt. and Finalp Zrt. merged, with the aim of rationalising the Hungarian group of Axfina Holding S.A. In addition, Budapest Lízing Zrt. was merged into Euroleasing Zrt., with the aim of rationalising the operation.

As part of the MNB's supervisory activity over financial market intermediaries, the MNB continued to focus on cleaning up the market in 2025 and removing the authorisation of market players which failed to meet the required personal and material conditions, with the aim of further strengthening the lawful operation of the intermediary market and ensuring the presence of active players. As a result of the MNB's inspections, it was mostly inactive players in the multi-client agent and commodity loan multi-client agent markets that disappeared from the market.

Insurance market supervision

The insurance sector is stable and dynamically growing. Market size more than doubled over the past decade, and by the end of the year the sector's capital adequacy ratio was twice the statutory requirement. As a result of intense competition and improving value for money, insurance companies offer increasingly favourable solutions for customers. Profitability is rising, and insurers' liquidity is stable.

Based on activity data, the March 2025 home insurance campaign proved successful: approximately 400,000 contracts were reviewed, reaching four-fifths of the 2024 participation rate. The number of Certified Consumer-Friendly Home Insurance contracts passed the 100,000 mark during the campaign.

The group credit protection insurance policies sold through banking channels were analysed by the MNB from the perspective of consumer protection and product supervision. The MNB summarised the findings and accordingly modified its existing Recommendation on the application of product oversight and governance measures for insurers and insurance distributors, by adding supervisory authority requirements for credit protection insurance products. The purpose of these new additions was to increase the value for money of credit protection insurance products, by expanding the services provided to customers and ensuring appropriate pricing. With this, the Ethical Insurance 2.0 Regulatory Package was completed in 2025. Based on this, the Recommendations on quality assurance calls and conflict of interest are in force and applicable, and from 1 January 2026, the MNB also introduced the individual total cost indicator (TCI) to be calculated for life insurance products with savings; the MNB Recommendation on product supervision and the amended MNB Recommendation on unit-linked insurances are also fully applicable from the same date. The provisions of the MNB Recommendation on product supervision, which entered into force on 1 July 2025, resulted in the following: the expected annual average yield of unit-linked life insurance products for high-risk asset funds rose from an average 3.5 percent at the end of 2023 to 6.2 percent, while the ratio of product and asset fund combinations below the threshold fell from 33 percent to 1.5 percent by October 2025.

The on-site inspections started in 2025 mainly focused on the following areas: review of compulsory motor third party liability insurance (MTPL) premium calculations, given that claims inflation was decreasing, review of the claim settlement practice for certain non-life claims, review of compliance with the requirements set for the product supervision and management system, and review of the electronic communication/customer information system. Other areas reviewed by the MNB included the following: how climate change and environmental risks are taken into account, the inclusion of environmental sustainability considerations in the business model and strategy of the insurers, the existence and appropriateness of quality assurance calls to be used in the sale of insurance-based investment products, the use of artificial intelligence, and the use of cloud services.

The MNB also handled a number of submissions, license applications and notifications submitted by insurers and insurance intermediaries (brokers and multi-client agents) in 2025. Regarding the insurance market, the MNB carried out licensing activities for insurance intermediaries and for activities directly related to insurance activities, authorised insurance activities (for Medikon Mutual Accident and Health Insurance Association), and granted a supervisory authority approval for the acquisition of indirect qualifying influence in the Hungarian members of the Generali insurer group, and for the transfer of portfolios to the CIG group member insurers.

Regarding insurance intermediaries, the MNB's 2025 activities focused on customer information practices related to the transfer of insurance-based investment products, as part of which the MNB found that the required information was not provided, in several inspections conducted at insurance intermediaries.

Pension fund supervision

The pension fund sector has adequate operational reserves. Contributions increased at a rate higher than inflation, and the number of total members increased, but the proportion of membership fee payers did not improve. Prior to the launch of the temporary real estate-related service, the MNB issued a management circular, specifying the applicable requirements, and continuously monitored outgoing payments made in relation to these services. The outgoing payments did not cause any operational or liquidity disruption in the sector; the total assets of the funds increased as a result of the double-digit growth in contributions and the positive result on investments.

The following areas continued to be high priority areas for the 2025 inspections: review of the long-term sustainability of funds' operation, especially with regard to their responsiveness to external environmental impacts and compliance with the prudent level of resources available for operation, as required by the MNB, and a review of the proper application of the new rules on yield deductions from members who do not pay membership fees. For voluntary pension funds, a review of outflows related to the newly introduced temporary real estate ancillary service was also added. The inspections completed in 2025 mainly found violations of the legal provisions on delegate elections, the operation of the audit committee, outsourced activities and payments to members.

The MNB published the yields of voluntary pension funds and private pension funds. For the first time in the last two decades, a double-digit positive average annual net yield was realised in the voluntary pension fund sector for two consecutive years (in 2023 and 2024). The 20-year average yield was calculated by the pension funds for the first time, at the MNB's request. The MNB issued press releases to provide information on the real estate-related services of the voluntary pension funds and checked whether members were properly informed about the service. The MNB required monthly data reporting and monitored the development of voluntary pension funds' real estate-related services and whether the liquidity required to provide such services was available.

The MNB issued a press release entitled *The cost of voluntary pension funds is stable below one percent* and published the 2024 charge ratio and adjusted charge ratio of the voluntary pension funds, as well as a summary analysis of the TCR assessment of pension funds. The charge ratio (compared to total assets) decreased to 0.68 percent, with an unchanged level of investment and modestly declining operating costs. The 30-year total cost indicator, which models expected future charges, changed minimally from 0.9 percent to 0.93 percent. Thus, pension funds continue to offer one of the cheapest retirement savings options for their customers.

Consolidation of the funds market continued in 2025. In 2025 H1, the MNB authorised the merger of Postás Voluntary Pension Fund into Aranykor National Voluntary Pension Fund, the merger of Taurus Pension Fund into Életút Pension Fund, and the merger of Health Fund of the Herendi Porcelánmanufaktúra Részvénytársaság into MBH Gondoskodás Health and Mutual Aid Fund.

Capital market supervision

Key focus areas for inspections and continuous supervision of the capital market and its participants in 2025 were determined on the basis of the European Securities and Markets Authority (ESMA) heatmaps and the MNB's risk assessment. In addition to comprehensive inspections, in 2025 H2 the MNB also launched thematic inspections on sustainability topics at five investment service providers, as well as conducting surveys as part of continuous supervisory activities at six service providers. The purpose of the inspections and surveys was to clarify to what extent sustainability aspects had been integrated into eligibility assessment practices, i.e. how sustainability and the related preference of clients was taken into account in the investment advisory activity at the given institution. The integration of such aspects into product management practices was also reviewed, essentially centring on identifying the target group of the products made available. In relation to the survey performed as part of continuous supervision activities, the MNB sent out management letters, with some institutions also receiving resolutions imposing obligations, upon completion of the thematic inspections.

In September 2025, the MNB started a new thematic inspection focusing on portfolio management activities at two investment firms and three investment fund managers. As part of its continuous supervision activities, in the field of protecting investors' assets, the MNB also conducted inspections related to transactions carried out by account managers on client accounts; based on the results of the inspection, the MNB sent a management letter to the institutions, calling on them to strengthen and automate controls.

Regarding fund managers, in accordance with ESMA methodology, the MNB reviewed the operation of internal protection lines, in particular the internal audit and compliance functions. The findings of the inspection were reported to ESMA, which will prepare its final report in 2026. In order to ensure that the naming of investment funds is not misleading and reflects their real investment policy, the MNB issued a recommendation on how terms related to environmental, social and corporate governance (ESG) and sustainability may be used in the names of investment funds.

In 2025 H1, the MNB granted an activity license to two new real estate fund managers: Eternity Befektetési Alapkezelő Zrt. and Intergal Invest Zrt. The MNB also issued an activity license to two new venture capital fund managers: Glatz Capital Alapkezelő Zrt. and Gresham Private Equity Partners Zrt. In the second half of the year, the following new fund managers obtained an activity license: STRP Capital Alapkezelő Zrt. (venture capital fund manager), Lead Capital Alapkezelő Zrt. (investment fund manager), and Vertis Investment Management Zrt. (investment firm), while eight fund managers expanded their scope of activity. The MNB also issued an activity license to two trust companies: Arrabona Trust Bizalmi Vagyonkezelő Zrt. and REVERTOR Bizalmi Vagyonkezelő Zrt.

Consumer protection activities

In 2025, the MNB's consumer protection activities in the financial markets focused on processing cases related to payment services and financial market frauds. As part of its ongoing consumer protection supervisory activities, the MNB reviewed the commercial communication of financial institutions on social media. On 8 April 2025, the MNB issued two management letters on the agreement between the MNB and the Hungarian Banking Association in relation to retail payment services, in order to ensure that the provisions of the agreement are properly implemented and that consumers are informed in a transparent manner. In one of the management letters, the MNB detailed the practical requirements on communicating the free-of-charge nature of payment accounts with basic features, displaying the MNB's Bankszámlaválasztó (Bank Account Selector) app on the banks' websites, and ensuring the online termination of accounts. In the other management letter, the MNB explained the methodology requirements linked to a specific provision of the agreement, according to which banks must notify their customers who could opt for an account package with lower charges, no later than when the annual statement of fees is sent. The MNB's consumer protection activities in the insurance market focused on the discount granted for longer-term home insurance products and providing information about this to consumers before the conclusion of the contract and during the term of the contract, as well as the period for which the term discount applies.

In 2025, 761 consumer protection inspections were closed, of which 754 proceedings were launched upon request. The number of procedures initiated upon request has recently shown an upward trend.

To ensure that customers with disabilities can also use financial services without barriers, with equal opportunities and safely, the MNB issued a recommendation summarising the related supervisory requirements.

Supervisory authority activities related to anti-money laundering and countering the financing of terrorism (AML/CTF) as well as the implementation of financial and asset restrictive measures

As part of its AML/CFT supervisory activities, the MNB focused on the customer due diligence tasks related to the identification of beneficial owners, the management of risks related to transit accounts and non-residents, and reviewing adequate fulfilment of data reporting obligations. Other key inspection areas were the review of trustee and trust management activities, money transfer services and monitoring phenomena related to the interlink between fraud and money laundering. While the findings of the inspections included the typical regulatory, customer due diligence, monitoring, STR reporting and training related deficiencies, the following areas have also come to the forefront: the risk-based approach, the quality of risk assessments, the effectiveness of the control environment as well as the monitoring and the STR reporting system operated, and compliance with the special Hungarian requirements at the group level. Overall, the deficiencies identified were related less to basic regulatory requirements and more to the quality of operations. In conjunction with the MNB's enhanced ongoing offsite supervision and monitoring activities, the number of warning letters sent to service providers outside the framework of standard inspections is rising; the key purpose of warning letters is to achieve non-sanction-based risk mitigation, in a more timely manner compared to inspections.

Given that the scope of the AML Act was amended, one significant change in the MNB's AML/CFT activities was that the number of supervised institutions increased significantly, as the range of service providers under the AML/CFT supervision of the MNB was expanded to include private investment funds, crypto-asset providers and the Hungarian State Treasury.

The AML/CFT regulatory framework was also amended. In June, the MNB published a decree setting out the AML/CFT requirements, with one significant new aspect, which is that the requirements of the EBA guidelines are now binding and directly enforced, contributing to a better and more comprehensive understanding of the risk exposure, both at the business level and the individual customer risk level. The MNB recommendations on transfers of funds and certain crypto-asset transfers, as well as on information on the source of funds, were also amended.

In 2025, the MNB continued to prepare for the new requirements of the revised EU AML/CFT environment and established the framework for cooperation with the Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA) of the EU.

Activities to support financial innovation and digitalisation

The MNB continuously and actively monitors the digitalisation level of the Hungarian financial system, facilitating innovative, competitive operations in the sector. Accordingly, in 2025, the central bank analysed the digitalisation level of the banking, insurance and investment service provider sectors based on annual data reporting, and published an analysis of the results in the *Fintech and Digitalisation Report,* which included new chapters on the state of the Hungarian FinTech sector and the related legal environment.

The MNB considers it important to spread the use of artificial intelligence (AI) in the financial sector in a responsible and safe manner; accordingly, it assessed the use of AI, as well as the preparedness level and challenges faced by the supervised institutions in the Hungarian financial sector. After extensive professional consultation, the MNB recommendation on encouraging digitalisation in the banking sector was also supplemented with a new chapter focusing on AI, which aims to serve as a guideline (as in the past) for credit institutions that already use and intend to use AI.

The MNB Innovation Hub continued to support financial innovations in 2025, helping financial institutions and innovators with answers to legal interpretation questions, which take into account supervisory aspects. The research and publication activities on the possibilities of using innovative solutions and technologies in the MNB also remained a key focus in 2025.

Crypto market supervision

The EU Crypto-Assets Regulation (MiCA) has been applicable in Hungary since the end of 2024. Pursuant to Act VII of 2024 on the Market of Crypto-Assets (“Crypto Act”), which sets out the detailed rules of this regulation in Hungary, the MNB is the supervisory authority. In the legislative process, the MNB, as a professional reviewer, provides continuous support both to the European and Hungarian legislators, and the related international organisations. To help prepare for application of the new regulation, the MNB continued its support activities in 2025, publishing statements and information, and answering the professional questions of stakeholders, both within and outside the institution.

In 2025, three crypto-asset service provider procedures were launched, along with one crypto-asset issuer licensing procedure. At the end of 2025 only one of the crypto-asset service provider licensing procedures was still in progress, as the other applicants had withdrawn their applications. The MNB also supported the activities of crypto-asset issuers and crypto-asset service providers based in other EU Member States, in accordance with MiCA regulations, displaying the legally required information on its website. The grandfathering period provided for in Section 16 of the Crypto Act for crypto-asset service providers expired on 1 July 2025, and the MNB took the necessary measures to ensure the lawful operation of the Hungarian crypto market, and to suspend the activities of service providers which were not yet licensed.

The validation obligation set out in Section 9/A(1) of the Crypto Act appeared as a new element in the Hungarian regulations, and accordingly, the MNB began cooperating with the Supervisory Authority for Regulatory Affairs in 2025 H2. In 2025, after the changes to the Hungarian crypto market legislation were published and the first licensed crypto-asset exchange validation service provider became known, several international and domestic crypto-asset service providers decided to suspend their crypto-asset services in Hungary. Acting as the official authority, the MNB continuously supports the activities of the service providers lawfully operating in the Hungarian crypto market, and acts as necessary to protect and properly inform investors and consumers.

IT supervision

The Digital Operational Resilience Act (DORA) applies from 17 January 2025; therefore, the MNB began supervising implementation of the Act, as part of which the MNB put in place the incident reporting service required for the supervised institutions, the ERA service required for the submission of service providers’ records, and all other data reporting required by the DORA. In 2025, the MNB also started to conduct comprehensive onsite inspections, in order to check implementation of DORA.

Market supervision and issuer supervision

The MNB continued to conduct broad-based inspections in 2025 in the fields of compliance with the disclosure obligation of listed issuers, market abuses, and various suspicious financial and investment activities. A significant part of the inspections conducted regarding unauthorised activities was the investigation of unauthorised public fundraising and lending. As part of its issuer supervision activities, the MNB issued 19 resolutions in 2025, launched 8 targeted inspections regarding issuers conducting a public offering, closed 5 targeted inspections on IFRS related issues, closed 1 targeted inspection related to the review of regular and extraordinary information provision, and completed 41 market supervision procedures. In addition to these procedures, as a preventive measure, the MNB sent 90 warning letters to market participants and published on its Institution Search webpage thousands of international and domestic warnings regarding entities engaged in suspicious financial or investment activities. In addition, the MNB made 117 requests to issuers, shareholders and auditors to provide an insider list or submit a statement.

Customer service activity

The Customer Relations Information Centre received 24,936 calls from customers in 2025, reflecting a small year-on-year decline of 0.3 percent.

As in previous years, customer enquiries mostly related to the financial market, followed by the insurance market. Customers most often contacted the MNB’s customer service with questions related to lending, non-life insurance, account management and payment services.

In 2025, the MNB’s customer service received an average of 126 customer notifications per month in relation to cyber fraud. Within this, the number of cases indicating fake phone calls and text messages fraudulently using the name of the MNB increased; therefore, the MNB issued a press release to raise awareness about this method of fraud.

3.4 RESOLUTION PROCEDURES

Resolution planning, assessing resolvability and determining the MREL requirement

In 2025, the resolution planning activity of the MNB, acting in its resolution authority function, focused on reviewing resolution plans, conducting resolvability assessment procedures, reviewing the MREL requirements and monitoring the fulfilment of such, as a resolution authority responsible for groups and subsidiaries, including both domestic and cross-border groups.

As a group level resolution authority, the MNB performed the resolution assessment process for a major cross-border banking group based in Hungary, in accordance with the annual MNB schedule, including a review of the group's resolution plan and the consolidated and individual MREL requirements. The assessment of resolvability was not only carried out for the group's domestic institutions, but also for the subsidiaries, in a coordinated assessment with the involvement of the resolution authorities of the country concerned. The group-level resolution plan, the outcome of the resolvability assessment and the MREL requirements will be adopted under joint resolutions in 2026 Q2.

As a resolution authority responsible for the Hungarian-based subsidiaries of parent undertakings which are members of the Banking Union, the MNB actively participated in the resolution colleges led by the SRB (Single Resolution Board) and in the implementation of the related decisions in Hungary as a Member State. As part of this, the MNB drafted and provided the SRB with reasoned proposals for the individual MREL requirements and group-level resolution plans for the Hungarian subsidiaries concerned, and following the adoption of the related joint resolutions, it obliged the related institutions to comply with the agreed MREL requirements.

In line with the practices of the European partner authorities, the focus of planning activity in Hungary is now also shifting to testing the enforceability of the resolution plans. Accordingly, the MNB launched its first testing exercise to assess the liquidity-related data reporting capacity of large Hungarian banks upon a possible resolution.

Regarding several institutions where no cross-border cooperation was required, the resolution plans were also reviewed and the related resolvability assessment was carried out.

The resolution planning processes continued in accordance with the EU requirements in 2025, also in respect of the central counterparty falling under the jurisdiction of the MNB, by conducting a resolvability assessment and preparing a resolution plan. The results of the resolution plan and the resolvability assessment will be adopted within the framework of a joint resolution in 2026 Q1, in accordance with the schedule of the resolution college.

The MNB monitors the compliance status of institutions subject to MREL requirements on an ongoing basis. Regarding compliance with MREL requirements, in 2025 the MNB continued to grant general prior approval to applications for the withdrawal, redemption, repayment or repurchase of certain liabilities eligible under the MREL requirements.

MNB publications supporting institutions' resolution planning obligations

In 2025, the MNB published a form template for the resolvability self-assessments, in order to ensure regulatory compliance with the EBA guidelines related to further improving resolvability and facilitate the related tasks of the institutions.

Tasks related to collective funds and the regular annual contributions payable by member institutions of the Resolution Fund

As the national resolution authority, the MNB calculated the regular annual contributions payable to the Resolution Fund by member institutions, in accordance with the applicable provisions of the relevant Commission Regulation and the Resolution Act, and notified the member institutions and the Resolution Fund. As a result, the top-up level of the Resolution Fund is increasing as planned, in order to reach the target level of assets (1 percent of the insured deposits of all credit institutions licensed in Hungary subject to the compensation limit) by the deadline set by the Resolution Act, thus strengthening the financial stability safety net. The MNB's representatives also continued to participate actively in the work of the Board of Directors of the Resolution Fund and the National Deposit Insurance Fund.

Tasks relating to the resolution asset management vehicle

In 2025, Szanálási Követeléskezelő Zrt. merged into its sole owner, MSZVK Magyar Szanálási Vagyonkezelő Zrt., as the resolution asset management vehicle, the ownership rights of which are exercised by the MNB pursuant to the

Resolution Act, acting in its resolution authority function. In addition, the MNB adopted the resolution asset manager's new medium-term business plan, as well as its individual and consolidated 2024 annual report.

International cooperation, participation in shaping the EU regulatory environment

The MNB's experts continued to participate in the resolution working groups of the EBA, ESMA and EIOPA, and by incorporating their experience, participated in the development of the second-level regulatory tools to be prepared by the EBA and EIOPA, by the authorisation of the recovery and resolution guidelines applicable to credit institutions, investment firms and insurers.

The MNB also reported on the implementation of its resolution authority priorities, as part of the annual programme developed by the EBA, supporting the convergence of the resolution planning and the implementation activities of the resolution authorities (EREP – European Resolution Examination Programme).

3.5 PAYMENT SYSTEMS AND SECURITIES SETTLEMENT SYSTEMS

2025 Payment Systems Report – Description of payment trends and the operation of financial infrastructure

In July, the MNB published the 2025 *Payment Systems Report*,[4] presenting the main trends in Hungarian payment services and the operation of payment and securities settlement systems. In the *Payment Systems Report*, the MNB regularly publishes the updated values of the Payment Development Indicator System, as defined in the MNB's payment system strategy entitled *Payments 2030*,[5] using its database, which is updated with 5 billion new records each year. The Report describes the evolution of payment habits and preferences, the problems and solutions affecting household and corporate sector payment costs, the increasing popularity of cross-border payment service providers, the spread of qvik payments based on instant payments, current developments in the Hungarian and EU regulation of the payment system, the situation of payment fraud committed in Hungary, and the operation of Hungarian financial infrastructure. Hungarian financial infrastructure contributed to the functioning of the national economy with high availability, and efficient and reliable operation in 2025 again. The efficiency of domestic payments continued to increase, and the conditions of use of electronic payment services also improved. The use of electronic payment solutions rose further at the level of the entire Hungarian economy. Of all payment transactions executed in Hungary, 42 percent were electronic, providing strong support to enhance the competitiveness of the economy. The Report's main messages were presented by the MNB at a press conference.[6]

MNB launches new set of measures entitled "five strikes" to fight cyber fraud and protect consumers

In order to combat financial cyber fraud, MNB Governor Mihály Varga announced a new set of measures entitled "five strikes" in June 2025.

In 2025 Q1–Q3, a year-on-year decline of 13,500 was recorded in the number of electronic payment fraud incidents (reduction of HUF 12.3 billion in total value). The total value of bank card and credit transfer related fraud also fell, but the number of credit transfer fraud incidents rose by 2,400 (17 percent).

The actions taken by banks to reduce fraud in line with the MNB's "five strikes" set of measures had a meaningful impact, as the total value of fraud decreased. The participating banks set up a transaction limit management system, which helped to reduce the number of high-value household sector fraud incidents, and by joining the CFDS the related financial institutions were required to implement a real-time fraud screening system. In order to prevent bank account openings through the use of straw man and to close bank accounts held by criminals, the banks facing this problem restructured/tightened their customer identification processes (KYC – Know Your Customer). During the inspections of the payment services, the MNB checked how the banks implemented the developments required for the CFDS, the use of CFDS risk values and compliance with the requirements of the MNB's fraud-related Recommendation. In order to mitigate and distribute the high rate of fraud-related customer damage more evenly, the MNB initiated legislative changes (according to which, if the financial institution failed to use strong customer authentication, it must bear the related damages) which were adopted by the Parliament. The MNB also launched a communication campaign to reduce fraud.

[4] 2025 Payment Systems Report | MNB.hu
[5] Payments 2030 (mnb.hu)
[6] Information on the MNB's Payment Systems Report | July 2025 (in Hungarian only)

MNB issues quarterly publication[7] on annual costs of bank account packages

The costs of household sector payment transactions have risen steadily and substantially in recent years, essentially for three reasons: (1) fee increases due to inflation adjustments; (2) the high weight of fees proportional to the number and value of transactions; (3) and lack of transparency in the pricing structure of payment transactions, as a result of which customers are less informed. In April 2025, the MNB and the Hungarian Banking Association signed an agreement, with the aim of reducing households' banking costs in the near term and raising consumer awareness. As part of this, the MNB issued a new publication, to make the pricing of bank account packages more transparent for customers and to simplify the comparability of costs, thereby supporting customer awareness and helping them find the cheapest services. The MNB calculates the annual costs of account packages for seven different customer types; accordingly, everyone can find the profile that matches their payment habits and the account packages available, from lower to higher rates. The publication covers all account packages currently offered by banks in Hungary; thus, customers can choose from more than 60 account packages, matching their payment habits. Regarding the total annual fees, there are significant differences, up to several thousand forints between the account packages for each profile, and at least one account package that covers all major services is available for each customer type but with low costs (a few thousand forints per year).

Payments Consultation Body

A meeting of the Payments Consultation Body was scheduled for September 2025 by the MNB, with the involvement of the most important market participants. At this meeting, the MNB presented how the targets set in the Electronic Payment Strategy for the period up to 2030 are being met, based on the most recent values of the Payments Development Indicator Set, and also reported on the status of ongoing developments related to payment services. The proportion of electronic transactions increased in all major payment situations, in physical retail payment situation, online purchases, bill payment and above and beyond this, in transactions in the corporate and household sectors. The use of innovative payment solutions is rising quickly and the scope of users is also increasingly broad. For bill payments, the ratio of electronic payments reached 79 percent, and in terms of value ranges, it appears that above HUF 5,000 more people choose electronic payment than cash, with the ratio of electronic transactions ranging between 55 percent and 67 percent in the different value ranges. At the meeting, the MNB also discussed the progress of the Action Plan prepared for the period of 2025–2026 based on the Payment Strategy. The meetings also included presentations by key players in the payment services market on their most recent information. The participants agreed on the defined objectives, as the development and penetration of electronic payments can greatly contribute to the efficient, competitive operation of the country.

Regulation of payment services

In line with previous years, the MNB continued to be actively involved in the EU and Hungarian legislative processes related to payment services in 2025. December 2025 saw completion of the negotiations between the EU co-legislators on the Payment Services Regulation (PSR),[8] which is meant to replace the Member States' current payment services regulations that are based on implementation of the current EU directive. The MNB was represented by the Ministry of National Economy, which was directly involved in the legislative process. In the EU legislative process, the MNB supported the initiative that overlaps between the provisions of the EU Regulation on crypto-asset markets[9] and the current EU Payment Services Directive[10] should be temporarily handled at the level of the Member States, until the PSR is adopted.

During the year, the MNB amended MNB Decree 35/2017 (XII. 14.) on Payment Services Activities, implementing some technical changes based on market feedback. These changes were required to clarify the rules of the qvik service (a service related to instant transfer orders initiated through a single data entry solution or a payment request), in order to support the widespread adoption and volume growth of the qvik service. Another reason for the changes was to fine-tune the provisions on the use of secondary account identifiers and ensure the possibility of keeping multi-currency accounts. In addition to the above, a large

[7] Cost of bank account packages | MNB.hu (in Hungarian only)

[8] Proposal for a Regulation on payment services in the internal market and amending Regulation (EU) No 1093/2010, and Proposal for a Directive on payment services and electronic money services in the internal market, amending Directive 98/26/EC and repealing Directives (EU) 2015/2366 and 2009/110/EC

[9] Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

[10] Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, amending Directives 2002/65/EC, 2009/110/EC and 2013/36/EU and Regulation (EU) No 1093/2010, and repealing Directive 2007/64/EC.

number of other payment services-related enquiries were received by the MNB, asking how to interpret the relevant regulations. The questions were mostly connected to the introduction of innovative payment solutions and the related legal compliance, as well as the commencement of the planned activities of new market entrants, the launch of Phase II of the CFDS, and the application and further development of qvik services. In this field, in 2025 the MNB issued 31 payment services-related resolutions and professional position statements.

Experiences of the first full year after the start of qvik

2025 was the first full year following the launch of qvik. During this time, the MNB paid special attention to ensuring that the qvik services provided by market participants were of adequate quality and that the network of merchants acquiring qvik continued to expand. To support the achievement of these goals, the MNB issued a new recommendation in April and a new technical manual for payment service providers in May, with the aim of providing consumers with a uniform, high-level customer experience in qvik payments. In order to ensure a uniform appearance and interpretation, the Brand book containing the brand elements and visual requirements of the qvik service was updated in two rounds, in April and October, with changes meant to ensure clarity. The number of qvik transactions increased dynamically over the year. Since its launch, more than 2.3 million qvik-QR, qvik-link, qvik-NFC transactions have been completed, with a total value of approximately HUF 94 billion. By the end of 2025 Q3, more than 4.7 million qvik-request-to-pay transactions had been submitted, with a total value of HUF 1,610 billion. Overall, market feedback is positive, the number of merchants acquiring qvik payments is constantly growing, and today more than 30,000 typically online merchants offer qvik payment options. In addition, several major invoice issuers and physical retailers also started to acquire qvik in 2025. Another milestone in qvik's development was the launch of a new qvik-based service in 2025 Q3. Via this service, qvik can be used in a new payment situation, in person-to-person payments, which significantly contributed to the growth in transaction numbers.

Switching to a T+1 settlement cycle in Hungary

Negotiations have been ongoing for years on the shortening of the settlement of trades in transferable securities executed on a trading venue from the second day of trading to the first day of trading (from T+2 to T+1). In 2025, the European Commission and ESMA finalised the amendment to EU Regulation 2014/909 (CSDR), which was adopted by the European Parliament and the Council and was published in October 2025.

The KELER Group has business relations with all market participants directly involved in the switch to T+1; therefore, the MNB asked the KELER Group to coordinate the project, and to liaise with market participants. The MNB closely monitors the progress of the project and supports preparation of the market, as a supervisor, overseer and developer of the market infrastructure. The MNB, KELER and KELER KSZF Zrt. participated in the international professional meetings. KELER established a working group within the Banking Association to coordinate the switch to T+1 and to involve market participants, and organised meetings to coordinate with the relevant market infrastructure (BSE, MNB). The Banking Association working group met in November 2025, when KELER informed the participants about the progress of the international project and the most important requirements already known. In addition to the members of the Banking Association, representatives of the Association of Investment Service Providers and the Hungarian Association of Fund Managers and Asset Managers were also invited to the meetings of the working group, so that other relevant market players also had the chance to participate in the working group, not only the banking side. In the Market Infrastructure working group, KELER organised two meetings, in order to identify the development needs necessary to ensure successful transition to T+1.

Hungarian financial infrastructure is being adjusted to DORA requirements[11]

The DORA Act entered into force on 17 January 2025 and covers the activities of KELER Zrt., KELER KSZF Zrt. and GIRO Zrt., which are the operators of the financial infrastructure. These institutions had to take a number of measures to ensure compliance prior the date of entry into force. Among other things, the incident reporting systems required by DORA were put in place. Critical third-party IT service providers were identified, and the regulatory requirements were incorporated into the contracts with the service providers. The conditions for implementing Threat-Led Penetration Testing (TLPT) were established. The Hungarian financial infrastructure operators compared the DORA technical requirements to the MNB's thematic

[11] Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

recommendations, as part of which they identified the deficiencies, and made the necessary changes to ensure compliance. In addition to the technical preparatory work, the internal regulations were also adjusted to DORA.

Developments in the international regulatory environment related to the securities clearing and settlement systems

International committees related to the securities clearing and settlement systems

The European Securities and Markets Authority (ESMA) supports the supervisory convergence of central counterparties (CCPs) through the CCP Supervisory Committee (CCPSC), and analyses, monitors and mitigates as far as possible the systemic risks associated with CCPs, while the CCP Policy Committee (CCPPC) addresses the related legislative amendments and other policy issues. The Post-Trading Working Group (PTWG), under the ESMA Markets Standing Committee (MSC), acts as an expert forum for post-trading processes and regulation, with a particular focus on central securities depositories and securities settlement systems. The MNB is actively involved in these activities in both the CCP and post-trading areas. As a member of the PTWG and at the committee meetings, the MNB contributes to shaping the regulatory approach, by providing professional comments, suggestions and position statements. In these forums, the MNB consistently represents the Hungarian aspects, in particular the securities settlement infrastructure owned and/or supervised and overseen by the MNB, and ensures that the EU regulations are developed at an expert level, taking into account the Hungarian characteristics. During the year (in addition to the usual tasks), the work in these forums mainly focused on the effort to improve the EU's competitiveness, which is expected to be reflected in several legislative amendments. In addition to simplifying and increasing efficiency, the initiatives focus on further strengthening automation and better exploiting market benefits.

Work to develop the detailed rules required under EMIR 3.0 continued

In 2025, the MNB actively participated in the committees dealing with the regulation of CCPs through the experts it delegated. In these forums, the MNB not only monitored, but also contributed to the formation of positions with professional comments, suggestions and a consistent representation of the Hungarian aspects, which is of critical importance for the operational and compliance environment of the Hungarian central counterparty, KELER KSZF Zrt. In the working group discussions, it was confirmed that several detailed rules (RTS) and guidelines on transparency and risk management related to the implementation of EMIR 3.0 are under preparation. Among these, the most direct operational and financial impact on the CCP is expected in the field of margin transparency and the widening of the range of eligible collateral, while anti-procyclicality (APC) and the conceptual clarification of "CCP-like" activities (processes similar to those of CCPs) may have an impact on the regulatory environment over the medium term, and on the room for manoeuvre of the supervisory authority.

