BASE PROSPECTUS

MBH MORTGAGE BANK CO. PLC.

(*MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság*)
(incorporated with limited liability under the laws of Hungary)

EUR 1,000,000,000

Mortgage Bonds Programme

Under this EUR 1,000,000,000 Mortgage Bonds Programme (the "**Programme**"), MBH Mortgage Bank Co. Plc. (*MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság*) (the "**Issuer**") may from time to time issue Mortgage Bonds (the "**Mortgage Bonds**") (in Hungarian: *jelzáloglevelek*) denominated in any currency agreed from time to time between the Issuer and the relevant Dealer (as defined below). The Mortgage Bonds may be issued in bearer and/or registered form (respectively "**Bearer Mortgage Bonds**" and "**Registered Mortgage Bonds**"). The Mortgage Bonds will be covered in accordance with Section 14 of Act XXX of 1997 on Mortgage Loan Credit Institutions and on Mortgage Bonds (in Hungarian: *1997. évi XXX. törvény a jelzálog-hitelintézetről és a jelzáloglevélről*) (the "**Mortgage Credit Institutions Act**") and will rank *pari passu* with all other covered and unsubordinated present and future obligations of the Issuer under mortgage bonds (*jelzáloglevelek*), save for such obligations as may be preferred by mandatory provisions of law that are of general application.

The Luxembourg *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), in its capacity as competent authority under Article 6(1) of the Luxembourg Act dated 16 July 2019 relating to prospectuses for securities (the "**Luxembourg Prospectus Law**"), has approved this Base Prospectus as a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**"), for the purpose of giving information with regard to the issue of Mortgage Bonds issued under the Programme described in this Base Prospectus during the period of 12 months from the date of approval of this Base Prospectus. By approving the Base Prospectus, the CSSF gives no undertaking as to the economic and financial opportuneness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in line with the provisions of Article 6(4) of the Luxembourg Prospectus Law. The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer nor as an endorsement of the quality of any Mortgage Bonds that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in such Mortgage Bonds.

The Issuer may request the CSSF to provide competent authorities in member states (each a "**Member State**") of the European Economic Area (the "**EEA**") with a certificate of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation (the "**Notification**"). Following provision of the Notification, the Issuer may apply for Mortgage Bonds issued under the Programme to be listed, admitted to trading and/or quoted on the regulated market of any Member State in respect of which a Notification has been provided to the relevant competent authority of such Member State.

Applications have been made for such Mortgage Bonds to be admitted during the period of twelve months after the date hereof to listing on the Official List of the Luxembourg Stock Exchange (the "**Official List**") and to trading Luxembourg Stock Exchange's regulated market (the "**Market**"). The Market is a regulated market for the purposes of Directive 2014/65/EU, as amended, on markets in financial instruments ("**MiFID II**"). References in this Base Prospectus to Mortgage Bonds being "**listed**" (and all related references) shall, unless the context otherwise requires, mean that such Mortgage Bonds have been admitted to the Official List and admitted to trading on the Market.

The Issuer is in compliance with the requirements of Section 22 (2) of the Mortgage Credit Institutions Act and has obtained the relevant licence from the National Bank of Hungary (in Hungarian: *Magyar Nemzeti Bank*, the "**MNB**"). The Mortgage Bonds will be considered as European covered bonds (premium) (in Hungarian: "*európai (prémium) fedezett kötvény*") pursuant to Section 19/A of the Mortgage Credit Institutions Act.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from the date of approval, ending on 18 June 2027. The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus, which may affect the assessment of any Mortgage Bonds, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of the Mortgage Bonds. The obligation to prepare a supplement to this Base Prospectus in the event of any significant new factor, material mistake or material inaccuracy does not apply when the Base Prospectus is no longer valid.

The Programme provides that Mortgage Bonds may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer.

As at the date of this Base Prospectus, the long-term credit rating assigned to the Issuer by Moody's Deutschland GmbH ("**Moody's**") was Ba3. Moody's is established in the European Economic Area (the "**EEA**") and is certified under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). As such, Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority's ("**ESMA**") on its website in accordance with the CRA Regulation. Mortgage Bonds issued under the Programme may be rated or unrated. The rating of certain Series of Mortgage Bonds to be issued under the Programme may be specified in the applicable Final Terms.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in Mortgage Bonds issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer to fulfil its respective obligations under the Mortgage Bonds are discussed under "Risk Factors" below.

The Mortgage Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Mortgage Bonds in bearer form are subject to U.S. tax law requirements.

The Mortgage Bonds may not be offered, sold or (in the case of Mortgage Bonds in bearer form) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")), except in certain transactions exempt from the registration requirements of the Securities Act.

There are restrictions on the offer, sale and transfer of the Mortgage Bonds in certain jurisdictions as may be relevant in connection with the offering and sale of a particular Tranche of Mortgage Bonds as discussed under "*Subscription and Sale*".

Arranger

UniCredit

Dealers

Erste Group Bank AG	**ING Bank N.V.**
MBH Investment Bank Co. Ltd.	**UniCredit**

18 June 2026

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IMPORTANT NOTICES

Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and any Final Terms and declares that, to the best of its knowledge, the information contained in this Base Prospectus is, in accordance with the facts and the Base Prospectus makes no omission likely to affect its import.

Final Terms

Each Tranche (as defined herein) of Mortgage Bonds will be issued on the terms set out herein under "*Terms and Conditions of the Mortgage Bonds*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**"). Copies of Final Terms in relation to Mortgage Bonds to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange (https://www.luxse.com/).

Other relevant information

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*" below) and, in relation to any Tranche of Mortgage Bonds which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus. This Base Prospectus may only be used for the purposes for which it has been published.

The Issuer confirms that any information from third party sources has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by such third-party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Unauthorised information

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus or any responsibility for the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Mortgage Bonds. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Mortgage Bond shall, in any circumstances, create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date of this Base Prospectus.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Mortgage Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Mortgage Bonds of any information coming to their attention. Investors should review, *inter alia*, the most recently published information incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Mortgage Bonds.

Restrictions on distribution

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Mortgage Bonds (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Mortgage Bonds should purchase any Mortgage Bonds. Each investor contemplating purchasing any Mortgage Bonds should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Mortgage Bonds constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Mortgage Bond.

The Mortgage Bonds may not be a suitable investment for all investors. Each potential investor in the Mortgage Bonds must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Mortgage Bonds, the merits and risks of investing in the Mortgage Bonds and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus;

(ii) has access to, and knowledge of, the appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Mortgage Bonds and the impact the Mortgage Bonds will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Mortgage Bonds, including Mortgage Bonds with principal or interest payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Mortgage Bonds and be familiar with the behaviour of any relevant indices and financial markets; and

(v) is able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Mortgage Bonds are legal investments for it, (2) Mortgage Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Mortgage Bonds. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Mortgage Bonds under any applicable risk-based capital or similar rules.

Third Party Information

Certain information in this Base Prospectus has been sourced from a third party. Such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render such reproduced information inaccurate or misleading.

Offer Restrictions

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe or purchase, any of the Mortgage Bonds. The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Mortgage Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Mortgage Bonds and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Mortgage Bonds, see "*Subscription and Sale*".

In particular, the Mortgage Bonds have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and Mortgage Bonds in bearer form are subject to U.S. tax law requirements. The Mortgage Bonds may not be offered, sold or (in the case of Mortgage Bonds in bearer form) delivered within the United States or to, or for the account or benefit of, U.S.

persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

NEITHER THE PROGRAMME NOR THE MORTGAGE BONDS HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF MORTGAGE BONDS OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Mortgage Bonds is a manufacturer in respect of such Mortgage Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms in respect of any Mortgage Bonds may include a legend entitled "*MiFID II product governance*" which will outline the target market assessment in respect of the Mortgage Bonds and which channels for distribution of the Mortgage Bonds are appropriate. Any person subsequently offering, selling or recommending the Mortgage Bonds (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Mortgage Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

Product Governance under UK MiFIR

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Mortgage Bonds is a manufacturer in respect of such Mortgage Bonds, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

The Final Terms in respect of any Mortgage Bonds may include a legend entitled "*UK MiFIR product governance*" which will outline the target market assessment in respect of the Mortgage Bonds and which channels for distribution of the Mortgage Bonds are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Mortgage Bonds (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Mortgage Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Mortgage Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Mortgage Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Mortgage Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Mortgage Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Mortgage Bonds or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

Notice to Canadian Investors

The Mortgage Bonds may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Mortgage Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws. Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Benchmarks Regulation

Interest and/or other amounts payable under the Mortgage Bonds may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmarks Regulation. The registration status of any administrator under the EU Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Programme limit

The maximum aggregate principal amount of Mortgage Bonds outstanding under the Programme will not exceed EUR 1,000,000,000 (and for this purpose, any Mortgage Bonds denominated in another currency shall be translated into EUR at the date of the agreement to issue such Mortgage Bonds (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Mortgage Bonds which may be outstanding under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "*Subscription and Sale*".

Ratings

Tranches of Mortgage Bonds issued under the Programme will be rated or unrated. Where a Tranche of Mortgage Bonds is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Mortgage Bonds already issued. Where a Tranche of Mortgage Bonds is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Mortgage Bonds will be (1) issued or endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or by a credit rating agency which is certified under the EU CRA Regulation and/or (2) issued or endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or by a credit rating agency which is certified under the UK CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. In general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended. All references to "**HUF**" and "**Forint**" refer to Hungarian Forint. All references to "**billions**" are to thousands of millions. The Issuer prepares its standalone financial statements in Hungarian Forint and, unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in forint.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Exchange Rates

The following table sets forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as HUF per EUR 1.00. The Bloomberg Composite Rate is a "best market" calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the standalone financial statements and other financial information appearing in this Base Prospectus. Neither the Issuer nor the Dealers represent that the HUF amounts referred to below could be or could have been converted into EUR or USD at any particular rate indicated or any other rate. The average rate for a financial year means the average of the closing Bloomberg Composite Rate on each business day during a year. The average rate for a month, or for any shorter period, means the average of the closing Bloomberg Composite Rate of each business day during that month, or shorter period, as the case may be.

Unless otherwise specified, where financial information in relation to the Issuer has been translated into EUR, it has been so translated, for convenience only, at the rate of HUF 350.36 per EUR 1.00. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted into euro at that or any other rate.

The Bloomberg Composite Rate of the euro on 15 June 2026 was HUF 350.36 per EUR 1.00.

	HUF per EUR 1.00			
	High	**Low**	**Average**	**Period end**
Year ended 31 December				
2025	416.39	380.74	397.73	384.49
2024	414.81	377.31	395.35	411.46
2023	401.54	367.91	381.54	382.42
2022	432.34	352.93	391.04	398.50
Month ended				
31 May 2026	365.53	353.45	358.33	353.53
30 April 2026	384.84	360.73	369.81	364.78
31 March 2026	394.93	380.44	389.00	384.95
28 February 2026	380.86	375.16	378.52	377.09

	HUF per EUR 1.00			
	High	**Low**	**Average**	**Period end**
31 January 2026	387.36	379.94	383.89	381.18

General

Certain figures in this Base Prospectus have been rounded according to established commercial standards. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them and, in some cases, rounding may cause some figures to differ from those in the audited standalone financial statements.

The term "mortgage bond" as used herein corresponds to the use of the term "*jelzáloglevelek*" as used in Section 11 of the Mortgage Credit Institutions Act. The use of "mortgage bonds" herein is generic and should be construed to include the Mortgage Bonds.

The information on any website included in this Base Prospectus does not form part of this Base Prospectus, unless that information is incorporated by reference into this Base Prospectus.

Stabilisation

In connection with the issue of any Tranche of Mortgage Bonds, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over allot Mortgage Bonds or effect transactions with a view to supporting the market price of the Mortgage Bonds at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Mortgage Bonds is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Mortgage Bonds and 60 days after the date of the allotment of the relevant Tranche of Mortgage Bonds. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

Supplement to the Base Prospectus

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Mortgage Bonds to be listed on the Official List and admitted to trading on the Market, shall constitute a supplement to the base prospectus as required by Article 23 of the Prospectus Regulation.

FORWARD-LOOKING STATEMENTS

This Base Prospectus and the information incorporated by reference into this Base Prospectus include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "plans", "projects", "goal", "target", "aim", "may", "will", "would", "could" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and the information incorporated by reference into this Base Prospectus and include, but are not limited to, statements regarding the intentions of the Issuer, and beliefs or current expectations concerning, among other things, the business, results of operations, financial position and/or prospects of the Issuer.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the financial position and results of operations of the MBH Bank Plc. ("**MBH Bank**") and its subsidiaries (including the Issuer and together the "**MBH Group**") and the development of the markets and the industries in which the MBH Group operates, may differ materially from those described in, or suggested by, the forward-looking statements contained in this Base Prospectus. In addition, even if the MBH Group's results of operations and financial position, and the development of the markets and the industries in which the MBH Group operates, are consistent with the forward-looking statements contained in this Base Prospectus, those results or developments may not be indicative of results or developments in subsequent periods. A number of risks, uncertainties and other factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements. See "*Risk Factors*" below.

These forward-looking statements are made only as at the date of this Base Prospectus. Except to the extent required by law, the Issuer is not obliged to, and does not intend to, update or revise any forward-looking statements made in this Base Prospectus whether as a result of new information, future events or otherwise. All subsequent written or oral forward-looking statements attributable to the Issuer, or persons acting on the Issuer's behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Base Prospectus. As a result of these risks, uncertainties and assumptions, a prospective purchaser of the Mortgage Bonds should not place undue reliance on these forward-looking statements.

OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Mortgage Bonds, the applicable Final Terms. The Issuer and any relevant Dealer may agree that Mortgage Bonds shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Mortgage Bonds only and if appropriate, a new Base Prospectus will be published.

Words and expressions defined in the "Terms and Conditions of the Mortgage Bonds" below or elsewhere in this Base Prospectus have the same meanings in this overview.

Issuer:	MBH Mortgage Bank Co. Plc. (*MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság*)
Legal Entity Identifier of the Issuer:	5299007F4BUUY6S14E44
Website of the Issuer:	https://www.mbhjelzalogbank.hu/
Arranger:	UniCredit Bank GmbH
Dealers:	Erste Group Bank AG, ING Bank N.V., MBH Investment Bank Co. Ltd., UniCredit Bank GmbH and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Mortgage Bonds (each a "**Dealer**", and together the "**Dealers**").
Fiscal Agent:	Citibank, N.A., London Branch
Registrar:	Citibank Europe plc
Description:	EUR 1,000,000,000 Mortgage Bonds Programme
Certain Restrictions:	Each issue of Mortgage Bonds denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus. **Mortgage Bonds having a maturity of less than one year** Mortgage Bonds having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Programme Size:	Up to EUR 1,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Dealer Agreement.

Issuance in Series: Mortgage Bonds will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Mortgage Bonds of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Mortgage Bonds of each Tranche will also be subject to identical terms in all respects save that a Tranche may comprise Mortgage Bonds of different denominations.

Distribution: Mortgage Bonds may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Any issue of Mortgage Bonds under this Programme is purported to be made to institutional investors or, as the case may be, other legal entities only and it is not anticipated that private individuals will purchase the Mortgage Bonds either at issue or subsequently on any regulated or other secondary market or through an over-the-counter transaction.

Currencies: Mortgage Bonds may be denominated in any currency or currencies agreed between the Issuer and the relevant Dealer, subject to any applicable legal or regulatory restrictions.

Maturities: The Mortgage Bonds will have such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Issue Price: Mortgage Bonds may be issued at an issue price which is at par or at a discount to, or premium over, par.

Interest: Mortgage Bonds may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or a combination thereof and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Fixed Rate Mortgage Bonds: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

Floating Rate Mortgage Bonds: Floating rate Mortgage Bonds will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as supplemented, amended and updated as at the Issue Date of the first Tranche of the Mortgage Bonds of the relevant Series (as specified in the relevant Final Terms)) as published by the International Swaps and Derivatives Association, Inc. or the latest version of ISDA 2021 Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), as specified in the relevant Final Terms, each as published by ISDA (or any successor) on its website (http://www.isda.org), on the date of issue of the first Tranche of the Mortgage Bonds of such Series; or

(b) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of floating rate Mortgage Bonds.

Floating rate Mortgage Bonds may also have a maximum interest rate, a minimum interest rate or both.

Interest on floating rate Mortgage Bonds in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

Zero Coupon Mortgage Bonds: Zero Coupon Mortgage Bonds will be offered and sold at a discount to their principal amount and will not bear interest.

Redemption: The applicable Final Terms will indicate either that the relevant Mortgage Bonds cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Mortgage Bonds will be redeemable at the option of the Issuer and/or the Mortgage Bondholders upon giving notice to the Mortgage Bondholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.

Mortgage Bonds having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Certain Restrictions – Mortgage Bonds having a maturity of less than one year*".

Denomination of Mortgage Bonds: The Mortgage Bonds will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Mortgage Bond will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body), the laws or regulations of each country or jurisdiction in or from which the Mortgage Bonds may be purchased, offered, sold or delivered, or any laws or regulations applicable to the relevant Specified Currency, see "*Subscription and Sale – Other UK regulatory restrictions*", and the regulations of the applicable securities system in which the Mortgage Bonds are issued and save that the minimum denomination of each Mortgage Bond will be Euro 100,000 (or, if the Mortgage Bonds are denominated in a currency other than Euro, the equivalent amount in such currency).

Taxation: All payments of principal and interest in respect of the Mortgage Bonds and any Coupons made by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hungary, or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Mortgage Bondholders and any Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required. See further Condition 11 (*Taxation*).

Status:	The Mortgage Bonds will constitute direct, unconditional, unsubordinated obligations of the Issuer ranking *pari passu* among themselves. The Mortgage Bonds will be covered in accordance with Section 14 the Mortgage Credit Institutions Act. The Mortgage Bonds will be considered as European covered bonds (premium) (in Hungarian: "*európai (prémium) fedezett kötvény*") pursuant to Article 19/A. of the Mortgage Credit Institutions Act.
Negative Pledge:	The Terms and Conditions of the Mortgage Bonds will not contain a negative pledge provision.
Cross Default:	The Terms and Conditions of the Mortgage Bonds will not contain a cross default provision.
Listing and Admission to Trading:	Applications have been made for Mortgage Bonds to be admitted during the period of twelve months after the date hereof to listing on the official list and to trading on the regulated market of the Luxembourg Stock Exchange. Mortgage Bonds may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Mortgage Bonds which are neither listed nor admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Mortgage Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.
Form:	The Mortgage Bonds will be issued in bearer or registered form as specified in the applicable Final Terms.
Rating:	Series of Mortgage Bonds issued under the Programme may be rated or unrated. Where a Series of Mortgage Bonds is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned generally to the Mortgage Bonds issued under the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) provided by a credit rating agency not established in the EEA but which is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (3) provided by a credit rating agency not established in the EEA but which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not (1) issued by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) provided by a

	credit rating agency not established in the UK but which is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (3) provided by a credit rating agency not established in the UK but which is certified under the UK CRA Regulation.
Governing Law:	The Mortgage Bonds and any non-contractual obligations arising out of or in connection therewith, will be governed by English law, except for Condition 4 (*Status*) which shall be governed by and construed in accordance with, Hungarian law.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Mortgage Bonds in the United States, Japan, the EEA (including Hungary and Italy), the UK, Singapore and such other jurisdictions as may be relevant in connection with the offering and sale of a particular Tranche of Mortgage Bonds, See "*Subscription and Sale*".
Risk Factors:	Investing in the Mortgage Bonds involves risks. See "*Risk Factors*".
Use of Proceeds:	See "*Use of Proceeds*".

RISK FACTORS

Any investment in the Mortgage Bonds is subject to a number of risks. Prior to investing in the Mortgage Bonds, prospective investors should carefully consider risk factors associated with any investment in the Mortgage Bonds, the business of the Issuer and the industry in which it operates, together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Mortgage Bonds" below or elsewhere in this Base Prospectus have the same meanings in this section.

