



## Dividend payment procedure of MBH Bank Plc.

Based on Section 3.1.16 (p) of the Articles of Association, the General Meeting of MBH Bank Plc. (hereinafter: '**Company**') decided on April 29, 2024 with its Resolution No. 2/2024 (29 April) (the '**Resolution**') to pay dividend of HUF 24,512,251,500 (i.e. twenty-four billion five hundred and twelve million two hundred and fifty-one thousand five hundred Forint) to the shareholders of the Company.

Based on the above, **the gross dividend per ordinary share with a nominal value of HUF 1,000 is HUF 76**. According to resolution No. 162/2023 (15 December) of the Board of Directors of the Company, interim dividend of HUF 67.00 per share was paid on 322,529,625 shares of series A on 12 January 2024. **Further HUF 9 dividend shall be paid on shares on which interim dividend was paid, if on the Dividend Cut-off Date the shareholder is registered in the Register of Shares.**

The amount of the gross dividend actually payable to a shareholder is calculated by multiplying the number of shares held by the shareholder by the gross dividend per share, rounded up to the nearest whole forint amount in accordance with the rounding rules.

Pursuant to the Resolution, **the first date of payment of the dividend (E day) is 24 May 2024.**

### 1. General rules for the payment of the dividend

- 1.1. Pursuant to Section 5.3.1 of the Articles of Association decision on dividend payment as well as the method and timing thereof shall be made by the General Meeting.
- 1.2. Pursuant to Section 5.3.2 of the Articles of Association, the Company shall apply to KELER Zrt. for shareholder verification for the payment of dividends as a corporate event. The cut-off date for shareholder verification (the '**Dividend Cut-off Date**') is the fifth (5th) stock exchange trading day prior to the dividend payment commencement date. The rules relating to the shareholder verification are set out in the rules and regulations of KELER Zrt. in force from time to time.
- 1.3. Pursuant to Section 5.3.5 of the Articles of Association, a shareholder is entitled to a dividend if (i) they are entered in the share register on the basis of the result of the shareholder verification requested for the Dividend Cut-off Date and (ii) their shareholding does not violate the provisions of the applicable legislation. The shareholder is entitled to receive the dividend in proportion to their capital contribution already made.
- 1.4. Pursuant to Section 5.3.6 of the Articles of Association, if a dividend payment request is received after the Dividend Cut-off Date the Company will pay a dividend if (i) the securities account manager certifies that the shareholder held the number of shares indicated in the dividend payment request on the Dividend Cut-off Date and declares that no dividend has

#### **MBH Bank Plc.**

Registered office of the Company: 1056 Budapest, Váci u.38., Hungary

Mail: Budapest, H-1821

Phone: +36 (1) 327-8600

E-mail: [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu)

Internet: [www.mbhbank.hu](http://www.mbhbank.hu)

#### *Important notice*

*"Hungarian language is the official and registered language of MBH Bank Plc's („the Issuer”) disclosures pursuant to the relevant legal and stock-exchange rules. The present English translation has been prepared on a voluntary basis, with the best care and intention of the Issuer to inform English speaking investors, however, in the event of any controversy between the Hungarian and English version, the authentic Hungarian version shall prevail."*

been paid on these shares and (ii) the KELER Zrt. notice certifies that the securities account manager is entitled to issue a certificate in respect of the number of shares specified in the application for dividend payment.

- 1.5. The request for dividend payment shall lapse five (5) years after the dividend payment commencement date. The uncollected dividend shall be paid into the retained earnings of the Company.

## **2. Method of payment of the dividend**

- 2.1. The Company shall apply to KELER Zrt. for shareholder verification prior to the payment of the dividend. The Dividend Cut-off Date is 16 May 2024 (E-5 stock exchange trading days).
- 2.2. Accordingly, the shares of the Company shall entitle to dividend if purchased no later than 14 May 2024 (E-7 stock exchange trading days).
- 2.3. The account holders of the securities accounts of the shareholders shall provide the data of the shareholders to KELER Zrt. in the course of the shareholder verification process according to the procedure announced by KELER Zrt.
- 2.4. The determination and accounting of the dividend payable to each shareholder and the determination of the tax and contribution payment obligations required by law will be based on the data provided by the account managers as described above, therefore, we would like to draw the attention of the respected shareholders to the fact that they should consult their account managers by 16 May 2024 at the latest to ensure that the data to be provided by the account managers to KELER Zrt. are complete and accurate.
- 2.5. Dividend may be paid to shareholders whose securities account manager has provided KELER Zrt. with all the necessary data. If a shareholder is not identified or is not correctly identified by the account manager during the shareholder verification process, the shareholder may be replaced during the period of payment of the dividend. In the case of incomplete data, the dividend will only be paid after the data have been supplied. On the basis of the additional information provided, the payment of the dividend will be executed in the month following the month in which the missing information is provided. The Company and KELER Zrt. shall not be liable for any delays resulting from incomplete or late data provision by the account managers.
- 2.6. The Company shall pay the dividend to the shareholders by transfer from the starting date of payment of the dividend. The payment will be made directly to the shareholder's bank account, provided that the shareholder has so instructed through their account manager and the beneficiary's bank account number was provided during the shareholder verification process. Failing this, the dividend is transferred to the shareholder's account manager, who credits it to the shareholder's account.
- 2.7. The Company shall not be liable to pay interest on the withdrawal of the dividend after 24 May 2024.