Most of the regulatory work for T+1 was completed in 2025

The regulation which specifically affects the Central Securities Depositories and introduces T+1 day securities settlement was published in the Official Journal of the European Union on 14 October 2025. Related topics were discussed in advance by the working groups in which the MNB is a member. The detailed rules of T+1 settlement are provided in the amendment of Delegated Regulation (EU) 2018/1229 (SDR), which is still pending at the European Commission.[12] From a supervisory authority perspective, the MNB is able to ensure that the T+1 requirements are met by enforcing the relevant EU regulations. The planned date for switching to T+1 is 11 October 2027; however, the SDR have certain provisions that will already enter into force on 6 December 2026. Therefore, this should be taken into account by both the supervisory authorities and the participants of the capital market.

VIBER, the high-value payment system operated by the MNB, was successfully migrated to the ISO20022 standard

In order to migrate the messaging channel of the Real Time Gross Settlement System (VIBER) to SWIFT's ISO20022 standard, the MNB launched a separate project (hereinafter: MX standard changeover). As part of this project, the MNB made the necessary preparations for the VIBER system to migrate to the new standard, kept informing the direct VIBER participants and monitored how they are preparing for this migration. The MNB also monitored the system operators of the related financial infrastructure, to check how their own projects trying to facilitate the migration

[12] ESMA74-2119945926-3430 Final Report – CSDR RTS on Settlement Discipline and tools to improve settlement efficiency.

to the new standard is progressing. The participants of the VIBER system had to demonstrate their ability to use the new standard through integration and migration tests in 2025. The project for the MX standard changeover was progressing as planned in 2025, and the go-live date of 27 October 2025, as announced in 2024, was successfully complied with. All VIBER participants are now prepared to send and receive SWIFT messages according to the new standard. Thus, the migration was completed smoothly.

KELER KSZF Zrt launched clearing service on the Bulgarian energy market

The Hungarian central counterparty, with indirect majority ownership by the MNB, reached a new milestone in July 2025. KELER KSZF Zrt. provides clearing and ancillary services as a central counterparty for the spot and forward gas markets of the Bulgarian gas market called Balkan Gas Hub (BGH), in the course of which it clears the transactions concluded on the energy market and also conducts risk management activities. The services provided reduce the credit and market risks that arise. The services performed by KELER KSZF Zrt. contribute to increasing the efficiency and transparency of the Bulgarian gas market and indirectly reinforce financial stability, as KELER KSZF Zrt. offers modern, internationally competitive services to market participants, thus supporting the EU's energy market ambitions.

Annual meeting of the College at KELER KSZF Zrt.

The annual meeting of the College, as required by EMIR, was held at KELER KSZF Zrt. in 2025. The College, which consists of the international supervisory authorities and ESMA, held its meeting on 27 May, in hybrid form. In the first part of the meeting, the MNB presented and discussed the supervisory and oversight activities carried out by the MNB since the previous meeting of the College (held on 17 October 2024) with the members of the College,[13] the results of the comprehensive supervisory inspection conducted in 2025, the adequacy of the risk management and IT operations of KELER KSZF Zrt., and the supervisory and oversight tasks planned for 2025 and 2026. In the second part of the meeting, KELER KSZF Zrt. presented the most important events relevant to the institution, as well as the most important strategic goals and plans of the central counterparty for the future. At the meeting, the supervisory and oversight activities of the MNB, and the functioning of KELER KSZF Zrt. were deemed to be satisfactory by the members of the College.

Inspection of financial infrastructure in 2025

GIRO Zrt., operator of the Interbank Clearing System (ICS)

In 2025, the MNB conducted an inspection at GIRO Zrt. for the period of 1 September 2022 to 15 April 2025. As part of the comprehensive inspection, in addition to checking the instant, intraday and overnight settlements carried out by the Interbank Clearing System (ICS), the MNB also checked the GIROFix service, which sends the non-time-critical, bulk payment requests, and the GIROFix+ service, which sends the time-critical payment requests. As a result of the inspection, the MNB made certain findings in the field of ensuring full legal compliance, but it identified no systemic risk; accordingly, overall, the operation of GIRO Zrt. was found to be prudent.

KELER KSZF Zrt.

The MNB conducted and completed an inspection at KELER KSZF Zrt. for the period of 1 April 2023 to 31 April 2024. As part of the comprehensive inspection, the MNB checked compliance with Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories and the related legislation.

During the comprehensive inspection, the MNB prescribed measures to ensure full legal compliance, but no systemic risk was identified by the MNB, and it was found that KELER KSZF Zrt. operates in a prudent manner.

Results and experience of payment system inspections

In accordance with the annual inspection plan, the MNB initiated supervisory authority inspections regarding payment services in 2025. The MNB conducted a thematic inspection in the context of payment-related procedures at 1 bank, and a sector level inspection related to the launch of the CFDS at 22 financial institutions including 15 credit institutions, 5 EEA branches of credit institutions, 1 payment institution and 1 electronic money issuer institution. Enhanced inspections were initiated at 11 credit institutions

[13] The list of current members of KELER KSZF Zrt., according to EMIR, is published by the MNB on its website.

focusing on 2 high priority areas: fraud prevention and instant payments, and the related qvik payments.

Beyond the annual inspection plan, the MNB also conducted a payment services-related supervisory authority inspection at 1 credit institution, linked to an administrative lawsuit.

In 2025, the MNB completed 12 inspections, at 8 banks, 1 payment services institution and 3 EEA branches of credit institutions. In 4 of these cases, in addition to stipulating measures in the basic resolution, a total fine of HUF 252 million was imposed, and in the case of 3 financial institutions, due to the failure to comply with the obligations set out in the basic resolution on time, the MNB imposed an obligation to comply with the basic resolution, and levied a fine of HUF 86 million.

In 2025, the MNB identified a wide range of infringements during its payment services inspections related to payment services (see Table 4).

Table 4
Total number of infringements identified during payment services-related inspections in 2025, by type of infringement

In relation to Act LXXXV of 2009 on the Pursuit of the Business of Payment Services:		
Framework contract	Pre-contract information provision, and the formal and substantive requirements of the framework contract [Sections 8(2), 10(1), 13 and 14(1) of the Pursuit of the Business of Payment Services Act]	2
	Amendment and termination of the contract [Section 17(4a)]	2
Opening the bank account and control over the account	Opening the bank account [Section 18(1)]	2
Common rules for the provision of payment services	Free-of-charge cash withdrawal [Section 36/A]	1
Revision of payment transactions, liability and indemnity rules	Liability and indemnity rules [Sections 43 and 45]	1
Operational and security risks, authentication	Development of a framework of risk mitigation measures and control mechanisms, effective incident management [Section 55/A(1)]	1
	Operational and security risks, certification [Section 55/C(1)]	4
	Transfer of data to a financial enterprise operating a payment system and part of the CFDS, falling under the scope of the Credit Institutions Act, how the fraud risk information is taken into account, reporting of frauds [Section 55/D(1)-(4)]	27
	Scope of data to be transferred to a financial enterprise operating a payment system and under the CFDS [Annex 2]	39
In relation to MNB Decree 35/2017 (XII. 14.) on Payment Services Activities:		
General rules for the processing of payment transactions	Receipt and identification of payment orders, the rejection of payment orders and payment transactions between payment service providers [Sections 7(2), (4), (7), (9) and (10)]	5
Amounts transferred and made available, execution deadline and value date	Crediting payment transactions [Sections 21(1), 23 and 26(3)]	2
Detailed rules for each payment method	Special rules for transfers [Sections 35/A(4), (8), (10) and 36(10), (17)]	6
In relation to Government Decree 262/2016 (VIII. 31.) on access to the basic account, the features of the basic account, and the related fees:		
Features of the basic account and related fees	No overdraft facility may be linked to the basic account [Article 3(2)]	1
Conclusion of the framework contract for the basic account	Conditions for opening a basic account [Article 6(1)]	1
In relation to Government Decree 263/2016 (VIII. 31.) on switching between payment accounts:		
Switching between domestic bank accounts	Obligations of the new payment service provider [Article 6]	1
	Obligations of the previous payment service provider [Article 7]	1
No restriction can be applied on switching bank accounts	Refusal of the customer’s request for switching bank account [Article 16]	1

In relation to Government Decree 144/2018 (VIII. 13.) on certain issues of informing the consumers of the fees related to the bank accounts (hereinafter: Fee Decree) and Commission Implementing Regulation (EU) 2018/33 of 28 September 2017 laying down implementing technical standards with regard to the standardised presentation format of the statement of fees and the common symbols used (hereinafter: Statement of Fees Implementing Regulation):		
Information on the fees related to payment accounts held for consumers	General provisions, the standardised description and definitions set out in Annex 1, in the schedule of fees and the statement of fees must be used [Article 4(1)]	1
	Statement of fees, comparative section on the website [Article 6(5)]	1
Providing the customers with the list of fees	Providing the list of fees on the bank's website or, at the consumer's request, on paper or on another durable medium [Article 5(1) and (4)]	2
Statement of Fees	A template for the statement of fees and the uniform symbols [Article 1 of the Statement of Fees Implementing Regulation]	1
	The provision, completeness, accuracy and level of details of the Statement of Fees [Article 6(1) and (2) of the Fee Decree, and Articles 5(2), 6, 10(1), (3), (8), (4) to (6) and (8), 11(3) of the Statement of Fees Implementing Regulation]	10
	Details of the interest charges on the account, further information [Articles 14(2) and 16(1) of the Statement of Fees Implementing Regulation]	3
In relation to Commission Delegated Regulation (EU) 2018/389 of 27 November 2017 supplementing Directive (EU) 2015/2366 of the European Parliament and of the Council with regard to regulatory technical standards for strong customer authentication and common and secure open standards of communication:		
General provisions	General authentication requirements [Article 2(2)]	3
Exceptions from strong customer authentication	Trusted beneficiaries [Article 13(1)]	1
	Transaction risk analysis [Article 18(12)]	1
Confidentiality and integrity of the personal authentication data of the users of payment services	General obligations for access interfaces [Article 30(1)]	1
In relation to Section 107(1)(d) of Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises, in relation to the management of risks arising in the provision of payment services:		
Corporate governance system – risk management	Effective risk mitigation in the payment services – Section 107(1)(d) of the Credit Institutions and Financial Enterprises Act	1
In relation to MNB Decree 54/2021 (XI. 23.) of the Governor of the Magyar Nemzeti Bank on the reporting obligations for the central bank information system to be fulfilled primarily in the relation to carry out the basic tasks of the Magyar Nemzeti Bank, in relation to the data reporting obligation with MNB ID code P76		
Completion of the data reporting obligation with MNB ID code P76, as required	Incorrect data disclosure	2

3.6 MANAGEMENT OF INTERNATIONAL RESERVES

Objectives of the reserves

Like other central banks, one of the MNB's basic tasks (as set out in the MNB Act) is to manage Hungary's foreign exchange reserves. The MNB holds foreign exchange reserves to perform several functions:

– to ensure a level of reserves that meets the expectations of market participants ("international collateral");

– to support monetary and exchange rate policy (providing intervention capacity);

– to provide foreign exchange liquidity to the banking system;

– to secure the government's foreign exchange needs for transactions.

The MNB regularly reviews the desirable level of reserves, and if necessary, takes steps to achieve the appropriate level within the possible limits.

The level of international reserves exceeded the reserve ratio benchmarks most closely followed by the MNB and most investors throughout 2025. Of these, the MNB pays particular attention to the Guidotti-Greenspan rule, to ensure that its reserves safely exceed the level of short-term external debt.

Among the transaction-related objectives, supporting government debt management and continuously meeting the foreign exchange needs of budgetary institutions remained the most important in 2025. Transfers received from the EU also flow in through the MNB, and were a source of foreign exchange reserves in the previous year, and will remain so in the coming years. The above transaction-related objectives were properly met in the year under review.

Size of the reserves

The level of Hungary's international reserves increased by nearly EUR 5.7 billion in 2025, reaching EUR 50.2 billion at year-end.

The growth was mainly due to the issuance of foreign exchange bonds and ECP (Euro Commercial Paper) in January, June and July, organised by the GDMA. There were also foreign currency loan drawdowns during the year.

In 2025, approximately EUR 500 million of net transfers was received from the European Commission.

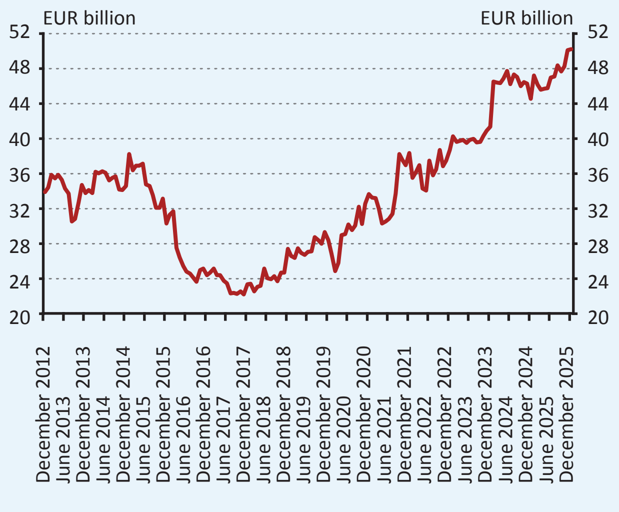
Growth was also driven by the revaluation of foreign currency assets denominated in currencies other than the euro and the revaluation of gold reserves in euro, amounting to around EUR 3.2 billion.

This was offset by the GDMA's debt repayments (including bond maturities in March, September, October and November, and foreign currency loan repayments).

The foreign currency expenses of the Hungarian State Treasury reduced the reserves by around EUR 2.7 billion.

The level of reserves was also influenced by other factors, such as the change in the level of foreign currency deposits placed by commercial banks at the MNB, the yield on the reserve portfolio, as well as the end-of-quarter swaps providing euro liquidity to the banking system and the international repo transactions to cover such.

Chart 6
Changes in the level of international reserves



Financial performance and risks of foreign exchange reserves

In the performance of its principal statutory tasks and in particular in the management of Hungary's international reserves, the MNB is necessarily exposed to financial risks. The key principle followed by the MNB is that the level of risks taken should be in line with the primary objectives of its operations, that the extent of the risk should be known, and that risk-taking should be conscious and should be limited in line with the institution's risk-taking capacity. Foreign exchange reserve management must meet the triple objective of liquidity, safety and yield, which means that the MNB strives to achieve the highest possible level of yields, while maintaining a predefined low level of risks and the necessary liquidity. Without jeopardising the primary objectives of reserve management, the MNB is considering the possibility of integrating climate risk principles into its reserve management activities.

As in relation to its other core tasks, the MNB's Monetary Council is the main decision-making body for the management of the foreign exchange reserves, setting the objectives and requirements for the foreign exchange reserves, such as the level and liquidity of the reserves, the optimisation currency, the risk-taking strategy and the key numerical strategic parameters for investing the reserves. The operational decision-making powers are exercised and the foreign exchange reserve management strategy is implemented by the MNB's Executive Board, within the framework set by the Monetary Council. The Executive Board approves the limits that provide the framework for risk-taking: the maximum deviations of the risks of the reserve portfolios from the benchmarks, the counterparty limits and the range of investment instruments allowed in the reserve management.

The two main pillars of reserve management are the benchmark system and the limit system. Independent performance measurement is also an important element of the risk policy. In order to measure the success of portfolio management activities, the performance of each reserve portfolio is compared to the performance of a benchmark portfolio. The benchmark portfolios show the yield of a passively managed portfolio representing a broad market segment with the same investment parameters. The performance of the foreign exchange reserve management activity is reported against these benchmark portfolios. The benchmarks, which reflect the MNB's risk to yield preference and are used to measure the performance of the portfolios, are maintained by a risk management unit that is independent of the business area.

The main risk categories related to foreign exchange reserve management activities are market risk, liquidity risk and credit risk (settlement and counterparty credit risk). The level of financial risks that can be assumed in the foreign exchange reserve management activities is restricted by the MNB by various limits. In line with the conservative reserve portfolio management that is typical of central banks, the MNB applies a strict limit system that takes into account market and other indicators as well, not only the expected high level of credit ratings. The foreign exchange liquidity needs of monetary policy instruments are also taken into account in the MNB's reserve management activities. When assessing and limiting the risk exposure of the foreign exchange reserves, the MNB also considers climate risk aspects, in addition to traditional risk categories.

In the course of its foreign exchange reserve management activities, the MNB uses various risk minimisation techniques, in order to ensure that the risks assumed are in line with its risk tolerance. For derivative instruments, the MNB entered into ISDA (International Swaps and Derivatives Association) and the related CSA (Credit Support Annex) contracts with its counterparties, which keep the potential credit risk exposure to the counterparty low, by means of margining. In addition, the MNB also enters into derivative transactions through central clearing houses, where efficient, active management of the credit risks is also ensured. In the case of repurchase transactions regulated by GMRA (Global Master Repurchase Agreement) contracts, the required margin also helps limit the risks. For foreign currency market transactions, the MNB settles its transactions in the CLS system, in line with international best practice, to minimise its settlement risks.

In 2025, markets and exchange rates were mostly driven by geopolitical uncertainty, the development of the trade war and political stability problems. In addition to the ongoing Russian-Ukrainian war, the armed conflicts between Israel, Iran and Hamas in the Middle East and the related fragile ceasefires should be also highlighted. Another source of geopolitical conflicts during the year was the escalation of the trade war between the US and China, Canada, Mexico and the EU. In the latter half of the year, geopolitical events started to consolidate, with the conclusion of trade agreements, but the uncertain environment remained. European political stability problems also contributed to the uncertainty, which resulted, for example, in France being downgraded to an "A" rating. The factors mainly responsible for increasing long-term yields were loosening of the German debt ceiling and the decision to significantly increase the level of public debt. There are still major concerns about the US budget, and uncertainty about the Fed is elevating instability in the markets as well. At the end of the year, the disruption of US government operations (due to lack of funding) also had a negative impact on economic growth.

The major central banks typically loosened their policies in 2025. The Fed lowered its base rate in three steps of 25 basis points each, reducing the target rate from 4.25–4.50 percent at the beginning of the year to 3.50–3.75 percent by the end of the year. In December, the Fed stopped shrinking its balance sheet and started to buy assets for reserve management purposes. The ECB lowered its benchmark rates four times during the year. Thus, the benchmark deposit rate fell from 3.0 percent at the end of 2024 to 2.0 percent, while the interest rate on the main refinancing operations was reduced from 3.4 percent to 2.15 percent. During the year, only the Bank of Japan decided to take tightening measures.

Due to market developments, in the majority of the markets relevant for reserve management, yields fell for short maturities and rose on longer maturities, to a varying degree across markets. In some cases, a smaller decline was seen and curve inversions narrowed (or disappeared) in 2025. With regard to the EUR and AUD yield curves, short-term yields fell and long-term yields rose. The USD and GBP yield curves showed decreases for both short-term and long-term yields, while in the Japanese and Chinese markets, a more significant yield increase was seen. In the euro area, yields shifted significantly downwards, dropping by 30–90 basis points in the maturity segment of less than 2 years, while an increase of 30–50 basis points was seen for longer maturities. Yields on US government bond issues fell substantially, dropping by 43–78 basis points for all maturities in the year under review. The decline in yields improves the performance of bond portfolios in the short term, while in the medium term, falling yields worsen performance by reducing expected yields.

The gold price rose from USD 2,626 to USD 4,335 during the year, reaching a historical high, mainly due to geopolitical tensions (e.g. the Russian-Ukrainian war, the Gaza conflict, the US trade war), inflation and interest expectations, central bank measures and central bank gold purchases. Despite reaching historical peaks, major corrections were also experienced in the price of gold during the year, increasing volatility. The US dollar weakened substantially against the euro in 2025, from 1.035 at the beginning of the year (close to parity) to 1.174 at the end of the year.

In 2025, the MNB was prepared to deal with potential market risks and a high degree of uncertainty in the economic environment. The level of foreign exchange reserves was significantly above the benchmarks and increased significantly to more than EUR 50 billion. The international safety net of bilateral swaps and repurchase agreements that had been previously established and continuously renewed provides additional foreign exchange liquidity (with the potential to increase foreign exchange liquidity by more than EUR 10 billion in a short term) and increases the MNB's room for manoeuvre, while maintaining a safe level of international reserves, and reducing external and internal vulnerabilities. The MNB's international safety net of bilateral swaps and repurchase agreements includes the following elements:

– repurchase contracts with the ECB,

– repurchase contracts with the Bank for International Settlements (BIS),

– access to the Fed repurchase facility,

– a currency swap line agreement with the People's Bank of China (PBoC).

The MNB continuously monitors trends that pose a risk to the level and liquidity of its reserves, and regularly reviews the framework for the investment of its reserves, like most central banks.

The MNB continues to apply a conservative approach to reserve management: with strict liquidity limits, the interest rate risk of foreign exchange reserves is relatively low, while the credit quality of the reserve portfolios remains high.

In 2025, the MNB managed its foreign exchange reserve bond exposures mostly in eight currencies (EUR, USD, JPY, GBP, AUD, CNY, PLN, CZK), held in several portfolios. The MNB's main foreign exchange exposure is in EUR, while other foreign exchange/EUR cross currency risks are hedged using derivative instruments. The holding of foreign currency assets other than EUR is justified by the need to achieve higher diversification, and in the case of USD, to ensure higher liquidity. The MNB actively manages a total of seven portfolios in EUR, USD, GBP and AUD. The MNB manages the Japanese yen, Czech koruna, Polish zloty and Chinese yuan portfolios as index-linked portfolios, which predominantly include government securities, in strict adherence to the benchmarks. From the end of 2012, the MNB's investment strategy also includes US agency mortgage-backed securities (MBS), through a third-party asset manager and custodian. Over the past 13 years, the MNB has steadily increased its MBS market exposure and decided to move from the initial passive management style to a conservative, but active direction, using third-party asset manager services. The strategic average remaining maturity (target duration) of the reserve portfolios was around one to two years, and the duration of green bond and MBS exposures was the highest, at 4.5–6.5 years during the year. The liquidity necessary to meet the monetary policy objectives was available throughout the year, and there were no significant credit risk incidents affecting the MNB.

The EUR-denominated credit-risk-free portfolio is the backbone of the MNB's foreign exchange reserves, which can only include highly rated government securities, government-guaranteed securities and (supranational) issues of international institutions. In addition to the above, the EUR investment portfolio (and generally the investment portfolios) may also include highly rated corporate or bank issues and asset-backed securities; government securities are typically included in this portfolio only to adjust the maturity structure. The EUR exposure is the highest in the reserves, followed by the combined share of the USD portfolios, which include an investment portfolio and a significant share of agency MBS exposures.

The MNB considers climate change-related developments to be a systemic risk that may affect the productivity of economic actors and the value of physical and financial assets. In 2025, the MNB prepared a financial report on climate change for the fourth time, with the aim of analysing the wide range of risks related to the MNB's operations and financial instruments. The analytical framework of the report was expanded to cover nature-related risks in a broader sense as well, as these may also affect economic actors in the form of physical and transition related risks. The collective emissions trajectories of the countries that are issuers of the securities currently held by the MNB in its foreign exchange reserves continue to be inconsistent with the goals of the Paris Climate Agreement. Nonetheless, the portfolio is largely protected against the potential negative financial effects of climate change (mainly due to the relatively short maturity and the significant adaptability of the countries). The positive environmental impact of the EUR 500 million dedicated green bond portfolio within the MNB's foreign reserves remains substantial. Regarding the green bond portfolio, in addition to the green label, the major consideration when making the investment decisions is the usual risk-to-yield ratio. In addition to the green bond portfolio, other portfolios also include green bond issues.

In 2025, the MNB achieved a yield of 14.78 percent on its gold and foreign exchange reserves, most of which was due to the positive revaluation of the gold exposure, while a 2-percent increase was related to the performance of the bond portfolios. The performance of the bond portfolios in their own denominations exceeded the benchmark by 19 basis points.

Regarding the future performance of the foreign exchange reserves, the volatility of yields continues to pose a risk. When yields increase, the revaluation loss on existing bonds may lead to lower performance of the reserves over the short term. However, yield increases will have a positive impact on the result over the medium term, due to the short duration of the reserves, as the maturing reserve elements may be reinvested at higher yields. Gold is a safe-haven asset, but its price volatility must be highlighted, and this may affect the result of the reserves in the short term.

3.7 CASH LOGISTICS ACTIVITIES

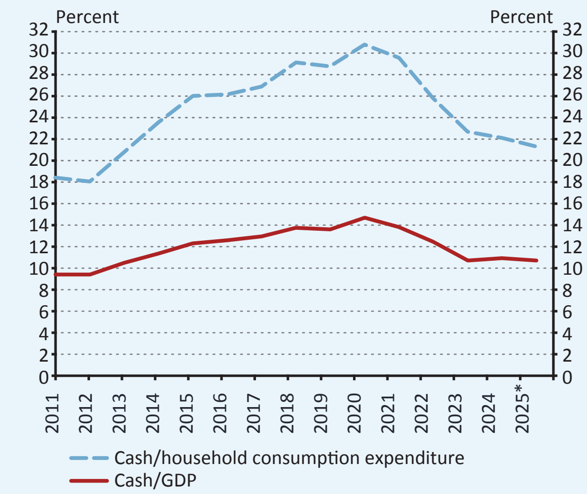
Total cash in circulation

Total cash in circulation on 31 December 2025 amounted to HUF 9,310.3 billion,[14] showing an increase of 4.6 percent or HUF 412.8 billion in nominal value versus the end of the previous year. Slower growth in cash in circulation (without seasonal effects) was typical for the entire year. The growth in cash holdings was mostly driven by stronger precautionary demand for cash. Precautionary demand for cash appears to be a significant long-term trend. The results of a survey conducted on behalf of the MNB among the adult Hungarian population showed that the accumulation of liquid reserves is a fundamental necessity for households, and some of this is achieved by holding cash. When households keep reserves for security reasons, they consciously forego interest income, in the interests of liquidity. The extent of accumulation mostly depends on the income level and the perceived uncertainty.[15] As the level of uncertainty among Hungarian households was persistently high in 2025, surpassing the EU countries and the majority of other CEE countries,[16] this also contributed to larger cash holdings.

However, as a contrasting effect, stronger demand for cash was offset by the subdued macroeconomic performance and the further expansion of electronic payments. Cash use for transactions continued to decline during the year (in line with the trend from earlier years), with a different pattern observed in each county, due to regional differences in income and cash use preferences.

Cash in circulation compared to GDP has been stable since 2023, reaching 10.7 percent in 2025 (similar to previous years), breaking the downward trend seen in past years (Chart 7). Cash holdings compared to household consumption expenditures fell further in 2025, standing at 21.3 percent.

Chart 7
Total cash in circulation as a percentage of annual GDP and household consumption



** 2025 GDP data; household consumption data are MNB estimates.*

Regarding the breakdown of cash in circulation by banknote denomination, except for the HUF 10,000 banknote, the volume of all denominations increased in 2025. The largest increase was seen in the number of HUF 20,000 banknotes, which grew by 7.7 percent during the year. The number of HUF 5,000 banknotes in circulation at the end of the year was 3.9 percent higher year on year, while the number of HUF 500 banknotes was 3.6 percent higher. The number of HUF 1,000 banknotes increased by 3.3 percent, the number of HUF 2,000 banknotes rose by 1 percent.

The volume of HUF coins in circulation increased by 4.4 percent year on year. HUF 50 and HUF 20 coins saw the largest growth, with increases of 5 percent each, while HUF 100 and HUF 10 coins saw the smallest growth, with increases of 4 percent and 4.1 percent, respectively. The composition of coins in circulation by denomination is stable, with the ratio of each denomination changing by less than 1 percentage point over the 5-year period between 2020 and 2025 (Table 5).

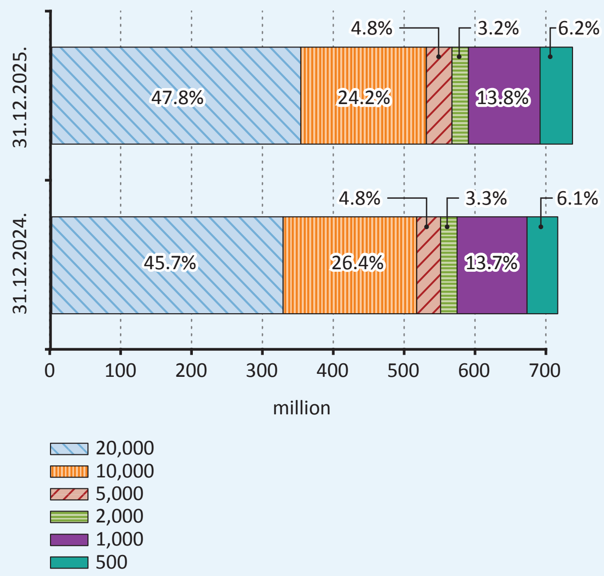
[14] This excludes withdrawn banknotes that are still redeemable, which are included in total cash in circulation shown on the MNB's balance sheet. Cash in circulation shown on the MNB's balance sheet was HUF 9,401.7 billion, up HUF 409.6 billion or 4.6 percent year on year.
[15] https://doi.org/10.20311/stat2026.01.hu0005 (in Hungarian only).
[16] ESI data is available at the following link: https://data.europa.eu/data/datasets/c04buuz6wxiqgjkhpwlug?locale=en

Table 5
Banknotes and coins in circulation[17]

Banknotes	Volume (million)		Change	
	31.12.2024	31.12.2025	Million	Percent
20,000 forint	327.6	352.9	25.2	7.7
10,000 forint	189.0	178.1	-10.9	-5.8
5,000 forint	34.3	35.7	1.3	3.9
2,000 forint	23.5	23.8	0.2	1.0
1,000 forint	98.4	101.6	3.2	3.3
500 forint	43.8	45.4	1.6	3.6
Total banknotes	**716.8**	**737.5**	**20.7**	**2.9**
Coins	**Volume (million)**		**Change**	
	31.12.2024	**31.12.2025**	**Million**	**Percent**
200 forint	203.1	211.8	8.7	4.3
100 forint	260.2	270.8	10.5	4.0
50 forint	256.0	268.7	12.7	5.0
20 forint	476.6	500.7	24.0	5.0
10 forint	514.6	535.5	20.9	4.1
5 forint	863.1	900.6	37.5	4.3
Total coins	**2,573.7**	**2,688.0**	**114.3**	**4.4**

Note: Subtotals and totals are separately rounded; therefore, the sum of the subtotals may differ from the totals.

Chart 8
Distribution of banknotes in circulation by number



As a result of the above, 737.5 million banknotes were in circulation on 31 December 2025, of which the HUF 20,000 and HUF 10,000 denominations had the largest share, at 47.8 percent and 24.2 percent, respectively. The two highest denomination banknotes continued to dominate cash circulation, together accounting for 72 percent of the total number and 96.2 percent of the total value of banknotes in circulation at end-2025. The HUF 2,000 and HUF 5,000 banknotes showed the lowest ratios, at 3.2 and 4.8 percent, respectively, at the end of the year (Chart 8).

The distribution of banknotes in 2025 reflected the polarisation seen in previous years, strongly influenced by precautionary demand for cash and the increase in the number of ATMs and ATMs with cash payment and deposit functions, through the composition of the banknotes placed in the machines.

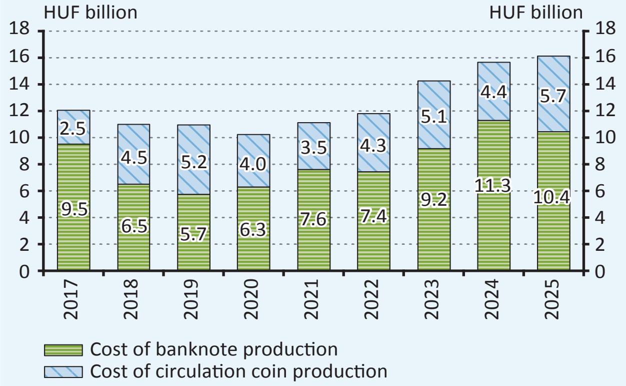
Banknote and coin production

The MNB is responsible for having banknotes and coins produced, in order to meet cash circulation needs and to replace worn-out money, which is scrapped or destroyed.

The MNB's gross expenditure related to cash production amounted to HUF 16.1 billion in 2025, HUF 0.5 billion higher than in the previous year.

[17] Commemorative coins and banknotes issued by the MNB are not included.

Chart 9
Production of banknotes and coins (gross expenditure)



Cash distribution

In 2025, the MNB handled a total of HUF 4,250.2 billion in cash transactions for customers, credit institutions and the Post Office, as part of which 227 million banknotes were provided and 206.4 million banknotes were received from customers. Changes in the macro environment and the cash demand of institutions were reflected in the structure of the MNB's cash transaction volume in 2025.