Prospective investors should note that the risks described below are not the only risks the Issuer faces, many of which relate to events and depend on circumstances that may or may not occur in the future. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Mortgage Bonds may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Mortgage Bonds is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any information incorporated by reference in, and forming part of, this Base Prospectus), make such inquiries in relation to the Issuer and the Mortgage Bonds as they think appropriate and reach their own views prior to making any investment decision.

RISKS RELATING TO THE ISSUER

1. RISKS RELATED TO THE MACROECONOMIC AND GEOPOLITICAL ENVIRONMENT

1.1 Effects of the volatile economic environment in the recent years

Global financial markets have experienced significant volatility and disruption in recent years, as a result of changes in the inflationary environment and central bank interest rates, as well as other factors. This has adversely affected the performance and liquidity of many financial institutions and instruments.

Geopolitical instability and armed conflicts remain significant sources of disruption to the global risk landscape. In particular, escalating tensions in the Middle East pose risks to energy supply security, with the potential to drive significant increases in energy prices and heightened commodity market volatility, especially where key transit routes such as the Strait of Hormuz are disrupted. More broadly, such developments may contribute to elevated shipping costs and inflationary pressures, weakening economic growth and adversely affecting borrower repayment capacity. These dynamics may also influence funding conditions, capital buffer requirements, and provisioning needs. This volatile environment could also influence the development of the interest rate environment, and through this the dynamics of mortgage lending, housing market trends and the costs of raising funds in the form of mortgage bonds and bond issuance, and it could cause financial difficulties for the MBH Group's and the Issuer's customers. The deteriorating credit quality of the Issuer's customers may, in particular, result in increasing defaults and arrears in monthly payments on loans, higher credit impairments on the loans and advances portfolios of the Issuer, declining mortgage asset values and flat or decreasing loans and advances portfolio levels, all of which could adversely affect the Issuer's ability to service its payment obligations, including those in respect of any Mortgage Bonds. Furthermore, lower demand for, and origination of, new loans and advances could expose the Issuer to the risk of losing customers to competitors with less stringent lending requirements.

The MBH Group's activities and the profitability of its operations are strongly affected by the macroeconomic environment and the domestic and international investor perception of Hungary. The macroeconomic situation will both determine the intensity of mortgage refinancing activity of the Issuer and also the demand for the Mortgage Bonds. These may in turn have a negative impact on the Issuer's profitability and its ability to meet its obligations under any Mortgage Bonds.

1.2 A potential deterioration in Hungarian economic conditions could affect the Issuer's business, financial condition and results of operations

The Issuer conducts its operations in Hungary. As a result, the macroeconomic situation in Hungary has a material impact on the business, financial condition and results of operations of the Issuer.

The economic situation in Hungary depends on a number of factors, including measures by which the Hungarian Government and the MNB attempt to influence the economy, such as setting levels of taxation and the distribution of the budget, as well as the money supply, interest rates, labour market conditions and the demographic situation in the country. Global and European macroeconomic developments, such as weaker worldwide growth, monetary tightening in major economies, and elevated market volatility, affect the Hungarian economy by amongst other factors increasing borrowing costs, weighing on exports and investment and influencing the inflow of funds from the European Union.

A potential prolonged economic slowdown in Hungary would damage the Issuer's mortgage refinancing business constituting its core activity. Potentially higher unemployment, a high inflation environment and lower consumption, as well as fluctuations in the financial markets (including the currency markets), may adversely affect the financial condition of the Issuer's customers and refinanced partner banks including MBH Bank, as the Issuer's largest partner bank. In addition, should market conditions remain unstable for an extended period, the value of assets securing loans already refinanced or to be refinanced by the Issuer, including real estate, may decline.

The Issuer's business, as well as the successful implementation of its strategy, is highly dependent on the financial situation of its own and partner banks' customers and their ability to repay existing mortgage loans. The financial situation of Hungarian households, including the Issuer's own and partner banks' customers, is highly correlated with the inflationary environment and the unemployment rate. A potential increase in the unemployment rate in Hungary could cause an increase in the Issuer's and its refinanced partner banks' expected credit losses or hinder growth of the Issuer's loan portfolio.

Any deterioration in economic, business, political and social conditions in Hungary may have a material adverse effect on the Issuer's business, financial condition and results of operations.

2. RISKS RELATED TO THE BUSINESS OF THE ISSUER

2.1 The Issuer is exposed to credit risk of its customers and counterparties

Credit risk is present and inherent in both the on-balance sheet transactions and off-balance sheet commitments of the Issuer. The credit risk faced by the Issuer arises primarily from the risks of non-payment and default on the part of the Issuer and its refinanced partner banks' borrowers and other counterparties. Any deterioration or adverse change in the creditworthiness of the Issuer and the refinanced partner banks' borrowers and other counterparties, or a fall in collateral values, are likely to affect the recoverability and value of the Issuer's assets and could require an increase in provisions appropriated which in turn could have a negative impact on the financial performance of the Issuer.

In addition, third parties that owe the Issuer money, securities or other assets may not perform their obligations due to bankruptcy, a shortage in liquidity, downturns in the economy and real estate values, operational failure or any other reasons.

Credit risk tends to be aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults. Any negative developments in the operating performance, loan-loss levels, write-downs and impairments of the Issuer could adversely affect its results and may result in capital requirements that could constrain its operations, thereby reducing the Issuer's ability to service payments under the Mortgage Bonds and potentially adversely affecting the trading price of the Mortgage Bonds. The deteriorating credit quality of the Issuer's customers, in particular, may result in increasing defaults and arrears in payments on loans which could adversely affect the Issuer's ability to service payment obligations under the Mortgage Bonds.

2.2 *The provisions made by the Issuer may not be adequate to cover actual losses sustained*

The Issuer makes provisions for expected credit losses, litigation, tax, regulatory and other contingencies based on its best estimates and judgements, taking into account historical experience, current conditions and reasonable assumptions. However, these provisions may not be sufficient to cover the actual losses that the Issuer may incur in the future, due to the inherent uncertainties and unpredictability of these events and their outcomes. If the Issuer's provisions prove to be inadequate, it may have to increase its provisions or recognise additional charges in its income statement, which could adversely affect its financial condition, results of operations and capital position. Furthermore, the Issuer's provisions may be subject to review and challenge by its auditor, regulators, tax authorities or other parties, which could result in adjustments or disputes that could also have a negative impact on its financial performance and reputation.

2.3 *Specific credit risks from the Issuer's mortgage lending business*

The credit risk faced by the Issuer as a mortgage credit institution predominantly derives from the risk of default by its borrowers on mortgage-backed loans or its refinanced partner banks on refinanced mortgage loans; in other words, the risk of borrowers failing to duly perform their obligations under such loans.

Defaults by borrowers under mortgage-backed loans or partner banks on refinanced mortgage loans may occur for a vast array of reasons. Various factors influence mortgage delinquency rates, prepayment rates, foreclosure and eviction frequency and the ultimate payment of interest and principal, such as changes in market interest rates, foreign exchange rates, international, national or local economic conditions, regional economic or housing conditions, changes in tax laws, inflation or real estate property values, unemployment, the financial standing of individual borrowers, the availability of financing, yields on alternative investments, political developments and government policies or factors similar to the foregoing.

Diverse factors in the individual, personal or financial circumstances of borrowers may also affect the ability of borrowers to repay mortgage loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by borrowers and could ultimately have an adverse impact on the ability of borrowers to make repayments on their mortgage loans.

In addition, the ability to sell a property mortgaged as security for a mortgage loan at a price sufficient to repay the amount outstanding under that loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the given time.

The Issuer's (or, in case of refinanced mortgage loans, the respective partner banks') current credit approval and monitoring procedures focus, *inter alia*, on the individual borrower's cash flow and ability to repay mortgage loans in an effort to improve the quality of the Issuer's mortgage loan portfolio and mitigate future allowances for loan losses and credit impairments. However, there is no assurance that these credit approval and monitoring procedures will reduce the amount of provisions for mortgage loans that become non-performing in the future.

No assurance can be given that the provisions made by the Issuer will be sufficient to cover the amount of loan losses as they occur.

2.4 *Risks relating to the value of real estate collateral taken by the Issuer and refinanced partner banks*

The exposure arising from defaults by individual borrowers on mortgage loans can be counterbalanced to a certain extent by, *inter alia*, enforcement actions taken in order to realise the encumbered real property serving as collateral to such loans. Therefore, the Issuer's credit risk may be increased when the collateral (in the form of purchased mortgage liens or any other security in accordance with the Mortgage Credit Institutions Act) it holds cannot be enforced or is liquidated at prices that are insufficient to recover the full amount due and payable under the relevant mortgage loan. The market value at which real estate properties mortgaged as security for mortgage loans can be sold, and thus the results of realisation through such enforcement actions, heavily depend on the real estate market prices at the relevant time and the legal environment as amended from time to time.

For example, the fair market value of real estate which is mortgaged as security for loans, particularly in the real estate financing business, is subject to significant fluctuations over the course of time, caused in particular by changes in supply and demand, construction deficiencies and delays, leasing status (vacancies) or potential buyers and their financial resources, changes in the general legal framework such as tax treatment, land contamination and environmental hazards, and other factors that are beyond the control of the Issuer (such as natural disasters, civil war and terrorist attacks). Such market developments and changes may in particular reduce the value of real estate collateral. Furthermore, a continued decline in economic conditions in the markets where the Issuer and refinanced mortgage banks operate, an economic downturn in any industries in which borrowers of the Issuer or other refinanced partner banks operate, or in markets where the real estate collateral is located, or a deterioration of the financial standing of the refinanced partner banks' borrowers may result in decreases in the value of such collateral below the principal balance outstanding on the relevant mortgage loans. A decline in the value of collateral taken by the Issuer and the refinanced partner banks or the inability of the Issuer and the refinanced partner banks to obtain additional collateral may require the Issuer to reclassify the relevant loans, set aside additional provisions for loan losses and could result in increased reserve and/or capital requirements.

Real estate properties in which a security interest has been taken by the Issuer or refinanced partner banks may be concentrated in certain locations. Specific geographic regions may have experienced or may, in the future, experience economic conditions and residential or, as the case may be, commercial real estate markets that are weaker than in other regions, the concentration of mortgage loans secured by residential or, as the case may be, commercial real estate properties in such areas may therefore result in a greater risk of borrower default or arrears on mortgage loans than if such concentration were not present. In addition, prevailing conditions in local real estate and mortgage markets may further affect the realisable value of such collateral. No assurance can be given that the values of the relevant real estate properties will not decline or, since origination, have not already declined.

Any failure to recover the expected value of real estate collateral taken by the Issuer in the case of foreclosure may expose the Issuer to losses, which may have a material adverse effect on the Issuer's businesses, financial condition and results of operations.

2.5 The Issuer is exposed to risks relating to the value and realisation of its security interests

One of the ways in which the Issuer and other refinanced partner banks look to manage their exposure to defaults by borrowers under loans is through enforcement action taken to realise assets provided as security in respect of such loans. Therefore, the credit risk of the Issuer and the refinanced partner banks may increase when the security held cannot be enforced or is liquidated at prices insufficient to recover the full amount due and payable under the relevant loan. The market value at which collateralised assets can be sold, and thus the results of realisation through such enforcement actions, heavily depends on the then prevailing market conditions for such collateralised assets (such as, but not limited to, the real estate market) and the legal environment at the relevant time.

The ability of the Issuer and the refinanced partner banks to enforce the security interests they have taken may be dependent on decisions of courts and applicable execution measures in Hungary. Such ability may be adversely affected in future by regulatory or governmental measures such as the imposition of enforcement moratoriums and quota regimes imposed on evictions and enforcement sales outside of the court processes, such as the restrictions in relation to foreclosure proceedings against mortgaged properties that have been introduced by the government of Hungary (the "Hungarian Government").

Any failure to recover the expected value of the security taken by the Issuer, may expose the Issuer to losses, which may have a material adverse effect on the businesses, financial condition and results of operations of the Issuer and ultimately the ability of the Issuer to meet its obligations under the Mortgage Bonds.

2.6 *The Issuer is exposed to the risks associated with its approach to handling its non-performing mortgage loan portfolio*

The refinancing arrangements between the Issuer and its partner banks foresee that any non-performing mortgage loans refinanced by the Issuer are to be replaced by the partner bank with a performing mortgage loan.

Since the second quarter of 2018, the Issuer has ceased originating new mortgage loans, with new lending activity undertaken by MBH Bank, the ultimate parent company of the MBH Group. The existing portfolio of mortgage loans previously originated by the Issuer remains on its balance sheet until their respective maturities. In this context, the main goal of the Issuer's non-performing loan ("**NPL**") strategy is to avoid default in the case of early delinquent customers, and to restructure and cure non-performing loans.

By relying on its own collection procedures, the Issuer carries out active early receivables management (soft collection), restructuring and collateral enforcement. The Issuer believes that this can create value for shareholders while maintaining relationships with relevant customers. In order to avoid the accumulation of non-performing loans within its NPL portfolio, the time period for in-house management of non-performing loans is limited (1-1.2 years is recommended for standard customers, depending on the product and type of customer), after which such non-performing loans are sold on the market.

Based on the current macroeconomic situation, the management of the Issuer expects its NPL portfolio to remain at its current level. Any potential future increase in the Issuer's NPL portfolio may decrease the market price of its receivables and have an impact on the Issuer's profits.

2.7 *Special asset-liability structure of the Issuer*

Since the Issuer operates as a mortgage credit institution under stringent legal requirements, it has a special asset-liability structure as compared with that generally characterising commercial banks in the Hungarian banking system. The Issuer primarily funds its mortgage refinancing business by issuing mortgage bonds. Mortgage loans have long-term maturities and provide for repayments in the form of annuities with principal amounts being subject to amortisation on a periodic basis. Mortgage bonds, on the other hand, are shorter-term obligations of the Issuer with bullet repayments. Consequently, financing mortgage loans through the issuance of mortgage bonds exposes the Issuer to (funding) liquidity risks (besides interest rate risks).

Furthermore, as the activities of a mortgage credit institution, such as the Issuer, are strictly limited by statute, the Issuer may not take deposits and, therefore, its refinancing possibilities heavily depend on its ability to issue mortgage bonds (including the Mortgage Bonds) and access wholesale lending markets on adequate economic terms. To the extent that the volume of, or the Issuer's ability to access on commercially reasonable terms and/or in a timely manner, these funding sources becomes constrained, the Issuer may face funding gaps, in particular, in periods of turmoil or in the event of unexpected governmental interventions in the markets where it operates.

2.8 *Refinancing risk*

Mortgage loans granted by the Issuer usually have maturities beyond the maturity of the corresponding funding, which results in the Issuer's dependence on its ability to continuously refinance its maturing debts with new funding. The Issuer's funding capacity and ability to raise funding can deteriorate due to a number of different causes, such as, *inter alia,* a lowered credit rating, large financial losses, rumours, market price changes that affect the size of liquidity reserves, increase in interest rates and/or a widening of credit spreads. Some of these factors may also increase the Issuer's need for funding through, for example, a higher amount of collateral demanded by the counterparties to certain financing transactions.

As a result of turmoil or crises in the financial and capital markets (such as the recent energy crisis and inflation) the Issuer may encounter difficulties in obtaining funding or may only be able to obtain funding at elevated costs. The inability of the Issuer to anticipate or provide for unforeseen decreases or changes in funding sources and to finance itself would have a material adverse effect on the Issuer's ability to meet its obligations when they fall due under the Mortgage Bonds.

2.9 *Interest rate risks specific to the Issuer*

As a consequence of its distinctive asset-liability structure, the Issuer earns interest primarily from mortgage loans and refinanced mortgage loans and pays interest mainly to the holders of mortgage bonds. An increase in interest rates may reduce the demand for refinanced mortgage loans. Conversely, a decrease in the general level of interest rates may adversely affect the Issuer through, *inter alia*, increased prepayments on the Issuer's mortgage loan portfolio. Changes in interest rates may also affect the Issuer's ability to issue mortgage bonds.

A mismatch in interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material adverse effect on the financial condition and results of operations of the Issuer.

2.10 *The Issuer is exposed to risks associated with movements in interest rates*

The Issuer may fund its assets with fixed and/or relatively high interest rates, by liabilities obtained at floating and/or lower interest rates, and vice versa. Interest rate risk may also arise when interest rate fixing periods on assets and liabilities do not coincide. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material adverse effect on the financial conditions and results of operations of the Issuer.

Interest rates are highly sensitive to many factors beyond the Issuer's control, including monetary policies and domestic and international economic and political conditions. Changes in market interest rates (including changes in the difference between prevailing short-term and long-term rates) and correlations between changes in interest rates in the reference markets and interest margins could affect the interest rates the Issuer charges on its interest-earning assets in a different way to the interest rates they pay on their interest-bearing liabilities. This difference could reduce the Issuer's net interest income. In particular, as a result of the measures taken by governments in response to economic or energy crises, there may be further increases in the level of the fiscal deficit and state indebtedness in Hungary which may, in turn, result in the cost of borrowing rising for the Issuer, and consequently lower profitability or losses where the interest expenses of the Issuer exceed the interest income received on their interest-earning assets. If interest rates remain higher than expected, the Issuer may face increased interest expenses which may have a material adverse effect on the financial conditions and results of operations of the Issuer.

2.11 *The Issuer could be adversely affected by fluctuations in currency exchange rates*

The Issuer is exposed to foreign exchange risk because a part of the assets and liabilities may be denominated in a currency different from those of certain of the liabilities funding such assets.

In addition, the Issuer and the banking sector may become subject to governmental interventions and measures that aim to alleviate the effects of increased delinquency rates on foreign currency denominated loans granted to borrowers without matching foreign currency income as a result of the significant foreign exchange rate volatility in recent periods.

The Issuer may also face increased competition from competitors that benefit from currency depreciation or appreciation in their respective markets. The Issuer may not be able to adjust its prices, costs or hedging strategies in a timely or effective manner to mitigate the impact of currency exchange rate fluctuations and may incur losses or opportunity costs as a result. Accordingly, investors should be aware that currency exchange rate fluctuations could have a material adverse effect on the Issuer's business, financial condition and results of operations.

2.12 *The Issuer is subject to the risk that the value of its assets could be impaired by market risks*

Fluctuations in debt and equity markets or changes in trading parameters influencing market prices (including, among other things, interest rates, credit spreads, bond prices, other security and commodity prices, derivative prices, prices of other marketable assets, indirect indicators such as implied volatility of, and correlations between, the foregoing and general financial market liquidity risks (e.g. the risks of not obtaining any requisite funding or selling assets as needed)) may affect the market value and liquidity of the Issuer's assets and may lead to impairment charges or the write-down of goodwill. Changes in interest rate levels, yield curves and spreads may affect the Issuer's net revenue margin.

Asset-liability management activities and hedging strategies of the Issuer (or the availability of such hedging strategies) may also be adversely affected by market volatility, as well as the fact that the Issuer's business activities are limited under the Mortgage Credit Institutions Act.

Furthermore, the fair value of financial instruments held by the MBH Group, including bonds (government, bank bonds, other issuers' covered bonds), loans measured at fair value through profit or loss ("**FVTPL**"), derivatives are also subject to the volatility of, and correlations between, market prices and trading parameters. To the extent that volatile market conditions persist or recur, the fair value of the Issuer's bond, derivative and credit portfolios could fall more than estimated, and therefore cause record write-downs. Furthermore, these developments may lead to material losses if the Issuer cannot close out deteriorating positions. Monitoring the deterioration in the value of positions taken may, at the same time, be particularly difficult in the case of assets which are not traded on stock exchanges or on organised over-the-counter markets, such as certain derivative contracts between banks, and whose value is calculated by using financial models, rather than on the basis of publicly quoted prices.

Adverse market movements and/or a failure to identify and adequately manage any of the foregoing risks may have a negative impact on the Issuer's businesses, financial condition and results of operations, and thus on the Issuer's ability to service its respective payment obligations under the Mortgage Bonds.