### 3. Taxation rules

- 3.1. In the case of dividends paid to individuals resident in Hungary, the dividend income originating from the Company's ordinary shares as listed shares is subject to a personal income tax of 15% pursuant to Section 8(1) of Act CXVII of 1995 on Personal Income Tax. At the time of the payment of the dividend, the Company deducts the 15% personal income tax and pays it to the tax authority. The Company issues a certificate of income to the private person on the dividend received and the tax deducted, which is required to be included as an information item in the personal income tax return for the tax year.
- 3.2. The private person shareholder shall declare the dividend advance and the tax on it as information in the tax return for the year of payment, if it does not become a dividend in that year. In accordance with the present dividend payment procedure, the dividend paid and the tax deducted and paid thereon, must be declared in the tax return for the year of acceptance of the annual report establishing the dividend - taking into account the tax paid and deducted from the dividend advance as tax deducted.
- 3.3. Dividend income from ordinary shares in the Company is not subject to social contribution tax.
- 3.4. In the case of dividends paid to non-resident individuals, tax deductions from the dividend will be made on the basis of conventions on avoiding double taxation. The condition for this is that the individual proves his/her tax residency and, if, in order to apply the tax rate established in the relevant treaty, the treaty stipulates that the person entitled to the dividend is also the beneficial owner of the dividend, then the beneficiary shall send to the Company a declaration to this effect. If the individual's non-resident or beneficial owner status is not certified, the tax deduction will be made in accordance with the rules applicable to resident individuals.
- 3.5. As the Company is a Reporting Hungarian Financial Institution subject to the reporting obligation under Section 43/H of Act XXXVII of 2013 on Certain Rules of International Public Administration Cooperation Related to Taxes and Other Public Duties (**Tax Cooperation Act**), the tax residency is established in accordance with the multilateral agreement between competent authorities (Competent Authority Agreement and Common Reporting Standard, 'CRS') on the automatic exchange of information on financial accounts defined in the Tax Cooperation Act and the European Council Directive 2014/107/EU (**DAC2**) and, in the case of states involved in the data supply, as laid down in the due diligence rules of the Tax Cooperation Act.
- 3.6. In the case of shareholders who are tax residents in states not covered by DAC2 and CRS reporting or to whom the Company is not required to apply the due diligence rules (e.g. because the shareholder does not have a financial account with the Company), the tax residency will continue to be determined on the basis of the certificate of residence and the beneficial owner's declaration.
- 3.7. The certificate of tax residency is a copy of the document issued by the foreign tax authority in English, its translation into Hungarian or a copy of one of these. Proof of tax residency must be provided for each tax year even if tax residency has not changed since the previously submitted tax residency certificate.

- 3.8. If the convention on avoiding double taxation with the country of residency of the individual allows for a higher tax deduction than the Hungarian tax rate in force, only the personal income tax calculated at the standard rate may be deducted.
- 3.9. If there is no double taxation convention between the individual's country of residence and Hungary, the tax deduction is at the standard rate of 15%.
- 3.10. In the absence of any of the information listed in Section 2.4 (in particular the communication of the tax identification number), the paying agent will not pay the dividend until the information is provided.
- 3.11. No tax deduction will be made in the case of dividend payments on shares registered in a permanent investment account, neither for domestic nor for foreign individuals.
- 3.12. The Company shall issue a certificate of income for the payment of the dividend and send it to the shareholders by post.
- 3.13. The Company does not deduct any tax from dividends paid to a resident legal entity.
- 3.14. The Company shall not deduct any tax advance from dividend paid to a non-resident legal entity. The tax liability on the income arising when the dividend becomes a dividend shall be determined in accordance with the legislation of the State of tax residency.
- 3.15. Should you have any further questions regarding the dividend, please do not hesitate to contact us at +36-1-327-8600 or by e-mail at [investorrelations@mbhbank.hu](mailto:investorrelations@mbhbank.hu).

Budapest, May 8, 2024

**Board of Directors of MBH Bank Plc.**