In 2025, the MNB removed from circulation and replaced 77.9 million worn banknotes with new, high-quality banknotes. This removal mainly involved HUF 1,000 and HUF 500 banknotes, which play a role in transactions, as well as HUF 10,000 banknotes, which play an increasingly important role in day-to-day payments and also when accumulating reserves.

Activities to prevent and reduce money counterfeiting

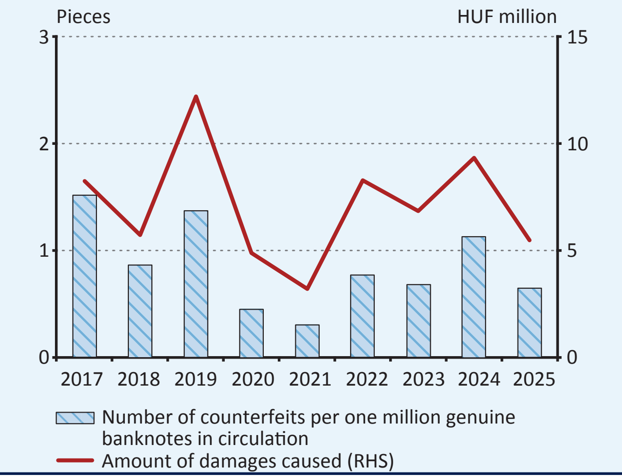
In line with the trend of previous years, the counterfeiting of HUF banknotes remains insignificant, with only 476 counterfeit banknotes detected in cash circulation, with a total damage of HUF 5.49 million caused in 2025. As in previous years, the counterfeiting of higher denominations (HUF 10,000 and HUF 20,000) remained typical in 2025, accounting for 92 percent of all counterfeits.

Table 6
Breakdown of counterfeit HUF banknotes by denomination, in 2025

Denominations	500	1 000	2 000	5 000	10 000	20 000
Breakdown (%)	0	1	4	3	71	21

The number of counterfeit banknotes per million genuine banknotes in circulation during the year was 0.65 last year, which is a very good figure by international standards.

Chart 10
Number of counterfeits per million genuine banknotes and damages caused



No significant changes were seen in counterfeiting methods, which are still characterised by the use of office copiers (colour copiers, printers). Counterfeits can be detected by simple inspection (by touch, holding up to the light or by moving the banknote) if the characteristics of genuine banknotes are known, and by a combined UV-A and UV-C lamp inspection by cashiers.

MNB experts identified 1,451 counterfeit banknotes in 2025, of which 1,178 were counterfeit EUR banknotes. Looking at total domestic cash transactions, the rate of counterfeit money is not significant.

The MNB conducted 35 free-of-charge banknote awareness training programmes in 2025, with almost 640 participants.

Regulation of cash transactions

In 2025, significant legislative changes came into force regarding the national cash infrastructure. From 15 April 2025, Article XIII(1) of the Fundamental Law of Hungary declared that cash payment is a fundamental right. Effective from 25 March 2025, pursuant to Government Decree 49/2025 (III. 24.) on ensuring the operation of ATMs in emergency situations, Act XVIII of 2025 on the Installation of ATMs (hereinafter: ATM Act) and Government Decree 129/2025 (VI. 5.), which replaced Government Decree 49/2025 (III. 24.), in order to ensure the provision of services enabling cash withdrawals from payment accounts, the operation of ATMs and the provision of cash withdrawal services from payment accounts at bank branches may not be discontinued (hereinafter collectively: the “moratorium”). Pursuant to the ATM Act, payment service providers are obliged to provide ATM cash withdrawal services to consumers in any settlement, and the ATM Act authorised the Minister for National Economy and the Governor of the MNB to develop the detailed rules. Accordingly, NGM Decree 16/2025 (V. 29.) on certain issues related to the accelerated installation of ATMs starting in 2025 obliged payment service providers to provide an ATM cash withdrawal facility in all settlements with a population of more than 1,000 people from 31 December 2025 and in all settlements with a population of more than 500 people from 31 December 2026, based on the 2022 census data of the Central Statistical Office.

The MNB issued MNB Decree 19/2025 (VI. 26.) on the criteria for the installation of ATMs and the detailed rules governing the allocation of the related costs among payment service providers, in which it determined the list of payment service providers which are obliged to install ATMs and how the municipalities shall be allocated, on the basis of a composite cost-sharing index, and the regional macroeconomic indicators published by the HCSO (average gross earnings per region, population, unemployment rate, and proportion of people employed outside the municipality). The related changes in the legal framework governing cash infrastructure made it necessary to review and amend the provisions of the Banknote Decree, applicable to the restriction and closure of bank branch teller windows. As part of the amendment of the Banknote Decree, the provisions on the operation of the ATM network were also amended, taking into account changes in the market of credit institutions, in order to evenly allocate the institutions to which the obligations apply, and a new rule was introduced stipulating that the basis for calculation used to determine the obligation must be reviewed if there is a certain degree of change in the market. The amendments made and enacted by MNB Decree 20/2025(VI. 26.) came into force on 27 June 2025.

By 31 December 2025, 286 ATMs had been installed out of the required 423 ATMs, and the installation of ATMs was in progress in another 137 settlements.

Inspections related to cash transactions

In 2025, the MNB’s inspections focused on checking compliance with the provisions of the MNB Act governing the issuance of money, the ATM Act, Government Decree 49/2025 (III. 24.) on ensuring the operation of ATMs in case of emergency, and Government Decree 129/2025 (VI. 5.), which replaced it, and the Banknote Decree, as well as obligations related to data reporting[18] in relation to the distribution and processing of cash. In 2025, the MNB started inspections at five credit institutions and three money processing organisations. Of these, five inspections were closed in 2025, two inspections were closed in early 2026, and one inspection is still pending. As part of its continuous monitoring activity, the MNB checked the revised list of infrastructure network elements critical for cash distribution at four credit institutions and one payment service provider. As part of its monitoring activity, the MNB also reviewed compliance with the moratorium.

Of the five inspections started and completed in 2025, in two cases the MNB imposed measures (warning, calling on the institution to organise a training and ensure full compliance with the law in the future), and in three cases the MNB terminated the inspection by an order (as no infringement was identified).

Three inspections started in 2024 were also closed in 2025, of which in two cases the MNB applied a warning (calling the institution to organise a training, and ensure full compliance with the law in the future), and in one case the MNB issued a resolution in which it obliged the institution to terminate the unlawful situation, and as the given institution did not comply, issued a repeated resolution and imposed a fine of HUF 60 million.

During the inspections closed in 2025, the MNB found violations of certain rules regarding the distribution of banknotes, the operation of a banknote inspection machine, the operation of ATMs and branch teller windows, the exchange and conversion of HUF banknotes, and the handling of damaged HUF banknotes.[19]

[18] MNB Decree 54/2021 (XI. 23.) on the data reporting obligations to be fulfilled primarily to ensure that the Magyar Nemzeti Bank can perform its primary tasks, related to the MNB’s information provision system, in force in the examined year, and the provisions of MNB Decree 54/2024 (XII. 3.) applicable to the data reporting obligations with MNB ID codes P23, P24, P26, P50 and P81.

[19] Section 28(8) of the MNB Act, Sections 4(4), 5(1)–(3) and (8) of the Banknote Decree, and the following sections of the Banknote Decree, which were in force until 27 June 2025: Sections 11(1), (2), (4), (6), 13, 15(2), 15/D, 16(1) and (3), 29(4) and 31(2).

Issuance of collector coins and commemorative coins in circulation

According to the MNB Act, only the central bank is entitled to issue banknotes and coins, including commemorative banknotes and coins. The MNB issues collector coins to commemorate historical, cultural and scientific anniversaries of general social significance, to commemorate contemporary events and to honour famous people who are national role models. In order to promote the educational role of collector coins as widely as possible, the MNB also started issuing non-ferrous versions of the collector precious metal coins in 2014, with the same design as the precious metal coin but a lower denomination.

In 2025, the MNB issued 27 collector coins (1 gold coin, 10 silver coins and their non-ferrous metal versions, and 6 independent non-ferrous coins) with 16 themes. The collector coin issuance programme in 2025 can be found on the MNB's website,[20] including photos of the coins.

During the year, the MNB also issued commemorative versions of coins in circulation, with two themes: a HUF 100 commemorative version of the circulation coin on the occasion of the 100th anniversary of the birth of László Nagy, a great poet of the 20th century, and a HUF 200 commemorative version of the circulation coin on the occasion of the 200th anniversary of the establishment of the Hungarian Academy of Sciences; one million copies of each of these coins were put into circulation.

Table 7
Collector coins issued in 2025

Theme and date of issue of the collector coin	Specification: Material used	Weight g/pc	Diameter / Size mm	Edges	Design	Nominal value (HUF)	Total number issued
Mór Jókai *Date of issue: 18 February 2025*	Ag .925	31.46	38.61	milled	PP	20,000	5,000
	Cu75Ni25	30.80			BU	3,000	5,000
Békés County, Békéscsaba *"Hungarian Counties and County seats" series – No. 3* *Date of issue: 20 February 2025*	Ag .925	40	42	fine-grained with edge lettering	PP	25,000	6,000
	Cu90Zn10	29.50			patinated	3,000	10,000
Aggtelek National Park *"National Parks" series – No. 7* *Date of issue: 22 April 2025*	Ag .925	31.46	39.60 x 26.40 landscape rectangle	smooth	PP	20,000	5,000
	Cu75Ni25	27			BU	3,000	5,000
150th Anniversary of the Regional Lawyers Associations *Date of issue: 25 April 2025*	Ag .925	31.46	38.61	milled	PP	20,000	5,000
	Cu75Ni25	30.80			BU	3,000	5,000
Budapest, Castle District National Monument *"National Memorial Sites" series – No. 12* *Date of issue: 10 May 2025*	Cu90Zn10	18.40	37	milled	patinated	3,000	10,000
János Apáczai Csere *Date of issue: 10 June 2025*	Ag .925	31.46	38.61	milled	PP	20,000	5,000
	Cu75Ni25	30.80			BU	3,000	5,000
Ladislaus I of Hungary *"Nation-Building Sovereigns from the Árpád Dynasty" series – No. 3* *Date of issue: 27 June 2025*	Au .999	31.104	34	smooth with edge lettering	PP	500,000	500
	Ag .999	31.104			PP	20,000	5,000
	Cu90Zn10	23.40			patinated	3,000	5,000
Teréz Brunszvik *Date of issue: 27 July 2025*	Ag .925	31.46	38.61	milled	PP	20,000	5,000
	Cu75Ni25	30.80			BU	3,000	5,000
Former Headquarters of the Red Cross Association *"National Hauszmann Programme" series – No. 4* *Date of issue: 21 August 2025*	Cu89Al5Zn5Sn1	20	37.18 hexagonal	smooth	proof-like	3,000	15,000

[20] The Magyar Nemzeti Bank's 2025 Collector Coin Issuance Programme

Table 7
Collector coins issued in 2025

Theme and date of issue of the collector coin	Specification						
	Material used	Weight g/pc	Diameter / Size mm	Edges	Design	Nominal value (HUF)	Total number issued
The Diligent Girl and the Lazy Girl *"Hungarian Folk Tales" series – No. 4* *Date of issue: 30 September 2025*	Cu75Ni4 Zn21	16	34	fine-grained with edge lettering	proof-like	3,000	20,000
(Hungarian) Kuvasz *"Hungarian Herding and Hunting Dogs" series – No. 6* *Date of issue:* 4 October 2025	Cu75Ni4Zn21	16	34	milled	proof-like	3,000	20,000
200th Anniversary of Education for the Blind in Hungary *Date of issue: 14 October 2025*	Ag .925	31.46	38.61	milled	patinated	20,000	5,000
	Cu75Ni25	30.80			patinated	3,000	5,000
Hungarian Academy of Sciences *Date of issue: 5 November 2025*	Ag .925	31.46	38.61	milled	PP	20,000	5,000
	Cu75Ni25	30.80			BU	3,000	5,000
150 years of the Hungarian Athletics Club and Hungarian Competitive Sports *Date of issue: 25 November 2025*	Cu75Ni25	30.80	38.61	milled	proof-like	3,000	5,000
Hungarian Space-flight 2025 *Date of issue: 1 December 2025*	Ag .925	31.46	38.61	milled	PP	20,000	4,000
	Cu75Ni25	30.80			BU	3,000	4,000
Mária Telkes *"Hungarian Inventors and Their Inventions" series – No. 14* *Date of issue: 12 December 2025*	Cu75Ni25	14	28.43 x 28.43 rectangular	smooth	PP	3,000	6,000
					BU		5,000

**Colour coding:*

gold *silver* *non-ferrous metal*

3.8 STATISTICAL SERVICES

For the purpose of fulfilling its duties as specified in the MNB Act, the MNB collects statistical information and publishes the statistics thus compiled for the analysis of financial developments, the preparation of monetary policy decisions, the oversight of the operation of the payment and settlement systems to ensure the smooth execution of payments, with a view to supporting the stability of the financial system, and the performance of its micro- and macroprudential supervisory activities.

The MNB publishes the statistical information, analyses and time series on its website for the public, according to the published release calendar for statistics. In relation to the individual statistical areas, the MNB also issues methodological and thematic publications.

In 2025, the MNB issued three new MNB Decrees on data reporting, and three Decrees amending data reporting decrees. The new MNB Decrees on data reporting requirements meant to assist the MNB in performing its supervisory tasks[21] and their amendments[22] and the MNB Decree amending the data reporting required for the fulfilment of the MNB's basic tasks[23] entered into force on 1 January 2026. The MNB Decree amending the MNB Decree[24] on the data reporting obligations for the central bank credit register (HITREG) was issued in August 2025 and entered into force on 1 October 2025.

Granular data collection, register of entities

Starting from the December 2025 period, new data sets were added to the HITREG data reporting obligation. The data reporting now also covers repo and interbank transactions, giving the MNB an even more complete

[21] MNB Decree 43/2025 (XII. 4.), MNB Decree 44/2025 (XII. 4.), MNB Decree 45/2025 (XII. 4.).
[22] MNB Decree 42/2025 (XII. 4.) amending MNB Decree 57/2024 (XII. 3.).
[23] MNB Decree 41/2025 (XII. 4.) amending MNB Decree 54/2024 (XII. 3.).
[24] MNB Decree 25/2025 (VIII. 7.) amending MNB Decree 35/2018 (XI. 13.) on the data reporting obligations to the central bank's information system in respect of certain data of credit transactions.

picture of the asset side of the balance sheet and the exposures of the banking system.

Data reporting related to the deposit register (BETREG) was first received by the MNB for the June 2025 period, in accordance with Government Decree 59/2024 (XII. 3.) on the obligation to provide certain data on deposits, loans taken, overdrafts granted and resources obtained from repo transactions to the MNB's information system, effective from 1 June 2025; this supports the basic and supervisory activities of the MNB with monthly, fast-updating, detailed data content.

The Uniform Sectoral Classification of Economic Activities (TEÁOR codes) was revised from 1 January 2025, and the transition in the data reporting systems and registers was carried out smoothly, in close cooperation with the Central Statistical Office.

Supervisory authority statistics

From 2025, the unified European data reporting requirement of the credit institutions on capital adequacy (COREP OF) and leverage (LR) was significantly amended, in line with the regulatory changes introduced in CRR3.[25] Based on the user feedback received in the recent period, there was a growing need to provide analysts and data users with more data regarding the Hungarian banking sector's profitability, asset quality, capital adequacy and liquidity on a non-consolidated basis. Accordingly, from 2025 Q2, the time series entitled *Prudential data of the credit institutions (non-consolidated)* was further expanded, aligning the data with the publications of consolidated data. The EBA working groups continued to review the EU-level unified supervisory reporting requirements, and the development of new reporting requirements.

Regarding the pension funds sector, from 2025, data on voluntary health and mutual aid funds are published on a quarterly basis, instead of the previous semi-annual basis. In line with the European Commission's competitiveness programme, the supervisory data reporting requirements for the insurance sector, which are regulated in a unified manner at the EU level, are currently under review with the aim of reducing the reporting obligation by at least 25 percent.

Development of the supervisory statistical information portal was completed during 2025, and it became available from early 2026 on the MNB Data Providers' Portal,[26] offering a unified appearance consistent with the structure of other statistical information.

To ensure a more efficient management of statistical processes and data processing, the MNB utilises data processing robots, many of which already support the supervisory statistical work.

Changes in the publication of MNB statistics

From March and November 2025, the information notice *Interest rates offered for households and non-financial enterprises* also includes the value of new contracts concluded for two subsidised loan types, the Workers' Loan and the Home Start programme, respectively.

From March 2025, data on contracts concluded as part of the Workers' Loan subsidised programme are also included in the publication *Household lending activity*.

Within the framework of balance of payments statistics, in addition to the breakdown of foreign direct investments stock in Hungary ("inward investments") by the ultimate investor economy (UIE) – which has long been published – the MNB also has been publishing the breakdown of foreign direct investments stock abroad ("outward investments") by the ultimate investor economy annually since March 2025, back to 2014. This identifies the country from which the foreign affiliate is ultimately controlled.

The Hungarian version of the ECB-coordinated Household Finance and Consumption Survey (HFCS) published by the MNB under the title *What Do We Live From?* was expanded to include the 2023 data. The interactive data disclosure provides an opportunity to examine households' financial and real assets, liabilities, revenues and expenditures in detail, from several point of views.

In the statistical reports related to payment services, the time series was expanded starting from June 2025. For the infrastructure-related time series, where data are disclosed on payment accounts maintained by Hungarian payment service providers, broken down by type and online access, a new breakdown was added, providing information on the owners, the number of physically issued cards for domestic issued payment cards and the number of acceptance points belonging to the domestic payment service providers

[25] Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards the requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and capital related threshold.

[26] aszp.mnb.hu

for instant payments. Regarding the data on payment transactions, the previously disclosed data series on the number and value of instant payments initiated at domestic payment service providers was supplemented with the data of qvik transactions initiated with the single data entry solution, and the number and value of foreign currency transfers initiated at Hungarian payment service providers are now also presented, grouped by currency and sector. As a new type of disclosure, the MNB started to publish the number and value of transactions with payment cards issued in Hungary, grouped by transaction type and location, and cardholder. The fraud-related reporting was also expanded, with a new table added, containing a breakdown of the number and value of successfully executed frauds related to bank transfers under electronic payments, and the value of the transactions.

Using HITREG data, in June 2025, the MNB began publishing a new quarterly publication entitled *Loans granted by other monetary financial institutions to non-financial enterprises (S.11), with a sectoral breakdown*.

A number of improvements were also made by the MNB in the field of compiling the financial accounts, in order to improve data quality; several new data sources were incorporated and the methodology of several estimation procedures was also updated.

International data supply, international cooperation

In order to comply with international recommendations and requirements, and to monitor the relevant changes, the MNB is continuously represented in international forums related to its statistical activities and plays an active role in the work of international statistical working groups dealing with methodological developments and current statistical matters.

In 2025 H1, updated versions of the international macroeconomic statistical methodological manuals became available, in March the new Benchmark Definition of Foreign Direct Investment (BD5), the National Accounts Manual (SNA 2025) and the Integrated Balance of Payments and International Investment Position Manual (BPM7) were published online. The European version of SNA 2025, the full draft of the new ESA, is expected to be ready by spring 2026. At this stage, the relevant international working groups are carrying out the preparatory work required for the implementation of the new methodologies, including prioritising the changes to be introduced, defining the mandatory elements of the amended EU data reporting regulations related to the new methodologies, and making comments. The new methodologies are expected to be applied in the national accounts, in the balance of payment, and related financial statistics in 2029–2030.

The MNB compiled and sent to the ECB the financial accounts of foreign-controlled companies for the first time in 2025, which will be prepared on a quarterly basis from 2026.

Data quality, administrative inspections

Based on the MNB Decrees stipulating a reporting requirement to the central bank's information system applicable to the period under inspection, in 2025 the MNB once again reviewed compliance with the data reporting obligations (i.e. timely fulfilment and adequate data quality), primarily as part of its continuous monitoring activities. As part of continuous monitoring, 3,821 actions were taken, mainly due to the failure or delay in the submission of statistical data on the balance of payments, financial accounts and supervisory authority reporting requirements; a supervised institution was involved in 113 cases. In addition to 152 management letters, 2,964 warnings, 424 repeated warnings, and 210 resolutions imposing measures and notices, the MNB levied fines in 71 cases (against supervised institutions in 30 of these cases) with a total value of HUF 36.4 million (in the amount of HUF 9.9 million against supervised institutions), affecting 63 data providers in total, including 35 supervised institutions.

In addition to the above, the MNB's Statistics Directorate started an inspection at five credit institutions in 2025.

Eight inspections were closed in 2025, of which three were started in 2025 and five in 2024.

Of all institutions subject to inspection, measures were imposed on two credit institutions (by way of a resolution), one of which was also fined HUF 5 million, in addition to the measures set out in the resolution. For three credit institution-type EEA branches, the inspection was concluded with a warning and the imposition of measures, and in two cases, the MNB terminated the inspection proceedings by issuing an order, as no infringement was identified.

Three inspections that were initiated in 2025 and carried over into 2026 were finally closed in 2026 H1.

During the above inspections, the MNB identified violations of certain general data-reporting rules as well as provisions concerning the statistical balance sheet and profit and loss account (data reporting obligation with MNB ID codes M01–M06) imposed by the MNB Decree on data reporting in connection with the basic tasks,[27] and of the provisions of the MNB Decree on credit register related data reporting[28] (INSTR Instrument – non-special framework and non-framework data set type).

3.9 CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

Adopted in 2014, the MNB's Corporate Social Responsibility Strategy has been in force in unchanged form for more than a decade. Due to changes in the MNB's organisational structure and management, and the significant changes in the external and internal environment, it was necessary to develop a new Social Responsibility Strategy, which was approved by the Executive Board at its meeting on 9 October 2025.

In implementing its Social Responsibility Strategy, the MNB is committed to developing financial literacy and financial awareness, as well as the underlying economic and social way of thinking, and the related institutional framework and infrastructure. In order to achieve its objectives, the MNB works to support education (primarily higher education), the renewal and development of the system of economics and financial education, scientific activity and the dissemination of information for financial education purposes.

In addition to its charitable goals of social responsibility, the improvement of Hungarian economic expertise and economic science is considered to be a priority task by the MNB.

Higher education programmes and cooperations

In 2025, the MNB continued its educational cooperation with the Eötvös Loránd University (ELTE), the University of Debrecen (DE), the Neumann János University (NJE) and the University of Nyíregyháza (NYE), which started in 2024. The cooperation between the MNB and the TDK Non-Profit Foundation continued in 2025, with the main aim of promoting financial awareness and interdisciplinary fields of study.

Raising financial awareness in the public

Given the fact that the central bank's tasks include financial education and financial consumer protection, the MNB operates an information system for the Hungarian adult population, which is called the Financial Navigator. On this site, consumers are provided with authentic, easy to understand and free-of-charge information on the entire financial institution system, via a complex system of interlinked and mutually reinforcing channels. The purpose of this education is to prepare prudent decision-making and to support the submission of complaints and complaint handling.

For this purpose, the MNB has published nearly 400 articles on its Financial Navigator site, as well as thematic consumer protection campaigns related to certain life situations, to help consumers make financial decisions, and regularly updates the content. In 2025, the MNB used the campaigns on its Financial Navigator site to draw the public's attention to vacation-related financial topics, back-to-school related financial questions, and the increasing cyber risks around the holiday season. In order to reach the widest possible audience with the campaigns, the MNB also used press communication and social media presence, in addition to providing information on its website.

The MNB's apps and calculators developed for households also support careful decision-making, covering the given sector and providing product and service comparisons. One of these is the Bank Account Selector, which enables consumers to find the appropriate account packages, based on their customer profile.

Hungarian Money Museum and Visitors Center

The goal of the Money Museum, which manages the MNB's numismatic collection, is to promote financial literacy through the use of interactive digital technology. Since its opening in March 2022, more than 430,000 people have participated in the museum's programmes, with approximately 129,000 visitors in 2025, meaning it remains Europe's most-visited money museum. Among other accolades, it has won the Museum of the Year award and

[27] MNB Decree on the obligations to report data to the central bank's information system primarily to enable the Magyar Nemzeti Bank to carry out its basic duties: MNB Decree 41/2020 (XI. 18.), applicable for 2021, MNB Decree 54/2021 (XI. 23.), applicable for 2022 to 2024 and MNB Decree 54/2024 (XII. 3.), applicable for 2025.

[28] MNB Decree 35/2018 (XI. 13.) on the data reporting obligations to the central bank's information system in respect of certain data of credit transactions.

first place at the British Industry Eagles Awards. The most significant event of the year was the European Museum Academy conference and awards ceremony, which Hungary hosted for the first time as the Money Museum won the academy's DASA award in 2023.

Support activities

The MNB also helped to achieve value-creating social goals by providing individual grants. Among the objectives set out in the MNB's Social Responsibility Strategy, the MNB examined the positive social impact of the support activities it has been providing since 2025, focusing on creating value and preserving value.

The MNB's social responsibility activities cover a wide range of roles in the educational, research, scientific activity, financial education, cultural, charitable and welfare and environmental sustainability areas.

The MNB's long-term goal is to contribute to the improvement of financial literacy, the underlying economic thinking and the institutional system that supports it, from general economic thinking to the support of scientific activities, raising the level of economic education in Hungary and increasing general economic education, by organising educational programmes, and supporting various organisations, activities and outstanding talents.

3.10 ENVIRONMENTAL SUSTAINABILITY ACTIVITIES

Green Programme

In 2025, the MNB carried out a comprehensive review of the Green Preferential Capital Requirement Programme (PCR Programme), as a result of which the Green Corporate and Municipality Preferential Capital Requirement Programme was supplemented with new loan targets and new types of financing instruments, among other things, while the range of eligible exposures for the Green Housing Preferential Capital Requirement Programme was expanded to include certain energy efficiency measures that can be implemented in residential buildings which are in the Energy Efficiency Obligation System (EEOS) Catalogue. As a result of the amendments, the range of instruments eligible for the PCR Programme may be further expanded; by the end of 2025 Q3, it covered HUF 1,144 billion of corporate, HUF 271 billion of household sector loans and HUF 118 billion of corporate bonds, at market value, based on the outstanding loan amount.

Taking into account the EU Omnibus I set of proposals on sustainability-related reporting requirements, which was published in February 2025, the MNB amended its ESG Recommendation published in September 2024 and issued Recommendation 7/2025 (VI. 23.) on the use of a minimum questionnaire required to assess the environmental, social and corporate governance information when assuming, measuring, managing and controlling credit risk. The questionnaire was reviewed and amended by the MNB to adopt the reporting requirements of Act CVIII of 2023, thus promoting unified corporate responsibility and sustainable financing. In connection with the Omnibus package, in July 2025 the MNB also issued a executive circular on the measures required in connection with the disclosure of ESG risks.

The MNB aims to support the management of environmental risks and the financing of the green transition in a transparent manner, providing data and analysis. To support these efforts, the MNB published two comprehensive reports in 2025: its own environmental sustainability risk (*TCFD report*) and the *Green Finance Report* for 2024. The documents examine the economic and financial effects of climate change and nature-related risks. The MNB's green financial data publication now also provides information on energy certificates, and the MNB issued an executive circular on the definition of green residential properties built before 31 December 2020, in order to reduce the data gap in relation to residential properties, which are critical for carbon emissions.

The MNB's improved Green Financial Product Platform was launched in November 2025. The primary purpose of the website is to collect and display the green financial savings-related products and their characteristics available to households, in a comparable, searchable form, thus promoting a better understanding of these products and their widespread use by households, and to further support knowledge related to green finance. In its efforts to improve the website, the MNB paid special attention to professional feedback from financial market participants, in addition to changes in the legal requirements.

The MNB's regular Green Finance Conference was held in November 2025, in cooperation with the Supervisory Authority for Regulatory Affairs of Hungary and the University of Public Service. The conference serves the purpose of knowledge sharing and presented the national and international milestones of the environmental, social and governance (ESG) regulations (including experiences with the Recommendation on the MNB's ESG questionnaire) and the most recent matters related to the regulatory aspects of credit institutions.

In 2025, the MNB was again at the forefront of the world's green central banks. Based on its banking and insurance supervision and central bank activities, the MNB ranked among the best in the SUSREG ranking by WWF, which evaluates the sustainability activities of the world's central banks and supervisory authorities. The world's largest green NGO highlighted several measures of the MNB among the good practices to be followed.

Environmental factors in the MNB's own operations

The MNB has operated an Environment Focused Management System in place since 2011, which ensures the monitoring and reduction of the environmental impacts of its operations in a formalised manner, in order to continuously improve the environmental performance. The system operates in 3-year cycles, and the MNB will prepare its next medium-term Environmental Strategy in 2026.

Regarding environmental sustainability aspects, the following major measures were taken by the MNB in 2025:

– The MNB took possession of its newly renovated headquarters on Szabadság tér on 1 July 2025. Upon moving in, the environmentally conscious processes used at the MNB were adapted (e.g. selective waste collection system; printing with the use of a card, etc.). The new headquarters have a high-level, "LEED GOLD" green building certification.

– The construction work of the MNB Logistics Centre solar park project was finished in 2025. From its commissioning in May until the end of the year, the system produced 281,600 kWh of electricity, which resulted in cost savings of HUF 14.5 million, while avoiding 128 tons of carbon emissions.

– In 2025, the MNB introduced "chemical-free" cleaning technology. The technology is promising in terms of being useful for the environment, avoiding significant plastic waste and the use of chemicals.

Environmental indicators

Energy aspects

To a large extent, the direct environmental impact of the MNB is due to its energy use, and in this regard energy use related to the operation of buildings is a major factor. The MNB's total energy consumption increased by 15.1 percent in 2025, mainly due to the commissioning of its renovated headquarters.

Another factor behind the increase in electricity consumption was higher cooling demand. These two factors increased electricity consumption by more than 20 percent. A 5.4-percent increase in heating energy consumption was registered, mainly due to starting to use the renovated headquarters.

Water management

The MNB's total water consumption decreased slightly, falling by 1.3 percent in 2025. The 15.6-percent increase in the public utility water consumption was mainly caused by starting to use the renovated headquarters. However, this increase was fully offset by a significant drop in the water taken from the MNB's own well at the Logistics Centre. At the Logistics Centre, in parallel with the construction works of the solar panel system, the automatic irrigation system was modified, some of it was shut down, and the area to be irrigated was reduced.

Table 8
Total energy use in 2025

Total energy consumption (kWh)	2024	2025	Change in 2025 (%)
Electricity consumption (kWh)	9,453,451	11,538,519	22.1
Heating, hot water energy consumption (kWh)	6,895,741	7,267,898	5.4
Fuel energy consumption (kWh)	436,187	514,465	17.9
Total energy consumption (kWh)	**16,785,379**	**19,320,882**	**15.1**

Table 9
Water use in 2025

Water consumption (m^3)	2024	2025	Change in 2025 (%)
Mains water usage	26,487	30,618	15.6
Own well water consumption	11,316	6,699	-40.8
Total water consumption (m^3)	**37,803**	**37,317**	**-1.3**

In the area of comfortable office environment, the fresh air supplied by the ventilation system must have a sufficient level of humidity, and there are also strict requirements for the cash processing rooms and IT machine rooms. These requirements can only be met by using humidifiers, which have significantly higher demand for water during the longer dry summer periods.

Waste management

In 2025, the amount of municipal waste increased as the renovated headquarters came into use. The daily amount per employee was 41.6 dkg, which is lower than the national average.

46.4 percent of the total annual waste was collected selectively in 2025. The ratio of hazardous waste in total waste was only 0.003.

In all buildings of the MNB, employees are provided with the opportunity to bring worn-out batteries and light bulbs from home into the special collectors installed for this purpose.

3.11 FACTORS DETERMINING THE MNB'S COMMUNICATION

In 2025, the goals set by the new management of the Magyar Nemzeti Bank also guided the direction of the MNB's communication activity. The main goals set were to strengthen stability, increase transparency and efficiency, and give priority to the MNB's core tasks.

Focus on stability

The primary task of the Magyar Nemzeti Bank, as laid down by law, is to achieve and maintain price stability. Accordingly, one of the most important messages of the MNB's new management after taking office was that the MNB should focus on its core statutory tasks, use its resources to strengthen stability and reduce the level of other activities.

After these goals were communicated to the public, the MNB started focusing on communicating the results achieved during the year: in November 2025, inflation returned to the tolerance band, and in the period between March and the end of December, the forint strengthened significantly against the euro. Another positive development was the fact that the MNB's reserves increased to a previous unseen level.

The new management decided that the press conferences informing the public on the decisions of the Monetary Council would now be held by the Governor of the MNB and not by the Vice-Governor as previously, thus facilitating continuous, credible and transparent communication.