2.13 The MBH Group may be adversely affected by the risks associated with the merger

In 2022, Budapest Bank and Takarék Holding, and subsequently in 2023 Takarékbank merged into MKB Bank Plc. With the completion of the merger, Hungary's second largest bank was created in terms of total assets. The completion of the merger involved complex legal, operational and financial integration processes that may have adverse effects on the MBH Group's business, results of operations, financial condition and prospects.

Furthermore, as at the date of this Base Prospectus, residual post-merger integration activities, IT systems and process harmonisation, and the realisation of expected synergies continue to present operational and financial risks that could adversely affect the MBH Group's business, results of operations, financial condition and prospects.

2.14 The MBH Group may be unable to raise new debt

The Issuer's, as member of the MBH Group, strategy is based on, among other things, certain financial expectations, including its ability to raise new capital and/or debt. Several factors, including the perceived creditworthiness of the MBH Group (including any credit ratings assigned to any MBH Group member or any of such member's debt obligations) as well as adverse macroeconomic conditions, significant or unexpected changes in the regulation of the banking sector in Hungary and the CEE region, and loss of confidence by investors, counterparties and/or customers in the MBH Group, may affect the ability of the MBH Group and the Issuer to access the capital markets and/or the cost and other terms upon which the MBH Group and the Issuer is able to obtain market funding.

2.15 The Issuer's profitability is subject to its customers' demands to prepay

The volatility of interest rates and foreign exchange rates will increase demands for prepayment among the Issuer's and its refinanced partner banks' customers, which could adversely affect the Issuer's profitability.

The refinancing arrangements between the Issuer and its partner banks foresee that any mortgage loans refinanced by the Issuer and prepaid by the borrower are to be replaced by the partner bank with another mortgage loan. Since the second quarter of 2018, the Issuer has ceased originating new mortgage loans. The existing portfolio of mortgage loans previously originated by the Issuer remains on its balance sheet until their respective maturities.

In this context, prepayment risk means an increasingly significant exposure for the Issuer, especially due to the legislative provisions applicable to mortgage loans, which are granted to consumers. Pursuant to the Hungarian Consumer Credit Act (as defined below), consumer borrowers are entitled at any time to discharge, in whole or in part, their obligations under their credit agreements, including mortgage-backed loans. Further, the provisions of the Consumer Credit Act impose limitations on the right of credit institutions to recover their losses and costs incurred as a consequence of a prepayment by consumer borrowers. This in turn requires more stringent asset-liability management, further increasing the cost of funding for the Issuer.

Any legislative measures that may facilitate prepayments and/or early repayments by borrowers or impose further restrictions on the Issuer ability to recoup possible losses from such prepayments and/or early repayments, such as an early repayment scheme for certain foreign currency denominated loans, may have an adverse effect on the businesses, financial condition and results of operations of the Issuer.

2.16 The Issuer faces risks associated with the implementation of the MBH Group's business strategy

The MBH Group intends to continue to explore and pursue opportunities to strengthen and grow its business generally. The success of the Issuer's business, financial position and results of operations, in general, depends, in part, on the success of the MBH Group's business strategy. The MBH Group's success is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Furthermore, the realisation of the MBH Group's strategic objectives could be compromised by the unforeseen consequences of international conflicts, pandemics, economic downturns or energy crises.

2.17 Environmental, social and governance ("ESG") risks may adversely affect the Issuer's financial condition and results of operations

The MBH Group, including the Issuer, is exposed to ESG risks that may result in current or future financial losses affecting clients, counterparties or invested assets. Through its refinancing partners and clients, whose financial condition may be adversely affected by environmental factors, the Issuer, as a member of the MBH Group, is exposed to both transition and physical risks. Transition risks may arise from compliance with new environmental regulations, the costs of adopting lower-impact technologies, and the need to realign products, services and operating models with evolving consumer preferences and market demand driven by heightened environmental awareness. Physical risks may manifest through more frequent or severe weather events (such as droughts, floods, storms, wildfires and heatwaves) and through longer-term climatic and ecological changes (including declining soil fertility, reductions in pollinator species, temperature shifts, diminishing water resources and loss of biodiversity). Environmental harm caused directly by human activity, such as destruction of natural habitats or arable land, may also impair counterparties' financial performance. Collectively, these factors can weaken the refinancing parnerbanks of the Issuer and clients' ability to meet their obligations, which could adversely affect the MBH Group's and the Issuer's financial condition and results of operations.

3. RISKS RELATED TO THE OPERATIONAL AND COMPETITIVE ENVIRONMENT

3.1 The Issuer is exposed to the failure or malfunctioning of its information technology systems

The activities of the Issuer are dependent on sophisticated central information technology ("**IT**") systems of the MBH Group. The Issuer's IT infrastructure is highly embedded in MBH Group's IT system. In general IT systems are exposed to a number of risks, such as computer virus infection, malicious hacking, physical damage to vital IT centres and software or hardware malfunctions. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, they will be adequately addressed. The occurrence of any failures or interruptions could result in a loss of customer data and/or an inability to service the Issuer's customers, which could have a material adverse effect on the Issuer and the MBH Group's reputation, financial condition and results of operations.

In addition, the Issuer and the MBH Group's operations rely on the secure processing, storage and transmission of confidential and other information in their computer systems and networks. Although the Issuer and the MBH Group take protective measures and endeavour to modify them as circumstances warrant, their computer systems, software and networks may be vulnerable to unauthorised access and other events that could have a security impact. Given the high volume of transactions of the Issuer and the MBH Group, certain errors may be repeated or compounded before they are discovered and rectified. If such events occur, this could potentially jeopardise the Issuer's, the MBH Group's, their clients', counterparties' or third parties' confidential and other information processed and stored in, and transmitted through, the Issuer's and/or the MBH Group's computer systems and networks, or otherwise cause interruptions or malfunctions in the Issuer's and the MBH Group's, their clients', counterparties' or third parties' operations, which could result in significant losses or reputational damage.

3.2 The Issuer is subject to the risk that its risk management controls may not be effective

The MBH Group has implemented comprehensive risk management strategies and systems aimed at adequately identifying and measuring the risks they face, such as the incidence of loan losses or delinquency, and at mitigating those risks. Although the Issuer and the MBH Group invest substantial time and effort in their risk management strategies and systems, such procedures may nonetheless fail under some circumstances, particularly when confronted with risks that are not identified or anticipated.

Furthermore, the methods and models applied by the MBH Group for risk measurement and control only model the risks anticipated by such methods and models, and cannot, therefore, guarantee with any certainty that each and every risk in every circumstance will be identified, hedged and controlled. Any failure of the risk management system and strategies of the Issuer may lead to unexpected losses from unidentified or incorrectly evaluated market developments, trends or other circumstances, which in turn may affect the Issuer's ability to fulfil its obligations under the Mortgage Bonds.

3.3 The Issuer's information systems and networks are vulnerable to privacy or data protection failures and cyber-security risks

The Issuer is subject to regulation regarding the processing (including disclosure and use) of personal data. The Issuer processes significant volumes of personal data relating to customers as part of its business, some of which may also be classified under legislation as sensitive personal data. The Issuer must therefore comply with strict data protection and privacy laws and regulations.

The Issuer also faces the risk of a breach in the security of its IT systems, for example from increasingly sophisticated attacks by cybercrime groups with criminal or malicious intent, including attacks designed to overload the Issuer's and MBH Group's systems. The Issuer is subject to the risk that any cyber-attack may result in data breaches and/or a temporary loss of operational availability of the Issuer's systems to its employees and/or customers which could have a material adverse effect on the Issuer's business, financial conditions, reputation and operating results.

There is a risk that the MBH Group including the Issuer's investment in its information security controls may not fully keep pace with the evolving threat landscape, such as cybercrime and fraud, and it may not fully ensure that controls for known threats remain robust. The risks associated with cyber-attacks, where an individual or group seeks to exploit vulnerabilities in IT systems for financial gain or to disrupt services, pose a risk, that requires constant attention from the Issuer.

The Issuer seeks to mitigate such risks as much as possible, including by ensuring that systems and procedures aligned to regulatory requirements and industry best practices are in place. Despite the best efforts of the Issuer, certain risks might materialise.

3.4 The Issuer is subject to personnel risks

The Issuer and the MBH Group are exposed to personnel risks, in particular, qualification, fluctuation, availability and engagement risks. The Issuer and the MBH Group's current senior management team includes a number of executives who the Issuer believes contribute significant experience and expertise to their management in the banking sector in which the Issuer operates. The continued success of the Issuer's businesses and the Issuer's ability to execute its business strategy will depend, in large part, on the efforts of senior management. Compensation is a key element of retaining and engaging highly qualified employees. At the same time, EU and Hungarian legislation imposes significant restrictions as to the remuneration policies that may be applied by credit institutions (such as the Issuer and the MBH Group) including, among other things, the requirement that remuneration policies be consistent with, and promote, sound and effective risk management, do not encourage risk-taking that exceeds the level of tolerated risk in respect of the relevant credit institution and distinguish between basic fixed remuneration and variable (or performance-based) remuneration. If a substantial portion of the Issuer's senior management leaves, the business of the Issuer may be materially adversely affected.

3.5 The Issuer operates in markets where competition is high and this may increase significantly in the future

The Issuer is subject to intense competition which is expected to increase further in future with the implementation of the European single market in the financial services sector. Apart from local competitors, other international banks may enter the Hungarian banking market, thus increasing the pressure on profit margins of the Issuer, as a member of the MBH Group.

There can be no assurance that the Issuer can maintain its competitive position. If the Issuer is unable to maintain its market position it may have a material adverse effect on its business, financial conditions.

4. RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT

4.1 The Issuer is subject to changes to government policy and regulation

In response to the severe market conditions arising from the 2007/2009 global financial crisis, central banks and governments throughout the world have adopted several measures aimed at increasing liquidity and promoting the stability of the financial markets. In particular, numerous governments in the EU have provided additional capital and funding facilities to financial institutions and are implementing other measures including increased regulatory oversight and administrative restrictions as well as additional capital requirements. In an unfavourable macroeconomic environment, the Hungarian Government may impose additional sector specific taxes on the financial sector in order to preserve public finances, which may represent significant additional costs for the Issuer and the MBH Group.

As a result of these and other ongoing and possible future changes in the financial services regulatory landscape, the Issuer and the banking sector may face greater regulation in Hungary. Compliance with such changes may increase its capital requirements and costs, heighten disclosure requirements, hinder its ability to enter into or carry out certain types of transactions, affect the Issuer's and MBH Group's strategy and limit or require modification of the rates or fees that it charges on certain loan and other products, any of which could lower the return ratio on its assets and equity. The Issuer may thus face increased compliance costs and limitations on its ability to pursue certain business opportunities.

Although the members of the Issuer within MBH Group work closely with their regulators and continuously monitor the regulatory environment, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer. Laws and regulations may change from time to time due to political, economic, social or environmental factors, or as a result of international agreements or sanctions. Such changes may impose new or additional obligations, costs, taxes, restrictions or liabilities on the Issuer.

Credit institutions in Hungary (such as the Issuer) are also subject to special taxes, including a banking tax and, most recently, a special tax on extraordinary profits. These special taxes may be subject to unfavourable modifications, potentially resulting in higher tax rates and extended durations beyond the initial announcements, potentially placing additional pressure on the Issuer's profitability. Any of the foregoing may have an adverse effect on the Issuer's businesses, financial condition and results of operations.

4.2 The Issuer is subject to changes in Hungarian housing policy

The Issuer's businesses and revenues therefrom may, in particular, be adversely affected by restrictive fiscal or other austerity policies or measures adopted by the Hungarian Government. A significant risk relating to the legislative environment may especially stem from changes in Hungarian housing policy and amendments to the regime of housing subsidies. The Issuer monitors changes in the legislative environment and draws up models to explore its short-term and long-term impact on its profitability and financial plans. Any changes in regulation may affect future demand for subsidised loans but would not be expected to impact on existing subsidised loan agreements.

4.3 The Issuer is exposed to litigation risk

The Issuer and the MBH Group may from time to time be subject to litigation, including representative actions for the protection of the collective interests of consumers, whether of a substantive or vexatious nature. Such litigation, if not dismissed at an early stage or decided contrary to the best commercial interests of the Issuer or the MBH Group, may have an adverse impact on the operations of the Issuer or the MBH Group. Furthermore, such cases may include claims or actions in which the petitioner or plaintiff has not specifically, or not in whole, quantified the penalties or damages sought. In these circumstances, it may, in particular, be difficult to predict the outcome of a dispute and estimate possible losses in a reliable manner and, therefore, to set aside adequate provisions for such possible losses.

4.4 The Issuer is exposed to the risk of fraud and illegal activities

The Issuer, as a member of the MBH Group is subject to rules and regulations related to money laundering, anti-bribery and terrorism financing. Compliance with anti-money laundering, anti-bribery and anti-terrorist financing rules entails significant cost and effort, including obtaining information from clients and other third parties. Non-compliance with these rules applied in the MBH Group may have serious consequences, including adverse legal and reputational consequences. Although the MBH Group including the Issuer has anti-money laundering, anti-bribery and counter-terrorism financing policies and procedures which aim to ensure compliance with applicable legislation and strive for zero tolerance of any violations, it may not always be successful in identifying all instances of suspicious activity, fraud or human error and, therefore, may not be able to comply at all times with all rules applicable to money laundering, anti-bribery and terrorism financing as extended to the whole MBH Group and applied to its workers in all circumstances. In addition, the Issuer may be exposed to reputational risk arising from the activities or associations of its counterparts and customers, including where such counterparts or customers are themselves found to be involved in, or suspected of, money laundering, bribery, terrorism financing or other illegal activities, even where the Issuer has not itself been at fault. As a general statement, a violation, or even any suspicion of a violation, of any of these rules may have serious legal and financial consequences, which could have a material adverse effect on the Issuer's reputation, business, financial condition and results of operations.

4.5 The Issuer is subject to compliance with economic sanctions programmes

The Issuer's operations, as an MBH Group member, are subject to various anti-corruption laws and constantly changing economic sanction programmes, including those administered by the United Nations, the UK and the EU, as well as those of the United States Department of Treasury's Office for Foreign Assets Control (OFAC). The anti-corruption laws generally prohibit providing anything of value for the purposes of obtaining or retaining business or securing any improper business advantage. As part of its business, the Issuer may deal with entities whose employees are considered government officials. In addition, economic sanctions programmes restrict the Issuer's business dealings with certain sanctioned countries, individuals and entities. Although as at the date of this Base Prospectus the Russian-Ukrainian conflict has no quantifiable effect on the Issuer and the MBH Group, the Issuer cannot give any assurance that the current sanctions regimes directed at Russia will not have a material impact in the future. The Issuer and the MBH Group do not have any branches in Russia or Ukraine.

Although the Issuer and the MBH Group have internal policies and procedures and monitoring measures designed to ensure compliance with applicable anti-corruption laws and sanctions regulations, these policies and procedures cannot provide complete assurance that the Issuer's employees, directors, officers, clients, partners, agents, service providers or introducing parties will not take actions in violation of its policies and procedures (or otherwise in violation of the relevant anti-corruption laws and sanctions regulations) for which the Issuer or they may be ultimately held responsible. Litigation or investigations relating to alleged or suspected violations of anti-corruption laws and sanctions regulations could lead to financial penalties being imposed on the Issuer, limits being placed on the MBH Group's and the Issuer's activities, the Issuer's authorisations and licences being revoked, damage to the Issuer's reputation and other consequences that could have a material adverse effect on the Issuer's business, financial condition and results of operations. Further, violations of anti-corruption laws and sanctions regulations could be costly.

4.6 The MNB may identify issues during inspections of the Issuer in the future which, if not adequately resolved by the Issuer, may result in sanctions, fines or other penalties

In the ordinary course of its activities, the Issuer is subject to the special supervision of the MNB in accordance with the Mortgage Credit Institutions Act.

If any irregularities are found by these supervisory authorities and the Issuer fails to remedy them (provided that such possibility is given) the Issuer may be exposed to sanctions, fines and other penalties as prescribed by the relevant laws. This could affect the business, financial condition and results of operations of the Issuer.

4.7 Risks arising from the Issuer's ownership structure and membership in the Integration Organisation

MBH Investment Bank Co. Ltd. ("**MBH Investment Bank**") which is a subsidiary of MBH Bank and a direct shareholder of the Issuer. The Issuer is also a member of the Integration Organisation, see "*Description of the Issuer – The Issuer's position within the MBH Group, the MBH Integration Group and the Integration Organisation*". The Issuer cooperates closely with MBH Group members and, under Section 5/A (1) of the Act CXXXV of 2013 on the Integration of Cooperative Credit Institutions (the "**Integration Act**"), the Integration Organisation and its members are jointly and severally liable for each other's obligations pursuant to the Act V of 2013 on the Civil Code (the "**Civil Code**"). This joint and several liability extends to all claims against the Integration Organisation and its members, regardless of when such claims arose. Changes in the Issuer's ownership structure or in the membership or structure of the Integration Organisation may impact the Issuer's business strategy and financial position, and may alter the scope of obligations and parties subject to joint and several liability. Upon the commencement of liquidation proceedings in respect of the Issuer, the assets in the ordinary cover pool shall, pursuant to Section 20(5) of the Mortgage Credit Institutions Act, be applied first to satisfy liabilities to holders of mortgage bonds (including the Mortgage Bonds issued under the Programme). Accordingly, claims under the Mortgage Bonds have priority over claims arising under the Issuer's joint and several liability obligation described above.

RISKS RELATING TO THE MORTGAGE BONDS

1. RISKS RELATING TO THE MORTGAGE BONDS GENERALLY

1.1 The Issuer may not be liable to pay certain taxes

All payments of principal, interest and any other amounts in respect of the Mortgage Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts so that the Mortgage Bondholders and the Couponholders receive the same amounts they would have received had no such withholding or deduction been required, subject to certain exceptions as described in Condition 11 (*Taxation*).

1.2 Transfer to another institution

In the event of the transformation, restructuring or liquidation of the Issuer, the Issuer's obligations under the Mortgage Bonds may, together with the relevant asset cover, be transferred to another mortgage loan credit institution pursuant to the Mortgage Credit Institutions Act. While such a transfer requires the prior approval of the MNB and the agreement of the transferee institution, it does not require the consent of the holders of the Mortgage Bonds. As part of any such transfer, the existing Mortgage Bonds would be cancelled and replaced by new mortgage bonds ("**New Mortgage Bonds**") issued by the transferee mortgage loan credit institution to the holders of the Mortgage Bonds on the same terms and conditions as those Mortgage Bonds so cancelled. Mortgage Bondholders should be aware that, in such circumstances, they would not be entitled to declare their Mortgage Bonds due and payable under Condition 12 (*Events of Default*), although this does not prejudice any rights a Bondholder may have under the New Mortgage Bonds.

By purchasing the Mortgage Bonds, the Mortgage Bondholders accept the risk that such a transfer may occur without their consent.

1.3 Holders may not require the redemption of the Mortgage Bonds prior to their maturity

Save where the Holders have a put right, the Issuer is under no obligation to redeem the Mortgage Bonds at any time prior to their stated Maturity Date and the Holders of such Mortgage Bonds have no right to require the Issuer to redeem or purchase such Mortgage Bonds at any time. Holders may not be able to sell such Mortgage Bonds in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Mortgage Bonds.

1.4 There is no active trading market for the Mortgage Bonds

The Mortgage Bonds are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Mortgage Bonds which is already issued). Although applications have been made for the Mortgage Bonds to be admitted to the official list and trading on the Luxembourg Stock Exchange's regulated market there can be no assurance that such application will be accepted, that any particular Tranche of Mortgage Bonds will be so admitted, or that an active trading market will develop or, if developed, that it will continue. In addition, the ability of the Dealers to make a market in the Mortgage Bonds (if applicable) may be impacted by changes in regulatory requirements applicable to the marketing, holding and trading of, and issuing quotations with respect to, the Mortgage Bonds. Therefore, investors may not be able to sell their Mortgage Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Mortgage Bonds. If the Mortgage Bonds are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

1.5 A downgrade of the credit rating assigned by any credit rating agency to the Issuer or, if applicable, to the Mortgage Bonds could adversely affect the liquidity or market value of the Mortgage Bonds. Credit ratings downgrades could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies

Tranches of Mortgage Bonds issued under the Programme may be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that any Mortgage Bonds issued by them under the Programme are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market value of the Mortgage Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the credit rating agency at any time.