Increasing efficiency

In addition to focusing on the MNB's core tasks, transparent and efficient operation also entails rationalising, reviewing and reducing the MNB's other activities, remaining open to cooperation possibilities, and strengthening own initiatives. All of these aspects were communicated in a comprehensible manner during the year, which improved credibility. While in the first months of the year the focus was more on rationalising and reviewing the MNB's other activities, in the later parts of the year, the MNB's communication started to focus on specific MNB initiatives and cooperation with other institutions.

The MNB signed an agreement with the Banking Association regarding five main aspects, in order to reduce account management costs in the household sector. The Hungarian Chamber of Commerce and Industry and the MNB agreed to coordinate their research activities related to economic trends, to avoid duplication.

The MNB entered into multidisciplinary agreements on professional cooperation and knowledge-sharing with the Supervisory Authority for Regulated Activities. In addition, in order to combat excessive price increases, the MNB concluded a cooperation agreement with the Office of Economic Competition. The communication campaign launching the Qualified Corporate Loan certification was also part of the MNB's communication activities in 2025. The purpose of the new certification is to encourage corporate lending and strengthen healthy competition between banks.

In line with shifting the focus to the MNB's core tasks, the Magyar Nemzeti Bank's Executive Board decided to deposit more than 1,400 works of art owned by the MNB in one museum in Budapest and in 29 museums in the countryside, making the collection accessible to the public nationwide. The MNB started to issue communication on this at the end of the year.

Supervisory authority tasks related communication activity

In 2025, the MNB's communication activity related to its supervisory activities continued to focus on raising awareness about cyber fraud attacks impacting the customers of financial institutions and supporting educational activities that helps prevention and effective defence. Thus, the MNB, in cooperation with the institutions participating in the Cyber Shield (KiberPajzs) programme, presented the main types of online fraud and the prevention opportunities to consumers several times during the year, in various domestic and EU campaigns. The "five strikes" programme announced by the MNB's Governor was a key part of this activity, which aims to raise customer awareness and strengthen the banks' actions taken to combat fraud. One major element of this programme is the AI-driven CFDS, which is able to detect fraudulent bank transfers in a split second and notify the affected banks. The MNB also presented the results of the CFDS to the public.

The MNB's communication activities related to its supervisory authority tasks also aimed at spreading knowledge to certain key customer groups, helping to make the right decisions. The MNB provided information to the general public on financial planning and decisions related to the back-to-school and holiday season. The MNB's market supervision measures, its measures related to unauthorised financial activities and the market abuses revealed by its supervisory unit, as well as the steps taken to regulate consumer protection were also presented to the public.

The MNB also informed the public about the trends seen in the car insurance and home insurance market. The MNB educated the public about the option to switch between insurance companies and the potential savings, thereby raising consumer awareness.

Social media

The Magyar Nemzeti Bank pursued an active communication strategy on social media as well. As part of this, it presented the work continuously performed by the MNB on these new digital platforms. The MNB also launched a series of podcasts last year, which provided an opportunity for a deeper analysis and more comprehensive presentation of the MNB's work.

From March to the end of December 2025, the Magyar Nemzeti Bank held 67 press events and press conferences, and released 339 publications.

3.12 FINANCIAL RESULTS IN 2025

The MNB recorded a loss of HUF 554.0 billion in 2025. During the period, the following main developments had an effect on the balance sheet and profit:

– the level and composition of international reserves defined by monetary policy, foreign currency purchases and sales affecting the level of reserves: the net foreign exchange inflows from EU transfers, operations performed by the GDMA in relation to debt management, and the foreign exchange conversions performed by the Treasury for purposes other than debt financing;

– developments in instruments absorbing forint liquidity, which are correlated with the changes in foreign exchange reserves, net foreign currency receivables, as well as the evolution of the central bank's liquidity and growth support instruments and cash holdings;

– changes in forint interest rates and international foreign currency interest rates; and

– trends in exchange rates and the price of gold.

Table 10
Aggregate income
(HUF Billion)

No.	Description (P/L line)	2024	2025	Change
1	Net interest and interest-related income (I+II)-(X+XI)	-701.2	-493.2	208.0
2	*Net forint interest and interest-related income (I-X)*	*-1,095.7*	*-726.3*	*369.4*
3	*Net foreign exchange interest and interest-related income (II-XI)*	*394.5*	*233.1*	*-161.4*
4	Realised gains/losses arising from financial operations (IV-XIV)	-329.7	-0.2	329.5
5	Income arising from exchange rate changes (III-XII)	393.4	56.7	-336.7
6	Other constituents of net income* (V+VI+VII+VIII)-(XIII+XV+XVI+XVII+XVIII)	-151.2	-117.3	33.9
7	**Profit/loss for the year (1+4+5+6)**	**-788.7**	**-554.0**	**234.7**

** Income from supervisory activities, net profit/loss of banking operations, costs of issuing banknotes and coins, net creation and release of provisions and impairment provisioning, income/expenses from commission and from other items.*

The net interest and interest-related loss amounted to HUF 493.2 billion. The substantial reduction in this loss was caused by a rise in net forint interest income, while net foreign exchange interest income declined.

Net forint interest and interest-related income showed a loss of HUF 726.3 billion, which is HUF 369.4 billion less than in 2024. The base rate remained unchanged at 6.5 percent in 2025, after gradually falling from 10.75 percent to 6.5 percent in the previous year. The average volume of interest-bearing forint liabilities (credit institutions' forint deposits, MNB discount bills and the central government's forint deposits) contracted substantially, due to the central bank's programmes maturing (primarily the 5-year collateralised loans) as well as the GDMA's repurchase of government securities at the end of 2024. Thus, interest expenses on interest-bearing forint liabilities fell by almost HUF 400 billion versus 2024. However, the impact of this was mitigated by lower forint interest income. The improvement in net forint interest and interest-related income resulted from the fact that a smaller loss on interest rate swaps with credit institutions was recorded, owing to lower interest rates and maturities.

Net foreign exchange interest and interest-related income amounted to HUF 233.1 billion in 2025, which was HUF 161.4 billion lower than in 2024. Interest income on international reserves decreased, mainly due to the decline in foreign currency yields and the stronger forint. (As an unrealised gain, the yield from higher gold prices increased equity, via changes in the revaluation reserves due to exchange rate changes.) The result of derivative transactions related to the reserves was also lower. However, an increase was registered in foreign exchange interest income, due to a decline in foreign exchange interest expenses (as a result of lower foreign exchange interest rates).

Realised gains arising from financial operations contain gains and losses realised from changes in the market price of securities generated upon the sale of forint and foreign exchange securities. In 2025, the MNB realised a net loss of HUF 0.2 billion on selling securities in related to foreign exchange reserve management transactions, and on the amortisation of the principal part of monetary forint securities, which was more favourable than the net loss reported in the previous year. The increase of HUF 329.5 billion stems from a base effect: at end-2024, a significant loss was realised on the repurchase of government securities by the GDMA,[29] due to the difference between the book value and the market value of the government securities repurchased.

Income arising from exchange rate changes is determined by the difference between the forint's official exchange rate and the average cost rate on the one hand, and by the volume of foreign currency sales on the other hand. The realised net gain on exchange rate changes amounted to HUF 56.7 billion in 2025, down HUF 336.7 billion compared to 2024. One reason for this is that the volume of foreign exchange conversions in 2025 was significantly lower than in the previous year. Foreign currency sales in 2025 were mainly linked to conversion transactions by the State and the European Commission. The government's need for foreign exchange was lower, as it was able to partially cover its foreign currency expenses from its foreign currency deposits. However, the conversion volume was higher during the comparison period, due to transactions related to risk management considerations. The lower gain on exchange rate changes can also be explained by the fact that, as a result of forint appreciation, the average difference between the daily official euro exchange rate and the average cost rate was continuously declining during the year.

Other components of net income include banking operating income, costs and expenditures, costs of issuing banknotes and coins, net impairment, formation of provisions, income from supervisory activities and administrative functions, income/expenses from fees and commission and from other income. Expenditures resulting from these items amounted to HUF 117.3 billion in 2025, reflecting a year-on-year decline of HUF 33.9 billion. The change was largely due to the fact that there was less impairment in 2025 in connection with the qualifications of invested financial assets than in 2024.

The MNB's equity showed a negative balance of HUF 1,395.4 billion as of 31 December 2025; compared to end-2024, the negative balance decreased by HUF 269.8 billion. Changes in the revaluation reserves increased (improved) equity, while the annual loss for 2025 decreased (worsened) it. Pursuant to the MNB Act in force and the resolution of the Fiscal Council, the central government had no reimbursement obligation in 2025 due to the central bank's capital position.

[29] The repurchase of government securities contracted the central bank's balance sheet and reduced the banking system's liquidity surplus. This will lead to continuous savings on interest payments by the central bank, due to the difference in the interest rate. As such, the loss realised at the end of 2024 will be offset by better results in later years.

Table 11
Shareholders' equity
(HUF Billion)

Description (B/S line)	31 Dec 2024	31 Dec 2025	Change
Equity (XI.)	**-1,665.2**	**-1,395.4**	**269.8**
of which: Retained earnings (XI.2.)	-2,014.0	-2,802.7	-788.7
Revaluation reserves due to exchange rate changes (XI.4.)	1,233.2	1,996.0	762.8
Revaluation reserves of foreign currency securities (XI.5.)	-105.7	-44.7	61.0
Profit/Loss for the year (XI.6.)	-788.7	-554.0	234.7

Revaluation reserves due to exchange rate changes increased by HUF 762.8 billion in 2025, due to the combined effect of opposing changes in the gold price and the euro exchange rate. As of 31 December 2025, revaluation reserves due to exchange rate changes amounted to HUF 1,996 billion.

As of 31 December 2025, there was an unrealised loss of HUF 44.7 billion on foreign currency securities marked to market, which was HUF 61 billion lower than at the end of 2024. The change was mainly due to declining USD yields, which led to an increase in the market price of USD-denominated securities.

3.13 FINANCIAL MANAGEMENT IN 2025

The MNB's financial management aims to efficiently provide the resources necessary to perform the MNB's statutory tasks to the highest standards.

Operating expenses

The planned 2025 operating expenses were approved by the MNB's Executive Board in December 2024, in the amount of HUF 106,021 million (excluding central reserve). In June, following the changes implemented by the new management of the Magyar Nemzeti Bank which took office on 4 March 2025 and the new measures announced, the originally approved 2025 financial plan was amended with the aim of making the MNB's operation more efficient and transparent, and the 2025 operating expenses (excluding reserve) were set at HUF 95,353 million. The table above shows the budget data, as amended.

The MNB's actual operating expenses amounted to HUF 91,125 million in 2025, which is 4.4 percent below the approved budget, as amended (excluding central reserve), and 4.8 percent above the expenditures incurred in 2024.

The increase compared to 2024 was mainly due to a rise in staff expenditures, while general costs of banking operations (mostly operating and other costs) decreased. Some cost items were reclassified, as certain banking security activities previously carried out by a subsidiary were returned to the MNB. Within 2025 staff expenditures, it was mostly salary costs that increased. For staff reductions implemented in 2025, the absentee fees payable for the notice period increased by HUF 1,766 million compared to 2024, but this was broadly offset by the reduction in basic benefits and welfare costs (HUF 1,707 million, mostly due to closure of the Balatonakarattya Education and Conference Centre).

Staff expenditures

Staff expenditures (HUF 48,615 million) in 2025 increased by 11.8 percent (HUF 5,122 million) year on year.

One of the factors driving the increase was the additional staff costs resulting from the restructuring of the banking security activities, which was previously carried out by

Table 12
Operating expenses in 2025

Description	Actual data for 2024	Budget for 2025	Actual data for 2025	Index (2025 actual / 2025 budgeted)	Index (2025 actual / 2024 actual)
	HUF million			Percent	
1. Staff expenditures	43,493	49,961	48,615	97.3	111.8
2. General operating costs	43,498	45,392	42,510	93.7	97.7
Total	**86,991**	**95,353**	**91,125**	**95.6**	**104.8**

a subsidiary, and the fact that the MNB's Executive Board decided to implement an average wage increase of 9.0 percent in 2025 in order to ensure and maintain a highly qualified workforce over the long term.

General operating costs

In 2025, general operating costs (HUF 42,510 million) were 2.3 percent (HUF 988 million) lower than in 2024. Changes in the individual components are explained below.

IT costs rose by HUF 1,150 million (14.0 percent) year on year, mainly due to the impact of additional costs of IT investments already implemented (functional extensions, higher availability and security levels). The material, repair and maintenance costs of hardware and telecommunication equipment also increased.

Compared to 2024, *operating costs* declined by HUF 2,784 million (13.5 percent) in 2025, which was predominantly related to real estate costs, especially expenditures on armed guards and security services, and consultancy fees related to banking security activities. On 1 December 2024, the security business unit was taken over from MNB-Bankjóléti Szolgáltatások Zrt., as a result of which the cost of armed guards and security services, as well as the expert and consultancy fees related to banking security activities, fell significantly in 2025 (some of these costs are booked under staff expenditures). The savings achieved in operating costs were offset by the increase in the cost of repair and maintenance of buildings and property security systems, and the cost of maintaining properties, primarily due to the operating, maintenance and bank security costs incurred after the renovated building at Szabadság tér 8–9. was taken over on 1 July 2025.

In 2025, *depreciation and amortisation* of tangible and intangible assets increased by HUF 2,516 million (by 32.5 percent) year on year. This was also mainly due to the building at Szabadság tér 8–9. (and the assets therein) being put into use.

In 2025, *other expenses* declined by HUF 1,910 million (25.9 percent) versus 2024. Lower communication costs played a major role in this, which is related to the fact that the MNB's new management changed the direction and extent of communication, as part of the rationalisation of the MNB's operations and its focus on the tasks set out in the MNB Act. Compared to 2024, fewer communication campaigns were carried out, and the new communication framework contract was concluded later than planned. Actual expenses related to conferences, foreign business trips and training expenses also declined. Economic consultancy and data purchase costs rose in 2025, due to the fees for additional data use in previous years being paid in 2025.

The absolute value of *transfer of costs* – which reduces the operating expenses of banking operations, to ensure that the total amount of operating costs only reflects the actual costs incurred by the MNB – remained unchanged compared to the previous year.

Investment projects

In order to achieve the MNB's objectives and ensure the quantity and quality of its assets, various development projects and asset acquisitions were necessary. The original approved plan for 2025 investments was HUF 124,477.5 million, including investment costs for the MNB's renovated headquarters, which decreased to HUF 96,309.7 million as a result of the plan being revised. Actual investment costs amounted to HUF 93,976.4 million in 2025.

The majority of the 2025 investment plan was accounted for by the renovation costs for the MNB's headquarters planned for 2025 (HUF 79,811.8 million), of which the MNB paid HUF 143.5 million and a further HUF 79,447.0 million will be settled by a reduction of registered capital, given that the MNB will finance the renovations costs of the headquarters by carrying out capital increases at MNB-Ingatlan Kft. Further payments stemmed from investments related to the normal course of business, in a total amount of HUF 14,386.0 million; these mainly included IT-related investments, such as the purchase of IT hardware and software products, and software developments related to various IT projects.

HR activities

New management – Focus on rationalisation

In March 2025, new management was appointed at the Magyar Nemzeti Bank. The new management set new expectations aimed at developing a sustainable, more transparent and efficient organisational operating model for the long run. The new management clearly set the direction for rationalisation: the focus is on the MNB's core tasks, the targeted use of resources and the simplification of the operational structure.

The senior management structure also changed: the number of vice governors increased from three to four, and the roles and areas of responsibility were clarified.

One important element of the rationalisation process was the closure of the Balatonakarattya Education and

Conference Centre. In the future, training and professional programmes will be implemented in a simpler, more flexible and cost-effective manner, primarily relying on internal resources.

As the focus returned to the MNB's core activities, different fields of activity were merged, and the level of other activities was reduced, there was a need to rationalise staff numbers. As a result of this rationalisation effort, the MNB's headcount was reduced by 15 percent. The reason was not only to reduce costs, but to create an operation that is more in line with the changed strategic directions and the current priorities set for the MNB's tasks. In making these changes, the MNB followed a responsible, transparent procedure.

Development of HR systems and digitalisation

The MNB continued to develop its HR systems in 2025. The goal was to create a modern, transparent and user-friendly operating environment that supports both employee experience and organisational efficiency.

The focus was on further simplifying and structuring the integration of new entrants. The transformation of onboarding processes enabled incoming employees to start participating in professional work faster, in a clearer framework and with reduced administrative burdens. The HR administration processes also became more transparent and consistent, reducing duplication and increasing operational predictability.

Development of the HR training management system also continued, aimed at a more conscious planning and monitoring of the training needs. The expansion of e-learning solutions enabled professional and skill-building content to be made available to employees flexibly, regardless of time and location. Increasing digitalisation not only led to more efficient operation, but also to more measurable and transparent development processes.

Overall, the HR development efforts served the purpose of making the HR operations more supportive of the renewed strategic directions of the MNB, while providing a simpler, faster and user-friendly framework for daily operations.

Welfare and family support measures

The MNB continued to maintain and operate its family-friendly and welfare benefit system in 2025. The support system is designed to help employees in various life situations, including starting a family, deciding on having children and the period of raising children. The MNB also pays attention to provide adequate support to its employees in emergency life situations. For these services, the MNB was again awarded the Family Friendly Workplace 2025 title in 2025, for the 10th time, and renewed its Family Friendly Workplace Certification Mark.

Health promotion also remained a priority area. Employees were able to participate in a full health status check-up once a year, for prevention purposes and to support conscious health maintenance.

Staff

The MNB's total staff headcount was influenced by two main factors in 2025: ensuring the employees necessary for the performance of its tasks and the need to rationalise the staff.

The MNB terminated the employment of 388 employees.

In 2025, 186 new employees were hired to fill vacant and new positions at the MNB.

As a result of staff changes, the total headcount at the end of 2025 was 1,556, which is 202 people lower than at the end of 2024. The average annual staff number was 1,660.2 employees, 53.9 people higher than the previous year.

At the end of 2025, the average age of the employees was 43.9 years.

Staff-related expenditures rose compared to 2024. The increase was mainly due to higher wage costs. Other costs related to staff reductions in 2025 were also HUF 1,765.7 million higher than in 2024, but this increase was offset by a nearly equal decline in basic benefits and welfare costs (HUF 1,707.2 million).

In 2025, staff expenditures (HUF 48,615.4 million) increased by 11.8 percent (HUF 5,122.1 million) in a year-on-year comparison.

Most of this increase was due to the fact that the MNB's Executive Board decided to raise the 2024 wage bill by 11 percent from 1 January 2025 – under the wage management system – in order to ensure and retain its highly skilled workforce over the long term.

Procurement activities

Like other central banks in the EU, the MNB is obliged to carry out public procurement procedures for its purchases above the national public procurement thresholds. The MNB is subject to public procurement obligations under Directive

2014/24/EU of the European Parliament and of the Council on public procurement and repealing Directive 2004/18/EC, and Act CXLIII of 2015. The MNB's procurement processes are regulated by its internal instructions, in line with the Public Procurement Act. New procurement requests in 2025 and the (28) requests carried over from 2024 resulted in a total of 611 procurement procedures. As a result of successful procurement procedures, the total value of concluded contracts was HUF 29.83 billion (including long-term contracts). No appeals were lodged in respect of the procurement procedures launched and carried out in 2025. The MNB carried out its procurement tasks in compliance with the deadlines, with due transparency and keeping in mind its reputation and prestige.

Operational risk management and business continuity

Effective operational risk management plays a key role in achieving the MNB's strategic objectives and the preservation of its reputation and assets. Identifying, assessing, monitoring and responding to operational risks across the organisation is thus an integral part of the MNB's corporate governance. In order to maintain a high level of operational risk management, it is essential to monitor international best practices and to improve the MNB's procedures and systems in line with such practices. One milestone in this regard was that starting from 2025, an integrated, unified IT registration system has been operating across the entire lifecycle of operational risk management and business continuity management.

During the continuous development of the risk framework, the operational risk management and business continuity activities ensure the MNB's continuous operation, so that the MNB is able to react flexibly to risk exposures, in coordination with the compliance function.

The MNB has also been using the internationally accepted Integrated Assurance Programme methodology for many years, based on cooperation between internal control functions, to map the operational risk exposures of critical processes and to check control functions.

To ensure that its primary tasks are adequately performed even in critical situations, the MNB operates an effective business continuity management system. As part of this, it annually updates its business impact analyses, and its business continuity and disaster recovery plans, which are tested annually for reliability. Tests related to the cash supply, the operation of the payment system and the management of foreign exchange reserves are of particular importance in this regard.

As a result of the measures taken during the year, the MNB was able to continue its operations and perform its tasks as defined in the MNB Act to a high standard.

3.14 ESCB COMMITTEES

Since Hungary's accession to the EU, the MNB's managers and experts have been full members of the ESCB Committees and the working groups established by the Committees. The Committees and working groups provide an opportunity to formulate coordinated positions, in cooperation with the national central banks, and this cooperation also allows the representatives of the national banks to be regularly informed about the work of the ECB.

As of 31 December 2025, there were 18 ESCB committees, of which 13 operated with ESCB-based composition and 5 with euro area composition. Since the Single Supervisory Mechanism (SSM) was launched in November 2014, in addition to the two previous configurations (euro area and ESCB-based composition), certain Committees have been meeting in SSM format as well since 2014, with representatives of the supervisory authorities of the Member States participating in the SSM, acting as entities independent of the central banks.

The scope of activities and mandate of each ESCB Committee are as follows:

Accounting and Monetary Income Committee (AMICO): Develops and regularly reviews the accounting policy principles and the methodology for the preparation of the regular financial reports under the Statute of the ESCB, and promotes their harmonisation at the international level. Monitors the calculation of monetary income, in accordance with the risk management process established by the Accounting Security Framework.

Banknote Committee (BANCO): Determines the euro banknote needs of the euro area countries, coordinates the production of euro banknotes, and develops a policy for the stocking and processing of euro banknotes. Its tasks include exchanging experience on the production of euro banknotes, testing and developing security features to prevent the counterfeiting of euro banknotes, and assessing the security risks related to the production of the euro. It also contributes to the harmonisation of the practices applied in the euro area, to the development of a counterfeit monitoring system, and to the monitoring of the statistics on the euro banknotes and coins.

Budget Committee (BUCOM): Assists the ECB's Governing Council, which consists of the ECB and the central banks of the euro area Member States, on matters relating to the ECB's budget.

Committee on Controlling (COMCO): Contributes to the application and further development of the euro system's common cost methodology, and provides analyses of the cost data and cost structure of certain Eurosystem and ESCB functions/products. In the field of management information systems, it provides a forum for the exchange of information and experience on issues of interest to the ESCB as a whole. The COMCO committee only has euro area format meetings.

Ethics and Compliance Committee (ECC): Supports coherent application of the Eurosystem/SSM ethical frameworks, through the collection of best practices and advice, monitors the Member States' implementation of measures, regularly reviews the ethics frameworks, and advises the ECB's decision-making bodies on amendments to ensure a stronger degree of harmonisation. The ECC only has euro area format meetings.

Eurosystem/ESCB Communications Committee (ECCO): Contributes to the development of the external communication policy of the Eurosystem, the ESCB and the ECB, in order to ensure that the objectives of the Eurosystem and the ESCB are transparent and clear, and to inform the public about the tasks and activities of the Eurosystem and the ESCB.

Financial Stability Committee (FSC): Its role is to support the work of the ECB's decision-making bodies on financial stability and macroprudential policy issues.

Human Resources Committee (HRC): Its objective is to serve as a forum for the exchange of experience, views and information between the Eurosystem/ESCB central banks, in the field of human resources management.

Internal Auditors Committee (IAC): Assists the ESCB in achieving its objectives, by reviewing the relevant joint projects, systems and activities, and ensuring cooperation between the ECB and the national central banks on audit issues of "common interest".

International Relations Committee (IRC): Helps to implement the tasks of the ESCB related to international cooperation, and contributes to the development of the Eurosystem's position in various areas of relations with countries outside the EU.

Information Technology Committee (ITC): Contributes to the development of the Eurosystem's and the ESCB's IT policy, strategy and guidelines (in particular on security aspects) and provides technical advice to the other committees. In addition, it launches and implements Eurosystem/ESCB-level developments and stand-alone projects.

Legal Committee (LEGCO): Provides legal support for the ESCB's tasks, in particular by contributing to the maintenance of the Eurosystem's and the ESCB's regulatory framework, examining the transposition of legislation into the national law, monitoring and reporting on the extent to which the national authorities and EU institutions comply with their obligation to consult on draft legislation, in areas within the ECB's fields of competence.

Market Infrastructure and Payments Committee (MIPC): Assists the ESCB in the smooth operation of the payment systems and the cross-border use of funds. Also supports the ESCB in general and "oversight" matters relating to the payment systems; and in strategic decisions on the securities clearing and settlement systems. It pays particular attention to strengthening its oversight activities and promoting pan-European developments in the areas of small and large-value payments, securities and funds management.

Market Operations Committee (MOC): Assists the ESCB in the implementation of the single monetary policy and foreign exchange operations, the management of the ECB's reserves, the appropriate adaptation of the monetary policy toolkits applied by the central banks of the non-euro area Member States and the application of ERM II.

Monetary Policy Committee (MPC): Helps the ESCB to implement a single monetary and exchange rate policy for the community. In addition, assists in fulfilling the ESCB's tasks in relation to the coordination of the monetary and foreign exchange policies of the central banks of the non-euro-area Member States and the ECB.

Organisational Development Committee (ODC): Assists the ECB's decision-makers with proposals on planning and organisational issues related to the functioning of the Eurosystem and the SSM. It also coordinates the work of the Eurosystem Procurement Coordination Office (EPCO) and operates the Eurosystem/ESCB operational risk management and business continuity system. The ODC only has euro area format meetings.

Risk Management Committee (RMC): Its task is to provide the ECB's decision-makers with analyses and recommendations on the management and control of risks arising from Eurosystem market operations. The RMC only has euro area format meetings.

Statistics Committee (STC): Assists in the collection of the statistical information necessary to fulfil the ESCB's tasks. In doing so, it contributes, inter alia, to the development of the necessary changes in the statistical data collection and their cost-effective implementation.

3.15 RESEARCH ACTIVITIES OF THE MNB

The research activities conducted by the MNB in several professional areas aim to support the preparation of the central bank's decisions. The results of the research are published in international and domestic academic journals and in various MNB publications: the *Financial and Economic Review*, the *MNB Working Papers* series, which are typically published in English, and in *MNB studies.* In addition to publications, as part of its research activities, the MNB participates in international conferences as well as in research networks and working groups coordinated by the ECB.

In 2025, the staff of the MNB published an outstanding number of 44 studies. The high quality of the research by international standards is indicated by the fact that eleven publications were published in the most prestigious journals ranked in the top quartile (Q1) of academic journals. These studies were closely linked to central bank-related topics, such as the transmission mechanism of monetary policy, financial stability, the green transition and geopolitical risks.

Table 13
Scientific publications by MNB authors in 2025

Category	Number of Publications
Q1 journal article	11
Q2 journal article	2
MNB Working Paper/ Occasional Paper	5
Working Papers from other Institutions	8
Financial and Economic Review	16
Hungarian journal articles	2
Sum	**44**

Of particular importance from the perspective of central bank transmission is the study published in the *International Journal of Central Banking*, which analyses the relationship between household borrowing and monetary policy in the post-pandemic period based on European credit registers. The article published in the *International Review of Economics & Finance* analyses the effect of regulatory requirements on market liquidity, while the study published in the *Journal of Economic Behavior & Organization* focuses on the methodological issues of agent-based modelling. The study published in the *International Review of Financial Analysis* empirically examines the social acceptance of the central bank's green approach and shows that the integration of the sustainability goals has a meaningful impact on public trust in the MNB. The article published in *Environment and Development Economics* proposes a simple indicator to measure the climate transition risks associated with bank lending, while the study published in the *Journal of Small Business Management* analyses the relationship between SME ownership structure and credit risk. Other publications examine the market pricing of geopolitical risks, the patterns in investor decisions and stock market yields, the market effects of the central bank's communication on green matters, the relationship between financial risks and macroeconomic vulnerability, and present new econometric methodological solutions. *Table 14* presents the studies published in the most prestigious international journals.

Regarding other academic publications, two MNB publications appeared in the second most prestigious quartile in 2025. One study by MNB authors was published in the *Economic Review* and one in the *Statistical Review*.

Numerous applied research results were also published in the MNB's own publications. Three studies were published in the *MNB Working Papers* series and two studies were published in the *MNB Occasional Papers* publication. In particular, many MNB studies were published in the working paper series of external institutions; a total of eight studies can be found in the publications of the ECB, other European central banks and the Bank for International Settlements (BIS).

A total of 16 publications appeared in the *Financial and Economic Review*, which is edited and published by the MNB: The MNB's authors published six studies, four professional articles, four conference reports and two essays. The articles were published both in Hungarian (in the *Hitelintézeti Szemle*) and in English (in the *Financial and Economic Review).* As in previous years, in 2025 the *Financial and Economic Review* published a special compilation in Chinese, in addition to its Hungarian and English publications.

Table 14
Publications by MNB authors in 2025, in Q1 quadrant rated international journals

Author(s)	Title	Journal
Eszter Baranyai, Péter Pál Kolozsi, Gábor Neszveda, Kristóf Lehmann, Ádám Banai	The impact of the green direction in central banking on the general public's trust	International Review of Financial Analysis
László Bokor	A simple indicator for climate-related transition risks of bank lending	Environment and Development Economics
Csaba Burger	Defaulting alone: SME owner numbers and credit risk in Hungary	Journal of Small Business Management
Olivier De Jonghe, Tamás Briglevics, Pálma Filep-Mosberger, Viola M. Grolmusz, Lajos Tamás Szabó et al.	Household Borrowing and Monetary Policy Transmission: Post-Pandemic Insights from Nine European Credit Registers	International Journal of Central Banking
Judit Hevér, Péter Csóka	The effect of regulatory requirements on market liquidity: ESG promotion as a special case	International Review of Economics & Finance
Zsuzsanna Hosszú, András Borsos, Bence Mérő, Nikolett Vágó	The optimal choice of scaling in economic agent-based models	Journal of Economic Behavior & Organization
Olivér Nagy, Gábor Neszveda	Assessing geopolitical risk: Sovereign CDS insights from the Russo-Ukrainian War	Economic Analysis and Policy
Gábor Neszveda	Aspiration level, probability of success, and stock returns	Financial Innovation
Gábor Neszveda, Bence Siket	Green ECB speeches matter	Journal of Sustainable Finance & Investment
Katalin Varga, Tibor Szendrei	Non-stationary financial risk factors and macroeconomic vulnerability	International Review of Financial Analysis
Zhang Jianhan, Chaoyi Chen et al.	Endogenous Kink Threshold Regression	Journal of Business and Economic Statistics

3.16 MNB PUBLICATIONS, MNB CONFERENCES AND THE MNB TECHNICAL COOPERATION PROGRAMME

The MNB considers the improvement of financial literacy in Hungary to be a priority task; therefore, it intends to support economic education and the expansion and development of financial literacy with its available tools. For this purpose, the range of the MNB's economic and monetary policy books was expanded with new volumes, and a new report was added to the portfolio of the MNB's regular publications in 2025. In line with the focus shifting to the MNB's core tasks and cost-effectiveness, as well as taking into account the needs of the various professional areas, in 2025, the MNB reviewed and rationalised its publication production practice, the frequency of the publications and the number of publications.

Regular publications

Inflation Report

The Inflation Report is published four times annually, to ensure that the public can understand and clearly follow the MNB's policy. In this publication, the MNB regularly reports on the past and expected developments in inflation, assesses macroeconomic developments that determine inflation, and summarises the forecasts and considerations on the basis of which the Monetary Council makes its decisions.

Financial Stability Report

The Financial Stability Report is published twice annually and presents the MNB's views on the changes in the financial system and their impact on the stability of the financial system. The analytical focus of the report is on a forward-looking assessment of long-term trends and risks.

Housing Market Report

The Housing Market Report provides updates on the Hungarian housing market on a semi-annual basis. The aim of the report is to provide a comprehensive overview of short-term and long-term trends in the residential property market, and to show the regional differences in the domestic market. Housing market developments are not only closely linked to financial stability issues, but also fundamentally determine the short-term and long-term economic growth prospects.

Commercial Real Estate Market Report

The Commercial Real Estate Market Report analyses commercial property market developments on a semi-annual basis. It describes the macroeconomic factors affecting the market, and the supply and demand-side trends in the various market segments. The report also looks at banks' property financing activities, which is the main link between the property market trends and financial stability.

Macroprudential Report

The aim of the annual Macroprudential Report is to present the macroprudential instruments used by the MNB to prevent and manage the systemic risks identified and communicated in the Financial Stability Report, their mechanisms of action and how market participants adapt to them. In line with the Statute and the Macroprudential Strategy of the MNB, the publication aims to make the MNB's macroprudential measures more understandable and accessible, not only for industry players, but for the broader public as well.

Savings Report

Trends in the financial savings of households are of key importance for the Hungarian economy and are thus also particularly important for the MNB. Whether households have adequate savings, in term of size and structure, plays a key role in achieving and maintaining price stability, in the stability of the financial system, and in the balanced, sustainable development of the economy. With this annual report, the MNB aims to inform the press, the public and market participants about domestic savings developments, thereby drawing attention to the deeper interrelationships of the economy and providing information for making optimal savings decisions.

FinTech and Digitalisation Report

The annual FinTech and Digitalisation Report provides insight into domestic and international trends in financial innovation, digitalisation and the development of supporting technologies, which are becoming increasingly important in the Hungarian financial markets. The MNB intends to contribute to strengthening the level of digitalisation of the domestic financial system, a process in which it will continue to play a key supporting role.

Insurance, Money Market, Capital Market Risk and Consumer Protection Report

This report covers the key characteristics and risks of the markets for insurance, funds, intermediaries, non-bank financial enterprises and capital market participants. Published annually, it aims to inform both the public and participants of the financial system in relation to current prudential and consumer protection issues, thereby raising risk awareness among stakeholders, and maintaining and strengthening confidence in the financial system. The MNB's regulatory activities to identify and mitigate risks, as well as its awareness-raising and educational activities, and its work to promote the development of the Hungarian financial culture all contribute to ensuring that proper information is available to all stakeholders for decisions affecting financial institutions and products, thus strengthening the stability of the financial system as a whole.

Trends in Lending

The goal of this publication is to provide a comprehensive overview of the latest trends in lending and to help the public to properly understand these trends. It provides a detailed description of loan aggregates, demand for loans observed by banks, and changes in lending terms and conditions.

Balance of Payments Report

This report is published annually to inform market participants about developments in the balance of payments, with a particular focus on the broader economic context. Evolution of the external balance is of key importance for financial stability, as trends in the balance of payments can provide indications about the sustainability of economic growth and the related risks. The MNB conducts a comprehensive and regular analysis of the external balance trends, examining the macroeconomic imbalances through a number of indicators.

Payment Systems Report

The Payment Systems Report is published annually and provides a comprehensive analysis of the trends in Hungarian payment transactions, as well as the operation of the payment and securities settlement systems supervised, the main risks and the instruments used by the MNB, where necessary, to maintain the smooth flow of payments and to facilitate the sound and efficient operation of the payment and settlement systems that support it.

Fiscal Report

To support the performance of its core tasks as defined in the MNB Act, in particular its tasks related to formulating and implementing monetary policy, the MNB analyses the development of the budget deficit and government debt, monitors public finances, analyses the impact of financing on monetary processes and on the developments of the financial market and liquidity, and conducts research on fiscal policy issues. Pursuant to the Stability Act, the Governor of the MNB is a member of the Fiscal Council (FC), and thus the professional expertise and accumulated information available in the MNB can indirectly support the FC's work. The MNB prepares background analyses for the tasks of the Fiscal Council as defined by law, and makes such available to the Fiscal Council. The general public can read the main findings of these expert analyses in the Fiscal Report.

Annual Report

The Annual Report is published annually, in Hungarian and English, and contains the MNB's business report for the previous year and its audited annual accounts prepared in accordance with the Accounting Act.

Half-yearly Report on the MNB's activities

The Half-Yearly Report is published once a year, in September, with the same content as the Annual Report. It contains the MNB's business report and accounts for the first half of the year (unaudited).

Interim Report on the MNB's current quarter's activities

The Interim Report is published twice a year, in the period between the Annual and the Half-Yearly Report, in April and November. It reports on the primary activities of the MNB's specialist areas in the first and third quarters, as laid down in the MNB Act: monetary policy, financial system overview, foreign exchange reserves, payment transactions, cash logistics activities and statistical changes.

Report on the Annual Activities of the Financial Arbitration Board

The Financial Arbitration Board, operated by the MNB, publishes a summary of its operations and activities, entitled Report on the Annual Activities of the Financial Arbitration Board, online and in printed form once a year. Amongst other things, this annual report, which is prepared on the basis of the criteria set out in Article 130(1) of the MNB Act, includes an analysis of applications received and cases settled, as well as recurring or significant problems that often give rise to disputes between consumers and financial service providers. It also includes recommendations on how to avoid or solve such problems in the future. The report also shows the average time taken to resolve consumer disputes and includes data on compliance by service providers with the recommendations and decisions containing binding obligations and approvals on settlement agreements.

Supervisory Board Report

The MNB Act stipulates that the members of the Supervisory Board have an obligation to provide information to the Parliament, which elects them, and to the Minister who appoints them. The Supervisory Board focuses on monitoring the MNB's ongoing operations. The Supervisory Board carries out its activities in accordance with the laws applicable to it, its own rules of procedure and the internal operating principles defined by its members. It carries out its audit activity mostly at the Supervisory Board meetings, the topics of which are set out in an annual rolling work plan based on the audit universe. The Supervisory Board Report is a summary prepared on the Supervisory Board's activities.

Environmental Statement

The fight against and adaptation to climate change and the worsening environmental problems in general have a major impact on the economy as a whole, and through it on the financial intermediary system. The MNB launched its Green Programme in 2019, in awareness of the above. The Green Programme aims to reduce the risks associated with climate change and other environmental problems, to expand green financial services in Hungary, to broaden the domestic and international knowledge base on green financial services, and to further reduce the ecological footprint of the financial market participants and of the MNB itself. The MNB is at the forefront of international best practice to continuously reduce the environmental impact of its own operations. In accordance with the requirements of Regulation (EC) No 1221/2001 of the European Parliament and Council, and Regulation (EU) 2017/1505, the MNB publishes an annual certified Environmental Statement in accordance with the requirements of the EMAS (Eco-Management and Audit Scheme) environmental management system. The statement presents the MNB's efforts taken to improve the environmental performance and the results achieved.

Green Finance Report

The MNB publishes the Green Finance Report on an annual basis, in Hungarian and English. The aim of this publication is to increase transparency on environmental sustainability and finance, and through this, to increase market awareness and contribute to a better understanding of the financial aspects of climate change by the financial system and economic operators, as well as by the Hungarian society. Since the consequences of climate change and environmental anomalies can also translate into financial risks, bridging the data gaps in the financial system is particularly important. By raising awareness of sustainable finance, the report can also indirectly help to make sustainability efforts more successful.

The MNB's Climate Change-related Financial Report

The MNB was among the first central banks and domestic financial institutions to produce a climate change-related financial report (TCFD). The aim of the report is to identify, measure and publish in a transparent manner the climate risks related to the MNB's operational activities and financial instruments as widely as possible, thereby providing guidance for the domestic financial sector. The report is published annually, in Hungarian and English.

Household Financial Data Report

Every three years, in cooperation with the HCSO, the MNB conducts a Household Wealth Survey coordinated by the ECB, which is the most comprehensive source of statistical data on household income, consumption and wealth. The allocation data from the survey are presented together with sector-level macro data. The publication covers the trends in the distribution of income and wealth across various household segments, as well as the overall financial situation of different household groups.

Analyses, studies, statistics

MNB Occasional Papers

The MNB Occasional Papers series presents practical (applied) research mainly related to the MNB's fields of expertise, summarising existing theories and international results on specific topics, as well as analyses that help readers understand the MNB's decision-making.

MNB Working Papers

The MNB Working Papers series publishes the results of theoretical research at the MNB. The studies published in the series are of interest primarily to academic, central bank and other researchers, and are intended to encourage readers to make observations that the authors can use in their further research.

Financial and Economic Review

The Financial and Economic Review is a social science journal that has been published for more than a decade. The publication is edited and published quarterly by the MNB, in Hungarian and English, and once a year a Chinese-language compilation of the most important studies is also prepared. The journal publishes peer-reviewed articles, essays, book reviews, conference reports and other reports on scientific activities.

Other publications

MNB specialist books

In 2025, the following new books were added to the MNB's series of economic and monetary policy books, contributing to the further development of financial culture and increasing financial literacy:

– History of the Magyar Nemzeti Bank, Volume IV – Establishment of a modern central bank that regained its independence, 1990–2024

– MNB Book of Gold: The history of Hungary's gold reserves

– Value creation and value preservation by the MNB – Renovation of the MNB headquarters building

– Independence, Credibility, Stability: The era of Sándor Popovics and the foundation of the Magyar Nemzeti Bank

– Megatrends – 64 essential megatrends shaping our world

– Lamfalussy Lectures Conference, 2025 – Volume of essays

– Marcell Horváth – Levente Horváth: 匈中金融关系的75周年 Hungarian Chinese Financial Relations 75th Anniversary

Events organised by the MNB

The MNB pursues an open strategy towards its peer and partner institutions, fostering professional and co-worker relations through its events. The MNB's objective is to further strengthen its relations with partner institutions through professional cooperation, to actively participate in international dialogue, to become as widely recognised as possible in the context of its international role and to channel its work into the related international professional forums. In order to achieve these goals, the MNB organises international conferences and professional events.

International professional conferences

The MNB organises smaller professional events with the participation of about 80–100 people, as well as multi-day, larger scale conferences with 300–500 participants. These events are held in person (sometimes in a hybrid form) with a possibility to connect online or watch the recordings later.

The most important international professional events held in 2025 were as follows:

Lámfalussy Lectures Conference

To close the programme series celebrating the 100th anniversary of the establishment of the MNB, on 27 January 2025, the MNB organised its flagship international event, the Lámfalussy Lectures Conference, under the title *The Age of Geoeconomics: Evolution of Central Banking*. At the high-level opening session of the 2025 jubilee event, speakers included Christine Lagarde, President of the ECB, Jeffrey D. Sachs, Professor of Economics at Columbia University, and Viktor Orbán, Prime Minister of Hungary. Following two professional panel discussions, a high-level roundtable discussion was held, during which past Lámfalussy Prize winners discussed the legacy of Baron Alexandre Lamfalussy, also known as the "Father of the Euro", and its relevance in the present-day economic landscape. Two prizes established by the MNB were also awarded at the Lámfalussy Gala prior to the conference. The Lámfalussy Prize, with which the MNB intends to recognise internationally outstanding professional performance and lifetime achievements that have influenced the work of the MNB and the international financial system in general, was awarded to Christine Lagarde, President of the ECB. The Sándor Popovics Award, named after the first Governor of the MNB, was presented to Csaba Kandrács, then Vice-Governor of the MNB in charge of the supervision of financial institutions and consumer protection, with which the MNB rewards young professionals with outstanding work in the field of economics and finance.

Joint workshop of the MNB and the Oesterreichische Nationalbank

As part of the close professional cooperation between the MNB and the Austrian central bank, a workshop was held on 11 April 2025 with the title *On the Bumpy Road of European Integration: Recent Developments in the Western Balkans*, focusing on the European integration of the Western Balkans region. The event focused on the geopolitical significance of the Western Balkans region and the main challenges of the region's EU integration process. In addition to experts from the central banks of Hungary, Austria and the Western Balkans, the workshop was also attended by experts from the ECB, as well as from several European central banks, commercial banks and think tanks.

AFCA Financial Summit Forum 2025 and the MNB-CASI Symposium

The MNB participated as a co-organiser in the Asian Financial Cooperation Association (AFCA) Financial Summit Forum 2025, which took place in cooperation with AFCA and the Hungarian Banking Association from 25 to 26 August 2025. There were 33 speakers at the conference, 21 of whom were foreign, internationally highly renowned professionals. The first day of the event was attended by 270 financial and economic decision-makers and experts from ten countries, and the second day by 150 participants. On the margins of the conference, a half-day symposium was also organised jointly with the Capacity-building Alliance of Sustainable Investment (CASI) on 27 August, with 40 participants, under the title *Extracting the Potentials of Sustainable Finance: Extending Incentives and Lowering Systemic Risks*. The background to the joint symposium was that the MNB joined the organisation as the first CEE region institution in 2024.

Budapest Renminbi Initiative Conference

The 2025 Budapest Renminbi Initiative Conference held on 12 September 2025 was a particularly significant milestone, as it provided an opportunity to celebrate the 10th anniversary of the MNB's Renminbi Programme and the Budapest Renminbi Initiative launched in 2015, as well as the 10th anniversary of the designation of the Bank of China (CEE) Zrt. as a clearing bank. In light of this, the 2025 event focused on two themes: the experience over the past ten years and the future prospects of the MNB's Renminbi Programme, and the economic and financial utilisation of the role of the RMB clearing bank in the CEE region.

MNB – Bank of Korea joint workshop

The MNB and the Bank of Korea (BOK) launched a joint workshop series in 2023 to share the best practices, latest research results and projects of the two institutions. The joint event series organised with the Bank of Korea is the first and currently the only knowledge-sharing workshop of the MNB, which is organised in an institutionalised form and on an annual basis. The third event of the research workshop took place in Seoul on 16–17 September 2025. The event entitled *Structural Challenges and Responses of Central Banks* was organised on the topics of economy and monetary policy, climate change, geopolitics and economy, economic forecasting and artificial intelligence, and payment system innovations.

MNB – NBP jointly organised conference

The 7th jointly organised central bank conference of the MNB and the National Bank of Poland (Narodowy Bank Polski, NBP) was held in Warsaw on 7 November 2025 under the title *The Disinflation Journey in the CEE Region: Challenges Ahead*. At the high-level opening session of the conference, NBP Governor Adam Glapiński and MNB Governor Mihály Varga praised the efforts of the CEE countries in recent years to reduce inflation, emphasising that cooperation between central banks and the sharing of experience were important building blocks for economic stability in the region. The participants of the two panel discussions following the opening presentations reviewed the experiences of the region's disinflationary trajectories, the lessons learned from the effectiveness of monetary policy instruments, and the monetary policy decisions made during the geopolitical rearrangements, together with their risks and effects on financial stability.

International Green Finance Conference

The MNB held its Green Finance Conference for the 7th time on 20 November 2025, this time as a joint event with the Supervisory Authority of Regulated Activities and the National University of Public Service. The conference presented the key national and international milestones of the environmental, social and governance (ESG) regulations (including the experiences with the MNB's ESG Recommendation) to participants from the business world, financial markets and the public administration sector. In 2025, the MNB's Green Bank Award was awarded to Erste Bank Zrt., the Green Insurance and Fund Award to K&H Biztosító Zrt., and the Green Investment Fund Management Award to Amundi Befektetési Alapkezelő Zrt.

MNB Technical Cooperation Programme

In addition to its close relations with the EU Member State central banks and the key Asian central banks, the MNB also places considerable emphasis on cooperation with central banks in emerging markets outside the EU. Through its international network, the MNB regularly hosts professional training courses and knowledge-sharing events (study visits) attended by experts and managers from partner central banks. In addition, the MNB is also actively involved in a regional project for the Western Balkans, funded by the European Union (EU) and implemented in the period 2022–2025.

Following several years of preparatory work, the MNB launched its own Technical Cooperation Programme (TCP) in 2023, based on foreign examples. This MNB initiative aims to strengthen the international networking activities, to present the MNB's best practices and promote dialogue on central bank related matters. The target audience of the initiative is the central banking community of Central, Eastern and South-Eastern Europe, the Western Balkans and the Caucasus, the Middle East and North Africa, and Central and Southeast Asia.

The 2025 programme was titled *Stability in Transitions*, in response to the challenges of the dynamically changing global economic environment, highlighting the key balance that central banks must strike between adapting to constant changes and maintaining financial stability. During the 2025 Technical Cooperation Programme, a total of 102 participants representing 27 countries visited Budapest. As in previous years, the largest proportion of participants came from Central, Eastern and South-Eastern Europe (CESEE). During the 16 training days of the 4 professional seminars organised under the programme, 64 MNB speakers held a total of 67 lectures, as well as 17 interactive group work sessions and roundtable discussions.

4 Supplementary information on the MNB's supervisory authority activities in 2025

Table 15
Institutions under full supervision[1]

Money market	**615**
Financial institution	263
Credit institution	29
Bank limited company	17
Bank branch[2]	1
Specialised credit institution	10
Building society	3
Mortgage bank	5
Other specialised credit institution	2
Cooperative credit institution	1
Financial enterprise	233
Financial enterprise equivalent to credit institution	2
Financial enterprise belonging to a banking group	12
Payment system operator (GIRO Zrt.)	1
START Garancia Zrt., MKK Magyar Követeléskezelő Zrt.	2
Independent financial enterprise	216
Financial holding company	-
Organiser (NOK)	1
Non-financial institution	352
Independent intermediary[3]	335
Money market broker	16
Money market multiplier	4
Money market multiple agent	261
Money market trade multiple agent	54
Payment service provider	15
Electronic money issuer	2
Insurance	**342**
Insurance undertaking	26
Insurance company	22
Mutual undertaking	4
Insurance intermediary[4]	316
Insurance broker	282
Insurance multiple agent	34
Funds	**42**
Occupational pension provider	0
Private pension fund	2
Voluntary fund	40
Voluntary healthcare and mutual fund	11
Voluntary healthcare fund	2
Voluntary mutual fund	2
Voluntary pension fund	25
Capital market	**66**
Investment fund manager	52
Alternative investment fund manager	44
UCITS fund manager	8
Investment firm	10
Bank providing investment services[5]	15
Clearing house, central counterparty	2
Stock exchange	2
Total	**1,065**

[1] *The members of the institutional group are under direct supervision of the MNB.*
[2] *Hungarian branch of a financial institution not domiciled in another third-country state.*
[3] *Independent intermediaries include registered intermediaries and those whose principal activity is money market intermediation.*
[4] *Insurance intermediaries include registered intermediaries and those whose principal activity is insurance intermediation.*
[5] *Not included in the total number due to duplication.*

Table 16
Number of inspections carried out, by type of inspection and by sector
(Pieces)

Number of audits/inspections (closed in 2025)		**930**
Prudential	**Total**	**57**
	Money market	14
	Insurance	12
	Funds	9
	Capital market	20
	Thematic audit	2
Consumer protection	**Total**	**762**
	Money market	586
	Insurance	160
	Funds	8
	Capital market	7
	Thematic audit	1
Market surveillance and issuer supervision	**Total**	**47**
	Related to market surveillance	41
	Related to issuer oversight	6
Anti-Money Laundering	**Total**	**7**
ICAAP/ILAAP/BMA	**Total**	**57**

Table 17
Fines levied
(HUF million)

Prudential fines	764.74
Money market	403.04
Insurance	143.00
Funds	22.10
Capital market	193.20
Intermediary	3.40
Consumer protection fines	274.60
Anti-Money Laundering fines	134.04
Market surveillance fines	1,360.25
Issuer supervision fines	20.50
Procedural fines	2.00
Summary:	**2,556.13**

Table 18
Measures taken in the financial market sector
(Pieces)

Number of prudential decisions and orders	**2,214**
Number of authorisation resolutions/rulings	**572**
Number of foundation permits	3
Number of merger, division licences	2
Number of operating licences	7
Number of operating change licences	5
Number of portfolio transfer licenses	4
Number of acquisition of holding licences	25
Senior executives/ board members licences	186
Number of withdrawal licences by an institution	32
Allow and approve amendment of Articles of Association and other regulations	22
Resolutions issued under CRR	28
Number of other authorisation decisions	234
Number of substantive orders for authorisation	24
Number of enforcement decisions	**1,642**
Number of decisions related to investigations	15
Number of revocation and suspension decisions by MNB sanctions	19
Ongoing supervisory decisions/number of decisions containing no measure	25
Ongoing supervisory decisions/number of decisions containing measure	681
Money laundering prevention decisions and orders, number of reports	19
Number of consumer protection decisions and orders	847
Number of other enforcement decisions	36

Table 19
Measures taken in the capital market sector
(Pieces)

Number of prudential decisions and orders	**801**
Number of authorisation resolutions/rulings	**701**
Number of operating licences	8
Number of operating change licences	18
Number of acquisition of holding licences	2
Senior executives/ board members licences	148
Number of withdrawal licences by an institution	4
Allow and approve amendment of Articles of Association and other regulations	7
Resolutions issued under CRR	1
Number of other authorisation decisions	492
Number of substantive orders for authorisation	21
Number of enforcement decisions	**100**
Number of decisions containing no measure related to investigations	3
Number of decisions containing measure related to investigations	19
Ongoing supervisory decisions/number of decisions containing measure	44
Ongoing supervisory decisions/number of decisions containing no measure	3
Money laundering prevention decisions and orders, number of reports	-
Number of consumer protection decisions and orders	23
Number of other enforcement decisions	2
Number of other enforcement orders	6

Table 20
Measures taken in the insurance market sector
(Pieces)

Number of prudential decisions and orders	**500**
Number of authorisation resolutions/rulings	**159**
Number of operating licences	8
Number of portfolio transfer licences	5
Number of acquisition of holding licences	11
Senior executives/ board members licences	100
Number of withdrawal licences by an institution	23
Number of other authorisation decisions	4
Number of substantive orders for authorisation	8
Number of enforcement decisions	**341**
Number of decisions containing measure related to investigations	18
Number of revocation and suspension decisions by MNB sanctions	6
Ongoing supervisory decisions/number of decisions containing measure	82
Decision on the secondment of a supervisory commissioner	2
Number of consumer protection decisions and orders	233
Number of other enforcement decisions	-

Table 21
Measures taken in the funds sector
(Pieces)

Number of prudential decisions and orders	**31**
Number of authorisation resolutions/rulings	**9**
Number of operating licences	3
Number of portfolio transfer licences	-
Number of withdrawal licences by an institution	-
Allow and approve amendment of Articles of Association and other regulations	5
Number of other authorisation decisions	1
Number of substantive orders for authorisation	-
Number of enforcement decisions	**22**
Number of decisions containing measure related to investigations	10
Number of orders granting an interim measure	-
Number of consumer protection decisions and orders	12

Table 22
Market supervision and issuer supervision measures taken
(Pieces)

Number of enforcement decisions and orders issued	**483**
Number of market surveillance decisions	31
Market surveillance enforcement orders	426
Number of issuer supervision decisions	22
Number of issuer supervision orders	4
Substantive rulings, orders, number of resolving discrepancies	**1 159**
Number of issuance decisions	873
Number of issuance orders	-
Number of supplementary information requests	286

Table 23
Authorisations for the issue of securities
(Pieces)

Number of issues and stock exchange listings	**1**
Number of initial public offers	-
Stocks	-
Bonds and mortgage bonds	-
Purchase offers	1

5 Abbreviations and terminology related to central banking

ABBREVIATIONS

BGS: Bond Funding for Growth Scheme

BIS: Bank for International Settlements

BPM: Balance of Payments Manual

BSE: Budapest Stock Exchange Plc.

CAR: Capital Adequacy Ratio

CCyB: Countercyclical Capital Buffer

CET1: Common Equity Tier 1 capital

CFDS: Central Fraud Detection System

EBA: European Banking Authority

ECB: European Central Bank

EIOPA: European Insurance and Occupational Pensions Authority

EMIR: Unified Monitoring and Information System

EREP: European Resolution Examination Programme

ESCB: European System of Central Banks

ESMA: European Securities and Markets Authority

ESRB: European Systemic Risk Board

FGS: Funding for Growth Scheme

GIRO: GIRO Elszámolásforgalmi Zártkörűen Működő Részvénytársaság

HCSO: Hungarian Central Statistical Office

HITREG: Central Bank Loan Register

IFRS: International Financial Reporting Standards

IMF: International Monetary Fund

ISDA: International Swaps and Derivatives Association

MFAR: Mortgage Funding Adequacy Ratio

KELER: KELER Központi Értéktár Zártkörűen Működő Részvénytársaság

KESZ: Single Treasury Account

MFO: Certified Consumer-friendly Home Insurance

MIRS: Interest rate swaps (IRS) for monetary policy purposes

MNB: Magyar Nemzeti Bank

MSZVK Zrt.: MSZVK Magyar Szanálási Vagyonkezelő Zártkörűen Működő Részvénytársaság

MVH: Qualified Corporate Loan

NPL: Non-Performing Loan

OECD: Organisation for Economic Co-operation and Development

O-SII: Other Systemically Important Institution

PNTI: Financial Navigator Advisory Network

PST: Financial Stability Council

RoA: Return on Assets

RoE: Return on Equity

SNA: System of National Accounts

SRB: Single Resolution Board

SSM: Single Supervisory Mechanism

sSyRB: Sectoral Systemic Risk Buffer

SyRB: Systemic Risk Buffer

TREA: Total Risk Exposure Amount

TERMINOLOGY

AFR: Instant Payment System. The domestic payment platform for the clearing and settlement of instant transfer orders.

AML/CFT: Anti-Money Laundering and Countering the Financing of Terrorism.

Balancing reserve: The HUF exchange rate balancing reserve and the foreign currency securities balancing reserve, which form part of MNB's shareholders' equity.

Cash flow: The sum of deposits and withdrawals from the MNB, and currency exchanges.

CLS (Continuous Linked Settlement): A clearing and settlement model that allows the elimination of foreign exchange settlement risk, based on a payment-versus-payment (PvP) mechanism in several currencies. The CLS is operated by CLS Bank.

CSDR (Central Securities Depositories Regulation): Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.

Currency interest rate swap (CIRS): A transaction, usually medium- to long-term, involving the exchange of different currencies, a series of interest payments on the principal and the repayment of principal at the close of the transaction.

DORA (Digital Operational Resilience Act): Regulation (EU) 2022/2554 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

Duration: The average remaining maturity of bonds. A measure used to characterise the riskiness of a bond or a portfolio of bonds.

ERM II (Exchange Rate Mechanism II): An exchange rate mechanism between the euro area countries and EU Member States not participating in Stage Three of EMU, which creates the conditions for exchange rate policy cooperation. ERM II is a multilateral system of fixed, but adjustable exchange rates, with a normal fluctuation band of +/-15 percent around the mid-rate. Decisions on the mid-rate or a narrower fluctuation band are taken by mutual agreement between the Member State concerned, the euro area countries, the ECB and the other Member States participating in the mechanism.

FinTech: FinTech is a technology-driven financial innovation that can lead to new business models, applications or products, and can have a significant impact on the financial markets and institutions, as well as on the financial services themselves.

Foreign currency futures: A stock exchange transaction where future settlement is based on a fixed amount of standardised (contractually agreed) foreign currency, specified at the time the transaction is concluded.

Foreign exchange swap: A transaction – usually short-term – involving the exchange of different currencies and their exchange back at the close of the transaction at a price specified in the contract (by the cross rate and the interest rate of the currencies).

FX swap: See foreign exchange swap.

IMF reserve quota: the freely-drawable – yet undrawn – share of the IMF quota paid into the IMF in SDRs (Special Drawing Right).

Interest rate swap (IRS): The exchange at specified intervals of a fixed interest calculated based on a fix interest rate, and a variable interest calculated at a variable interest rate – adjusted to a certain market rate or condition – on a specified principal amount.

MBS: Mortgage-backed security.

MNB Act: Act CXXXIX of 2013 on the Magyar Nemzeti Bank.

MREL requirement: Minimum requirement for own funds and eligible liabilities.

O/N: Overnight deposit/loan, overnight deposit/loan.

Option transaction: Gives the holder of the currency option the right, but not the obligation, to buy or sell a certain amount of foreign currency against another foreign currency at a predetermined rate at a predetermined time, or by a predetermined date. For the seller (writer) of the option, if the option is exercised by the option holder, it is an obligation.

Payment system: In the case of supervised systems, the form of cooperation agreed between the cooperating parties for the operation of the system as defined in Article 6(1), Section 27 of the Credit Institutions Act. It is part of the financial infrastructure. It includes payment instruments, banking procedures and interbank payment systems, which together enable the processing of payments.

Repurchase and reverse repurchase agreement: An agreement that provides for the transfer of ownership of a security, subject to an obligation to repurchase it at a specified or to-be-determined future date, at a specified repurchase price. During the term of the transaction, the buyer may acquire the security that is the subject of the transaction and may freely dispose of it (delivery repo), or may not acquire it and may not freely dispose of it, in which case the security is placed as deposit in favour of the buyer during the term (hold-in-custody repo).

Revaluation reserves: The revaluation reserve of the forint exchange rate and the revaluation reserve of foreign currency securities are reserves that are part of the equity of the MNB.

– **Revaluation reserve due to forint exchange rate changes:** Unrealised exchange rate gains and losses on the forint exchange rate changes of foreign currency assets and liabilities are indicated in the forint exchange rate revaluation reserve, which constitutes a part of the equity.

– **Revaluation reserve of foreign currency securities:** The valuation difference between the market value and cost rate of foreign exchange assets based on securities is indicated in the revaluation reserve of foreign currency securities, which constitutes a part of the equity.

Stability Act: Act CXCIV of 2011 on the Economic Stability of Hungary.

Part B)
Audited financial statements of the Magyar Nemzeti Bank

1 Independent auditor's report

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This is a translation of the Hungarian Report

Independent Auditor's Report

To the Shareholder of Magyar Nemzeti Bank

Opinion

We have audited the accompanying 2025 annual financial statements of Magyar Nemzeti Bank ("the Company"), included in the accompanying Éves jelentés 2025_Kiegészítő melléklet_0423.pdf[1] digital file,which comprise the balance sheet as at 31 December 2025 - showing a balance sheet total of HUF 26,481,968 million and a loss after tax for the year of HUF 554,000 million -, the related profit and loss account for the financial year then ended and notes to the annual financial statements, including a summary of significant accounting policies.

In our opinion, the annual financial statements give a true and fair view of the equity and financial position of the Company as at 31 December 2025 and of the results of its operations for the financial year then ended in accordance with the Act C of 2000 on Accounting ("Hungarian Accounting Law").

Basis for opinion

We conducted our audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the annual financial statements section of our report.

We are independent of the Company in accordance with the applicable ethical requirements according to relevant laws in effect in Hungary and the policy of the Chamber of Hungarian Auditors on the ethical rules and disciplinary proceedings and with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

[1] Digital identification of the above referred digital file, using SHA 256 HASH algorithm is 87B63D841EF13C5B4F884EB8A7F6819795FB5E5C07CEC9E9791CDAE6B828A3ED

Other information

Other information consists of the 2025 business report of the Company. Management is responsible for the preparation of the business report in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any. Our opinion on the annual financial statements does not cover the business report.

In connection with our audit of the annual financial statements, our responsibility is to read the business report and, in doing so, consider whether the business report is materially inconsistent with the annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Concerning the business report it is our responsibility also, in accordance with the Hungarian Accounting Law, to consider whether the business report has been prepared in accordance with the Hungarian Accounting Law and other relevant legal requirements, if any.

In our opinion, the business report of the Company for 2025 is consistent, in all material respects, with the 2025 annual financial statements of the Company and the relevant requirements of the Hungarian Accounting Law.

Since no other legal regulations prescribe for the Company further requirements with regard to its business report, we do not express opinion in this regard.

Further to the above, based on the knowledge we have obtained about the Company and its environment in the course of the audit we are required to report whether we have identified any material misstatement in the business report, and if so, the nature of the misstatement in question. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the annual financial statements

Management is responsible for the preparation of annual financial statements that give a true and fair view in accordance with the Hungarian Accounting Law, and for such internal control as management determines is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting. Management is required to apply going concern principle unless the applicability of that principle is precluded by other provisions or there are facts and circumstances that contradict with the continuance of the Company's business activity.

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Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the annual financial statements

Our objectives are to obtain reasonable assurance about whether the annual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual financial statements.

As part of an audit in accordance with Hungarian National Auditing Standards and with applicable laws and regulations in Hungary, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual financial statements, including the disclosures, and whether the annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls of the Company that we identify during our audit.

Budapest, 30 April 2026

(The original Hungarian version has been signed.)