Any rating assigned to the Issuer and/or the Mortgage Bonds may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgement, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the Issuer's key markets; the level of political support for the industries in which the Issuer operates; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to an issuer within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Mortgage Bonds, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Mortgage Bonds on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Mortgage Bonds (whether or not the Mortgage Bonds had an assigned rating prior to such event).

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the EU CRA Regulation. Similarly, in general, UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the UK and registered under the UK CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the UK but is endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation or (2) the rating is provided by a credit rating agency not established in the UK which is certified under the UK CRA Regulation.

1.6 Modifications and waivers

The Conditions contain provisions for calling meetings of Mortgage Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Mortgage Bondholders including Mortgage Bondholders who did not attend and vote at the relevant meeting and Mortgage Bondholders who voted in a manner contrary to the majority.

Accordingly, there is a risk that the terms of the Mortgage Bonds, the Conditions or the Agency Agreement may be modified, waived or amended in circumstances where a Mortgage Bondholder does not agree to such modification, waiver or amendment, which may adversely impact the rights of such Mortgage Bondholder.

1.7 No Cover Pool Due Diligence

Mortgage Bondholders will not have the ability to investigate the cover pool related to the Mortgage Bonds but will instead rely on the obligations of the Issuer under the Mortgage Credit Institutions Act and the investigations of the independent cover pool monitor see "*Overview of the Hungarian Mortgage Bond Regulation – The role of the Cover Pool Monitor*". The Managers have not undertaken and will not undertake any investigations, searches or other actions in respect of any assets contained or to be contained in the cover pool related to the mortgage bonds issued by the Issuer.

1.8 Changes in law may adversely affect the rights of Holders

Changes in law after the date hereof may affect the rights of Mortgage Bondholders as well as the market value of the Mortgage Bonds. The Conditions are based on English and Hungarian law in effect as of the date of issue of the relevant Mortgage Bonds. No assurance can be given as to the impact of any possible judicial decision or change to English or Hungarian law or administrative practice after the date of issue of the relevant Mortgage Bonds (including changes to the Mortgage Credit Institutions Act). Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Mortgage Bonds, which may have an adverse effect on an investment in the Mortgage Bonds.

In addition, any change in law or regulation that triggers certain specified events relating to taxation, would, in the case of certain Mortgage Bonds, entitle the Issuer, at its option, to redeem the Mortgage Bonds, in whole but not in part, as provided under Condition 8(b) (*Redemption and Purchase – Redemption for tax reasons*).

Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the Mortgage Bonds and, therefore, affect the trading price of the Mortgage Bonds given the extent and impact on the Mortgage Bonds that one or more regulatory or legislative changes, including those described above, could have on the Mortgage Bonds.

1.9 Holders of the Mortgage Bonds will only be able to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

Mortgage Bonds issued under the Programme may be represented by one or more Global Bearer Mortgage Bonds or Global Registered Mortgage Bonds (together the "**Global Mortgage Bonds**") (as the case may be). Such Global Mortgage Bonds will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Mortgage Bond, holders of the Mortgage Bonds will not be entitled to receive definitive Mortgage Bonds or, in the case of Global Registered Mortgage Bonds, Individual Mortgage Bond Certificates. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Mortgage Bonds. While the Mortgage Bonds are represented by one or more Global Mortgage Bonds, holders of the Mortgage Bonds will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

While the Mortgage Bonds are represented by one or more Global Mortgage Bonds the Issuer will discharge its payment obligations under the Mortgage Bonds by making payments to the common safekeeper for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Mortgage Bond must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Mortgage Bonds. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Mortgage Bonds.

Holders of beneficial interests in the Global Mortgage Bonds will not have a direct right to vote in respect of the relevant Mortgage Bonds. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Mortgage Bonds will not have a direct right under the Global Mortgage Bonds to take enforcement action against the Issuer in the event of a default under the relevant Mortgage Bonds but will have to rely upon their rights under the Deed of Covenant.

2. RISKS RELATING TO THE PARTICULAR STRUCTURE OF THE MORTGAGE BONDS

2.1 If the Issuer has the right to redeem the Mortgage Bonds at its option, this may limit the market value of such Mortgage Bonds concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similarly effective return

An optional redemption feature of Mortgage Bonds is likely to limit the market value of such Mortgage Bonds. During any period when the Issuer may elect to redeem the Mortgage Bonds, or there is a perception that the Issuer is able to redeem the Mortgage Bonds, the market value of the Mortgage Bonds generally will not rise substantially above the price at which they can be redeemed. Further, during periods when there is an increased likelihood, or perceived increased likelihood, that such Mortgage Bonds will be redeemed early, the market value of the Mortgage Bonds may be adversely affected.

If the Issuer redeems such Mortgage Bonds in any of the circumstances mentioned above, there is a risk that the Mortgage Bonds may be redeemed at times when the redemption proceeds are less than the current market value of the Mortgage Bonds or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect to redeem such Mortgage Bonds, and if so whether the Issuer will satisfy the conditions, or elect, to redeem the Mortgage Bonds. The Issuer may be more likely to exercise its option to redeem the Mortgage Bonds if the Issuer's funding costs would be lower than the prevailing interest rate payable in respect of the Mortgage Bonds. If such Mortgage Bonds are so redeemed, there can be no assurance that Holders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Mortgage Bonds.

2.2 Mortgage Bonds issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero Coupon Mortgage Bonds) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

2.3 Interest Rate and Exchange Rate Risks

Investment in fixed rate Mortgage Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of fixed rate Mortgage Bonds.

2.4 Integral multiples

In relation to any Mortgage Bonds which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Mortgage Bonds may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of the minimum Specified Denomination. Mortgage Bondholders who, as a result of trading such amounts, hold a principal amount of Mortgage Bonds other than a multiple of the minimum Specified Denomination will receive definitive Mortgage Bonds in respect of their holding (provided that the aggregate amount of Mortgage Bonds they hold is in excess of the minimum Specified Denomination), however, any such definitive Mortgage Bonds which are printed in denominations other than the minimum Specified Denomination may be illiquid and difficult to trade. Furthermore, a Mortgage Bondholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination may not receive a definitive Mortgage Bond in respect of such holding (should definitive Mortgage Bonds be printed) and would need to purchase a principal amount of Mortgage Bonds such that its holding amounts to a Specified Denomination.

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the Mortgage Bondholders and Couponholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Mortgage Bonds, except as provided for in Condition 11 (*Taxation*).

2.5 If an investor holds Mortgage Bonds which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Mortgage Bonds could result in an investor not receiving payments on those Mortgage Bonds

The Issuer will pay principal and interest on the Mortgage Bonds in the currency specified in the applicable Final Terms (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (1) the Investor's Currency-equivalent yield on the Mortgage Bonds; (2) the Investor's Currency equivalent value of the principal payable on the Mortgage Bonds; and (3) the Investor's Currency equivalent market value of the Mortgage Bonds.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Mortgage Bond. As a result, investors may receive less interest or principal than expected, or no interest or principal.

2.6 *Regulation of benchmarks may lead to future reforms or discontinuation*

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rates or other types of rates and indices which are deemed to be benchmarks have been subject to significant regulatory scrutiny and legislative intervention in recent years. This relates not only to creation and administration of benchmarks, but, also, to the use of a benchmark rate. In the EU, for example, the Benchmarks Regulation applies to the provision of, contribution of input data to, and the use of, a benchmark within the EU. Similarly, Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK Benchmarks Regulation**") applies to the provision of, contribution of input data to, and the use of, a benchmark within the UK, subject to certain transitional provisions.

Legislation such as the Benchmarks Regulation or the UK Benchmarks Regulation, if applicable, could have a material impact on any Mortgage Bonds linked to EURIBOR or another benchmark rate or index – for example, if the methodology or other terms of the benchmark are changed in the future in order to comply with the terms of the Benchmarks Regulation or UK Benchmarks Regulation or other similar legislation, or if a critical benchmark is discontinued or is determined to be by a regulator to be "no longer representative". Such factors could (amongst other things) have the effect of reducing or increasing the rate or level or may affect the volatility of the published rate or level of the benchmark. They may also have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks", or lead to the discontinuance or unavailability of quotes of certain "benchmarks".

In particular, the Benchmarks Regulation requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not so authorised or registered. The UK Benchmarks Regulation imposes similar requirements in respect of UK supervised entities. If the administrator of a benchmark referenced by floating rate Mortgage Bonds fails to obtain or maintain such authorisation or registration, it could become unlawful to use that benchmark.

Although EURIBOR has subsequently been reformed in order to comply with the terms of the Benchmarks Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with the Euro Short Term Rate ("**€STR**") or an alternative benchmark.

The elimination of EURIBOR or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 6(n) (*Benchmark Replacement (Independent Adviser)*)), or result in adverse consequences to holders of any Mortgage Bonds linked to such benchmark (including floating rate Mortgage Bonds whose interest rates are linked to EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Mortgage Bonds, the return on the relevant Mortgage Bonds and the trading market for securities (including the Mortgage Bonds) based on the same benchmark.

2.7 *The administrator of SONIA, SOFR or €STR or any related indices may make changes that could change the value of SONIA, SOFR or €STR or any related index, or discontinue SONIA, SOFR or €STR or any related index*

Newer reference rates or any related indices and rates that fall outside the scope of the Benchmarks Regulation and UK Benchmarks Regulation may also be subject to changes or discontinuation. For example, the Bank of England, the Federal Reserve, Bank of New York or the European Central Bank (or their successors) as administrators of SONIA (and the SONIA Compounded Index), SOFR (and the SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SONIA, SOFR or €STR, or timing related to the publication of SONIA, SOFR or €STR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SONIA, SOFR or €STR or any related index (in which case a fallback method of determining the interest rate on the Mortgage Bonds will apply). The administrator has no obligation to consider the interests of Mortgage Bondholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

2.8 Interest rate "fallback" arrangements may lead to Mortgage Bonds performing differently or the effective application of a "fixed rate"

If a relevant benchmark (including any page on which such benchmark may be published (or any other successor service)) becomes unavailable or a Benchmark Event or a Benchmark Transition Event (each as defined in the Conditions), as applicable, occurs, the Conditions of the Mortgage Bonds provide for certain fallback arrangements. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in accordance with the recommendation of a relevant governmental body or in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Mortgage Bonds may not achieve this objective.

Any such changes may result in the Mortgage Bonds performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. It is also possible that such an event may be deemed to have occurred prior to the issue date for a Series of Mortgage Bonds. Moreover, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions) in certain circumstances, the relevant fallback provisions may not operate as intended at the relevant time. Additionally, in certain circumstances, the ultimate fallback of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used, which may result in the effective application of a fixed rate for floating rate Mortgage Bonds based on the rate which was last observed on the Relevant Screen Page.

Any such consequences could have a material adverse effect on the value of and return on any such Mortgage Bonds. Investors should consult their own independent advisers and make their own assessment about the potential risks arising from the possible cessation or reform of certain reference rates in making any investment decision with respect to any Mortgage Bonds linked to or referencing a benchmark.

2.9 Methodologies for the calculation of risk-free rates (including overnight rates or forward-looking rates) as reference rates for floating rate Mortgage Bonds may vary and may evolve

"Risk-free" rates, such as the Sterling Overnight Index Average ("**SONIA**"), the Secured Overnight Financing Rate ("**SOFR**") and €STR, as reference rates for Eurobonds, have become more commonly used as benchmark rates for bonds in recent years. Most of the rates are backwards-looking, but the methodologies to calculate the risk-free rates are not uniform. Such different methodologies may result in slightly different interest amounts being determined in respect of otherwise similar securities.

The Issuer may in the future also issue Mortgage Bonds referencing SONIA, the SONIA Compounded Index, SOFR, the SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous Mortgage Bonds issued by it under this Programme.

Such variations could result in reduced liquidity or increased volatility or might otherwise affect the market price of any Mortgage Bonds that reference a risk-free rate issued under this Programme from time to time. In addition, investors should consider how any mismatch between applicable conventions for the use of reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Mortgage Bonds referencing such risk-free rates. Investors should consider these matters when making their investment decision with respect to any Mortgage Bonds which reference SONIA, SOFR, €STR or any related indices.

2.10 *It is not possible to calculate interest rates in advance for Mortgage Bonds which reference SONIA, SOFR, €STR or any related indices*

Interest on Mortgage Bonds which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may therefore be difficult for investors in Mortgage Bonds which reference such risk-free rates reliably to estimate the amount of interest which will be payable on such Mortgage Bonds.

Further, in contrast to Mortgage Bonds linked to interbank offered rates, if Mortgage Bonds referencing backwards-looking rates become due and payable as a result of an Event of Default under Condition 12 (*Events of Default*), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Mortgage Bonds shall be determined by reference to a shortened period ending immediately prior to the date on which the Mortgage Bonds become due and payable or are scheduled for redemption.

INFORMATION INCORPORATED BY REFERENCE

1. This Base Prospectus should be read and construed in conjunction with the information set out in the table below as contained in:

   the following pages of the audited standalone financial statements of the Issuer as at and for the year ended 31 December 2025, prepared in accordance with International Financial Reporting Standards as adopted by the EU (the "**IFRS**") and the supplementary requirements of Act C of 2000 on Accounting ("**Accounting Act**") (the "**2025 Financial Statements**"), available at https://www.mbhmortgagebank.hu/sw/static/file/MBHMortgageBank_Annualreportfortheyearending31.12.2025_ENG_260331_260616.pdf:

Standalone Statement of Financial Position	Page 4
Standalone Statement of Profit or Loss and Other Comprehensive Income	Pages 5-6
Standalone Statement of Changes in Equity	Page 7
Standalone Statement of Cash Flows	Pages 8-9
Notes to the Standalone Financial Statements...	Pages 10-99

   The above-mentioned document is an unofficial English translation of the 2025 Financial Statements that were originally prepared in the Hungarian language.

2. the independent auditor's report in respect of the 2025 Financial Statements ("**2025 Auditor's Report**") available at https://www.mbhmortgagebank.hu/sw/static/file/MBHJelzalogbankNyrt_HU-ASR-IFRS-Listed-PIEreport_e_signed_ENG.pdf, including all pages.

   The 2025 Auditor's Report is unqualified.

   The above-mentioned document is an unofficial English translation of the 2025 Auditor's Report that was originally prepared in the Hungarian language.

3. the following pages of the audited standalone financial statements of the Issuer as at and for the year ended 31 December 2024, prepared in accordance with IFRS and the supplementary requirements of the Accounting Act (the "**2024 Financial Statements**"), available at https://www.mbhmortgagebank.hu/sw/static/file/MBHJZB_2024annualreports_notsigned.pdf:

Standalone Statement of Financial Position	Page 4
Standalone Statement of Profit or Loss and Other Comprehensive Income	Pages 5-6
Standalone Statement of Changes in Equity	Page 7
Standalone Statement of Cash Flows	Page 8
Notes to the Standalone Financial Statements...	Pages 9-88

   The above-mentioned document is an unofficial English translation of the 2024 Financial Statements that were originally prepared in the Hungarian language.

4. the independent auditor's report in respect of the 2024 Financial Statements ("**2024 Auditor's Report**") available at https://www.mbhmortgagebank.hu/sw/static/file/MBHJZB2024auditorreportnotsigned.pdf, including all pages.

   The 2024 Auditor's Report is unqualified.

   The above-mentioned document is an unofficial English translation of the 2024 Auditor's Report that was originally prepared in the Hungarian language.

   In addition to the above, the following information shall be incorporated in, and form part of, this Base Prospectus as and when it is published on https://www.mbhmortgagebank.hu/for-investors/financial-data in accordance with the requirements of the Prospectus Regulation during the 12-month period of validity of this Base Prospectus:

5. the information set out in the following sections of any future annual report published by the Issuer after the date of this Base Prospectus, including any future audited standalone annual financial statements of the Issuer and the independent auditor's report in relation thereto:

Standalone Statement of Financial Position ....
Standalone Statement of Profit or Loss and Other Comprehensive Income ....
Standalone Statement of Changes in Equity ....
Standalone Statement of Cash Flows ....
Notes to the Standalone Financial Statements...
Independent Auditor's Report

6. the information set out in the following sections of any future interim report published by the Issuer after the date of this Base Prospectus, including any future unaudited interim standalone financial information of the Issuer and, if available, any independent auditor's review report in relation thereto:

Standalone Income Statement ....
Standalone Statement of Financial Position ....
Cash flow Statement ....
Statement of Shareholder's Equity ....
Notes to the interim standalone financial statements
Independent Auditor's Review Report on interim standalone financial information

For the avoidance of doubt, the Issuer's financial statements are prepared on a standalone basis, consolidated financial statements are not prepared.

Any future audited standalone annual financial statements and unaudited standalone interim financial information published by the Issuer and incorporated by reference pursuant to points 5 and 6 above, will constitute the Issuer's statutory financial statements prepared in accordance with relevant financial reporting regulations applicable to the Issuer from time to time, and will not be prepared specifically for purposes of this Base Prospectus. Any audit or review reports, if applicable, on such financial statements will also be prepared in accordance with statutory obligations and not specifically for purposes of this Base Prospectus.

References to the "**Documents Incorporated by Reference**" means the 2025 Financial Statements, the 2025 Auditor's Report, the 2024 Financial Statements, the 2024 Auditor's Report and the information incorporated by reference pursuant to points 5 to 6 above.

Except for the information incorporated by reference pursuant to points 5 to 6 above, the Documents Incorporated by Reference have been previously published by the Issuer and have been filed with the CSSF.

Such information in the Documents Incorporated by Reference shall be deemed to be incorporated in, and to form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein (including any information incorporated by reference pursuant to points 5 to 6 above) shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Other than in relation to the Documents Incorporated by Reference, the contents of the website of the Issuer or any other member of the MBH Group, the information on any other website to which this Base Prospectus refers or any website directly or indirectly linked to any such website have not been verified and do not form part of this Base Prospectus. The information on the websites to which this Base Prospectus refers has been filed with but has not been approved by the CSSF.

Where only certain parts of a document are incorporated by reference, the non-incorporated parts of the document are either not relevant to investors or are covered elsewhere in this Base Prospectus.

Any documents which are themselves incorporated by reference in the information incorporated by reference in this Base Prospectus will not form part of this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Mortgage Bonds, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Mortgage Bonds and the reasons for the issuance and its impact on the issuer. In relation to the different types of Mortgage Bonds which may be issued under the Programme the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Mortgage Bonds which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Mortgage Bonds.

Any information relating to the Mortgage Bonds which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Mortgage Bonds will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Mortgage Bonds which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Mortgage Bonds which is the subject of Final Terms are the Conditions described in the relevant Final Terms as amended or supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Mortgage Bonds which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

In the case of a Tranche of Mortgage Bonds which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise.

FORMS OF THE MORTGAGE BONDS

Bearer Mortgage Bonds

Each Tranche of Mortgage Bonds in bearer form ("**Bearer Mortgage Bonds**") will initially be in the form of either a temporary global Mortgage Bond in bearer form (the "**Temporary Global Mortgage Bond**"), without interest coupons, or a permanent global Mortgage Bond in bearer form (the "**Permanent Global Mortgage Bond**") (each a "**Global Mortgage Bond**"), without interest coupons, in each case as specified in the relevant Final Terms. The Mortgage Bonds will be issued in new global note ("**NGN**") form. Each Global Mortgage Bond will be deposited on or around the issue date of the relevant Tranche of the Mortgage Bonds with a common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**").

On 13 June 2006 the European Central Bank (the "**ECB**") announced that Mortgage Bonds in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Mortgage Bonds in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

Temporary Global Mortgage Bond exchangeable for Permanent Global Mortgage Bonds

If the relevant Final Terms specifies the form of Mortgage Bonds as being "Temporary Global Mortgage Bond exchangeable for a Permanent Global Mortgage Bond", then the Mortgage Bonds will initially be in the form of a Temporary Global Mortgage Bond which will be exchangeable, in whole or in part, for interests in a Permanent Global Mortgage Bond, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Mortgage Bonds upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Mortgage Bond unless exchange for interests in the Permanent Global Mortgage Bond is improperly withheld or refused. In addition, interest payments in respect of the Mortgage Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Mortgage Bond is to be exchanged for an interest in a Permanent Global Mortgage Bond, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Mortgage Bond, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Mortgage Bond or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Mortgage Bond in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Mortgage Bond to or to the order of the Fiscal Agent; and

(ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Mortgage Bonds represented by the Permanent Global Mortgage Bond shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Mortgage Bonds represented by the Permanent Global Mortgage Bond exceed the initial principal amount of Mortgage Bonds represented by the Temporary Global Mortgage Bond.

If:

(a) the Permanent Global Mortgage Bond has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Mortgage Bond has requested exchange of an interest in the Temporary Global Mortgage Bond for an interest in a Permanent Global Mortgage Bond; or

(b) the Temporary Global Mortgage Bond (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Mortgage Bonds or the date for final redemption of the Temporary Global Mortgage Bond has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Mortgage Bond in accordance with the terms of the Temporary Global Mortgage Bond on the due date for payment,

then the Temporary Global Mortgage Bond (including the obligation to deliver a Permanent Global Mortgage Bond) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Mortgage Bond will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Mortgage Bond or others may have under the Deed of Covenant).

The Permanent Global Mortgage Bond will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Mortgage Bond, for Bearer Mortgage Bonds in definitive form ("**Definitive Mortgage Bonds**"):

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Mortgage Bond", then if either of the following events occurs:

  (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

  (ii) an Event of Default as defined in Condition 12 (*Events of Default*) occurs and the Mortgage Bonds become due and payable.

Whenever the Permanent Global Mortgage Bond is to be exchanged for Definitive Mortgage Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Mortgage Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Mortgage Bonds represented by the Permanent Global Mortgage Bond to the bearer of the Permanent Global Mortgage Bond against the surrender of the Permanent Global Mortgage Bond to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Mortgage Bonds have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Mortgage Bond for Definitive Mortgage Bonds; or

(b) the Permanent Global Mortgage Bond was originally issued in exchange for part only of a Temporary Global Mortgage Bond representing the Mortgage Bonds and such Temporary Global Mortgage Bond becomes void in accordance with its terms; or

(c) the Permanent Global Mortgage Bond (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Mortgage Bonds or the date for final redemption of the Permanent Global Mortgage Bond has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Mortgage Bond on the due date for payment,

then the Permanent Global Mortgage Bond (including the obligation to deliver Definitive Mortgage Bonds) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Mortgage Bond becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Mortgage Bond will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Mortgage Bond or others may have under the Deed of Covenant).

Temporary Global Mortgage Bond exchangeable for Definitive Mortgage Bonds

If the relevant Final Terms specifies the form of Mortgage Bonds as being "Temporary Global Mortgage Bond exchangeable for Definitive Mortgage Bonds" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Mortgage Bonds will initially be in the form of a Temporary Global Mortgage Bond which will be exchangeable, in whole but not in part, for Definitive Mortgage Bonds not earlier than 40 days after the issue date of the relevant Tranche of the Mortgage Bonds.

If the relevant Final Terms specifies the form of Mortgage Bonds as being "Temporary Global Mortgage Bond exchangeable for Definitive Mortgage Bonds" and also specifies that the TEFRA D Rules are applicable, then the Mortgage Bonds will initially be in the form of a Temporary Global Mortgage Bond which will be exchangeable, in whole or in part, for Definitive Mortgage Bonds not earlier than 40 days after the issue date of the relevant Tranche of the Mortgage Bonds upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Mortgage Bonds cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Mortgage Bond is to be exchanged for Definitive Mortgage Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Mortgage Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Mortgage Bond to the bearer of the Temporary Global Mortgage Bond against the surrender of the Temporary Global Mortgage Bond to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Mortgage Bonds have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Mortgage Bond for Definitive Mortgage Bonds; or

(b) the Temporary Global Mortgage Bond (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Mortgage Bonds or the date for final redemption of the Temporary Global Mortgage Bond has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Mortgage Bond on the due date for payment,

then the Temporary Global Mortgage Bond (including the obligation to deliver Definitive Mortgage Bonds) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Mortgage Bond will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Mortgage Bond or others may have under the Deed of Covenant).

Permanent Global Mortgage Bond exchangeable for Definitive Mortgage Bonds

If the relevant Final Terms specifies the form of Mortgage Bonds as being "Permanent Global Mortgage Bond exchangeable for Definitive Mortgage Bonds", then the Mortgage Bonds will initially be in the form of a Permanent Global Mortgage Bond which will be exchangeable in whole, but not in part, for Definitive Mortgage Bonds:

(a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(b) at any time, if so specified in the relevant Final Terms; or

(c) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Mortgage Bond", then if either of the following events occurs:

    (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

(ii) an Event of Default as defined in Condition 12 (*Events of Default*) occurs and the Mortgage Bonds become due and payable.

Whenever the Permanent Global Mortgage Bond is to be exchanged for Definitive Mortgage Bonds, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Mortgage Bonds, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Mortgage Bonds represented by the Permanent Global Mortgage Bond to the bearer of the Permanent Global Mortgage Bond against the surrender of the Permanent Global Mortgage Bond to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Mortgage Bonds have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Mortgage Bond for Definitive Mortgage Bonds; or

(b) the Permanent Global Mortgage Bond (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Mortgage Bonds or the date for final redemption of the Permanent Global Mortgage Bond has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Mortgage Bond on the due date for payment,

then the Permanent Global Mortgage Bond (including the obligation to deliver Definitive Mortgage Bonds) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Mortgage Bond will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Mortgage Bond or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Mortgage Bond or a Permanent Global Mortgage Bond which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Mortgage Bond or Permanent Global Mortgage Bond became void, they had been the holders of Definitive Mortgage Bonds in an aggregate principal amount equal to the principal amount of Mortgage Bonds they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Mortgage Bonds

The terms and conditions applicable to any Definitive Mortgage Bond will be endorsed on that Mortgage Bond and will consist of the terms and conditions set out under "*Terms and Conditions of the Mortgage Bonds*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Mortgage Bond in global form will differ from those terms and conditions which would apply to the Mortgage Bond were it in definitive form to the extent described under "*Overview of Provisions Relating to the Mortgage Bonds while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Bearer Mortgage Bonds having a maturity of more than 365 days, the Mortgage Bonds in global form, the Mortgage Bonds in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

> "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*."

Registered Mortgage Bonds

Each Tranche of Mortgage Bonds in registered form ("**Registered Mortgage Bonds**"), will be represented by either individual Mortgage Bond certificates in registered form ("**Individual Mortgage Bond Certificates**") or a global Mortgage Bond in registered form (a "**Global Registered Mortgage Bond**"), in each case as specified in the relevant Final Terms.

Each Global Registered Mortgage Bond will be held under the new safekeeping structure ("**New Safekeeping Structure**" or "**NSS**"), and will be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Registered Mortgage Bond will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Mortgage Bond Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Mortgage Bonds as being "Individual Mortgage Bond Certificates", then the Mortgage Bonds will at all times be represented by Individual Mortgage Bond Certificates issued to each Mortgage Bondholder in respect of their respective holdings.

Global Registered Mortgage Bond exchangeable for Individual Mortgage Bond Certificates

If the relevant Final Terms specifies the form of Mortgage Bonds as being "Global Registered Mortgage Bond exchangeable for Individual Mortgage Bond Certificates", then the Mortgage Bonds will initially be in the form of a Global Registered Mortgage Bond which will be exchangeable in whole, but not in part, for Individual Mortgage Bond Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or

(ii) at any time, if so specified in the relevant Final Terms; or

(iii) if the relevant Final Terms specifies "in the limited circumstances described in the "Global Registered Mortgage Bond"", then if either of the following events occurs:

    (a) if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (b) an Event of Default (as defined in Condition 12 (*Events of Default*)) occurs and the Mortgage Bonds become due and payable.

Whenever a Global Registered Mortgage Bond is to be exchanged for Individual Mortgage Bond Certificates, the Issuer shall procure that Individual Mortgage Bond Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Mortgage Bond within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Mortgage Bond to the Registrar of such information as is required to complete and deliver such Individual Mortgage Bond Certificates against the surrender of the Global Registered Mortgage Bond at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions the Agency Agreement and the regulations concerning the transfer and registration of Mortgage Bonds scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Mortgage Bond Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Mortgage Bond; or

(b) any of the Mortgage Bonds represented by a Global Registered Mortgage Bond (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Mortgage Bonds or the date for final redemption of the Mortgage Bonds has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global

Registered Mortgage Bond in accordance with the terms of the Global Registered Mortgage Bond on the due date for payment,

then the Global Registered Mortgage Bond (including the obligation to deliver Individual Mortgage Bond Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the holder of the Global Registered Mortgage Bond will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Registered Mortgage Bond or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Registered Mortgage Bond will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Registered Mortgage Bond became void, they had been the holders of Individual Mortgage Bond Certificates in an aggregate principal amount equal to the principal amount of Mortgage Bonds they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Mortgage Bonds

The terms and conditions applicable to any Individual Mortgage Bond Certificate will be endorsed on that Individual Mortgage Bond Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Mortgage Bonds*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Mortgage Bond will differ from those terms and conditions which would apply to the Mortgage Bond were it in definitive form to the extent described under "*Overview of Provisions Relating to the Mortgage Bonds while in Global Form*" below.

TERMS AND CONDITIONS OF THE MORTGAGE BONDS

(in Hungarian: *jelzáloglevelek*)

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Mortgage Bond in definitive form issued under the Programme. In the case of any Tranche of Mortgage Bonds which are being admitted to trading on a regulated market in a Member State, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Mortgage Bonds may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Mortgage Bond in global form will differ from those terms and conditions which would apply to the Mortgage Bond were it in definitive form to the extent described under "Overview of Provisions Relating to the Mortgage Bonds while in Global Form" below.

1. **Introduction**

(a) *Programme*: MBH Mortgage Bank Co. Plc. (*MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság*) (the "**Issuer**") has established a EUR 1,000,000,000 Mortgage Bonds Programme (the "**Programme**") for the issuance of up to EUR 1,000,000,000 in aggregate principal amount of Mortgage Bonds (the "**Mortgage Bonds**").

(b) *Final Terms*: Mortgage Bonds issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Mortgage Bonds. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Mortgage Bonds are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement*: The Mortgage Bonds are the subject of an issue and paying agency agreement dated 18 June 2026 (the "**Agency Agreement**") between the Issuer, Citibank, N.A., London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Mortgage Bonds), Citibank Europe plc as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Mortgage Bonds), the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Mortgage Bonds), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Mortgage Bonds). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.

(d) *Deed of Covenant*: The Mortgage Bonds may be issued in bearer form ("**Bearer Mortgage Bonds**"), or in registered form ("**Registered Mortgage Bonds**"). Registered Mortgage Bonds are constituted by a deed of covenant dated 18 June 2026 (the "**Deed of Covenant**").

(e) *The Mortgage Bonds*: All subsequent references in these Conditions to "Mortgage Bonds" are to the Mortgage Bonds which are the subject of the relevant Final Terms.

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. The holders of the Mortgage Bonds (the "**Mortgage Bondholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Mortgage Bondholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Paying Agents.

2. **Interpretation**

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

"**2006 ISDA Definitions**" means, in relation to a Series of Mortgage Bonds, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Mortgage Bonds of such Series) as published by ISDA (copies of which may be obtained from ISDA at www.isda.org);

"**2021 ISDA Definitions**" means, in relation to a Series of Mortgage Bonds, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions (including each Matrix (and any successor Matrix thereto), as defined in such 2021 ISDA Interest Rate Derivatives Definitions) as at the date of issue of the first Tranche of Mortgage Bonds of such Series, as published by ISDA on its website (www.isda.org);

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

(a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(c) in respect of Mortgage Bonds for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre(s) and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day save in respect of Mortgage Bonds for which the Reference Rate is SOFR, for which the final Interest Payment Date will not be postponed and interest on that payment will not accrue during the period from and after the scheduled final Interest Payment Date;

(c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that**:

   (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(e) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Mortgage Bond, a coupon sheet relating to the Mortgage Bond;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(a) if "**Actual/Actual (ICMA)**" is so specified, means:

(i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(ii) where the Calculation Period is longer than one Regular Period, the sum of:

(A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;

(b) if "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(c) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(d) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(e) if "**30/360**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(f) if "**30E/360**" or "**Eurobond Basis**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(g) if "**30E/360 (ISDA)**" is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_{1)}}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from (and including) the first day of the Calculation Period to (but excluding) the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Mortgage Bond, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**euro**" and "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

"**EURIBOR**" means, the Euro wholesale funding rate known as the Euro Interbank Offered Rate administered by the European Money Markets Institute (or any successor administrator);

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Mortgage Bond, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**Fixed Coupon Amount**" has the meaning given in the relevant Final Terms;

"**Holder**", in the case of Bearer Mortgage Bonds, has the meaning given in Condition 3(b) (*Form, Denomination and Title – Title to Bearer Mortgage Bonds*) and, in the case of Registered Mortgage Bonds, has the meaning given in Condition 3(d) (*Form, Denomination and Title – Title to Registered Mortgage Bonds*);

"**Interest Amount**" means, in relation to a Mortgage Bond and an Interest Period, the amount of interest payable in respect of that Mortgage Bond for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Mortgage Bonds or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Determination Date**" has the meaning given in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention;

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date (or, if the Mortgage Bonds are redeemed on any earlier date, the relevant redemption date);

"**ISDA**" means the International Swaps and Derivatives Association, Inc. (or any successor);

"**ISDA Definitions**" has the meaning given in the relevant Final Terms;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Margin**" has the meaning given in the relevant Final Terms;

"**Maturity Date**" has the meaning given in the relevant Final Terms;

"**Maximum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Minimum Redemption Amount**" has the meaning given in the relevant Final Terms;

"**Mortgage Bondholder**", in the case of Bearer Mortgage Bonds, has the meaning given in Condition 3(b) (*Form, Denomination and Title – Title to Bearer Mortgage Bonds*) and, in the case of Registered Mortgage Bonds, has the meaning given in Condition 3(d) (*Form, Denomination and Title – Title to Registered Mortgage Bonds*);

"**Optional Redemption Amount (Call)**" means, in respect of any Mortgage Bond, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Clean-up Call)**" means, in respect of any Mortgage Bond, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Amount (Put)**" means, in respect of any Mortgage Bond, its principal amount or such other amount as may be specified in the relevant Final Terms;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Final Terms;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Final Terms;

"**Payment Business Day**" means:

(a) if the currency of payment is euro, any day which is:

    (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

    (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

    (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency **provided, however, that**:

(a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Mortgage Bondholder wanting to exercise a right to redeem a Mortgage Bond at the option of the Mortgage Bondholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Mortgage Bondholder upon deposit of a Mortgage Bond with such Paying Agent by any Mortgage Bondholder wanting to exercise a right to redeem a Mortgage Bond at the option of the Mortgage Bondholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Mortgage Bonds specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put) or such other amount in the nature of a redemption amount;

"**Reference Price**" has the meaning given in the relevant Final Terms;

"**Reference Rate**" means EURIBOR/SONIA/SONIA Compounded Index/SOFR/SOFR Compounded Index/€STR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms. Other than in the case of U.S. dollar-denominated floating rate Mortgage Bonds for which the "Reference Rate" is specified in the relevant Final Terms as being SOFR or SOFR Compounded Index, the term Reference Rate shall, following the occurrence of a Benchmark Event under Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), include any Successor Rate or Alternative Rate and shall, if a Benchmark Event should occur subsequently in respect of any such Successor Rate or Alternative Rate, also include any further Successor Rate or further Alternative Rate;

"**Regular Period**" means:

(a) in the case of Mortgage Bonds where interest is scheduled to be paid only by means of regular payments, each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date;

(b) in the case of Mortgage Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(c) in the case of Mortgage Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Mortgage Bondholders;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Mortgage Bonds, to reduce the amount of principal or interest payable on any date in respect of the Mortgage Bonds, to alter the method of calculating the amount of any payment in respect of the Mortgage Bonds or the date for any such payment, to change the currency of any payment under the Mortgage Bonds or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Talon**" means a talon for further Coupons;

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro; and

"**Zero Coupon Mortgage Bond**" means a Mortgage Bond specified as such in the relevant Final Terms.

(b) *Interpretation*: In these Conditions:

(i) if the Mortgage Bonds are Zero Coupon Mortgage Bonds or are Registered Mortgage Bonds, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Final Terms as being attached to the Mortgage Bonds at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Final Terms as being attached to the Mortgage Bonds at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Mortgage Bond and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Mortgage Bonds being "outstanding" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Mortgage Bonds;

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Mortgage Bonds; and

(ix) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Form, Denomination and Title**

(a) *Bearer Mortgage Bonds:* Bearer Mortgage Bonds are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Mortgage Bonds with more than one Specified Denomination, Bearer Mortgage Bonds of one Specified Denomination will not be exchangeable for Bearer Mortgage Bonds of another Specified Denomination.

(b) *Title to Bearer Mortgage Bonds:* Title to Bearer Mortgage Bonds and the Coupons will pass by delivery. In the case of Bearer Mortgage Bonds, "**Holder**" means the holder of such Bearer Mortgage Bond and "**Mortgage Bondholder**" and "**Couponholder**" shall be construed accordingly.

(c) *Registered Mortgage Bonds:* Registered Mortgage Bonds are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(d) *Title to Registered Mortgage Bonds:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Mortgage Bond Certificate**") will be issued to each Holder of Registered Mortgage Bonds in respect of its registered holding. Each Mortgage Bond Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Mortgage Bonds, "**Holder**" means the person in whose name such Registered Mortgage Bond is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Mortgage Bondholder**" shall be construed accordingly.

(e) *Ownership:* The Holder of any Mortgage Bond or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Mortgage Bonds, on the Mortgage Bond Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Mortgage Bond under the Contracts (Rights of Third Parties) Act 1999.

(f) *Transfers of Registered Mortgage Bonds:* Subject to Conditions 3(i) (*Closed periods*) and 3(j) (*Regulations concerning transfers and registration*) below, a Registered Mortgage Bond may be transferred upon surrender of the relevant Mortgage Bond Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Mortgage Bond may not be transferred unless the principal amount of Registered Mortgage Bonds transferred and (where not all of the Registered Mortgage Bonds held by a Holder are being transferred) the principal amount of the balance of Registered Mortgage Bonds not transferred are Specified Denominations. Where not all the Registered Mortgage Bonds represented by the surrendered Mortgage Bond Certificate are the subject of the transfer, a new Mortgage Bond Certificate in respect of the balance of the Registered Mortgage Bonds will be issued to the transferor.

(g) *Registration and delivery of Mortgage Bond Certificates:* Within five business days of the surrender of a Mortgage Bond Certificate in accordance with Condition 3(f) (*Transfers of Registered Mortgage Bonds*) above, the Registrar will register the transfer in question and deliver a new Mortgage Bond Certificate of a like principal amount to the Registered Mortgage Bonds transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this Condition 3(g), "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) *No charge:* The transfer of a Registered Mortgage Bond will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) *Closed periods:* Mortgage Bondholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Mortgage Bonds.

(j) *Regulations concerning transfers and registration:* All transfers of Registered Mortgage Bonds and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Mortgage Bonds scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Mortgage Bondholder who requests in writing a copy of such regulations.