Dr. Hruby Attila	Dr. Hruby Attila
Ernst & Young Kft.	Registered auditor
1132 Budapest, Váci út 20.	Chamber membership No.: 007118
Registration No. 001165	

2 Balance sheet of the Magyar Nemzeti Bank

HUF million

Note	ASSETS	31 Dec 2024	31 Dec 2025	Change
1	2	3	4	4–3
	I. RECEIVABLES DENOMINATED IN FORINTS	**8,338,646**	**5,715,152**	**-2,623,494**
4.3.	1. Receivables from the central government	2,242,740	2,233,566	-9,174
4.7.	2. Receivables from credit institutions	4,607,986	2,080,707	-2,527,279
4.10.	3. Other receivables	1,487,920	1,400,879	-87,041
	II. RECEIVABLES DENOMINATED IN FOREIGN CURRENCY	**19,115,404**	**20,163,343**	**1,047,939**
4.9.	1. Gold and foreign exchange reserves	18,236,785	19,310,270	1,073,485
4.4.	2. Receivables from the central government	0	195	195
4.8.	3. Receivables from credit institutions	16,902	10,226	-6,676
4.10.	4. Other receivables	861,717	842,652	-19,065
	III. BANKING ASSETS	**302,565**	**369,714**	**67,149**
4.12.	of which: invested assets	299,749	367,097	67,348
4.14.	**IV. DEFERRED EXPENSES/ACCRUED INCOME**	**173,126**	**233,759**	**60,633**
	V. TOTAL ASSETS (I+II+III+IV)	**27 929 741**	**26 481 968**	**-1 447 773**

Note	LIABILITIES AND EQUITY	31 Dec 2024	31 Dec 2025	Change
1	2	3	4	4–3
	VI. LIABILITIES DENOMINATED IN FORINTS	**25,138,364**	**22,714,360**	**-2,424,004**
4.5.	1. Central government deposits	1,080,444	1,090,565	10,121
4.7.	2. Deposits by credit institutions	8,118,799	6,270,397	-1,848,402
	3. Banknotes and coins in circulation	8,897,530	9,310,294	412,764
4.11.	4. Other deposits and liabilities	7,041,591	6,043,104	-998,487
	VII. LIABILITIES DENOMINATED IN FOREIGN CURRENCY	**4,251,536**	**4,834,602**	**583,066**
4.5.	1. Central government deposits	251,685	235,904	-15,781
4.8.	2. Deposits by credit institutions	59,338	121,883	62,545
4.11.	3. Other deposits and liabilities	3,940,513	4,476,815	536,302
4.13.	**VIII. PROVISIONS**	**2,381**	**844**	**-1,537**
	IX. OTHER BANKING LIABILITIES	**102,252**	**165,622**	**63,370**
4.14.	**X. ACCRUED EXPENSES/DEFERRED INCOME**	**100,390**	**161,940**	**61,550**
4.15.	**XI. EQUITY**	**-1,665,182**	**-1,395,400**	**269,782**
	1. Share capital	10,000	10,000	0
	2. Retained earnings	-2,013,959	-2,802,652	-788,693
	3. Valuation reserves	0	0	0
4.16.	4. Revaluation reserves due to exchange rate changes	1,233,168	1,995,976	762,808
4.16.	5. Revaluation reserves of foreign currency securities	-105,698	-44,724	60,974
	6. Profit/Loss for the year	-788,693	-554,000	234,693
	XII. TOTAL EQUITY AND LIABILITIES (VI+VII+VIII+IX+X+XI)	**27,929,741**	**26,481,968**	**-1,447,773**

30 April 2026, Budapest

Mihály Varga
Governor of the Magyar Nemzeti Bank

3 Income statement of the Magyar Nemzeti Bank

HUF million

Note	INCOME	2024	2025	Difference
1	2	3	4	4–3
4.18.	**I. INTEREST AND INTEREST-RELATED INCOME DENOMINATED IN FORINTS**	**203,504**	**156,281**	**-47,223**
	1. Interest on receivables from the central government	90,717	62,151	-28,566
	2. Interest on receivables from credit institutions	47,357	32,363	-14,994
	3. Interest on other receivables	54,838	53,718	-1,120
	4. Interest-related income	10,592	8,049	-2,543
4.18.	**II. INTEREST AND INTEREST-RELATED INCOME DENOMINATED IN FOREIGN CURRENCY**	**641,190**	**510,143**	**-131,047**
	1. Interest on foreign exchange reserves	369,738	285,605	-84,133
	2. Interest on receivables from the central government	0	0	0
	3. Interest on receivables from credit institutions	1	7	6
	4. Interest on other receivables	0	0	0
	5. Interest-related income	271,451	224,531	-46,920
4.19.	**III. INCOME ARISING FROM EXCHANGE RATE CHANGES**	**404,130**	**67,495**	**-336,635**
4.18.	**IV. REALISED GAINS ARISING FROM FINANCIAL OPERATIONS**	**11,392**	**12,461**	**1,069**
4.21.	**V. OTHER INCOME**	**44,328**	**56,048**	**11,720**
	1. Fees and commissions	2,818	3,522	704
4.22.	2. Income other than fees and commissions	8,281	16,996	8,715
4.23.	3. Income from supervisory activities and administrative functions*	33,229	35,530	2,301
4.13.	**VI. PROVISIONS RELEASED**	**250**	**2,158**	**1,908**
4.13.	**VII. REVERSED IMPAIRMENT**	**10,144**	**7,593**	**-2,551**
4.24.	**VIII. OPERATING INCOME**	**829**	**773**	**-56**
	IX. TOTAL INCOME (I+II+III+IV+V+VI+VII+VIII)	**1,315,767**	**812,952**	**-502,815**

Note	EXPENSES	2024	2025	Difference
1	2	3	4	4–3
4.18.	**X. INTEREST AND INTEREST-RELATED EXPENSES DENOMINATED IN FORINTS**	**1,299,194**	**882,599**	**-416,595**
	1. Interest on central government deposits	138,893	74,719	-64,174
	2. Interest on deposits by credit institutions	712,928	509,163	-203,765
	3. Interest on other deposits	356,340	228,467	-127,873
	4. Interest-related expenses	91,033	70,250	-20,783
4.18.	**XI. INTEREST AND INTEREST-RELATED EXPENSES DENOMINATED IN FOREIGN CURRENCY**	**246,685**	**277,067**	**30,382**
	1. Interest on central government deposits	35,879	27,332	-8,547
	2. Interest on deposits of credit institutions	5,053	2,195	-2,858
	3. Interest on other liabilities	65,275	48,715	-16,560
	4. Interest-related expenses	140,478	198,825	58,347
4.19.	**XII. EXPENSES RESULTING FROM EXCHANGE RATE CHANGES**	**10,713**	**10,772**	**59**
4.20.	**XIII. COST OF ISSUING BANKNOTES AND COINS**	**17,392**	**18,031**	**639**
4.18.	**XIV. REALISED LOSSES ARISING FROM FINANCIAL OPERATIONS**	**341,095**	**12,635**	**-328,460**
4.21.	**XV. OTHER EXPENSES***	**11,431**	**10,855**	**-576**
	1. Fees and commissions	3,045	3,119	74
4.22.	2. Expenses other than fees and commissions	8,270	7,674	-596
4.23.	3. Expenses of supervisory activities and administrative functions	116	62	-54
4.13.	**XVI. PROVISIONS CHARGED**	**2,091**	**621**	**-1,470**
4.13.	**XVII. IMPAIRMENT**	**87,257**	**61,232**	**-26,025**
4.24.	**XVIII. OPERATING COSTS AND EXPENSES**	**88,602**	**93,140**	**4,538**
	XIX. TOTAL EXPENSES (X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)	**2,104,460**	**1,366,952**	**-737,508**
	XX. PROFIT/LOSS FOR THE YEAR (IX-XIX)	**-788,693**	**-554,000**	**234,693**

** In accordance with the P/L structure for 2025.*

30 April 2026, Budapest

Mihály Varga
Governor of the Magyar Nemzeti Bank

4 Notes to the financial statements

4.1 ACCOUNTING POLICIES OF THE MNB

The Magyar Nemzeti Bank (MNB), the central bank of Hungary, is owned by the Hungarian State (the shareholder). Ownership rights are exercised by the minister in charge of public finances.

The MNB has been a member of the European System of Central Banks (ESCB) since the effective date of the Act promulgating the international treaty on the accession of Hungary to the EU, i.e. 1 May 2004.

The accounting policies of the MNB are based on Act C of 2000 (hereinafter: Act on Accounting), Act CXXXIX of 2013 on the Magyar Nemzeti Bank (hereinafter: MNB Act) and Government Decree 221/2000 (XII. 19) on the special reporting and accounting requirements applicable to the Magyar Nemzeti Bank (hereinafter: MNB Decree).

The following sections present a brief description of the MNB's accounting system and the valuation and profit recognition rules, insofar as these differ from the general rules.

4.1.1 Changes in the regulatory environment

At the end of December 2025, the rules in the MNB Decree governing the required structure of the income statement changed. In the new structure, the name of line 3 under 'V. Other income' was modified (to 'Income from supervisory activities and administrative functions'), and 'XV. Other expenses' was expanded with line '3. Expenses of supervisory activities and administrative functions', the items of which were transferred from line '2. Expenses other than fees and commissions'.

4.1.2 Accounting framework of the MNB

One of the MNB's key accounting principles is that transactions are booked for the period in which they occur, unless the financial year is already closed. This is especially important for the accurate measurement of exchange rate gains and losses, in particular foreign exchange sales and purchases. Spot foreign currency transactions which involve foreign exchange conversions are recorded in the books on the transaction date. Assets and liabilities arising from such transactions affect the MNB's foreign currency position from the date of entering into the transaction. The same procedure is applied to recording the revaluation difference in the balance sheet relating to derivative transactions for hedging purposes.

On a daily basis, the MNB records:

– exchange rate differences arising from the revaluation of its foreign assets and liabilities and off-balance sheet derivative transactions recorded for hedging purposes;

– amortisation of securities' price gains and losses; and

– accrued/deferred interest arising from on and off-balance sheet assets and liabilities from hedging transactions.

Pursuant to the MNB Decree, for the purpose of reporting data to the owner, the MNB must close accounts relating to its assets, liabilities and income and prepare trial balances on a quarterly basis, in accordance with the procedures specified in its accounting policies.

For internal use, the MNB compiles a balance sheet and income statement on a monthly basis; these are supported by:

– the market valuation of foreign currency securities;

– the breakdown and recording of realised and unrealised portions of foreign exchange gains and losses derived from daily revaluation; and

– the charging of depreciation and amortisation.

Upon the quarterly closing of accounts, the MNB measures its off-balance sheet contingent and future liabilities arising from derivative transactions for other purposes and securities lending operations based on international agreements (in this case, the liabilities are equal to the purchase value of the collateral received) and other off-balance sheet liabilities; it also measures the receivables and securities in the balance sheet. Additionally, the MNB measures the financial investments at the end of the year and reviews them at the second quarter based on the final annual reports. As a result of this measurement, the MNB recognises impairment losses as necessary and forms provisions for off-balance sheet liabilities.

The balance sheet preparation date is the 15th working day of January in the year following the reporting year. For this report, the balance sheet preparation date was 22 January 2026.

By law, the MNB is also required to report to the Parliament. The MNB submits a single report to both the Parliament and the Ministry in charge of public finances, which exercises the rights of ownership as laid down in the MNB Act. This takes the form of an Annual Report, which contains a business report describing the MNB's structure, operations and state of affairs during the reporting year, and the MNB's annual financial statements defined by the Act on Accounting, as adopted by the Executive Board with the auditor's opinion. The Supervisory Board submits an opinion on the Annual Report and a report on such to the shareholder. The Annual Report is published in unabridged form on the internet in Hungarian and in English. The website is accessible at: http://english.mnb.hu.

Additionally, the Governor of the MNB also reports to the parliamentary committee responsible for economic affairs on the half-year activity of the MNB. This report is the Half-year Report, which contains a business report describing the MNB's structure, operations and half-year activity, as well as the half-year financial statements as defined by the Act on Accounting and compiled by the Executive Board. The Half-year Report is also published on the internet in Hungarian.

Pursuant to the MNB Decree, the MNB is not obliged to draw up consolidated financial statements.

The financial statements of the MNB must be audited by the statutory auditor in compliance with the Act on Accounting. The registered auditor of the MNB is Dr Attila Hruby (Ernst & Young Kft.), Chamber membership number: 007118.

The person authorised to sign the Annual Report is Mihály Varga, Governor of the Magyar Nemzeti Bank.

The person responsible for accounting services is Gábor Kalina, registration number: 194599.

4.1.3 Major valuation principles

Receivables from the central government

Securities stated under receivables from the central government are recorded in the balance sheet at amortised purchase price and include no interest. The difference between the purchase price excluding interest and the face value is shown in the MNB's income statement as a valuation gain or loss in proportion to the time elapsed.

Receivables from credit institutions

Mortgage bonds and securities issued by credit institutions with government guarantees are recorded in the balance sheet under 'Receivables from credit institutions' at amortised purchase price, net of interest. The market value difference at acquisition is shown in the item 'Interest-related income' as a valuation gain or loss in proportion to the time elapsed.

Interest-free refinancing loans within the framework of the Funding for Growth Scheme (FGS) and the base rate fixed loans provided to credit institutions with collateral (securities, large-entity loan receivables) are recorded in the balance sheet at the disbursed amount.

Other receivables

Corporate bonds are recorded in the balance sheet under 'Other receivables' at amortised purchase price, net of interest. The market value difference at acquisition is shown in the item 'Interest-related income' as a valuation gain or loss in proportion to the time elapsed.

Receivables from supervisory activities and administrative functions are stated in the balance sheet, along with any related impairment. The MNB records supervisory fees imposed in line with the reports or data submissions from the institutions, and the penalties imposed are recorded in accordance with the final resolutions. Supervisory fees, penalties levied, fees from public proceedings, official examination fees, as well as the procedural and other costs to be reimbursed are recognised under 'Income from supervisory activities and administrative functions'. Procedural costs, fees and costs incurred in connection with claim management, as well as any repayments or cancellations of supervisory and administrative receivables arising prior to the reporting year, must be recorded as 'Expenses of supervisory activities and administrative functions'.

The balance of 'Other receivables' also contains employee loans and loans provided to other legal entities in the amount of the disbursements. The related interest income is stated under 'Interest on other receivables'.

Valuation of receivables

Impairment losses may not be recorded in connection with receivables from the central government.

'Receivables from credit institutions' and 'Other receivables' are tested for impairment and if the book value of the receivable is higher than its expected recovery value, an impairment loss is recorded, in line with the MNB's impairment policy. This does not apply to receivables with market valuation and collateralised monetary policy receivables.

With the exception of government bonds and bonds issued with government guarantees, securities denominated in forints and purchased for monetary policy purposes are tested for impairment in line with the corresponding rules, and impairment is recorded in proportion to the risk of losses. Other HUF-denominated securities held for monetary policy purposes (mortgage bonds, corporate bonds) are tested for impairment separately for each portfolio (held-for-sale portfolio, held-to-maturity portfolio). With regard to the held-for-sale portfolio, the appropriate amount of impairment is defined as the negative difference between the book value and the market value, provided that such difference (loss) appears to be a permanent, material amount. With regard to the held-to-maturity portfolio, the impairment methodology is based on the risk of non-performance and the related expected loss, ignoring the materiality criteria, and in the case of corporate bonds an individual rating is also carried out, in addition to the application of other market information (triggers). In 2025, the MNB revised the methodology again, aligning it more closely with the practice of credit institutions. The Executive Board adopted the modified methodology in December 2025, and thus it was already applied in the Q4 impairment testing. The purpose of the revision is to more accurately identify individual corporate or sectoral developments relevant to creditworthiness using early warning triggers. Based on this, in order to take a more cautious approach, the MNB individually reviews the impairment values generated according to the general procedure and refines such, if necessary.

Valuation of foreign currency assets and liabilities and recognition of exchange rate gains

In its books, the MNB records all foreign currency assets, including precious metals held for central bank purposes based on the MNB Decree, and liabilities at the official exchange rate prevailing on the date of acquisition. If a foreign currency asset or liability is created as a result of foreign exchange conversion, the exchange rate gain or loss arising from the difference between the actual and the official exchange rate is recorded by the MNB as conversion income for that particular date and is stated under 'Gains/losses from exchange rate changes' in the income statement.

The MNB carries out a daily revaluation of foreign currency assets and liabilities as well as off-balance sheet assets and liabilities arising from derivative transactions for hedging purposes, taking account of variations in the official exchange rate. As a result of this revaluation, balance sheet items denominated in foreign currency are stated at the amount converted at the official exchange rate prevailing on the balance sheet date. Banking assets and banking liabilities in foreign currencies (with the exception of foreign investments) and foreign currency accruals and derivative transactions for purposes other than hedging do not form part of the revaluation.

Income received in foreign currency is stated at the official exchange rate prevailing on the given date.

Daily accounting for accrued income is preceded by reversing the accrued income from the previous day. As a result, foreign currency accruals are recorded in the balance sheet at the official exchange rate without revaluation.

In respect of foreign exchange gains and losses arising in the course of daily revaluation, only realised exchange rate gains and losses can be stated as a profit item, while the unrealised result is reported under 'Equity' in the item 'Revaluation reserve due to exchange rate changes'.

Realised income in a particular currency arises as a result of a decrease in the net foreign currency position (in absolute terms). Realised income arises as the difference between the value of the change in the net foreign currency position at the official exchange rate and the average cost rate prevailing on that particular date.

Foreign currency securities

Foreign currency securities are stated at market price. The difference between the market value (prices applied by the instrument facilitating portfolio management) prevailing on the date of valuation and the amortised purchase value is recorded in 'Revaluation reserve of foreign currency securities' as part of 'Equity'. Exchange rate gains or losses realised on sales are stated under realised gains or losses arising from financial operations.

The MNB measures its securities on the basis of market prices prevailing on the last working day of each month. However, if adequately liquid prices are not ensured on this day in respect of a certain foreign currency, the valuation of securities is based on the market prices available on the previous working day.

Foreign currency securities managed by external trustees based on a mandate are also stated at market price, applying the prices received from the custodian.

Security repurchase transactions based on international agreements are recorded as credit/deposit transactions, while the related, future receivables or liabilities on securities are stated as off-balance sheet items.

Securities lent through securities lending operations based on international agreements need not be removed from foreign exchange reserves; they are recognised as off-balance sheet items. Non-cash collaterals and investments from cash collateral must be recorded as contingent liabilities under off-balance sheet items and, in the event that their market value is negative, a provision of an equal amount must be created for the investments on a quarterly basis.

Accounting rules relating to the IMF quota

The part of the IMF quota subscribed in foreign currency and denominated in SDR as a callable loan is stated under foreign exchange reserves.

The part of the quota paid in forints and recorded in SDR is presented under 'Other foreign currency receivables' in the balance sheet. The related IMF forint deposit is reported on the liabilities side of the balance sheet. It is the MNB's duty to ensure at least annually that the amount of the IMF's forint deposit is equal to the amount of the quota paid in forints. As this deposit account is only formally a HUF account, it is reported under 'Other foreign currency liabilities' in the balance sheet.

The SDR allocation aims to increase the foreign exchange reserves of the IMF's members. The amount received increases the MNB's foreign exchange reserves and creates a liability to the IMF without a maturity date on the liability side of the balance sheet. This transaction has an effect on profit and loss (interest must be paid on the SDR amount received) if it is utilised.

The MNB contributes to IMF programmes supporting low-income countries through a PRGT (Poverty Reduction and Growth Trust) Deposit and Investment Account (DIA), which is part of the foreign exchange reserves. The invested amount will be returned to the MNB upon maturity, and only the income generated thereon — reduced by the SDR interest paid quarterly to the MNB during the term — will be used as support by the IMF. The interest-bearing deposit in SDR is revalued daily due to changes in the exchange rate. In addition, the PRGT deposit must be revalued quarterly based on the market value reported by the IMF.

Accounting rules relating to derivatives

Based on the transaction purpose, the MNB distinguishes between two groups of derivative transactions: hedging transactions and derivatives for purposes other than hedging.

Hedging transactions are defined as transactions which reduce the risk arising from changes in the exchange rate or market value of a specific asset or liability or open position, are directly related to such, are announced as hedging transactions at the start of the contract and neutralise or significantly mitigate the risk that is intended to be hedged. Furthermore, derivatives with the government or non-resident counterparties to hedge these transactions are also regarded as hedging transactions. FX transactions for the purpose of setting the benchmark FX structure or decreasing in absolute terms the remaining average duration of the interest-bearing assets and liabilities are deemed macro hedging transactions.

Derivatives are stated under off-balance sheet assets and liabilities. The aggregate revaluation difference of foreign currency assets and liabilities arising from hedging transactions is reported on the balance sheet (depending on the balance of such, either in 'Other foreign currency receivables or liabilities' or 'Foreign currency receivables from or liabilities to the central government or credit institutions'), including the interest accrued in proportion to the time elapsed (as accrued income or accrued expenses).

When derivative transactions for purposes other than hedging are closed, the income from such transactions is stated in the lines of income and expenses arising from exchange rate changes when foreign exchange transactions are involved, and in the lines of interest-related income and interest-related expenses for transactions linked to interest rate changes. While such transactions are not revalued, consistent with the principle of prudence, in reasonable cases, based on the information available at the balance sheet preparation date, a provision is formed on a quarterly basis, equal to the negative market value of the transaction.

Banking assets and liabilities

Banking assets and liabilities are stated on the respective sides of the balance sheet. These consist of the following:

– assets and liabilities not directly related to central bank functions and bank operations (such as settlements relating to taxes, contributions, payments to employees, creditors);

– liabilities arising from banknotes no longer accepted as legal tender but not yet exchanged;

– investments; and

– assets required for operating the organisation (such as intangible assets, tangible assets, and inventories).

The MNB's balance sheet does not state cash among liquid assets. The central bank is the exclusive issuer of banknotes and coins. Notes and coins held at the Depository are not in circulation and are therefore deducted from banknotes and coins on the liabilities side of the balance sheet.

Depreciation rates applied by the Magyar Nemzeti Bank

Percent

Description	31 Dec 2025
Concessions, licences and similar rights	14.5–17
Trademarks, patents and similar assets	10–50
Buildings	3
Listed property*	2
Vehicles (cars) *	20
Telecommunication devices, office equipment, machines	10–50
Office equipment	5–50
Computer hardware	13–33
Cash-processing equipment	5–50
Instruments	20
Bank security devices	2–50
Other equipment and devices	3–50

** Residual value of listed property: 50%, and that of vehicles: 20%.*

The depreciation rates are determined individually based on estimated useful economic life. Depreciation is charged on a straight-line basis in every case. The MNB records no depreciation if the assets do not lose their value in use or if the value increases from year to year, given the particular nature of the assets (e.g. land, works of art, art treasures).

4.2 EFFECTS OF MACROECONOMIC TRENDS ON THE 2025 BALANCE SHEET AND INCOME STATEMENT OF THE MAGYAR NEMZETI BANK

The MNB incurred a loss of HUF 554 billion in 2025. The most significant income statement item remained interest and interest-related losses, the negative balance of which declined compared to 2024. As at 31 December 2025, the balance sheet total amounted to HUF 26,482 billion, showing a decline of HUF 1,447.8 billion compared to the end of 2024.

On the assets side, the contraction of the balance sheet was basically due to the maturity of credit institution instruments, in relation to which the maturity of collateralised loans granted for five years was a major factor, but the stock of FGS loans, mortgage bonds and securities issued with government guarantees also decreased. This was further strengthened by the decline in corporate bonds owing to repayment and impairment. The decrease in the balance sheet total due to maturities was partially offset by the increase in gold and foreign exchange reserves, but, owing to the strengthening of the forint exchange rate, to a lesser extent than would have been justified by the increase expressed in foreign currency. On the liabilities side, the balance of forint deposits by credit institutions decreased the most, but the volume of MNB's discount bonds also fell. By contrast, the aggregated balance of liabilities in foreign currency increased, the most significant item of which was the higher balance of repo transactions concluded with international organisations. In addition, the amount of currency in circulation also increased. The negative balance of the MNB's equity diminished; its development was determined by the positive change in revaluation reserves and the loss in 2025.

Net interest and interest-related income showed a loss of HUF 493.2 billion in 2025, an improvement of HUF 208 billion compared to the loss registered in 2024. Within this, forint interest and interest-related income also improved, as the loss decreased by HUF 369.4 billion to HUF 726.3 billion. This can be explained on the one hand by the fact that the average stock of interest-bearing forint liabilities also declined due to balance sheet contraction resulting from the maturities of central bank programmes. On the other hand, in terms of annual averages, the key policy rate was lower in 2025, resulting in a decline in interest paid on interest-bearing forint liabilities. Net foreign exchange interest and interest-related gain fell by HUF 161.4 billion to HUF 233.1 billion. This can be basically explained by the fact that lower foreign exchange yields resulted in a decrease in interest income on international reserves, and the stronger forint also contributed to this. The result of forward transactions related to reserves worsened, and the result arising from the amortisation of exchange rate differences on foreign currency securities decreased. In contrast to the former, lower foreign currency interest rates resulted in a reduction in foreign currency interest expenses, which improved foreign exchange interest income.

The realised loss of HUF 0.2 billion arising from financial operations showed an improvement of HUF 329.5 billion, which can be explained primarily by the base effect, i.e. the end-2024 repurchase of government bonds by the Government Debt Management Agency (GDMA). On selling securities related to foreign exchange reserve management, a realised gain of HUF 0.6 billion was generated in 2025 due to foreign exchange yield changes, compared to a realised loss of HUF 8.7 billion in the previous year.

The development of net income arising from exchange rate changes is determined partly by the volume of foreign currency sales and partly by the difference between the official exchange rate and the average cost rate of the given currencies. Realised gains on exchange rate changes amounted to HUF 56.7 billion in 2025, which was HUF 336.7 billion less than the profit in 2024. This was driven by both the lower conversion volume compared to 2024 and the strengthening of the forint exchange rate. The difference between the official euro exchange rate and the average cost rate continuously decreased during 2025.

For more details on the factors affecting net income, see Section 3.12 of the Business Report.

4.3 FORINT RECEIVABLES FROM THE CENTRAL GOVERNMENT

HUF million

B/S line	Remaining maturity	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Government bonds maturing within 1 year	1,992	177,163	175,171
	Government bonds maturing within 1 to 5 years	763,532	926,820	163,288
	Government bonds maturing in over 5 years	1,477,216	1,129,583	-347,633
I.1.	**Total receivables from the central government**	**2,242,740**	**2,233,566**	**-9,174**

The balance of forint receivables from the central government amounted to HUF 2,233.6 billion on 31 December 2025. Of the HUF 9.2 billion decline versus the end of the previous year, HUF 2 billion was related to a November maturity, while the rest resulted from the change in the amortised purchase value of Hungarian government bonds in the portfolio.

4.4 FOREIGN CURRENCY RECEIVABLES FROM THE CENTRAL GOVERNMENT

In the line of foreign currency receivables from the central government, swap transactions maturing within one year showed a net balance of HUF 0.2 billion as at 31 December 2025. The balance of currency swaps with a maturity of more than one year concluded with the central government showed a net credit balance, and thus these items were stated as 'Foreign currency liabilities of the central government' (see Section 4.5).

4.5 FORINT AND FOREIGN CURRENCY LIABILITIES OF THE CENTRAL GOVERNMENT

Forint deposits of the central government

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Single Treasury Account (KESZ)	1,078,380	1,088,509	10,129
	Deposit by Government Debt Management Agency (ÁKK Zrt)	397	282	-115
	Public sector instant payment accounts	1,609	1,716	107
	Other	58	58	0
VI.1.	**Forint deposits of the central government**	**1,080,444**	**1,090,565**	**10,121**

The balance of central government forint deposits increased by only 1 percent (HUF 10.1 billion). This change occurred mainly in the Single Treasury Account (KESZ), due to budgetary and financing developments.

Foreign currency liabilities of the central government

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Foreign currency deposits of the central government	185,850	226,270	40,420
	Currency swaps with the central government (net)	65,835	9,634	-56,201
VII.1.	**Foreign currency liabilities of the central government**	**251,685**	**235,904**	**-15,781**

The total amount of foreign currency deposits and currency swaps of the central government was HUF 235.9 billion on 31 December 2025, down HUF 15.8 billion versus end-2024. The debt management activities of GDMA increased the size of government foreign currency deposits by HUF 40.4 billion. By contrast, the net stock of interest-bearing currency swaps concluded with the central government to set the interest and currency structure of foreign currency debt decreased by HUF 56.2 billion by end-2025.

Foreign currency liabilities of the central government, broken down by remaining maturity

HUF million

B/S line	Remaining maturity	Balance		Change
		31 Dec 2024	31 Dec 2025	
	- within 1 year	185,850	226,270	40,420
	- within 1 to 5 years	0	-10,044	-10,044
	- over 5 years	65,835	19,678	-46,157
VII.1.	**Foreign currency liabilities of the central government**	**251,685**	**235,904**	**-15,781**

4.6 NET POSITIONS VIS-À-VIS THE CENTRAL GOVERNMENT

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
I.1.—VI.1.	Net forint position	1,162,296	1,143,001	-19,295
II.2.—VII.1.	Net foreign currency position	-251,685	-235,709	15,976
	Total	**910,611**	**907,292**	**-3,319**

4.7 FORINT RECEIVABLES FROM AND LIABILITIES TO CREDIT INSTITUTIONS

Forint receivables from credit institutions

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	FGS refinancing loans	1,403,692	1,143,534	-260,158
	Covered mortgage bonds	421,695	385,927	-35,768
	Collateralised loans	2,574,873	409,893	-2,164,980
	Securities issued with government guarantees	153,318	143,424	-9,894
	Other receivables	57,395	0	-57,395
	Total gross receivables from credit institutions	**4,610,973**	**2,082,778**	**-2,528,195**
	Impairment loss for receivables from credit institutions	-2,987	-2,071	916
I.2.	**Total receivables from credit institutions**	**4,607,986**	**2,080,707**	**-2,527,279**

The balance of forint receivables from credit institutions decreased by less than half and amounted to HUF 2,080.7 billion at end-2025. The stock of individual instruments fell due to maturities during the year. Of these, the volume of the 5-year collateralised loan played the largest role, as the stock of this instrument at end-2025 only amounted to 14 percent of the stock from one year earlier (the loans mature in July 2026). The item 'Other receivables' basically contains the balance of collaterals (margin) placed due to changes in the market value of forward transactions concluded with credit institutions, which changed sign between the two dates, thus being accounted among deposits of credit institutions on the last day of 2025.

Gross forint receivables from credit institutions by remaining maturity

HUF million

Remaining maturity	Balance		Change
	31 Dec 2024	31 Dec 2025	
- matured	541	0	-541
- within 1 year	2,377,864	523,068	-1,854,796
- within 1 to 5 years	1,079,875	676,238	-403,637
- over 5 years	1,152,693	883,472	-269,221
Total gross receivables from credit institutions	**4,610,973**	**2,082,778**	**-2,528,195**

Forint liabilities of credit institutions

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Current accounts	7,715,294	5,836,286	-1,879,008
	O/N deposits	58,963	21,593	-37,370
	Instant payment accounts	344,542	387,019	42,477
	Other deposits	0	25,499	25,499
VI.2.	**Deposits of credit institutions**	**8,118,799**	**6,270,397**	**-1,848,402**

The stock of deposits of credit institution which affect the forint liquidity reported on the liabilities side fell by more than 20 percent versus end-2024 and amounted to HUF 6,270.4 billion on 31 December 2025. The largest decrease of HUF 1,879 billion was recorded in the balance of current accounts, while the stock of overnight deposits also dropped from HUF 59 billion to HUF 21.6 billion. By contrast, the volume of instant payment accounts rose by HUF 42.5 billion, and the balance of the above-mentioned credit institution margin accounts shifted from a net receivable to a net liability of HUF 25.5 billion.

4.8 NET POSITIONS VIS-À-VIS CREDIT INSTITUTIONS

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
I.2.—VI.2.	Net forint position	-3,510,813	-4,189,690	-678,877
II.3.—VII.2.	Net foreign currency position	-42,436	-111,657	-69,221
	Total	**-3,553,249**	**-4,301,347**	**-748,098**

In total, net liabilities to credit institutions increased by HUF 748.1 billion to HUF 4,301.3 billion by end-2025. The change was driven by the growth of HUF 678.9 billion in net forint liabilities (see Section 4.7).

Net foreign currency liabilities to credit institutions rose by HUF 69.2 billion to HUF 111.7 billion from the end of 2024 to the end of 2025. Within this, net foreign currency liabilities were raised both by the increase in the stock of foreign currency deposits placed by credit institutions at the MNB and the aggregate change in the balance of foreign currency swaps with credit institutions.

Foreign currency receivables from and liabilities to credit institutions, broken down by remaining maturity

HUF million

B/S line	Remaining maturity	Balance		Change
		31 Dec 2024	31 Dec 2025	
	- within 1 year	3	5	2
	- within 1 to 5 years	4,133	2,433	-1,700
	- over 5 years	12,766	7,788	-4,978
II.3.	**Foreign currency receivables from credit institutions**	**16,902**	**10,226**	**-6,676**
	- within 1 year	59,338	120,713	61,375
	- within 1 to 5 years	0	1,170	1,170
	- over 5 years	0	0	0
VII.2.	**Foreign currency liabilities to credit institutions**	**59,338**	**121,883**	**62,545**
II.3.-VII.2.	**Net foreign currency position**	**-42,436**	**-111,657**	**-69,221**

4.9 GOLD AND FOREIGN EXCHANGE RESERVES OF THE CENTRAL BANK

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Gold reserve	3,640,559	5,024,876	1,384,317
	Reserve position in the IMF	154,599	135,582	-19,017
	Foreign currency deposits	4,843,058	3,243,576	-1,599,482
	Foreign currency securities	9,322,481	9,843,378	520,897
	Foreign currency repo transactions	276,088	1,062,858	786,770
II.1.	**Gold and foreign exchange reserves**	**18,236,785**	**19,310,270**	**1,073,485**

For statistical purposes, the MNB regularly publishes the amount of foreign exchange reserves (international reserves). According to the statistical rules, foreign exchange reserves also include accrued interest, and consequently foreign exchange reserves differ in amount according to statistical and accounting rules.