4. Status

The Mortgage Bonds and any relative Coupons are direct, unconditional, unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Mortgage Bonds are covered in accordance with Section 14 of Act XXX of 1997 on Mortgage Loan Credit Institutions and on Mortgage Bonds (*1997. évi XXX. törvény a jelzálog-hitelintézetről és a jelzáloglevélről*) (the "**Mortgage Credit Institutions Act**") and rank *pari passu* with all other covered and unsubordinated present and future obligations of the Issuer under mortgage bonds (*jelzáloglevelek*), save for such obligations as may be preferred by mandatory provisions of law that are of general application.

5. Fixed Rate Mortgage Bond Provisions

(a) *Application:* This Condition 5 is applicable to the Mortgage Bonds only if the Fixed Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Mortgage Bonds bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments – Bearer Mortgage Bonds*) and Condition 10 (*Payments – Registered Mortgage Bonds*). Each Mortgage Bond will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Mortgage Bond up to that day are received by or on behalf of the relevant Mortgage Bondholder and (ii) the day which is seven days after the Fiscal Agent has notified the Mortgage Bondholders that it has received all sums due in respect of the Mortgage Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Fixed Coupon Amount:* Other than if the Mortgage Bonds are redeemed on any date that is not an Interest Payment Date, the amount of interest payable in respect of each Mortgage Bond for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Mortgage Bonds are in more than one Specified

Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) *Mortgage Bonds accruing interest otherwise than a Fixed Coupon Amount:* This Condition 5(d) shall apply only where the Final Terms for such Mortgage Bonds specify that the Interest Payment Dates are subject to adjustment in accordance with the Business Day Convention specified therein. The amount of interest payable in respect of each Mortgage Bond for any Interest Period for such Mortgage Bonds shall be calculated by the Calculation Agent by multiplying the product of the Rate of Interest for such Interest Period and the Calculation Amount by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Mortgage Bond divided by the Calculation Amount. The Calculation Agent shall cause the relevant amount of interest and the relevant Interest Payment Date to be notified to the Issuer, the Paying Agents, the Registrar (in the case of Registered Mortgage Bonds) and the Mortgage Bondholders in accordance with Condition 18 (*Notices*) and, if the Mortgage Bonds are listed on a stock exchange and the rules of such exchange so requires, such exchange as soon as possible after their determination or calculation but in no event later than the fourth Business Day thereafter or, if earlier in the case of notification to the stock exchange, the time required by the rules of the relevant stock exchange.

(e) *Calculation of Interest Amount:* Except where Condition 5(d) (*Mortgage Bonds accruing interest otherwise than a Fixed Coupon Amount*) is applicable, the amount of interest payable in respect of each Mortgage Bond for any period for which a Fixed Coupon Amount is not specified or if the Mortgage Bonds are redeemed on any date that is not an Interest Payment Date shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Mortgage Bond divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6. Floating Rate Mortgage Bond Provisions

(a) *Application:* This Condition 6 is applicable to the Mortgage Bonds only if the Floating Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Mortgage Bonds bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments – Bearer Mortgage Bonds*) and Condition 10 (*Payments – Registered Mortgage Bonds*). Each Mortgage Bond will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Mortgage Bond up to that day are received by or on behalf of the relevant Mortgage Bondholder and (ii) the day which is seven days after the Fiscal Agent has notified the Mortgage Bondholders that it has received all sums due in respect of the Mortgage Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Mortgage Bonds for each Interest Period will be (other than in respect of Mortgage Bonds for which SONIA, SOFR and/or €STR or any related index is specified as the Reference Rate in the relevant Final Terms) determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the

Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:

(A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer(and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

(iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided**, **however**, subject to Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Mortgage Bonds during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Mortgage Bonds in respect of a preceding Interest Period.

(d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Mortgage Bonds for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions (provided that in any circumstances where under the ISDA Definitions the Calculation Agent would be required to exercise any discretion, including the selection of any reference banks and seeking quotations from reference banks, when calculating the relevant ISDA Rate, the relevant determination(s) which require the Calculation Agent to exercise its discretion shall instead be made by the Issuer or its designee) and under which:

(i) if the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

(A) the Floating Rate Option is as specified in the relevant Final Terms;

(B) the Designated Maturity, if applicable, is a period specified in the relevant Final Terms;

(C) the relevant Reset Date, unless otherwise specified in the relevant Final Terms, has the meaning given to it in the ISDA Definitions;

(D) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the rate for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:

(1) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and

(2) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, in consultation with an Independent Adviser appointed by the Issuer (and such Independent Adviser to act in good faith and in a commercially reasonable manner), determines appropriate;

(E) if the specified Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the relevant Final Terms and:

(1) if Compounding with Lookback is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(2) if Compounding with Observation Period Shift is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(3) if Compounding with Lockout is specified as the Compounding Method in the relevant Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms;

(F) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the relevant Final Terms and:

(1) if Averaging with Lookback is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the relevant Final Terms;

(2) if Averaging with Observation Period Shift is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; or

(3) if Averaging with Lockout is specified as the Averaging Method in the relevant Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the relevant Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the relevant Final Terms; and

(G) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation

Period Shift is the number of Observation Period Shift Business Days specified in the relevant Final Terms and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the relevant Final Terms; and

(H) if the specified Floating Rate Option is EUR-EURIBOR or EUR-EURIBOR Reuters and an Index Cessation Event occurs the Applicable Fallback Rate will be determined as if the Fallback Observation Day in respect of a Reset Date and the relevant Interest Period was five Business Days preceding the related Interest Payment Date;

(ii) references in the ISDA Definitions to

(A) "**Confirmation**" shall be references to the relevant Final Terms;

(B) "**Calculation Period**" shall be references to the relevant Interest Period;

(C) "**Termination Date**" shall be references to the Maturity Date;

(D) "**Effective Date**" shall be references to the Interest Commencement Date; and

(iii) if the Final Terms specify "2021 ISDA Definitions" as being applicable:

(A) "**Administrator/Benchmark Event**" shall be disapplied; and

(B) if the Temporary Non-Publication Fallback in respect of any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

(iv) Unless otherwise defined capitalised terms used in this Condition 6(d) shall have the meaning ascribed to them in the ISDA Definitions.

(e) *Interest – Floating rate Mortgage Bonds referencing SONIA (Screen Rate Determination)*

(i) This Condition 6(e) is applicable to the Mortgage Bonds only if the Floating Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "SONIA".

(ii) Where "SONIA" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent.

(iii) For the purposes of this Condition 6(e):

"**Compounded Daily SONIA**", with respect to an Interest Period, will be calculated by the Calculation Agent on each Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i \text{ x } n_i}{\mathrm{D}}\right)-1\right] \text{x } \frac{\mathrm{D}}{d}$$

"**d**" means the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" is the number specified in the relevant Final Terms (or, if no such number is specified, 365);

"$\mathbf{d_o}$" means the number of London Banking Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**i**" means a series of whole numbers from one to d_o, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last London Banking Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Mortgage Bonds are due and payable).

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"$\mathbf{n_i}$" for any London Banking Day "i", in the relevant Interest Period or Observation Period (as applicable) is the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"Observation Period" means, in respect of an Interest Period, the period from, and including, the date falling "p" London Banking Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Mortgage Bonds become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable), means the number of London Banking Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five London Banking Days;

"**SONIA Reference Rate**" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"$\mathbf{SONIA_i}$" means the SONIA Reference Rate for:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the London Banking Day falling "p" London Banking Days prior to the relevant London Banking Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant London Banking Day "i".

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

(iv) If, in respect of any London Banking Day in the relevant Interest Period or Observation Period (as applicable), the Calculation Agent determines that the SONIA Reference Rate is not available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall, subject to Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), be:

(A) the sum of (a) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; and (b) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a SONIA Reference Rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate; or

(B) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, (a) the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) or (b) if this is more recent, the latest determined rate under (A).

(v) Subject to Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6(e), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Mortgage Bonds for the first Interest Period had the Mortgage Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(f) *Interest – Floating rate Mortgage Bonds referencing SOFR (Screen Rate Determination)*

(i) This Condition 6(f) is applicable to the Mortgage Bonds only if the Floating Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "SOFR".

(ii) Where "SOFR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the Benchmark plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 6(f):

"**Benchmark**" means Compounded SOFR, which is a compounded average of daily SOFR, as determined for each Interest Period in accordance with the specific formula and other provisions set out in this Condition 6(f).

Daily SOFR rates will not be published in respect of any day that is not a U.S. Government Securities Business Day, such as a Saturday, Sunday or holiday. For this reason, in determining Compounded SOFR in accordance with the specific formula and other provisions set forth herein, the daily SOFR rate for any U.S. Government Securities Business Day that immediately precedes one or more days that are not U.S. Government Securities Business Days will be multiplied by the number of calendar days from and including such U.S. Government Securities Business Day to, but excluding, the following U.S. Government Securities Business Day.

If the Issuer determines that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of Compounded SOFR (or the daily SOFR used in the calculation hereof) prior to the relevant SOFR Determination Time, then the provisions under Condition 6(f)(iv) below will apply.

"**Compounded SOFR**" with respect to any Interest Period, means the rate of return of a daily compound interest investment computed in accordance with the following formula (and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 being rounded upwards to 0.00001):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \ x \ n_i}{D}\right)-1\right] x \ \frac{D}{d}$$

"**d**" is the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"**D**" is the number specified in the relevant Final Terms (or, if no such number is specified, 360);

"**d_o**" is the number of U.S. Government Securities Business Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period.

"**i**" is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from, and including, the first U.S. Government Securities Business Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period,

to and including the last U.S. Government Securities Business Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Mortgage Bonds are due and payable);

"**n_i**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period or Observation Period (as applicable), is the number of calendar days from, and including, such U.S. Government Securities Business Day "i" to, but excluding, the following U.S. Government Securities Business Day ("**i+1**");

"**Observation Period**" in respect of an Interest Period means the period from, and including, the date falling "p" U.S. Government Securities Business Days preceding the first day in such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to, but excluding, the date falling "p" U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or the date falling "p" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Mortgage Bonds become due and payable);

"**p**" for any Interest Period or Observation Period (as applicable) means the number of U.S. Government Securities Business Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or if no such period is specified, five U.S. Government Securities Business Days;

"**SOFR**" with respect to any U.S. Government Securities Business Day, means:

(i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day as such rate appears on the SOFR Administrator's Website at 3:00 p.m. (New York time) on the immediately following U.S. Government Securities Business Day (the "**SOFR Determination Time**"); or

(ii) Subject to Condition 6(f)(iv) below, if the rate specified in (i) above does not so appear, the Secured Overnight Financing Rate as published in respect of the first preceding U.S. Government Securities Business Day for which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**$SOFR_i$**" means the SOFR for:

(i) where "Lag" is specified as the Observation Method in the applicable Final Terms, the U.S. Government Securities Business Day falling "p" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant U.S. Government Securities Business Day "i"; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iv) If the Issuer determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Mortgage Bonds in respect of all determinations on such date and for all determinations on all subsequent dates. In connection with the implementation of a Benchmark Replacement, the Issuer will have the right to make Benchmark Replacement

Conforming Changes from time to time, without any requirement for the consent or approval of the Mortgage Bondholders.

Any determination, decision or election that may be made by the Issuer pursuant to this section, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection:

(i) will be conclusive and binding absent manifest error;

(ii) will be made in the sole discretion of the Issuer; and

(iii) notwithstanding anything to the contrary in the documentation relating to the Mortgage Bonds, shall become effective without consent from the holders of the Mortgage Bonds or any other party.

"**Benchmark**" means, initially, Compounded SOFR, as such term is defined above; provided that if the Issuer determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to Compounded SOFR (or the published daily SOFR used in the calculation thereof) or the then-current Benchmark, then "Benchmark" shall mean the applicable Benchmark Replacement.

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(i) the sum of: (A) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (B) the Benchmark Replacement Adjustment;

(ii) the sum of: (A) the ISDA Fallback Rate and (B) the Benchmark Replacement Adjustment; or

(iii) the sum of: (A) the alternate rate of interest that has been selected by the Issuer as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar-denominated floating rate Mortgage Bonds at such time and (B) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated floating rate Mortgage Bonds at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) in the case of clause (i) or (ii) of the definition of "Benchmark Transition Event", the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of clause (iii) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (i) if the Benchmark is Compounded SOFR, the SOFR Determination Time, and (ii) if the Benchmark is not Compounded SOFR, the time determined by the Issuer after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(v) Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes, determined under Condition 6(f)(iv) above will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Mortgage Bondholders. Such notice shall be irrevocable and shall specify the effective date on which such changes take effect.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (x) that a Benchmark Transition Event has occurred, (y) the relevant Benchmark Replacement and, (z) where applicable, any Benchmark Replacement Adjustment and/or the specific terms of any relevant Benchmark Replacement Conforming Changes, in each case as determined in accordance with the provisions of this Condition 6(f); and

(B) certifying that the relevant Benchmark Replacement Conforming Changes are necessary to ensure the proper operation of such Benchmark Replacement and/or Benchmark Replacement Adjustment.

(vi) If the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6(f), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Mortgage Bonds for the first Interest Period had the Mortgage Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(g) *Interest – Floating rate Mortgage Bonds referencing €STR (Screen Rate Determination)*

(i) This Condition 6(g) is applicable to the Mortgage Bonds only if the Floating Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and the "Reference Rate" is specified in the relevant Final Terms as being "€STR".

(ii) Where "€STR" is specified as the Reference Rate in the Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily €STR plus or minus (as specified in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on each Interest Determination Date.

(iii) For the purposes of this Condition 6(g):

"**Compounded Daily €STR**" means, with respect to any Interest Period, the rate of return of a daily compound interest investment (with the daily euro short-term rate as reference rate for the calculation of interest) as calculated by the Calculation Agent as at the relevant Interest

Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the nearest fifth decimal place, with 0.000005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{€\mathrm{STR}_i \times n_i}{\mathrm{D}}\right)-1\right]\times\frac{\mathrm{D}}{d}$$

where:

"**d**" means the number of calendar days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

"**D**" means the number specified as such in the relevant Final Terms (or, if no such number is specified, 360);

"$\mathbf{d_o}$" means the number of TARGET Settlement Days in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

the "**€STR reference rate**", in respect of any TARGET Settlement Day, is a reference rate equal to the daily euro short-term rate ("**€STR**") for such TARGET Settlement Day as provided by the €STR Administrator on the €STR Administrator's Website (or, if no longer published on its website, as otherwise published by it or provided by it to authorised distributors and as then published on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the TARGET Settlement Day immediately following such TARGET Settlement Day (in each case, at the time specified by, or determined in accordance with, the applicable methodology, policies or guidelines, of the €STR Administrator);

"**€STR Administrator**" means the European Central Bank (or any successor administrator of €STR);

"**€STR Administrator's Website**" means as the website of the European Central Bank or any successor source;

"**€STR$_\mathbf{i}$**" means the €STR reference rate for:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the TARGET Settlement Day falling "p" TARGET Settlement Days prior to the relevant TARGET Settlement Day "i"; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant TARGET Settlement Day "i".

"**i**" is a series of whole numbers from one to "d_o", each representing the relevant TARGET Settlement Day in chronological order from, and including, the first TARGET Settlement Day in:

(i) where "Lag" is specified as the Observation Method in the relevant Final Terms, the relevant Interest Period; or

(ii) where "Observation Shift" is specified as the Observation Method in the relevant Final Terms, the relevant Observation Period;

to, and including, the last TARGET Settlement Day in such period;

"**Interest Determination Date**" means, in respect of any Interest Period, the date falling "p" TARGET Settlement Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" TARGET Settlement Days prior to such earlier date, if any, on which the Mortgage Bonds are due and payable);

"$\mathbf{n_i}$" for any TARGET Settlement Day "i" in the relevant Interest Period or Observation Period (as applicable), means the number of calendar days from (and including) such TARGET Settlement Day "i" up to (but excluding) the following TARGET Settlement Day;

"**Observation Period**" means, in respect of any Interest Period, the period from (and including) the date falling "p" TARGET Settlement Days prior to the first day of the relevant Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) to (but excluding) the date falling "p" TARGET Settlement Days prior to (A) (in the case of an Interest Period) the Interest Payment Date for such Interest Period or (B) such earlier date, if any, on which the Mortgage Bonds become due and payable; and

"**p**" for any latest Interest Period or Observation Period (as applicable), means the number of TARGET Settlement Days specified as the "Lag Period" or the "Observation Shift Period" (as applicable) in the relevant Final Terms or, if no such period is specified, five TARGET Settlement Days.

(iv) Subject to Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), if, where any Rate of Interest is to be calculated pursuant to Condition 6(g)(ii) above, in respect of any TARGET Settlement Day in respect of which an applicable €STR reference rate is required to be determined, such €STR reference rate is not made available on the Relevant Screen Page and has not otherwise been published by the relevant authorised distributors, then the €STR reference rate in respect of such TARGET Settlement Day shall be the €STR reference rate for the first preceding TARGET Settlement Day in respect of which €STR reference rate was published by the €STR Administrator on the €STR Administrator's Website, as determined by the Calculation Agent.

(v) Subject to Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this Condition 6(g)(v), the Rate of Interest shall be (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period) or (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Mortgage Bonds for the first Interest Period had the Mortgage Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

(h) *Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*

This Condition 6(h) is applicable to the Mortgage Bonds only if the Floating Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable, Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, and "Index Determination" is specified in the relevant Final Terms as being applicable.

Where "Index Determination" is specified in the relevant Final Terms as being applicable, the Rate of Interest for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula:

$$\left(\frac{Compounded\ Index\ End}{Compounded\ Index\ Start} - 1\right) \text{X}\ \frac{Numerator}{d}$$

and rounded to the Relevant Decimal Place, plus or minus the Margin (if any), all as determined and calculated by the Calculation Agent, where:

"**Compounded Index**" means either the SONIA Compounded Index or the SOFR Compounded Index, as specified in the relevant Final Terms;

"**Compounded Index End**" means the relevant Compounded Index value on the End date;

"**Compounded Index Start**" means the relevant Compounded Index value on the Start date;

"**d**" is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined.

"**End**" means the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which by its definition or the operation of the relevant provisions is excluded from such Interest Period);

"**Index Days**" means, in the case of the SONIA Compounded Index, London Banking Days, and, in the case of the SOFR Compounded Index, U.S. Government Securities Business Days;

"**Numerator**" means, in the case of the SONIA Compounded Index, 365 and, in the case of the SOFR Compounded Index, 360;

"**Relevant Decimal Place**" shall, unless otherwise specified in the Final Terms, be the fifth decimal place, rounded up or down, if necessary (with 0.000005 being rounded upwards); and

"**Relevant Number**" is as specified in the applicable Final Terms, but, unless otherwise specified shall be five.

"**SONIA Compounded Index**" means the Compounded Daily SONIA rate as published at 10:00 (London time) by the Bank of England (or a successor administrator of SONIA) on the Bank of England's Interactive Statistical Database, or any successor source;

"**SOFR Compounded Index**" means the Compounded SOFR rate as published at 15:00 (New York time) by Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source; and

"**Start**" means the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

If, with respect to any Interest Period, the relevant rate is not published for the relevant Compounded Index either on the relevant Start or End date, then the Calculation Agent shall calculate the rate of interest for that Interest Period as if Index Determination was not specified in the applicable Final Terms and as if Compounded Daily SONIA or Compounded Daily SOFR (as defined in Condition 6(e) or Condition 6(f), as applicable) had been specified instead in the Final Terms, and in each case "Observation Shift" had been specified as the Observation Method in the relevant Final Terms, and where the Observation Shift Period for the purposes of the references to that term in Condition 6(e) or Condition 6(f) (as applicable) shall be deemed to be the same as the Relevant Number specified in the Final Terms and where, in the case of Compounded Daily SONIA, the Relevant Screen Page will be determined by the Issuer. For the avoidance of doubt, if (i) (in the case of SONIA Compounded Index) a Benchmark Event has occurred in respect of SONIA, the provisions of Condition 6(n) (*Benchmark*

Replacement (Independent Adviser)) shall apply, and (ii) (in the case of SOFR Compounded Index) a Benchmark Transition Event and its related Benchmark Replacement Date has occurred in respect of SOFR, the provisions of Condition 6(f)(iv) shall apply.

(i) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(j) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Mortgage Bond for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Mortgage Bond divided by the Calculation Amount. For this purpose, a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(k) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s), to be notified to the Issuer and the Agents and the Issuer shall notify each competent authority and/or stock exchange on which the Mortgage Bonds are for the time being admitted to listing and/or trading as soon as possible after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also be given to the Mortgage Bondholders by the Issuer in accordance with Condition 18 (*Notices*) as soon as possible after the determination or calculation thereof. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such recalculation will promptly be notified to each competent authority and/or stock exchange on which the Mortgage Bonds are for the time being admitted to listing and/or trading and to the Mortgage Bondholders in accordance with Condition 18 (*Notices*). If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(l) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations and decisions given, expressed, made or obtained for the purposes of this Condition 6(l) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Mortgage Bondholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(m) *Determination of Rate of Interest following acceleration:* If (i) the Mortgage Bonds become due and payable in accordance with Condition 12 (*Events of Default*) and (ii) the Rate of Interest for the Interest Period during which the Mortgage Bonds become due and payable is to be determined by reference to any of Conditions 6(e) (*Interest – Floating rate Mortgage Bonds referencing SONIA (Screen Rate Determination)*), 6(f) (*Interest – Floating rate Mortgage Bonds referencing SOFR (Screen Rate Determination)*), 6(g) (*Interest – Floating rate Mortgage Bonds referencing €STR (Screen Rate Determination)*) and 6(h) (*Interest – SONIA Compounded Index and SOFR Compounded Index (Screen Rate Determination)*), then the final Interest Determination Date shall be the date on which the Mortgage Bonds become so due and payable, and such Rate of Interest shall continue to apply to the Mortgage Bonds for so long as interest continues to accrue thereon as provided in the Conditions.

(n) *Benchmark Replacement (Independent Adviser)*

Other than in the case of a U.S. dollar-denominated floating rate Mortgage Bond for which the Reference Rate is specified in the relevant Final Terms as being "SOFR" or where "SOFR Compounded Index" is specified in the Final Terms as the Index Determination, if a Benchmark Event occurs in relation to the Reference Rate when the Rate of Interest (or any component part thereof) for any Interest Period remains to be determined by reference to such Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(n)(i)) and, in either case, an Adjustment Spread, if any (in accordance with Condition 6(n)(ii)) and any Benchmark Amendments (in accordance with Condition 6(n)(iii)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Fiscal Agent, Agents or the Mortgage Bondholders for any determination made by it pursuant to this Condition 6(n) and the Fiscal Agent will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof.

(i) If the Independent Adviser determines in its discretion that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 6(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 6(n) in the event of a further Benchmark Event affecting the Successor Rate; or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 6(n)(i)) subsequently be used in place of the Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for the relevant Interest Period and all following Interest Periods, subject to the subsequent operation of this Condition 6(n) in the event of a further Benchmark Event affecting the Alternative Rate.

(ii) If the Independent Adviser determines in its discretion (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall apply to the Successor Rate or the Alternative Rate (as the case may be).

(iii) If any relevant Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 6(n) and the Independent Adviser determines in its discretion (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, following consultation with the Calculation Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s)), subject to giving notice thereof in accordance with Condition 6(n)(iv), without any requirement for the consent or approval of relevant Mortgage Bondholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice (and for the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, consent to and effect such consequential amendments to the Agency Agreement and these Conditions as the Fiscal Agent may be required in order to give effect to this Condition 6(n)).

(iv) If (A) the Issuer is unable to appoint an Independent Adviser or (B) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(n) prior to the relevant Interest Determination Date, the Reference Rate applicable to the relevant Interest Period shall be the Reference Rate applicable as at the last preceding Interest Determination Date. If there has not been a first Interest Payment Date, the Reference Rate shall be the Reference Rate that would have been applicable to the Mortgage Bonds for the first Interest Period had the Mortgage Bonds been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date. For the avoidance of doubt, any adjustment pursuant to this Condition 6(n)(iv) shall apply to the relevant Interest Period only. Any subsequent Interest Period may be subject to the subsequent operation of this Condition 6(n).

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 6(n) will be notified promptly by the Issuer to the Fiscal Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 18 (*Notices*), the Mortgage Bondholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

(vi) No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer:

(A) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate, or, as the case may be, the relevant Alternative Rate and, (z) where applicable, any relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 6(n); and

(B) certifying that (1) the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate, Alternative Rate and/or Adjustment Spread and (2) the intent of the drafting of such changes is solely to implement the relevant Benchmark Amendments.

The Fiscal Agent and the Agents shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.

(vii) The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of such Successor Rate or Alternative Rate and such Adjustment Spread (if any) and such Benchmark Amendments (if any)) be binding on the Issuer, Fiscal Agent, the Calculation Agent, the Paying Agents and the Mortgage Bondholders.

(viii) As used in this Condition 6(n):

"**Adjustment Spread**" means either a spread (which may be positive or negative), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Reference Rate; or

(C) (if no such determination has been made) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(D) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Mortgage Bondholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Rate (as the case may be).

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with this Condition 6(n) is customary in market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) for a commensurate period and in the Specified Currency;

"**Benchmark Amendments**" has the meaning given to it in Condition 6(n)(iii);

"**Benchmark Event**" means:

(A) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered; or

(B) a public statement by the administrator of the relevant Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of such Reference Rate) it has ceased publishing such Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(C) a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the relevant Reference Rate that means that such Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Mortgage Bonds; or

(E) a public statement by the supervisor of the administrator of the relevant Reference Rate (as applicable) that, in the view of such supervisor, such Reference Rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market or

(F) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent to calculate any payments due to be made to any Mortgage Bondholder using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (B), (C), (D), or (E) above and the Specified Future Date in the public statement is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the Issuer at its own expense;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

7. **Zero Coupon Mortgage Bond Provisions**

(a) *Application:* This Condition 7 is applicable to the Mortgage Bonds only if the Zero Coupon Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable.

(b) *Late payment on Zero Coupon Mortgage Bonds:* If the Redemption Amount payable in respect of any Zero Coupon Mortgage Bond is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Mortgage Bond up to that day are received by or on behalf of the relevant Mortgage Bondholder and (ii) the day which is seven days after the Fiscal Agent has notified the Mortgage Bondholders that it has received all sums due in respect of the Mortgage Bonds up to such seventh day (except to the extent that there is any subsequent default in payment).

8. **Redemption and Purchase**

(a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Mortgage Bonds will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments – Bearer Mortgage Bonds*) and Condition 10 (*Payments – Registered Mortgage Bonds*).

(b) *Redemption for tax reasons:* The Mortgage Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 15 nor more than 30 days' notice to the Mortgage Bondholders, or such other period(s) as may be specified in the relevant Final Terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

(A) the Issuer has or will on the next payment date become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of a Tax Law Change; and

(B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Upon the expiry of any such notice as is referred to in this Condition 8(b), the Issuer shall be bound to redeem the Mortgage Bonds in accordance with this Condition 8(b).

For the purposes of these Conditions:

"**Relevant Jurisdiction**" means Hungary or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal, premium (if any) and/or interest on the Mortgage Bonds;

"**Tax Law Change**" means a change in or amendment to the laws or regulations of a Relevant Jurisdiction, including any treaty to which such Relevant Jurisdiction is a party, or any change in the application of official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by a tax authority regarding the anticipated tax treatment of the Mortgage Bonds, which change or amendment (x) (subject to (y)) becomes, or would become, effective on or after the Issue Date or (y) in the case of a change or proposed change in law, if such change is enacted (or, in the case of a proposed change, is expected to be enacted), on or after the Issue Date.

(c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Mortgage Bonds may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 15 nor more than 30 days' notice to the Mortgage Bondholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable, but may (at the option of the Issuer) be conditional on one or more conditions precedent being satisfied, or waived by the Issuer, and shall oblige the Issuer to redeem the Mortgage Bonds or, as the case may be, the Mortgage Bonds specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) *Partial redemption:* If the Mortgage Bonds are to be redeemed in part only on any date in accordance with Condition 8(c) (*Redemption at the option of the Issuer*), in the case of Bearer Mortgage Bonds, the Mortgage Bonds to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Mortgage Bonds have then been admitted to listing, trading and/or quotation and the notice to Mortgage Bondholders referred to in Condition 8(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Mortgage Bonds so to be redeemed and, in the case of Registered Mortgage Bonds, each Mortgage Bond shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Mortgage Bonds to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Mortgage Bonds on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) *Clean-up Call*: If Clean-up Call Option is specified in the relevant Final Terms as being applicable, and if, at any time the outstanding aggregate principal amount of the Mortgage Bonds is 25 per cent. (or such other amount as is specified in the relevant Final Terms) or less of the aggregate principal amount of the Mortgage Bonds originally issued (and, for these purposes, any further Mortgage Bonds issued pursuant to Condition 17 (*Further Issues*) and consolidated with the Mortgage Bonds as part of the same Series shall be deemed to have been originally issued) (the "**Clean-up Call Threshold**"), the Issuer may redeem all (but not some only) of the remaining outstanding Mortgage Bonds on any date (or, if the Floating Rate Mortgage Bond Provisions are specified in the relevant Final Terms as being applicable, on any Interest Payment Date) upon giving not less than 15 nor more than 30 days' notice to the Mortgage Bondholders (or such other notice period as may be specified in the applicable Final Terms) (which notice shall specify the date for redemption and shall be irrevocable), at the Optional Redemption Amount (Clean-up Call) together with any accrued and unpaid interest up to (but excluding) the date of redemption. Prior to the publication of any notice of redemption pursuant to this Condition 8(e), the Issuer shall deliver to the Fiscal Agent a certificate signed by two authorised signatories of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate principal amount of the Mortgage Bonds is equal to or less than the Clean-up Call Threshold. The Fiscal Agent shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Mortgage Bondholders and the Couponholders.

(f) *Redemption at the option of Mortgage Bondholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Mortgage Bond redeem such Mortgage Bond on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 8(f), the Holder of a Mortgage Bond must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Mortgage Bond together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Mortgage Bond is so deposited shall deliver a duly completed Put Option Receipt to the depositing Mortgage Bondholder. No Mortgage Bond, once deposited with a duly completed Put Option Notice in accordance with this Condition 8(f), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Mortgage Bond becomes immediately due and payable or, upon due presentation of any such Mortgage Bond on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Mortgage Bondholder at such address as may have been given by such Mortgage Bondholder in the relevant Put Option Notice and shall hold such Mortgage Bond at its Specified Office for collection by the depositing Mortgage Bondholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Mortgage Bond is held by a Paying Agent in accordance with this Condition 8(f), the depositor of such Mortgage Bond and not such Paying Agent shall be deemed to be the Holder of such Mortgage Bond for all purposes.

(g) *No other redemption:* The Issuer shall not be entitled to redeem the Mortgage Bonds otherwise than as provided in paragraphs 8(a) to 8(f) above.

(h) *Early redemption of Zero Coupon Mortgage Bonds:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Mortgage Bond at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Mortgage Bond becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 8(h) or, if none is so specified, a Day Count Fraction of 30E/360.

(i) *Purchase:* The Issuer may at any time purchase Mortgage Bonds in the open market or otherwise and at any price and such Mortgage Bonds may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation (provided that, if the Mortgage Bonds are to be cancelled, they are purchased together with all unmatured Coupons and unexchanged Talons relating to them).

(j) *Cancellation:* All Mortgage Bonds redeemed by the Issuer and any unmatured Coupons or unexchanged Talons attached to or surrendered with them shall be cancelled and all Mortgage Bonds so cancelled and any Mortgage Bonds cancelled pursuant to Condition 8(i) (*Purchase*) above (together with all unmatured Coupons and unexchanged Talons cancelled with them) may not be reissued or resold.

9. Payments – Bearer Mortgage Bonds

This Condition 9 is only applicable to Bearer Mortgage Bonds.

(a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Mortgage Bonds at the Specified Office of any Paying Agent outside the United States or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

(b) *Interest:* Payments of interest shall, subject to Condition 9(i) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 9(a) above.

(c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Mortgage Bonds in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Mortgage Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).

(e) *Commissions or Expenses:* No commissions or expenses shall be charged to the Mortgage Bondholders or Couponholders in respect of such payments.

(f) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Mortgage Bond Provisions are applicable and a Bearer Mortgage Bond is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph (A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 9(a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

(g) *Unmatured Coupons void*: If the Floating Rate Mortgage Bond Provisions are applicable, on the due date for final redemption of any Mortgage Bond or early redemption in whole of such Mortgage Bond pursuant to Condition 8(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 8(f) (*Redemption and Purchase – Redemption at the option of Mortgage Bondholders*), Condition 8(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), Condition 8(e) (*Redemption and Purchase – Clean-up Call*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Mortgage Bond or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Mortgage Bonds at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 9(c) above).

(j) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Mortgage Bond or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Mortgage Bonds, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Bearer Mortgage Bond, any unexchanged Talon relating to such Mortgage Bond shall become void and no Coupon will be delivered in respect of such Talon.

10. **Payments – Registered Mortgage Bonds**

This Condition 10 is only applicable to Registered Mortgage Bonds.

(a) *Principal:* Payments of principal shall be made, upon application by a Holder of a Registered Mortgage Bond to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Mortgage Bond Certificates at the Specified Office of any Paying Agent.

(b) *Interest:* Payments of interest shall be made or, upon application by a Holder of a Registered Mortgage Bond to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Mortgage Bond Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws:* All payments in respect of the Registered Mortgage Bonds are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*).

(d) *Commissions or Expenses:* No commissions or expenses shall be charged to the Mortgage Bondholders in respect of such payments.

(e) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Mortgage Bond Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Mortgage Bond shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(f) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Mortgage Bond, the Issuer shall procure that the amount and date of such payment are Mortgage Bond on the Register and, in the case of partial payment upon presentation of a Mortgage Bond Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Mortgage Bond Certificate.

(g) *Record date:* Each payment in respect of a Registered Mortgage Bond will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

11. **Taxation**

All payments of principal and interest in respect of the Mortgage Bonds and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Mortgage Bondholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Mortgage Bond or Coupon presented for payment:

(i) by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Mortgage Bond or Coupon by reason of its having some connection with the Relevant Jurisdiction other than the mere holding of the Mortgage Bond or Coupon; or

(ii) more than 30 days after the Relevant Date except to the extent that the Holder of such Mortgage Bond or Coupon would have been entitled to such additional amounts on presenting or surrendering such Mortgage Bond, Coupon or Mortgage Bond Certificate for payment on the last day of such period of 30 days.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 11.

Notwithstanding any other provisions of these Conditions or the Agency Agreement, any amounts to be paid on the Mortgage Bonds by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

12. Events of Default

If any of the following events occurs and is continuing, then the Issuer shall be deemed to be in default under the Mortgage Bonds and whereupon they shall become immediately due and payable at their principal amount, together with any accrued but unpaid interest without further action or formality (each, an "**Event of Default**"):

(a) *Non-payment:* any principal or interest on the Mortgage Bonds has not been paid within seven days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment; or

(b) *Breach of other obligations:* the Issuer defaults in the performance or observance of any of its other obligations under these Conditions and that breach has not been remedied within 30 days of receipt of a written notice from a Mortgage Bondholder to the Issuer and the Fiscal Agent requiring the same to be remedied; or

(c) *Winding-up:* the ordering by any competent court for the liquidation (*felszámolás*) of the Issuer in accordance with Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings of Hungary.

13. Prescription

Claims for principal in respect of Bearer Mortgage Bonds shall become void unless the relevant Bearer Mortgage Bonds are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Mortgage Bonds shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Mortgage Bonds shall become void unless the relevant

Mortgage Bond Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

14. **Replacement of Mortgage Bonds and Coupons**

If any Mortgage Bond, Mortgage Bond Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Mortgage Bonds, or the Registrar, in the case of Registered Mortgage Bonds (and, if the Mortgage Bonds are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Mortgage Bonds, Mortgage Bond Certificates or Coupons must be surrendered before replacements will be issued.

15. **Agents**

In acting under the Agency Agreement and in connection with the Mortgage Bonds and the Coupons, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Mortgage Bondholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that**:

(a) the Issuer shall at all times maintain a fiscal agent and a registrar;

(b) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Mortgage Bonds are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Mortgage Bondholders.

16. **Meetings of Mortgage Bondholders; Modification and Waiver**

(a) *Meetings of Mortgage Bondholders*: The Agency Agreement contains provisions for convening meetings of Mortgage Bondholders to consider matters relating to the Mortgage Bonds, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Mortgage Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Mortgage Bonds. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Mortgage Bonds or, at any adjourned meeting, one or more Persons being or representing Mortgage Bondholders whatever the principal amount of the Mortgage Bonds held or represented; **provided, however, that** certain proposals (including any proposal to change any date fixed for payment of principal or interest in respect of the Mortgage Bonds, to reduce the amount of principal or interest payable on any date in respect of the Mortgage Bonds, to alter the method of calculating the amount of any payment in respect of the Mortgage Bonds or the date for any such payment, to change the currency of payments under the Mortgage Bonds or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution (each, a "**Reserved Matter**")) may only be sanctioned by an Extraordinary Resolution passed at a meeting of

Mortgage Bondholders at which one or more persons holding or representing not less than two thirds or, at any adjourned meeting, one third of the aggregate principal amount of the outstanding Mortgage Bonds form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Mortgage Bondholders and Couponholders, whether present or not.

Any such meeting of the Holders may be convened at a physical location, or such other method (which may include, without limitation, a conference call or video conference) as the Fiscal Agent may determine in accordance with the provisions of the Agency Agreement.

In addition, a resolution in writing signed by or on behalf of Mortgage Bondholders, who for the time being are entitled to receive notice of a meeting of Mortgage Bondholders, holding not less than 75 per cent. in nominal amount of the Mortgage Bonds outstanding, will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Mortgage Bondholders.

(b) *Modification:* The Mortgage Bonds, the Deed of Covenant and these Conditions may be amended without the consent of the Mortgage Bondholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Mortgage Bondholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Mortgage Bondholders.

In addition, pursuant to Condition 6(f) (*Interest – Floating rate Mortgage Bonds referencing SOFR (Screen Rate Determination)*) and Condition 6(n) (*Benchmark Replacement (Independent Adviser)*), certain changes may be made to the interest calculation provisions of the floating rate Mortgage Bonds in the circumstances and as otherwise set out in such Condition, without the requirement for consent of the Holders.

17. Further Issues

The Issuer may from time to time, without the consent of the Mortgage Bondholders or the Couponholders, create and issue further mortgage bonds having the same terms and conditions as the Mortgage Bonds in all respects (or in all respects except for the amount and date of first payment of interest thereon) so as to form a single series with the Mortgage Bonds.

18. Notices

(a) *Bearer Mortgage Bonds:* Notices to the Holders of Bearer Mortgage Bonds shall be valid if published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Mortgage Bonds.

(b) *Registered Mortgage Bonds:* Notices to the Holders of Registered Mortgage Bonds shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register and, if the Registered Mortgage Bonds are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, notices to Mortgage Bondholders will be published on the date of such mailing in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

19. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

20. **Governing Law and Jurisdiction**

(a) *Governing law*:

(i) The Mortgage Bonds and any non-contractual obligations arising out of or in connection with the Mortgage Bonds are governed by English law, except for Condition 4 (*Status*), which shall be governed by and construed in accordance with, Hungarian law;

(ii) As the Mortgage Bonds are issued and created on the Issue Date outside Hungary in an Organisation for Economic Co-operation and Development ("**OECD**") country, the law of the place of the creation of the Mortgage Bonds shall be applicable to the creation in line with the Mortgage Credit Institutions Act.

(b) *English courts*: The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Mortgage Bonds (including a dispute regarding any non-contractual obligation arising out of or in connection with the Mortgage Bonds).