Excluding accrued interest, foreign exchange reserves rose by HUF 1,073.5 billion to HUF 19,310.3 billion as at 31 December 2025. The amount of foreign exchange reserves was increased by foreign currency bonds issued by the state, euro transfers from the European Commission, as well as the revaluation of the value of gold denominated in euros and the foreign currency assets other than euro due to exchange rate changes and the yield earned by portfolios. The increase was offset by the net foreign exchange expenditures of the Hungarian State Treasury and the debt management payments of GDMA. The change in swap transactions providing euro liquidity announced at the end of the year and the change in the repurchase agreements used to finance such had a temporary effect on the evolution of the reserve level. As a result of the combined effect of the above items, the amount of foreign exchange reserves denominated in euros rose by EUR 5.6 billion to EUR 50.1 billion by the end of 2025. The stock of reserves denominated in forints expanded by a smaller amount, due to the strengthening of the forint exchange rate versus the euro.

The end-2025 balance of foreign currency securities contained the securities managed by an external trustee based on a mandate, amounting to HUF 970.6 billion (9.9 percent).

4.10 OTHER FORINT AND FOREIGN CURRENCY RECEIVABLES

Other forint receivables

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Total other gross forint receivables	1,645,356	1,597,039	-48,317
	Impairment loss for other receivables	-157,436	-196,160	-38,724
I.3.	**Other forint receivables**	**1,487,920**	**1,400,879**	**-87,041**

The stock of other forint receivables amounted to HUF 1,400.9 billion as at 31 December 2025, down HUF 87 billion versus end-2024. The aggregated balance of other gross forint receivables was HUF 1,597 billion, 99 percent of which was accounted for by the central bank's purchases of securities as part of the monetary policy instruments. The balance of receivables from supervisory activities and administrative functions amounted to HUF 7.9 billion at end-2025; an impairment loss was recognised for 91.9 percent of this, in line with the MNB's regulations. The item 'Impairment loss for other receivables' also contains impairment on securities, representing 12.5 percent of the portfolio. The total amount of preferential property loans and personal loans granted by the MNB to its employees amounted to HUF 11.3 billion at end-2025.

Other foreign currency receivables

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Forint payment of IMF quota	841,223	737,748	-103,475
	Foreign hedging transactions*	19,705	104,699	84,994
	Other	789	205	-584
II.4.	**Other foreign currency receivables**	**861,717**	**842,652**	**-19,065**

** The revaluation difference of hedging derivative transactions is stated in net terms, in accordance with the MNB Decree.*

The forint payment of the IMF quota decreased, owing to the 12.3-percent appreciation of the forint exchange rate against the SDR. The item ‘Foreign hedging transactions’ includes the net debit balance of swap and forward transactions with non-resident counterparties concluded by the MNB.

4.11 OTHER DEPOSITS AND LIABILITIES

Other forint liabilities

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	International financial institutions' forint deposits	2,171,120	2,053,972	-117,148
	Discount Bills issued by the MNB	4,860,334	3,973,558	-886,776
	Other legal entities' bank accounts	5,745	9,693	3,948
	Other legal entities' instant payment accounts	3,647	5,083	1,436
	Other liabilities	745	798	53
VI.4.	**Other forint deposits and liabilities**	**7,041,591**	**6,043,104**	**-998,487**

The stock of other forint deposits and liabilities decreased by HUF 998.5 billion to HUF 6,043.1 billion by the end of 2025. The stock of central bank discount bills was HUF 886.8 billion lower, which played a dominant role in this change. The aggregated forint deposits of the European Commission and other foreign financial institutions fell by HUF 117.1 billion. By contrast, the balance of the bank accounts of domestic and foreign other legal entities, as well as the balance of the instant payment accounts of payment institutions and foreign legal entities, both increased, with the former rising by HUF 4 billion and the latter by HUF 1.4 billion.

Other foreign currency liabilities

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Repo transactions	1,225,679	2,293,825	1,068,146
	IMF deposits	2,305,322	2,021,872	-283,450
	Foreign deposits	314,511	126,232	-188,279
	Foreign hedging transactions*	94,724	34,780	-59,944
	Other liabilities	277	106	-171
VII.3.	**Other foreign currency liabilities**	**3,940,513**	**4,476,815**	**536,302**

** The revaluation difference of hedging transactions is stated in net terms, in accordance with the MNB Decree.*

As at 31 December 2025, the balance of other foreign currency liabilities was HUF 4,476.8 billion, showing an increase of HUF 536.3 billion compared to the balance at end-2024. The change was driven by the increase of HUF 1,068.1 billion in the combined stock of repo transactions concluded with foreign partners and repo calls from international organisations. The stock of IMF deposits dropped by HUF 283.5 billion due to revaluation. The decline of HUF 188.3 billion in total foreign deposits derived from opposite changes in two items. The balance of the European Commission's foreign exchange account fell by HUF 252.4 billion (due to the temporary rise in the stock of deposits at the end of 2024), while the balance of margin accounts reflecting changes in the market value of hedging transactions increased by HUF 64.2 billion. The aggregate credit balance of derivative transactions with non-resident counterparties for hedging purposes fell by HUF 59.9 billion, due to a rearrangement within the balance sheet.

Other foreign currency liabilities by remaining maturity

HUF million

B/S line	Remaining maturity	Balance		Change
		31 Dec 2024	31 Dec 2025	
	- within 1 year	2,444,256	3,158,854	714,598
	- within 1 to 5 years	33,090	9,466	-23,624
	- over 5 years	0	25,306	25,306
	- without maturity	1,463,167	1,283,189	-179,978
VII.3.	**Other foreign currency liabilities**	**3,940,513**	**4,476,815**	**536,302**

The item 'Liabilities without maturity' includes liabilities derived from SDR allocations carried out by the IMF in 2009 and 2021 in the amount of SDR 2,850.5 million; the decline was due to exchange rate changes.

Currency structure of other foreign currency liabilities – without foreign hedging transactions

HUF million

Description	Balance		Change
	31 Dec 2024	31 Dec 2025	
- EUR	1,390,087	2,359,142	969,055
- USD	14,784	61,022	46,238
- SDR	1,699,104	1,415,651	-283,453
- Other	741,814	606,220	-135,594
Other foreign currency liabilities	**3,845,789**	**4,442,035**	**596,246**

Most of the item 'Other', which amounted to HUF 606.2 billion on 31 December 2025, consists of the forint coverage of the IMF quota adjusted by revaluation.

4.12 INVESTMENT ASSETS

In addition to intangible assets, tangible assets and capital expenditure (HUF 133.8 billion in total), investment assets also include shares in investments (HUF 12.6 billion in foreign investments and HUF 220.7 billion in domestic investments).

Changes in the gross value, depreciation and net value of intangible assets, tangible assets and capital expenditure

HUF million

	Assets							Intangible assets, tangible assets and capital expenditure
	Intangible assets		Tangible assets				Capital expenditure and advances given	
	Rights and intellectual property	Software under development	Buildings and accessories	Equipment	Cultural goods	Money Museum collection		
Gross value								
31 Dec 2024	**33,556**	**2,472**	**16,050**	**32,212**	**10,281**	**1,378**	**5,139**	**101,088**
Commissioning/ acquisition	5,072	-839	69,071	25,469	6	1	-4,803	**93,977**
Acceptance of assets free of charge								**0**
Other addition/ reclassification			3,178		6	5		**3,189**
Retirement				-630				**-630**
Sales				-36				**-36**
Transfer free of charge				-43				**-43**
Other disposal/ reclassification			-6,421	-12				**-6,433**
31 Dec 2025	**38,628**	**1,633**	**81,878**	**56,960**	**10,293**	**1,384**	**336**	**191,112**
Details of depreciation								
31 Dec 2024	**24,426**	**0**	**7,183**	**19,384**	**0**	**0**	**0**	**50,993**
Ordinary depreciation	3,611		609	6,035				**10,255**
Other addition due to reclassification								**0**
Derecognition				-711				**-711**
Decrease due to reclassification			-3,243					**-3,243**
31 Dec 2025	**28,037**	**0**	**4,549**	**24,708**	**0**	**0**	**0**	**57,294**
Balance								
31 Dec 2024	**9,130**	**2,472**	**8,867**	**12,828**	**10,281**	**1,378**	**5,139**	**50,095**
31 Dec 2025	**10,591**	**1,633**	**77,329**	**32,252**	**10,293**	**1,384**	**336**	**133,818**
Change	**1,461**	**-839**	**68,462**	**19,424**	**12**	**6**	**-4,803**	**83,723**

The increase in buildings and equipment was mainly due to capitalisation of the headquarters at Szabadság tér as at 1 July 2025.

Foreign investments and dividends from investments

HUF million

Description	Ownership share (%)		Book value		Dividends received	
	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	2024	2025
BIS	1.43	1.43	11,022	10,099	1,533	1,519
SDR million			*10*	*10*		
CHF million			*14*	*14*		
European Central Bank	1.58	1.58	2,634	2,475	-	-
EUR thousand			*6,422*	*6,422*		
SWIFT	0.03	0.03	44	42	0	0
EUR thousand			*108*	*108*		
Total investments			**13,700**	**12,616**	**1,533**	**1,519**

Ownership distribution in the ECB as at 31 December 2025

National Central Banks (NCBs)	Subscribed capital	Paid-up capital	Capital key
	EUR thousand		%
Nationale Bank van België/ Banque Nationale de Belgique	324,804	324,804	3.0005
Deutsche Bundesbank	2,357,134	2,357,134	21.7749
Eesti Pank	26,381	26,381	0.2437
Central Bank of Ireland	192,804	192,804	1.7811
Bank of Greece	199,981	199,981	1.8474
Banco de España	1,046,670	1,046,670	9.6690
Banque de France	1,770,701	1,770,701	16.3575
Hrvatska narodna banka	68,511	68,511	0.6329
Banca d'Italia	1,418,000	1,418,000	13.0993
Central Bank of Cyprus	19,507	19,507	0.1802
Latvijas Banka	34,304	34,304	0.3169
Lietuvos banka	52,241	52,241	0.4826
Banque centrale du Luxembourg	32,215	32,215	0.2976
Central Bank of Malta	11,399	11,399	0.1053
De Nederlandsche Bank	522,913	522,913	4.8306
Oesterreichische Nationalbank	261,695	261,695	2.4175
Banco de Portugal	205,827	205,827	1.9014
Banka Slovenije	43,744	43,744	0.4041
Národná banka Slovenska	101,788	101,788	0.9403
Suomen Pankki – Finlands Bank	160,784	160,784	1.4853
Subtotal for euro area NCBs	**8,851,403**	**8,851,403**	**81.7681**
Bulgarian National Bank	105,901	3,971	0.9783
Česká národní banka	212,419	7,966	1.9623
Danmarks Nationalbank	192,652	7,224	1.7797
Magyar Nemzeti Bank	171,241	6,422	1.5819
Narodowy Bank Polski	659,979	24,749	6.0968
Banca Naţională a României	312,713	11,727	2.8888
Sveriges riksbank	318,699	11,951	2.9441
Subtotal for non-euro area NCBs	**1,973,604**	**74,010**	**18.2319**
Total NCBs	**10,825,007**	**8,925,413**	**100.0000**

Hungary joined the European Union on 1 May 2004, as a result of which the MNB became a member of the ESCB. The ESCB comprises the European Central Bank (ECB) and the national central banks of the EU Member States. The Eurosystem is composed of the ECB and the national central banks of Member States that have already adopted the euro. Pursuant to the provisions of Article 28 of the Statute of the ESCB and the ECB (hereinafter referred to as 'the Statute'), the MNB became an owner of the ECB. Subscriptions depend on shares which are fixed in accordance with Article 29 of the Statute and must be adjusted every five years based on demographic and GDP data provided by the European Commission. Shares can also change with a new accession to the EU, a Member State leaving the EU, or due to a capital increase.

With the last five-year adjustment, the MNB's key for subscription rose to 1.5819 percent, and its share increased to EUR 171.2 million. On 1 January 2026, Bulgaria adopted the euro, and thus the Bulgarian National Bank belongs to the group of euro area NCBs.

Pursuant to Article 47 of the Statute, non-euro area NCBs are required to pay 3.75 percent of their subscribed capital to the ECB as a contribution to the operational costs of the ECB. As a non-euro area NCB, the MNB is not entitled to receive any share of the distributable profits of the ECB, nor is it liable to fund any loss of the ECB.

The MNB's participation in the ECB is presented in the item 'Investment assets' under 'III. Banking assets' in the MNB's balance sheet. The value of the investment (i.e. paid-up capital) amounted to EUR 6.4 million (HUF 2.5 billion) in the MNB's balance sheet as at 31 December 2025.

Domestic investments and dividends from investments

HUF million

Description	Ownership share (%)		Book value		Dividends received	
	31 Dec 2024	31 Dec 2025	31 Dec 2024	31 Dec 2025	2024	2025
Pénzjegynyomda Zrt. 1055 Budapest, Markó utca 13–17.	100.0	100.0	11,827	11,827	0	10,700
Magyar Pénzverő Zrt. 1239 Budapest, Európa u. 1.	100.0	100.0	1,309	1,309	200	400
Pénzügyi Stabilitási és Felszámoló Nonprofit Kft. 1012 Budapest, Vérmező út 4.	100.0	100.0	50	50	-	-
MNB-Bankjóléti Zrt. 1123 Budapest, Alkotás utca 50.	100.0	100.0	3,467	1,397	0	0
GIRO Zrt. 1054 Budapest, Vadász utca 31.	100.0	100.0	14,779	14,779	0	0
MNB-Ingatlan Kft. 1013 Budapest, Krisztina körút 55.	100.0	100.0	181,256	171,117	0	0
MNB-EduLab Nonprofit Kft. 1122 Budapest, Krisztina körút 6-8.	100.0	100.0	7,986	4,905	-	-
Budapesti Értéktőzsde Nyrt. 1013 Budapest, Krisztina körút 55.	81.4	81.4	14,619	14,619	493	546
KELER Zrt. 1074 Budapest, Rákóczi út 70–72.	53.3	53.3	643	643	3,734	933
KELER KSZF Zrt. 1074 Budapest, Rákóczi út 70–72.	0.1	0.1	17	17	4	4
Total investments			**235,953**	**220,663**	**4,431**	**12,583**

Participations of domestic investments

Description	Participations		
	Name Headquarters	Ownership share (%)	Share capital (HUF million)
		31 December 2025	
Pénzjegynyomda Zrt.	**DIPA Diósgyőri Papírgyár Zrt.** 3535 Miskolc, Hegyalja út 203/1.	100.0	4,196
GIRO Zrt.	**BISZ Központi Hitelinformációs Zrt.** 1205 Budapest, Mártonffy utca 25–27.	100.0	217
Budapesti Értéktőzsde Nyrt.	**KELER Zrt.** 1074 Budapest, Rákóczi út 70–72.	46.7	4,500
	KELER KSZF Zrt. 1074 Budapest, Rákóczi út 70–72.	0.1	3,423
	EuroCTP B.V. 1012 JW Amszterdam, Beursplein 5.	0.1	0 (EUR 100,03)
KELER Zrt.	**KELER KSZF Zrt.** 1074 Budapest, Rákóczi út 70–72.	99.9	3,423
MNB-Ingatlan Kft.	**Optimum-Gamma Ingatlanbefektetési Kft. „v.a.”** 1013 Budapest, Krisztina körút 55.	100.0	4
	Optimum-Omega Ingatlanbefektetési Kft. 1013 Budapest, Krisztina körút 55.	100.0	21
	WINDIRECT Kft. 1013 Budapest, Krisztina körút 55.	100.0	3

Pénzjegynyomda Zrt. (Hungarian Banknote Printing Plc.) produces forint banknotes, secure documents in paper and plastic booklet and card format, banderole and securities, and provides document personalisation services for domestic and foreign clients. It operates in accordance with the medium-term shareholder’s strategy. In line with this, its primary aim is to produce banknotes in adequate quantity and excellent quality based on the MNB’s orders. In market segments other than banknote production, its main goal is to increase foreign penetration and to develop integrated IT systems and services related to the given products. The company was once again a prominent player in the production and personalisation of domestic documents in 2025, and thus the fulfilment of civil orders for documents, beside the production of banknotes, was also high priority. Pénzjegynyomda Zrt.’s subsidiary, **DIPA Diósgyőri Papírgyár Zrt**. (DIPA Zrt., Diósgyőr Papermill Plc.), is the sole security paper manufacturer in Hungary, the primary function of which is to produce forint banknote papers. At the centre of the company’s product strategy are quality products featuring up-to-date security elements. In addition to banknote papers, DIPA Zrt. produces papers for a significant share of documents used in public administration, as well as papers for passports and documents for numerous countries, in relation to which it also offers solutions providing complex protection against forgery.

Based on MNB orders, the primary duty of **Magyar Pénzverő Zrt.** (Hungarian Mint Plc.) is to produce circulation coins for secure cash turnover, as well as the collector and commemorative coins issued by the MNB as legal tender. Utilisation of the company’s free capacity allows for the production of non-legal tender and other medals, on the basis of its own coin programme and customised orders, and of the national awards on behalf of the Sándor Palace. As part of its commercial activities, the company is the primary distributor of commemorative and collector coins in Hungary and abroad, both as a wholesaler and retailer, with a growing proportion of online sales. In addition, the company sells collector banknotes, packaged circulation coin series and commemorative coin versions, MNB packaged coins in roll and imported gold investment products. The company met the orders and deadlines related to the circulation coin and collector coin issuing programme of the MNB covering 16 thematic schemes in 2025.

Pénzügyi Stabilitási és Felszámoló Nonprofit Kft. (PSFN Kft., Financial Stability and Liquidator Non-profit Ltd.) is a company exercising public service functions with the exclusive right to perform the liquidation or, in case of designation, winding-up proceedings of financial institutions and to phase out venture capital funds. It participates in the resolution process of financial institutions and, in the case of an MNB measure or temporary measure, performs supervisory commissioner work at the financial institutions concerned. When assigned to a financial institution as a supervisory commissioner, PSFN Kft.'s main duty is to perform tasks related to administration and operational management. If the prudent and legal operation of the financial institution is not ensured, despite the supervisory measures by the MNB or the designation of supervisory commissioners, the company performs the liquidation or winding-up proceedings for the institution following the withdrawal of its authorisation for operation by the MNB, in the interests of a smooth exit from the market. The primary purpose of these procedures is to enforce creditors' interests and to satisfy their claims, prior to the end of the termination proceedings. PSFN Kft. performs its functions for the public good, protecting the interests of the customers of financial services. Its express objective is to terminate financial institutions in accordance with a uniform approach and methodology, emphasising prudence and transparency. Furthermore, it works to complete resolutions as quickly as possible, bearing in mind the complex nature of the undertaking and the interests of customers, and to maximise creditors' recovery.

MNB-Bankjóléti Zrt. (MNB-Bankwelfare Plc.) runs the MNB's nursery. The contract for the operation of the Balatonakarattya Oktatási és Konferencia Központ (Balatonakarattya Education and Conference Centre) was terminated in May 2025, while the company operated the workplace buffets and provided catering services for the MNB until end-2025. The book value of the investment amounted to HUF 1.4 billion as at 31 December 2025, following an impairment of HUF 2.1 billion in line with the year-end impairment testing, based on the preliminary equity data. In 2025, the MNB's Executive Board decided that the company would dissolve through a merger and that the MNB-Ingatlan Kft. would be its general legal successor.

GIRO Zrt. operates the payment system for domestic interbank forint credit transfers and direct debits, known as the Interbank Clearing System. The key objectives in its strategy include stable, safe operation, the development of clearing services, the implementation of new services and increasing the competitiveness of clearing fees. The instant payment system developed by the company preceded the practice of most European countries and fundamentally modernised Hungarian payment processes. This system ensures the settlement of domestic electronic payments up to HUF 20 million within 5 seconds 24 hours a day, every day of the year. The scope of the innovative payment solutions based on the central infrastructure provided by GIRO and the MNB is constantly expanding, offering customers an improving service quality in more and more payment situations. This mission is also served by the central infrastructure of unified data entry solutions, which enables, among other things, QR code payments based on the instant payment system. In addition to payment requests and qvik payments based on unified data entry solutions, GIRO coordinates the dispute resolution procedure as well. The central fraud filtering system operated by GIRO supports the monitoring system of payment service providers since 1 July 2025.

MNB-Ingatlan Kft. (MNB-Real Estate Ltd.) leases and operates real estate, and provides real estate management services for the MNB and its subsidiaries. Based on a contract with the MNB, the company coordinated reconstruction of the MNB's headquarters at Szabadság tér. Following the construction work and testing, the building was handed over to the MNB on 1 July 2025. The final net invoiced amount of the reconstruction project was HUF 62.6 billion, which will be offset by decreasing the equity of MNB-Ingatlan Kft., as the MNB financed the project by raising the company's capital and reserves. MNB-Ingatlan Kft. owns the Bölcs Vár, MNB Felügyeleti Központ és Pénzmúzeum (MNB Supervisory Centre and Money Museum), MNB Budai Központ (MNB Buda Centre) and the Balatonakarattya Oktatási és Konferencia Központ (Balatonakarattya Education and Conference Centre), as well as the Pallas Athéné Konferencia Központ (Pallas Athéné Conference Centre) via the investment in Optimum-Omega Ingatlanbefektetési Kft. (Optimum-Omega Real Estate Investment Ltd.). In relation to the Balatonakarattya Oktatási és Konferencia Központ and the Bölcs Vár, the rental contracts with the MNB were terminated in 2025, after which the MNB's Executive Board decided on the utilisation of these properties as well as the Pallas Athéné Konferencia Központ via sale by public tender. The company's art collection is on loan for exhibition in museums and public collections. The company's equity declined to HUF 171.1 billion as at 31 December 2025, due to the market valuation of real estate, which was conducted in accordance with international standards. Consequently, upon valuation of the domestic investments, an impairment loss of HUF 10.1 billion was recognised on the MNB's investment in the company.

MNB-EduLab Nonprofit Kft. (MNB-EduLab Nonprofit Ltd.) is responsible for the Money Museum, which presents economic and financial topics, the fundamentals of money usage and the MNB's activities. This national, specialised museum also operates a research service, performs educational and museum pedagogical tasks, safeguards and expands the Museum's collection, and makes it available for the public. The collection can be visited with an interactive guided tour since March 2025. In line with the MNB's objective, the company promotes financial awareness. The operating expenses (except depreciation) related to the Museum are offset by reimbursement from the founder MNB. The book value of the investment changed to HUF 4.9 billion as at 31 December 2025, due to a write-down of HUF 3.1 billion.

With the strategic ownership of **Budapesti Értéktőzsde Nyrt.** (BÉT, Budapest Stock Exchange Plc.), the basic aim of the MNB is to develop the market and achieve an adequately sized, effectively operating capital market, as a developed capital market and diversified financial intermediary system form the basis for a competitive economy and sustainable growth. The main elements of its strategic policy: BÉT IPO, a focus on profitability, making the most of core business growth potential and creating secure IT operations to support the business strategy. The company is committed to sustainability. It presents the environmental, social and governance (ESG) achievements of the year in its Sustainability Report, and its sustainability reporting guideline provides support to the issuers of listed securities in preparing these reports. In 2025, three new issuers appeared on the Xtend market, which is specialised for medium-sized companies, and two companies entered the BÉT's Standard category. The company holds a minority interest in the KELER Group, consisting of **KELER Zrt.** and **KELER KSZF Zrt.**, in which the MNB holds a majority share. Therefore, as the majority owner of the Budapest Stock Exchange, the MNB holds a strategic share in the KELER Group as well. As the operator of the back-office infrastructure of the Hungarian securities market, the KELER Group settles, guarantees and clears BÉT stock exchange transactions and transactions with dematerialised securities issued in Hungary. On 5 January 2025, the BÉT established its 100-percent owned subsidiary, **BÉTx Pénzügyi Zrt.** (BÉTx Financial Plc.) in relation to the handover of the client portfolio and contractual liabilities linked to the general clearing member (GCM) branch of **KELER KSZF Zrt.**

KELER Zrt. (KELER Plc.) provides central depository services in the Hungarian capital market and acts as a specialised credit institution. KELER issues the Hungarian ISIN codes identifying security series, maintains the central registry, and performs the issuance, modification and cancellation of dematerialised securities. The company has a CSDR licence, in accordance with the European regulation on central depositories. The company is a member of the TARGET2-Securities (T2S) securities settlement platform operated by the ECB, which aims to make cross-border securities trading more efficient.

As a subsidiary of KELER, **KELER KSZF Zrt.** (KELER KSZF Plc.) handles the clearing service and CCP function in Hungary. As a clearing house licensed under the European Market Infrastructure Regulation (EMIR), the company accounts the spot and derivative transactions traded on the Budapest Stock Exchange and the spot government security transactions traded on MTS Hungary, and as a CCP, it also guarantees that these transactions are settled. Transactions with electricity and natural gas trading also comprise a significant business area. In several markets (e.g. the Hungarian power exchange HUPX), KELER KSZF Zrt. provides its services as a member of ECC AG, headquartered in Leipzig, while in other markets (e.g. the Central European gas exchange CEEGEX) it acts as a CCP. Upon entry into force of the new EMIR provisions at end-2026, the company will not be entitled to provide clearing services as a member of the ECC. To provide high-quality service to the domestic customers and ensure the smooth operation of energy markets, in November 2025 **BÉTx Pénzügyi Zrt.** will take over the client portfolio and contractual liabilities that belong to the general clearing member (GCM) branch of the KELER KSZF by legal succession.

Equity of domestic investments

The latest data available upon the compilation of the Annual Report are shown in the following table.

HUF million

Investment	Share capital	Reserves	Profit/loss for the year	Equity
	31 December 2025			
Pénzjegynyomda Zrt.	11,827	8,901	4,379	25,107
Magyar Pénzverő Zrt.	1,309	3,316	741	5,366
Pénzügyi Stabilitási és Felszámoló Nonprofit Kft.	50	3	0	53
MNB-Bankjóléti Zrt.	1,096	1,888	-1,568	1,416
GIRO Zrt.	7,496	12,313	2,443	22,252
MNB-Ingatlan Kft.	15	180,830	-9,728	171,117
MNB-EduLab Nonprofit Kft.	50	7,278	-2,455	4,873
Budapesti Értéktőzsde Nyrt.	541	25,223	9,635	35,399
KELER Zrt.	4,500	29,188	9,655	43,343
KELER KSZF Zrt.	3,423	13,835	4,032	21,290

MNB's receivables from and liabilities to affiliated companies

HUF million

Investment	Receivables	Liabilities
	31 December 2025	
Pénzjegynyomda Zrt.	568	1,481
Magyar Pénzverő Zrt.	36	10
Pénzügyi Stabilitási és Felszámoló Nonprofit Kft.	0	1,301
MNB-Bankjóléti Zrt.	21	340
GIRO Zrt.	0	25
MNB-Ingatlan Kft.	2,015	65,412
MNB-EduLab Nonprofit Kft.	1,408	2
Budapesti Értéktőzsde Nyrt.	0	1
KELER Zrt.	20	28
KELER KSZF Zrt.	5	0
Total	**4,073**	**68,600**

Receivables from Pénzjegynyomda Zrt., Magyar Pénzverő Zrt. and MNB-Bankjóléti Zrt. arose solely from the refinancing of employee real estate loans, while receivables from MNB-EduLab Nonprofit Kft. were due partly to this factor. Receivables from MNB-EduLab Nonprofit Kft. stemmed primarily from the excess reimbursement for the 2025 budget (HUF 1.4 billion). Receivables from MNB-Ingatlan Kft. resulted from deposits related to rents. Receivables from KELER Zrt. and KELER KSZF Zrt. contained the collateral required for BÉT trading.

A liability of HUF 65.2 billion to MNB-Ingatlan Kft. relates to reconstruction of the MNB headquarters and will be offset by decreasing the equity of the company. Liabilities to PSFN Kft. related to the subsidy approved to finance the company's operation in 2026; the amount was paid and recorded as expenditure in January 2026. Other liability items are essentially from the invoicing of contract-based services provided to the MNB.

Receivables from the collaterals required for BÉT trading will exist until the end of the MNB's clearing membership. Receivables from rent-related deposits and real estate loans of subsidiaries' employees will be settled in accordance with the conditions of the underlying contracts. All other receivables and liabilities in the table are short-term in nature.

4.13 PROVISIONS AND IMPAIRMENT LOSSES

HUF million

B/S line	Description	31 Dec 2024	Interim changes		31 Dec 2025
		Impairment / Provisions	Charge/ Formation	Reversal / Utilisation	Total impairment / Provisions
1	2	3	4	5	3+4+5
I.2.	Forint receivables from credit institutions	2,987	0	-916	2,071
I.3.	Other forint receivables	157,437	45,942	-7,218	196,161
III.	Invested financial assets	57,577	15,290	0	72,867
III.	Other receivables	71	0	-71	0
VIII.	Off-balance sheet liabilities	2,381	621	-2,158	844
	- litigation related liabilities	471	288	-274	485
	- FGS+ refinancing loans	26	0	0	26
	- derivatives	1,884	333	-1,884	333
	Total	**220,453**	**61,853**	**-10,363**	**271,943**
	Use of impairment loss			**612**	
	Effect of the recognition of impairment/provisions on the profit/loss (VI.+VII.)-(XVI.+XVII.)		**-61,853**	**9,751**	
			-52,102		

On 31 December 2025, the cumulated balance of provisions and impairment losses was HUF 271.9 billion, owing to an increase during the year.

In relation to forint receivables (B/S line I.2 and I.3), total impairment was HUF 37.8 billion higher on 31 December 2025. This increase was mostly due to the qualification of monetary policy securities denominated in forint, and utilisation also took place due to write-downs of receivables.

The impairment of invested financial assets increased by HUF 15.3 billion in total, due to impairment testing in 2025, stemming from the higher impairment of the investments in MNB-Ingatlan Kft., MNB-EduLab Nonprofit Kft. and MNB-Bankjóléti Zrt, as a result of changes in equity.

The impairment of other receivables was utilised in 2025 as the related receivable was written down.

A provision of HUF 0.5 billion was linked to litigation-related contingent liabilities at the end of both years.

The provision formed for the negative market value of open derivative transactions amounted to HUF 0.3 billion as at 31 December 2025.

4.14 DEFERRED EXPENSES/ACCRUED INCOME AND ACCRUED EXPENSES/ DEFERRED INCOME

HUF million

B/S line	Description	Balance		Change
		31 Dec 2024	31 Dec 2025	
	Due to banking transactions	168,622	228,029	59,407
	Due to internal operation	4,504	5,731	1,227
IV.	**Deferred expenses/accrued income**	**173,126**	**233,760**	**60,634**
	Due to banking transactions	99,216	159,316	60,100
	Due to internal operation	1,174	2,624	1,450
X.	**Accrued expenses/deferred income**	**100,390**	**161,940**	**61,550**

Deferred expenses, accrued income, accrued expenses and deferred income primarily include interest received/charged and interest related income/charges and expenses incurred during the reporting period because of banking transactions, independently of the date of financial settlement.

4.15 CHANGES IN EQUITY

HUF million

B/S line	Description	31 Dec 2024	31 Dec 2025	Change
XI.1.	Subscribed capital	10,000	10,000	0
XI.2.	Retained earnings	-2,013,959	-2,802,652	-788,693
XI.3.	Valuation reserves	0	0	0
XI.4.	Revaluation reserves due to exchange rate changes	1,233,168	1,995,976	762,808
XI.5.	Revaluation reserves of foreign currency securities	-105,698	-44,724	60,974
XI.6.	Profit/loss for the year	-788,693	-554,000	234,693
XI.	**Equity**	**-1,665,182**	**-1,395,400**	**269,782**

The subscribed capital consists of a single registered share with a nominal value of HUF 10 billion.

The decrease of HUF 788.7 billion in retained earnings was the effect of the transfer of the 2024 loss.

Equity showed a negative balance of HUF 1,395.4 billion as at 31 December 2025, an improvement of HUF 269.8 billion compared to the end of 2024.

The amount of the MNB's equity is below the subscribed capital. Pursuant to the MNB Act and the Stability Act,[30] the Fiscal Council examines the MNB's equity position on an annual basis. Similarly to 2025, it is not necessary to provide reimbursement by the central budget for recapitalisation of the MNB in 2026.[31]

For more details on revaluation reserves, see Section 4.16.

[30] Act CXCIV of 2011 on the Economic Stability of Hungary
[31] KVT/34-2/2024 – adopted by Council Decision 6/2024.11.07.

4.16 REVALUATION RESERVES

HUF million

B/S line	Description	31 Dec 2024	31 Dec 2025	Change
XI.4.	Revaluation reserves due to exchange rate changes	1,233,168	1,995,976	762,808
XI.5.	Revaluation reserves of foreign currency securities	-105,698	-44,724	60,974
	Total revaluation reserves	**1,127,470**	**1,951,252**	**823,782**

Revaluation reserves due to exchange rate changes are determined by the amount of revalued foreign exchange holdings and the difference between the official and average cost rate. On 31 December 2025, the average cost rate of the MNB's EUR position was EUR/HUF 378.45 and the official exchange rate was EUR/HUF 385.4. The stronger EUR exchange rate compared to the previous year-end reduced revaluation reserves, which was offset by the higher gold price. At end-2025, the balance of revaluation reserves due to exchange rate changes changed by HUF 762.8 billion to HUF 1,996 billion.

Revaluation reserves of foreign currency securities are calculated as the difference between the market value and the amortised book value of securities. The market value difference on the securities in the MNB's portfolio showed a negative balance of HUF 44.7 billion as at 31 December 2025.

4.17 OFF-BALANCE SHEET MNB LIABILITIES AND OTHER SIGNIFICANT OFF-BALANCE SHEET ITEMS

Hedging transactions and derivatives for purposes other than hedging

HUF million

No.	Description	31 Dec 2024			31 Dec 2025		
		Receivables	Liabilities	Net market value	Receivables	Liabilities	Net market value
1.	Interest rate swap transactions	1,107,932	1,107,932	-121,546	996,412	996,412	-81,881
	- IRS facility of monetary policy (MIRS)	726,457	726,457	-112,233	726,457	726,457	-73,979
	- IRS contracted with domestic credit institutions	175,200	175,200	-6,822	50,700	50,700	-3,655
2.	Futures	8,014	152,271	860	3,749	209,307	619
3.	FX swaps, FX futures and forward transactions	9,592,570	9,672,333	-241,171	8,793,517	8,705,261	-38,798
	- FX swaps with domestic banks providing EUR liquidity	572,076	573,298	-1,112	2,290,818	2,309,674	-17,271
4.	Currency swap transactions	627,482	660,013	-758	3,616,067	3,651,429	-3,031
	- Currency swap transactions contracted with domestic credit institutions	70,836	53,937	26,610	438,139	429,087	18,232
5.	**Total hedging transactions (1+2+3+4)**	**11,335,998**	**11,592,549**	**-362,615**	**13,409,745**	**13,562,409**	**-123,091**
6.	Options	0	0	0	1,542	1,642	1
7.	TBA transactions	142,636	81,919	-613	288,266	146,445	422
8.	Futures	100,011	0	-244	91,953	0	-492
9.	**Total derivative transactions for purposes other than hedging (6+7+8)**	**242,647**	**81,919**	**-857**	**381,761**	**148,087**	**-69**
10.	**Total (5+9)**	**11,578,645**	**11,674,468**	**-363,472**	**13,791,506**	**13,710,496**	**-123,160**

The above table includes all types of off-balance sheet receivables and liabilities arising from derivative transactions; it also includes FX swaps, interest-bearing currency swaps, FX futures and forward transactions for hedging purposes, which are part of the net foreign currency position and are recorded in the balance sheet. Hedging transactions reduce risks related to the net foreign currency position arising from cross-rate fluctuations and from interest rate changes, and support the creation of the benchmark foreign currency structure.

Interest rate swap transactions with foreign partners for hedging purposes linked to specific bond issuances are concluded with the aim of achieving the interest structure deemed desirable by the MNB. By 31 December 2025, the balance of monetary policy interest rate swaps (MIRS) remained unchanged. The balance of interest rate swap transactions concluded with domestic credit institutions to reduce their interest rate risk in relation to the self-financing programme declined due to maturity.

Bond futures transactions are hedging transactions maturing within 1 year to reduce the average remaining duration of the reserve portfolios.

FX swaps, FX futures and forward transactions are primarily the main instruments for hedging foreign exchange risk, based on expectations related to foreign exchange rate changes; their aim is to achieve the targeted foreign currency position. FX swaps providing EUR liquidity are for monetary policy purposes; the MNB holds these tenders on an ad-hoc basis depending on liquidity.

Currency swaps are used to manage foreign exchange and interest rate risks jointly over the long term. As at 31 December 2025, EUR/HUF swaps concluded with domestic credit institutions accounted for 12 percent of the currency swap transactions.

The remaining maturity of hedging transactions and derivatives for purposes other than hedging is presented in the following table.

Liabilities from derivative transactions by remaining maturity

HUF million

Remaining maturity	Balance		Change
	31 Dec 2024	31 Dec 2025	
- within 1 year	7,837,414	7,179,626	-657,788
- within 1 to 5 years	3,190,658	4,255,990	1,065,332
- over 5 years	564,477	2,126,793	1,562,316
Liabilities from hedging transactions	**11,592,549**	**13,562,409**	**1,969,860**
- within 1 year	81,919	148,087	66,168
- within 1 to 5 years	0	0	0
- over 5 years	0	0	0
Derivative transactions for purposes other than hedging	**81,919**	**148,087**	**66,168**
Total (1+2)	**11,674,468**	**13,710,496**	**2,036,028**

Other off-balance sheet liabilities

HUF million

Description	Balance		Change
	31 Dec 2024	31 Dec 2025	
FGS credit facilities	10,415	5,733	-4,682
Credit facilities to subsidiaries	2,597	2,580	-17
FGS+ related contingent liabilities	26	26	0
Litigation-related contingent liabilities	637	581	-56
Guarantees	2,575	2,174	-401
Other off-balance sheet liabilities	2	2	0
Total	**16,252**	**11,096**	**-5,156**

Contracts concluded with credit institutions but not yet disbursed in the framework of FGS are reported as off-balance sheet liabilities, as credit facilities. The balance as at 31 December 2025 shows the credit facilities of FSG Green, the availability period for which will conclude at the end of September 2026.

Credit facilities to subsidiaries include the funds still available from the contracted amount for the employee housing loans of Pénzjegynyomda Zrt., Magyar Pénzverő Zrt., MNB-Bankjóléti Zrt., MNB-EduLab Nonprofit Kft. and PSFN Kft. The total value of these credit facilities is HUF 3.3 billion; they expire between the years 2028 and 2034. The credit limit changed based on the mid-year lending and repayment of the employee housing loans.

In accordance with the contracts concluded in the framework of FGS+, the MNB reimburses credit institutions up to 50 percent of the capital loss of credit institutions arising from SME loans, subject to a portfolio-level limit. FGS+ related contingent liabilities are used to record the expected reimbursement for which provisions have been formed, in line with the qualification rules. Based on data provided by the credit institutions, the amount for the loss compensation remained unchanged as at 31 December 2025.

The legal proceedings are mostly proceedings against penalty resolutions connected to supervisory activities and administrative functions and include other compensation proceedings. The related contingent liabilities are used to record paid but litigated penalties and in connection to the other proceedings the expected compensation amounts for which provisions were formed. In 2025, the amount declined overall, due to newly initiated and concluded cases.

The item ‘Guarantees’ includes on the one hand the HUF 0.2 billion owner’s guarantee related to the collateral required in a subsidiary contract, and on the other hand the export guarantees amounting to HUF 2 billion. An irrevocable indemnity bond is always linked to the export guarantees, and when exercising a guarantee, the MNB has the right to a reverse guarantee if needed. The decline in the forint value of the guarantees is the result of the exchange rate change.

Recording off-balance sheet securities transactions

HUF million

Description	Balance		Change
	31 Dec 2024	31 Dec 2025	
Face value of securities lent - automatic securities lending	4,092	9,981	5,889
Face value of securities lent - agency securities lending	141,358	121,247	-20,111
Purchase cost of the non-cash hedge arising from security lending transactions	21,035	7,695	-13,340
Purchase cost of investment of cash hedge arising from security lending transactions	118,260	110,906	-7,354
Market value of investment of cash hedge arising from security lending transactions	118,260	110,906	-7,354
Face value of securities bought under repo transactions	298,800	1,107,133	808,333
Face value of securities sold under reverse repo and blocked for ECB repo transactions	1,259,896	2,371,614	1,111,718

4.18 NET INTEREST INCOME AND REALISED NET INCOME OF FINANCIAL OPERATIONS

Net forint and foreign currency interest and interest-related income

HUF million

P/L line	Description	2024	2025	Change
(I.1.+II.2.)—(X.1.+XI.1.)	Central government	-84,055	-39,900	44,155
(I.2.+II.3.)—(X.2.+XI.2.)	Credit institutions	-670,623	-478,988	191,635
(I.3.+II.1.+II.4.)—(X.3.+XI.3.)	Other	2,961	62,141	59,180
	Net profit/loss from interest	**-751,717**	**-456,747**	**294,970**
	Forint securities	-19,999	-21,313	-1,314
	Foreign currency securities	52,832	38,880	-13,952
	Derivative transactions for hedging and other purposes*	17,699	-54,062	-71,761
	Other	0	0	0
(I.4.+II.5.)—(X.4.+XI.4.)	**Net interest-related profit/loss**	**50,532**	**-36,495**	**-87,027**
(I.+II.)—(X.+XI.)	**Net interest and interest-related income**	**-701,185**	**-493,242**	**207,943**

** For details on derivative transactions for hedging and other purposes, see the related table in this section.*

In 2025, the MNB recorded a net interest and interest-related loss of HUF 493.2 billion, which was HUF 207.9 billion lower compared to end-2024.

Net interest income improved by HUF 295 billion compared to the previous year, as a combined effect of the following:

The main positive factors in net interest income were

– a decline of HUF 203.8 billion in interest expenses on the forint deposits of credit institutions, stemming from the smaller amount and lower average interest rate of liquidity-absorbing instruments. In relation to such, the most significant item was the HUF 198.5 billion decrease in interest paid on required reserves;

– a decrease of HUF 127.9 billion in interest expenses on other forint deposits arising from the lower amount and average interest rate of discount bills issued by the MNB;

– a decline in interest paid on the forint and foreign currency deposits of the central government in the amount of HUF 72.7 billion, resulting from the lower average volume of forint deposits and lower average interest rates;

– a HUF 16.6 billion decrease in interest expenses on other foreign currency receivables, mainly due to the foreign currency interest rates.

The main negative factors in net interest income were

– a decrease of HUF 84.1 billion in interest income on foreign exchange reserves compared to 2024, related primarily to lower foreign exchange yields, with appreciation of the forint contributing to this as well;

– interest income on government bonds fell by HUF 28.6 billion, mainly due to a decrease in the volume of bonds resulting from the repurchase of government securities at the end of 2024, initiated by GDMA (at the same time, via a contraction of the balance sheet and a lower liquidity surplus in the banking system, the repurchase of securities causes lasting savings in interest expenses, because of the difference between interest rate levels);

– a decrease in interest income on loans to and on bonds issued by credit institutions (mortgage bonds and securities issued with government guarantees or sureties) in the amount of HUF 15 billion (this was primarily a result of the expiry of the main part of collateralised loans and additionally the expiry of mortgage bonds and a decrease in interest income on margin deposits with banks related to derivative transactions concluded with credit institutions).

Net interest-related income deteriorated by HUF 87 billion; this item mainly includes amortisation of the purchase price difference of securities and the net gain or loss on derivative transactions which are not related to exchange rate changes. The change was mainly attributable to the result of derivative transactions and, in addition to this, the amortised net purchase price gain of foreign currency securities also decreased.

For details on derivative transactions, see the table below in Section 4.18.

Negative interest income/expenses in net forint and foreign currency interest and interest-related income

In accordance with the interest structure stated in the MNB Decree, negative interest income and expenses are recorded in the original P&L lines related to assets/liabilities (in net terms). In 2025, negative interest income was recorded mainly in two lines of the P&L: HUF 1.1 billion in the line 'II. 5 Interest-related income denominated in foreign currency' and HUF 0.1 billion in the line 'XI. 4 Interest-related expenses denominated in foreign currency'.

Details on income from derivative transactions for hedging and for purposes other than hedging represented in interest-related income

HUF million

Description	2024	2025	Change
Interest margin on interest rate swaps	-56,977	-41,269	15,708
Net interest result of currency swaps	135	5,579	5,444
Net interest result of FX swaps, FX futures and forward transactions	67,316	-21,857	-89,173
Net interest result of futures transactions	5,356	-358	-5,714
Net interest-related result of hedging transactions	310	368	58
Net interest and interest-related result of other transactions	1,559	3,475	1,916
Net result of derivative transactions	**17,699**	**-54,062**	**-71,761**

Interest rate swaps include derivative transactions concluded with domestic credit institutions and with foreign partners. The increase of HUF 15.7 billion in interest income on interest rate swaps stemmed predominantly from the improvement of interest income on interest rate swaps concluded with domestic credit institutions (IRS facility of monetary policy and IRS facility related to self-financing programme), due to expiry and the change in market interest rates.

Currency swap transactions comprise derivative transactions concluded with the Government Debt Management Agency, with foreign partners and with domestic credit institutions. The transactions concluded with foreign partners are mainly hedging transactions concluded with GDMA. The transactions concluded with domestic credit institutions include the currency swaps related to Pillar II of FGS. Net interest income on currency swaps showed a gain of HUF 5.6 billion, improving by HUF 5.4 billion versus the loss for 2024. The change was due to the development of foreign exchange yields.

Hedge FX swaps include short-term transactions concluded with foreign partners, with GDMA and with domestic credit institutions. FX futures and forward transactions comprise short-term transactions concluded with foreign partners. Net interest expenses on these transactions amounted to HUF 21.9 billion in 2025, reflecting a decrease of HUF 89.2 billion versus 2024. The change in net interest result was mostly related to FX swaps concluded with foreign partners as a result of the change in foreign exchange yields, and additionally to FX futures due to the termination of transactions.

The net interest result of hedging futures transactions fell by HUF 5.7 billion, stemming from the decline in the net interest income of bond futures.

Net interest-related income on hedging transactions includes the exchange rate gains or losses on swap transactions and the option fee of option transactions. In 2025, the net income from fees on hedging option transactions amounted to HUF 0.4 billion and thus improved by HUF 0.1 billion compared to the previous year.

Net interest and interest-related income on other transactions increased by HUF 1.9 billion; the change was related to TBA transactions and to interest rate swaps other than hedging.

Realised gains/losses from financial operations

HUF million

P/L line	Description	2024	2025	Change
	Realised gains on corporate bonds	101	61	-40
	Realised gains on coupon-bearing bonds denominated in foreign currency	11,291	12,400	1,109
IV.	**Realised gains from financial operations**	**11,392**	**12,461**	**1,069**
	Realised losses on bonds issued by the Hungarian government	320,093	0	-320,093
	Realised losses on covered mortgage bonds	405	0	-405
	Realised losses on bonds issued by enterprises	647	806	159
	Realised losses on coupon-bearing bonds denominated in foreign currency	19,950	11,829	-8,121
XIV.	**Realised losses from financial operations**	**341,095**	**12,635**	**-328,460**
IV.-XIV.	**Net financial gains/losses**	**-329,703**	**-174**	**329,529**

In 2025, net realised losses from financial operations amounted to HUF 0.2 billion from which a net loss of HUF 0.6 billion was realised on sales of coupon-bearing bonds denominated in foreign currency and a net loss of HUF 0.8 billion on the amortisation of principal of corporate bonds. The net result improved by HUF 329.5 billion compared to 2024, which can be primarily explained by the significant realised losses arising from the repurchase of government securities at the end of 2024, initiated by GDMA. Because of the increase in yields over time since the acquisition of the repurchased securities, the book value of those securities was significantly lower than the market value.[32]

[32] The repurchase of government securities narrowed the central bank's balance sheet and reduced the banking system's liquidity surplus. This will lead to continuous savings on interest payments by the central bank, due to the difference in the interest rates. As such, the loss realised at the end of 2024 will be offset by better results in later years.

4.19 COMPONENTS OF INCOME FROM THE REVALUATION OF FOREIGN EXCHANGE HOLDINGS

HUF million

Description	2024	2025
Net income from exchange rate changes (realised and conversion spread)*	393,417	56,723
Change in revaluation reserves in the balance sheet** (due to unrealised revaluation net income)	975,159	762,808
Total effect of exchange rate changes	**1,368,576**	**819,531**

** P/L line: III.-XII.*

*** Revaluation reserves due to exchange rate changes (balance sheet line XI.4.).*

In 2025, the total net exchange rate change effect was a gain of HUF 819.5 billion. The MNB realised a gain of HUF 56.7 billion on sales involving a decrease in the daily net FX position, while the revaluation reserve amount was increased by unrealised exchange rate gains of HUF 762.8 billion during the year. In 2025, foreign currency sales occurred mainly in relation to the debt management transactions of GDMA.

For more details on revaluation reserves, see Section 4.16.

4.20 COST OF ISSUING BANKNOTES AND COINS

HUF million

P/L line	Description	2024	2025	Change
	Cost of banknote production	11,281	10,417	-864
	Cost of coin production	4,367	5,709	1,342
	Cost of production of commemorative and collector coins	1,744	1,905	161
XIII.	**Cost of issuing banknotes and coins**	**17,392**	**18,031**	**639**

The total cost of issuing banknotes and coins amounted to HUF 18 billion in 2025, increasing by HUF 0.6 billion versus the previous year.

The cost of banknote production was HUF 10.4 billion, down HUF 0.9 billion on 2024, due to the lower production volume.

The cost of coin production rose by HUF 1.3 billion to HUF 5.7 billion compared to the previous year, owing to the combined increase of production volume and raw material prices.

The cost of producing commemorative and collector coins amounted to HUF 1.9 billion in 2025, exceeding the figure for 2024 by HUF 0.2 billion. Costs increased due to higher raw material prices, although the volume of produced coins was lower than that in the previous year.

4.21 OTHER INCOME/EXPENSES

HUF million

P/L line	Description	2024*	2025	Change
V.1.	Income from fees and commissions	2,818	3,522	704
XV.1.	Expenses of fees and commissions	3,045	3,119	74
	Net income from fees and commisssions	**-227**	**403**	**630**
V.2.	Income other than fees and commissions	8,281	16,996	8,715
XV.2.	Expenses other than fees and commissions	8,270	7,674	-596
	Net income other than fees and commisssions	**11**	**9,322**	**9,311**
V.3.	Income from supervisory activities and administrative functions	33,229	35,530	2,301
XV.3.	Expenses of supervisory activities and administrative functions	116	62	-54
	Net income from supervisory activities and administrative functions	**33,113**	**35,468**	**2,355**
V.-XV.	**Other net results**	**32,897**	**45,193**	**12,296**
** In accordance with the P/L structure for 2025.*				

Net income from fees and commissions includes the balance of income from and expenses on fees and commissions linked to payment services, income from fees related to account management and the cost of securities trading, as well as expenses on fees related to holding foreign currency reserves. The increase in income from fees and commissions was related to the fees arising from the operation of payments systems.

For more details on income other than fees and commissions, see Section 4.22; in respect of income related to supervisory activities and administrative functions, see Section 4.23.

4.22 INCOME OTHER THAN FEES AND COMMISSIONS

HUF million

P/L line	Description	2024*	2025	Change
	Dividends from investments	5,964	14,102	8,138
	Income related to coins and commemorative coins	1,952	1,956	4
	Recommitment of financial money transfer, remuneration	158	634	476
	Income from assets assigned free of charge	5	1	-4
	Other income	202	303	101
V.2.	**Income other than fees and commissions**	**8,281**	**16,996**	**8,715**
	Expenses related to coins and commemorative coins	1,689	1,569	-120
	Financial money transfer, remunerations	6,500	6,048	-452
	Expenses from assets assigned free of charge	44	8	-36
	Other expenditures	37	49	12
XV.2.	**Expenses other than fees and commissions**	**8,270**	**7,674**	**-596**
V.2.-XV.2.	**Net income/expenses other than fees and commissions**	**11**	**9,322**	**9,311**
** In accordance with the P/L structure for 2025.*				

Dividends from investments amounted to HUF 14.1 billion in 2025. Pénzjegynyomda Zrt. paid a dividend of HUF 10.7 billion, KELER Zrt. paid HUF 0.9 billion, and BÉT Nyrt. and Pénzverő Zrt. paid HUF 0.5 billion and HUF 0.4 billion, respectively, (KELER KSZF Zrt. paid HUF 4 million), while BIS paid HUF 1.5 billion (EUR 3.8 million) to the MNB.

Net income related to coins and commemorative coins depends on the commemorative coin programme and arises mainly from the difference between the income from sales of commemorative coins and expenses related to the removal of the coins' face value. Related income and expenses are almost equal, since by agreement, the sale of commemorative coins is accounted with Pénzverő Zrt. at face value, except when the production cost exceeds the face value (the latter is typical for gold coins). In 2025, most of net income arose from the issue of the gold commemorative coin 'The Golden Florin of Ladislaus V' and the rest from the sale of gold commemorative coins issued in previous years.

In 2025, the MNB gave HUF 6 billion as donations or reimbursement to professional organisations and foundations, as well as to organisations for charitable and other purposes. The highest amounts were the reimbursement of HUF 3.5 billion paid to MNB-EduLab Kft. for financing the Money Museum and Visitor Centre, a financial transfer of HUF 1.1 billion for the annual operation of PSFN Kft., in line with its financial plan, HUF 0.4 billion provided to the Pallas Athena Domus Meriti Foundation as well as HUF 0.2 billion to MNB Sportkör as donation. During the year, HUF 0.6 billion was returned, from which the largest amount was HUF 0.3 billion returned by PSFN Kft. as an unused donation affecting 2024.

The item 'Other income' included compensation, penalties and default interest.

4.23 INCOME FROM SUPERVISORY ACTIVITIES AND ADMINISTRATIVE FUNCTIONS

HUF million

P/L line	Description	2024	2025	Change
	Supervisory fee and default interest	29,971	31,967	1,996
	Received penalties and reimbursement from public proceedings	2,868	3,118	250
	Administrative service fee from public proceedings	337	409	72
	Late payment surcharge for supervisory claims	47	10	-37
	Other income arising from administrative procedures	6	26	20
V.3.	**Income from supervisory activities and administrative functions***	**33,229**	**35,530**	**2,301**
	Penalties and cost of public proceedings	110	58	-52
	Other expenses of administrative procedures	6	4	-2
XV.3.	**Expenses of supervisory activities and administrative functions***	**116**	**62**	**-54**
	Net income from supervisory activities and administrative functions	**33,113**	**35,468**	**2,355**

** In accordance with the P/L structure for 2025.*

The main component in income from supervisory activities and administrative functions is supervisory fees received from the supervised institutions obliged to pay such fees. In 2025, the income arising from the assessment of the minimum charges for the entire year and of the variable-rate fees due quarterly amounted to HUF 32 billion. Income from penalties imposed by the MNB and from reimbursements totalled HUF 3.1 billion.

4.24 OPERATING INCOME AND EXPENSES

HUF million

P/L line	Description	2024	2025	Change
	Income from assets and inventories	159	232	73
	Income from subcontracted services	459	195	-264
	Income from invoiced services	183	166	-17
	Other income	28	180	152
VIII.	**Total operating income**	**829**	**773**	**-56**
	Expenses of materials	36,710	33,155	-3,555
	Cost of materials	1,881	1,609	-272
	Services contracted	34,728	31,454	-3,274
	Maintenance, operation and rent of properties	10,373	10,308	-65
	Maintenance and rent of equipment	3,077	5,237	2,160
	Postal and telecommunication services	1,476	1,646	170
	Consultancy services	2,194	625	-1,569
	IT systems services	6,586	7,371	785
	Guarding services, transport of banknotes and coins	5,141	1,298	-3,843
	Advertisements, market research	2,570	1,463	-1,107
	*Other, non-significant services**	3,311	3,506	195
	Other services	101	92	-9
	Personnel-related costs	43,493	48,615	5,122
	Depreciation	7,739	10,255	2,516
	Transfer of costs of other activities	-951	-900	51
	Total operating costs	**86,991**	**91,125**	**4,134**
	Expenses incurred on assets and inventories	39	72	33
	Expenses incurred on subcontracted services	453	191	-262
	Expenses incurred on invoiced services	183	166	-17
	Other expenses	936	1,586	650
	Total operating expenses	**1,611**	**2,015**	**404**
XVIII.	**Total operating costs and expenses**	**88,602**	**93,140**	**4,538**
VIII.-XVIII.	**Net operating expenses**	**-87,773**	**-92,367**	**-4,594**

** In particular, 'Other, non-significant services' contains preparation of publications, travel and hotel services, services for education, translation and audit expenses, membership fees, as well as the distribution of commemorative coins.*

In 2025, net operating expenses amounted to HUF 92.4 billion, an increase of HUF 4.6 billion (5.2 percent) compared to 2024.

Operating costs rose by HUF 4.1 billion (4.8 percent) in 2025 compared to the previous year. 2025 expenditures were increased mainly by personnel-related costs, but depreciation – to a lesser extent – also rose versus 2024, while at the same time expenses of materials decreased.

In 2025, *expenses of materials* were almost HUF 3.6 billion (9.7 percent) lower than the expenses incurred in 2024.

As part of expenses of materials, the decrease in the costs of services contracted was decisive, especially as the cost of 'Guarding services, transport of banknotes and coins' was significantly lower than in the previous year. In addition, the costs of 'Consultancy services' and 'Advertisements, market research' also fell. At the same time, within the costs of services contracted, the cost of 'Maintenance and rent of equipment' rose substantially.

– The cost of ‘Guarding services, transport of banknotes and coins’ increased from HUF 5.1 to HUF 1.3 billion in 2025. On 1 December 2024, the security business unit was taken over from the MNB-Bankjóléti Zrt., as a result of which the cost of armed guards and security services was significantly lower than the previous year (most of the costs appeared in ‘Personnel-related costs’).

– The decline in the cost of ‘Consultancy services’ in 2025 was mainly due to two reasons. On the one hand, there was a technical “rearrangement” within costs of services contracted: unlike in 2024, certain costs (e.g. review fees for credit ratings and existing bonds) were no longer accounted for in the item ‘Consultancy services’ in 2025, but among the financial statements and audit costs (‘Other, non-significant services’). On the other hand, the takeover of the security business unit – mentioned in the paragraph above – also significantly reduced expert and consultancy fees related to banking security activities.

– Compared to the previous year, the cost of ‘Advertisements, market research’ also dropped (from HUF 2.6 billion to HUF 1.5 billion) in 2025. This is primarily due to the reduction in communication costs. Compared to 2024, fewer communication campaigns were carried out, and the new communication framework contract was concluded later than planned.

– In 2025, the cost of ‘Maintenance and rent of equipment’ rose from HUF 3.1 billion to HUF 5.2 billion compared to 2024, mainly due to the increase in the repair and maintenance costs of property security systems, as well as and usage fee for bank security systems. These expenses were mainly related to operational, custodial and bank security tasks arising after taking possession of the renovated headquarters at Szabadság tér on 1 July 2025.

– Within the financial statements and audit costs, the annual fee for the MNB’s own audit was HUF 64 million; in addition, the fee paid in 2025 for compensation for additional procedures performed within the framework of the 2024 audit amounted to HUF 49 million.

Personnel-related costs amounted to HUF 48.6 billion in 2025, exceeding the costs in 2024 by HUF 5.1 billion (11.8 percent). One of the factors driving the increase was additional personnel costs resulting from the restructuring of banking security activities previously carried out by a subsidiary, and the fact that the MNB’s Executive Board decided to implement an average wage increase of 9.0 percent in 2025, in order to ensure and maintain a highly qualified workforce over the long run.

The *depreciation and amortisation* of tangible and intangible assets in 2025 was 32.5 percent higher than the previous year. This was mainly a consequence of the aforementioned takeover of the renovated MNB headquarters at Szabadság tér (and the assets therein).

Prime cost transfers are intended to ensure that the total amount of operating expenses reflects only actual expenses incurred by the MNB (e.g. rent paid by Magyar Pénzverő Zrt. for the partial use of MNB Logisztikai Központ (MNB Logistics Centre); reimbursed expenses related to payment system – VIBER, instant payment system). The absolute value of prime cost transfers decreased by 5.4 percent compared to the previous year.

In 2024 and 2025, other (operating) expenses included receivables – mainly supervisory and regulatory receivables – were mainly written down because of uncollectability, which did not have any impact on the result, due to the reversal of impairment loss.

4.25 INFORMATION ON WAGES AND NUMBER OF STAFF, REMUNERATION OF EXECUTIVE OFFICERS

Wage and headcount data

HUF million

Description	2024	2025	Change (%)
Payroll costs incurred on staff	29,527	33,879	15
Other staff costs*	787	2,567	226
Payroll	**30,314**	**36,446**	**20**
Other payments to personnel	**8,190**	**6,590**	**-20**
Social contribution tax	4,794	5,355	12
Contribution to rehabilitation	174	195	12
Sick-allowance	21	29	36
Taxes on personnel-related payments	**4,989**	**5,579**	**12**
Payments to personnel	**43,493**	**48,615**	**12**

** Other wage costs include absence payments for notice periods and amounts paid to staff off payroll and non-MNB workers.*

Persons

Description	2024	2025	Change (%)
Average number of staff	1,606	1,660	3,4

Remuneration of executive officers

HUF million

Bodies	2025
Monetary Council*	1,222
Supervisory Board	335

** Includes the salaries and other payments to internal and external members of the Monetary Council in an employment relationship with the MNB pursuant to Article 9 (4) c) of the MNB Act.*

Loans of executive officers

Bodies	Amount of loans	Outstanding as at 31 Dec 2025	Maturity	Rate of interest
	HUF million			
Monetary Council	58	12	1 Dec 2026	2.5%
Supervisory Board	-	-	-	-

4.26 OTHER MAJOR EVENTS AFFECTING 2025 AND AFTER THE REPORTING PERIOD

In March 2025, the State Audit Office of Hungary (ÁSZ) published three audit reports on the following subjects: on the management of the PADME foundation (25035), on the long-term debt security investment of the John von Neumann University Foundation (25036) and on the lawful operation of the MNB (25038).

The internal investigation ordered by the Governor of the MNB, in connection with the statements of ÁSZ and the news published in the press, was closed in May 2025. In its financial statements for 2024, the MNB presented the possible effects on the value of the assets on the balance sheet by accounting additional impairment for corporate bonds and for invested financial assets. In relation to the PADME foundation, the MNB examined whether a potential loss of property in the foundation creates any obligation or any conditional obligation to perform for the central bank. Based on the investigation, in which the expert opinion of an external legal office was also used, the MNB has no present or conditional obligations that should be presented as provisions or contingent liabilities in these financial statements.

In addition to the above, the MNB prepared an action plan based on the findings of the audit report by ÁSZ entitled *On the lawful operation of the MNB* (25038). The measures included in the plan were implemented within the agreed deadline in 2025. The Executive Board of the MNB accepted the new real estate strategy and expanded the annual information obligation under the MNB Act to include information on the activities of the companies directly or indirectly owned by MNB, as well as on real estate investments and developments, to the shareholder, to ÁSZ and to the Parliament's Standing Committee for Economic Affairs. In addition, the new MNB's Operational Rules have strengthened the ownership control of the MNB over affiliated companies. Following the internal audit investigation, after implementation of the measures, a follow-up audit by ÁSZ is currently underway.

During the reconstruction process of the MNB's headquarter building, the Supervisory Board of the MNB, in Resolution 20/2024. (II. 29.), entrusted the Internal Audit Department to conduct an extraordinary inspection related to the renovation of the headquarters.

The investigation that was conducted assessed the regulatory compliance of the individual processes, and in the case of areas requiring in-depth technical, historical, construction economics and procurement law expertise as well as market benchmark knowledge, the internal audit recommended the engagement of an external expert to the Supervisory Board, specifying the relevant topics and questions in detail, which the Supervisory Board accepted.

Based on the Supervisory Board's decision, the assessment and examination of issues requiring special expertise and knowledge was carried out by the law office recommended by the Board as an external expert, also with the involvement of experts, the subject of which was to act as an external expert in the full-scale Supervisory Board examination of the renovation and reconstruction of the headquarters, to be conducted by the Internal Audit Department, and to prepare a report following the examination.

The report contained serious findings in relation to several points that raise suspicions of several criminal acts, and thus the MNB filed a complaint in this regard.

In 2025, the MNB revised the methodology for the valuation of securities denominated in forint and purchased for monetary policy purposes. The aim of the revision was to identify more precisely the individual corporate or sectoral processes relevant to credit solvency using early warning triggers. The impairment values calculated according to the general procedure are reviewed by the MNB on an individual basis and, if necessary, are recalculated. Based on the methodology, which was further clarified in December 2025 and approved by the Executive Board of the MNB, an additional impairment of HUF 46 billion was accounted for 2025 Q4, in addition to the changes resulting from the movement of the bond portfolio.

After the 2025 reporting period, in the case of the corporate bond portfolio on the balance sheet of the MNB, a significant change in the risk of the bonds is likely for some issues based on certain predictive triggers of the revised methodology (e.g. a decline in share price, a deteriorating business profile). The impact of the altered perspectives on issuances is being assessed. This may have a significant impact on the impairment losses of the portfolio in the future. In April 2026, while reviewing the bond portfolio of the Bond Funding for Growth Scheme, there was no information that would require an adjustment of the impairment of the bonds as at 31 December 2025.

30 April 2026, Budapest

Mihály Varga
Governor of the Magyar Nemzeti Bank

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