(c) *Appropriate forum*: The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

(d) *Rights of the Mortgage Bondholders to take proceedings outside England*: Notwithstanding Condition 20(b) (*English courts*) any Mortgage Bondholder may take proceedings relating to a Dispute ("**Proceedings**") in any competent court of a European Union member state or a state applying the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007, as amended (the **Lugano II Convention**). To the extent allowed by law, Mortgage Bondholders may take concurrent Proceedings in any number of jurisdictions.

(e) *Service of process:* The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Mortgage Bondholders. Nothing in this paragraph shall affect the right of any Mortgage Bondholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS[1]

Set out below is the form of Final Terms which will be completed for each Series/Tranche of Mortgage Bonds issued under the Programme.

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Mortgage Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"), Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Mortgage Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Mortgage Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Mortgage Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Mortgage Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Mortgage Bonds or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.]

[MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Mortgage Bonds has led to the conclusion that: (i) the target market for the Mortgage Bonds is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the Mortgage Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Mortgage Bonds (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Mortgage Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Mortgage Bonds has led to the conclusion that: (i) the target market for the Mortgage Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Mortgage Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Mortgage Bonds (a "**distributor**")]/[distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Mortgage Bonds (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[1] *Certificate of the Hungarian Cover Pool Monitor (vagyonellenőr) will be circulated with the Final Terms for each Series of Mortgage Bonds pursuant to section 11§. (3)(n) of Act XXX of 1997 on Mortgage Loan Credit Institutions and on Mortgage Bonds (1997. évi XXX. törvény a jelzálog-hitelintézetről és a jelzáloglevélről).*

*[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Mortgage Bonds are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]*

Final Terms dated [•]

MBH Mortgage Bank Co. Plc.

(*MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság*)

Issue of [Aggregate Principal Amount of Tranche] [Title of Mortgage Bonds]

Legal entity Identifier (LEI): 5299007F4BUUY6S14E44

EUR 1,000,000,000 Mortgage Bonds Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 18 June 2026 [and the supplement[s] to it dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Mortgage Bonds described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. The Base Prospectus has been published, and the applicable Final Terms will be published, on the Luxembourg Stock Exchange website (www.luxse.com). This Base Prospectus and the Final Terms applicable to each issue of Mortgage Bonds will be available on the website of the Luxembourg Stock Exchange (www.luxse.com).

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Mortgage Bond that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms*.]

1.	(i)	Issuer:	MBH Mortgage Bank Co. Plc. *(MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság*)
2.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	(iii)	Date on which the Mortgage Bonds become fungible:	[Not Applicable/The Mortgage Bonds shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Mortgage Bond for interests in the Permanent Global Mortgage Bond, as referred to in paragraph 22 below [which is expected to occur on or about [•]].]]

3.	Specified Currency or Currencies:		[•]
4.	Aggregate Principal Amount:		
	(i)	Series:	[•]
	(ii)	Tranche:	[•]
5.	Issue Price:		[•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•]]
6.	(i)	Specified Denominations:	[•] *(N.B. Mortgage Bonds must have a minimum denomination of EUR 100,000 (or equivalent))* *(Mortgage Bond – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:* *"[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Mortgage Bond in definitive form will be issued with a denomination above [€199,000].")*
	(ii)	Calculation Amount:	[•] *(If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Mortgage Bond: There must be a common factor in the case of two or more Specified Denominations).*
7.	(i)	Issue Date:	[•]
	(ii)	Interest Commencement Date:	[•]/[Issue Date/Not Applicable] *(N.B. An Interest Commencement Date will not be relevant for certain Mortgage Bonds, for example Zero Coupon Mortgage Bonds.)*
8.	Maturity Date:		[*Specify date or (for floating rate Mortgage Bonds) Interest Payment Date falling in or nearest to the relevant month and year]*
9.	Interest Basis:		[•] per cent. Fixed Rate [•][•] [EURIBOR/SONIA/SONIA Compounded Index/SOFR/SOFR Compounded Index/€STR]+/– [•] per cent. Floating Rate] [Zero Coupon] [(further particulars specified below)]

10.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Mortgage Bonds will be redeemed on the Maturity Date at [100]per cent. of their principal amount
11.	Change of Interest or Redemption/Payment Basis:	[For the period from (and including) the Interest Commencement Date, up to (but excluding) [*date*] paragraph [14/15] applies and for the period from (and including) [*date*], up to (and including) the Maturity Date, paragraph [14/15] applies] [*Not Applicable*]
12.	Put/Call Options:	[Investor Put] [Issuer Call] [Clean-up Call Option] [(further particulars specified below)]
13.	[Date [Board] approval for issuance of Mortgage Bonds] obtained:	[•] [and [•], respectively] *(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Mortgage Bonds)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Mortgage Bond Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[•] per cent. per annum payable in arrear on each Interest Payment Date OR
		[Initial Rate of Interest:	[•] per cent. per annum]
	(ii)	Interest Payment Date(s):	[•] in each year up to and including the Maturity Date (*Amend appropriately in the case of irregular coupons*)
	(iii)	Fixed Coupon Amount[(s)]:	[•] per Calculation Amount
	(iv)	Fixed Coupon Amount for a short or long Interest Period ("Broken Amount(s)")	[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
	(v)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) / other]
	(vi)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]

			(*This item is only relevant for Condition 6(d)*)
15.	**Floating Rate Mortgage Bond Provisions**		[Applicable/Not Applicable]
			(If not applicable delete the remaining sub-paragraphs of this paragraph)
	(i)	Specified Period	[•]
	(ii)	Specified Interest Payment Dates:	[•]
	(iii)	First Interest Payment Date:	[•]
	(iv)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention][, No Adjustment]
	(v)	Additional Business Centre(s):	[Not Applicable/[•]]
	(vi)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[Fiscal Agent]/ [*an institution other than the Fiscal Agent*] shall be the Calculation Agent
	(viii)	Screen Rate Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	•	Reference Rate:	[•][•] [EURIBOR/SONIA/SOFR/€STR/SONIA Compounded Index (see Index Determination below)/SOFR Compounded Index (see Index Determination below)]
	•	Observation Method:	[Lag / Observation Shift]
	•	Lag Period:	[5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days/Not Applicable]
	•	Observation Shift Period:	[5 / [ ] TARGET Settlement Days/U.S. Government Securities Business Days/London Banking Days /Not Applicable]
			(*NB: A minimum of 5 should be specified for the Lag Period or Observation Shift Period, unless otherwise agreed with the Calculation Agent*)
	•	D:	[360/365/[ ]] / [Not Applicable]
	•	Index Determination	[Applicable/Not Applicable]
	•	Compounded Index	[SONIA Compounded Index /SOFR Compounded Index / Not Applicable]

•	Relevant Decimal Place	[ ] [5] *(unless otherwise specified in the Final Terms, it should be the fifth decimal place*)
•	Relevant Number	[ ] [5] (*unless otherwise specified in the Final Terms, the Relevant Number shall be 5*)
•	Interest Determination Date(s):	[The first Business Day in the relevant Interest Period]/ *(select where Interest Determination Date has the meaning specified in Condition 6(e), 6(f) or 6(g))* [•] [London Banking Days/U.S. Government Securities Business Days/TARGET Settlement Days] [prior to each Interest Payment Date]
•	Relevant Screen Page:	[•]
•	Relevant Time	[•]
(ix)	ISDA Determination:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
•	ISDA Definitions:	[2006 ISDA Definitions / 2021 ISDA Definitions]
•	Floating Rate Option:	[•] (*The Floating Rate Option should be selected from one of: CHF-SARON / EUR-EURIBOR-Reuters (if 2006 ISDA Definitions apply) EUR-EURIBOR (if 2021 ISDA Definitions apply) / EUR-EuroSTR / EUR-EuroSTR Compounded Index / GBP SONIA / GBP SONIA Compounded Index / HKD-HONIA / JPY-TONA / USD-SOFR / USD-SOFR Compounded Index (each as defined in the ISDA Definitions). These are the options envisaged by the terms and conditions*)
•	Designated Maturity:	[•] (*Designated Maturity will not be relevant where the Floating Rate Option is a risk free rate*)
•	Reset Date:	[•]/[as specified in the ISDA Definitions]/[the first day of the relevant Interest Period, subject to adjustment in accordance with the Business Day Convention set out in [(v)] above and as specified in the ISDA Definitions]
•	Compounding:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	- Compounding Method	[Compounding with Lookback • Lookback: [•] Applicable Business Days] [Compounding with Observation Period Shift

- Observation Period Shift: [•] Observation Period Shift Business Days
- Observation Period Shift Additional Business Days: [[•] / Not Applicable]]

[Compounding with Lockout

- Lockout: [•] Lockout Period Business Days
- Lockout Period Business Days: [[•]/Applicable Business Days]]

	• Averaging	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	• -Averaging Method:	[Averaging with Lookback • Lookback: [•] Applicable Business Days] [Averaging with Observation Period Shift • Observation Period Shift: [•] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [[•]/Not Applicable]] [Averaging with Lockout • Lockout: [•] Lockout Period Business Days • Lockout Period Business Days: [[•]/Applicable Business Days]]
	• Index Provisions:	[Applicable/Not Applicable] (*If not applicable delete the remaining sub-paragraphs of this paragraph*)
	– Index Method:	Compounded Index Method with Observation Period Shift • Observation Period Shift: [•] Observation Period Shift Business Days • Observation Period Shift Additional Business Days: [[•] / [Not Applicable]]
(x)	[Linear Interpolation:	Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(xi)	Margin(s):	[+/-][•] per cent. per annum

	(xii)	Minimum Rate of Interest:	[The Minimum Rate of Interest shall not be less than zero] / [The Minimum Rate of Interest shall not be less than [•] per cent. per annum]
	(xiii)	Maximum Rate of Interest:	[•] per cent. per annum
	(xiv)	Day Count Fraction:	[•]
	(xv)	[Party responsible for calculating the amount of interest payable for any Rate Adjustment under Condition 6(e) (*Interest – Floating rate Mortgage Bonds referencing SONIA (Screen Rate Determination)*:]	The [Fiscal Agent][Principal Paying Agent]/[other].
16.	**Zero Coupon Mortgage Bond Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[•] per cent. per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation to Early Redemption Amount:	[30/360 / Actual/Actual (ICMA/ISDA) / other]

PROVISIONS RELATING TO REDEMPTION

17.	Call Option		[Applicable/Not Applicable]
	(i)	Optional Redemption Date(s) (Call):	[•]
	(ii)	Optional Redemption Amount(s) (Call) of each Mortgage Bond:	[•] per Calculation Amount [in the case of the Optional Redemption Dates falling on [•]]/[in the period from and including [*date*]]
	(iii)	Redemption in part:	[Applicable/Not Applicable]
		(a) Minimum Redemption Amount:	[•] per Calculation Amount
		(b) Maximum Redemption Amount	[•] per Calculation Amount
	(iv)	Notice period:	[•]
18.	Put Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s) (Put):	[•]
	(ii)	Optional Redemption Amount(s) (Put) of each Mortgage Bond and	[•] per Calculation Amount

		method, if any, of calculation of such amount(s):	
	(iii)	Notice period:	[•]
19.	[Clean-up Call Option		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Clean-up Call Threshold:	[•] per cent.
	(ii)	Optional Redemption Amount (Clean-up Call):	[•]]
	(iii)	Notice period (if different from the Conditions)	[Not less than [•] nor more than [•] days] / [Not Applicable – in line with Condition 8(e) (*Clean-up Call*)]
20.	Final Redemption Amount of each Mortgage Bond		[•] per Calculation Amount
21.	Early Redemption Amount		
	(i)	Early Redemption Amount(s) (Tax) or early redemption amount for other early redemption:	[Not Applicable] / [•] per Calculation Amount (*reference to other early redemption is only relevant in the context of zero coupon Mortgage Bonds*)
	(ii)	Notice period on redemption for tax reasons (if different from Condition 8(b) (*Redemption for tax reasons*)):	[Not less than [•] nor more than [•] days] / [Not Applicable – in line with Conditions]

GENERAL PROVISIONS APPLICABLE TO THE MORTGAGE BONDS

22.	Form of Mortgage Bonds:	**Bearer Mortgage Bonds:** [[Temporary Global Mortgage Bond exchangeable for a Permanent Global Mortgage Bond which is exchangeable for Definitive Mortgage Bonds on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Mortgage Bond]] [[Temporary Global Mortgage Bond exchangeable for Definitive Mortgage Bonds on [•] days' notice]] [[Permanent Global Mortgage Bond exchangeable for Definitive Mortgage Bonds on [ ] days' notice/at any time/in the limited circumstances specified in the Permanent Global Mortgage Bond]] **Registered Mortgage Bonds**: [Global Registered Mortgage Bond exchangeable for Individual Mortgage Bond Certificates on [•] days' notice/at any time/in the limited circumstances described in the Global Registered Mortgage Bond]

		[[and]] [Global Registered Mortgage Bond [(U.S.$/Euro [•] principal amount)] registered in the name of a nominee for [a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure).]] (*N.B. If the Specified Denominations of the Mortgage Bonds in item 4 above include language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000" the Temporary Global Mortgage Bond must not be exchangeable for Definitive Mortgage Bonds*)
23.	New Global Mortgage Bond:	[Yes/Not Applicable]
24.	New Safekeeping Structure:	[Yes/Not Applicable]
25.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*. *Mortgage Bond that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which sub-paragraph 15(v) relates*]
26.	Talons for future Coupons to be attached to Definitive Mortgage Bonds (and dates on which such Talons mature):	[Yes/No. As the Mortgage Bonds have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of the Issuer:

By: .... By: ....

Duly authorised *Duly authorised*

MBH MORTGAGE BANK CO. PLC.

PART B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**	
(i)	Listing	[Luxembourg/ other (specify)/ None]
(ii)	Admission to Trading:	[Application has been made for the Mortgage Bonds to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange]/ [•] with effect from [ ].]/[Not Applicable.] (*When documenting a fungible issue need to indicate that original Mortgage Bonds are already admitted to trading.*)
(iii)	Estimate of total expenses related to admission to trading:	[ ]
(iv)	Place of creation	[•]
(v)	Place of Issue	(*Mortgage Bond: outside Hungary, in an OECD country*) [•] (*Mortgage Bond: outside Hungary, in an OECD country*)
	RATINGS	[The Mortgage Bonds to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Mortgage Bonds of this type issued under the Programme generally]:
	Ratings:	[Standard & Poor's: [•]] [Moody's: [•]] [Fitch: [•]] [[Other]: [•]]
		Option 1 – Credit Rating Agency ("CRA") established in the EEA and registered under the EU CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation [*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Mortgage Bonds is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and

registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/ [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Mortgage Bonds is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

Option 2 – CRA established in the EEA, not registered under the CRA Regulation but has applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the CRA Regulation (UK)

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and has applied for registration under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] /[European Securities and Markets Authority]. [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Mortgage Bonds is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**CRA Regulation (UK)**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**CRA Regulation (UK)**").]/ [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**CRA Regulation (UK)**") and the rating it has given to the Mortgage Bonds is not endorsed by a credit rating agency established in the UK and registered under the CRA Regulation (UK).]

Option 3 – CRA established in the EEA, not registered under the EU CRA Regulation and not applied for registration and details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**"). [[*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the ESMA website http://www.esma.europa.eu.]. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Mortgage Bonds is endorsed by [*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation (UK)**").] /[[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").]/ [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Mortgage Bonds is not endorsed by a credit rating agency established in the UK and registered under the UK CRA Regulation.]

Option 4 – CRA established in the UK and registered under the UK CRA Regulation and details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). [*Insert legal name of particular credit rating agency entity providing rating*] appears on the latest update of the list of registered credit rating agencies (as of [*insert date of most recent list*]) on the FCA website: https://data.fca.org.uk/#/cra/cradetails. [The rating [*Insert legal name of particular credit rating agency entity providing rating*] has given to the Mortgage Bonds to be issued under the Programme is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").] [[*Insert legal name of particular credit rating agency entity providing rating*] has been certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**").] [[*Insert legal name of particular credit rating agency entity providing rating*] has not been certified under Regulation (EC) No 1060/2009, as amended (the "**UK CRA Regulation**") and the rating it has given to the Mortgage Bonds is not endorsed by a credit rating agency established in the EEA and registered under the EU CRA Regulation.]

Option 5 – CRA not established in the EEA or the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation (EU) AND/OR under the CRA Regulation (UK)

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but the rating it has given to the Mortgage Bonds to be issued under the Programme is endorsed by [[*insert legal name of credit rating agency*], which is established in the EEA and registered under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][[*insert legal name of credit rating agency*], which is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

Option 6 – CRA not established in the EEA or the UK and relevant rating is not endorsed under the CRA Regulation (EU) or the CRA Regulation (UK) but CRA is certified under the CRA Regulation (EU) AND/OR under the CRA Regulation (UK)

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK but is certified under [Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**")][and][Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")**]**.

Option 7 – CRA neither established in the EEA or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EEA or the UK and is not certified under Regulation (EC) No 1060/2009, as amended (the "**EU CRA Regulation**") or Regulation (EC) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation")** and the rating it has given to the Mortgage Bonds is not endorsed by a credit rating agency established in either the EEA and registered under the EU CRA Regulation or in the UK and registered under the UK CRA Regulation.

[*To include a brief description of the meaning given to the relevant rating category by the relevant credit rating agency*]

INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Mortgage Bonds has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (*Amend as appropriate if there are other interests*)]

[*(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)*]

[*Fixed Rate Mortgage Bonds only* – YIELD]

Indication of yield:	[•] [*The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]*

OPERATIONAL INFORMATION

ISIN:	[•]
Common Code:	[•]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	
Relevant Benchmark[s]:	***OPTION – EU*** [[*specify benchmark*] is provided by [*administrator legal name*][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmarks Regulation]/ [As far as the Issuer is aware, as at the date hereof, [*name of administrator*] has applied for [endorsement/recognition] under the Benchmarks Regulation[, and is currently permitted to provide [*specify benchmark*]]] /[Not Applicable] ***OPTION – UK*** [[*specify benchmark*] is provided by [*administrator legal name*][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by the FCA pursuant to [Article 36] (*Register of administrators and benchmarks*) of the UK Benchmarks Regulation]/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the UK Benchmarks Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of UK Benchmarks Regulation apply, such that [*name of administrator*] is not currently required to obtain recognition, endorsement or equivalence] /[Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Mortgage Bond that the designation "yes" simply means that the Mortgage Bonds are intended upon issue to be deposited with one of the ICSDs as common safekeeper[[[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for registered Mortgage Bonds held under the NSS structure*]] and does not necessarily mean that the Mortgage Bonds will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Mortgage Bonds are capable of meeting them the Mortgage Bonds may then be deposited with one of the ICSDs as common safekeeper. Mortgage Bond that this does not necessarily mean that the Mortgage Bonds will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [Not Applicable]]

DISTRIBUTION

(i)	Method of Distribution:		[Syndicated/Non-syndicated]
(ii)	If syndicated:		[Not Applicable/*give names*]
	(A)	Names of Dealers	
	(B)	Stabilisation Manager(s), if any:	[Not Applicable/*give names*]
(iii)	If non-syndicated, name of Dealer:		
(iv)	U.S. Selling Restrictions:		Reg S Compliance Category 2; TEFRA [C/D/Not Applicable]
(v)	[Prohibition of Sales to EEA Retail Investors:		[Applicable]/[Not Applicable] (*If the Mortgage Bonds clearly do not constitute "packaged" products, or the Mortgage Bonds do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Mortgage Bonds may constitute "packaged" products, "Applicable" should be specified.*)]

(vi)	[Prohibition of Sales to UK Retail Investors:	[Applicable]/[Not Applicable] *(If the Mortgage Bonds clearly do not constitute "packaged" products, or the Mortgage Bonds do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Mortgage Bonds may constitute "packaged" products, "Applicable" should be specified.)*]

2. **REASONS FOR THE OFFER AND ESTIMATED NET AMOUNT OF PROCEEDS**

Reasons for the offer:	[ ] [See ["Use of Proceeds"] in the Base Prospectus/*Give details*] [*If reasons differ from what is disclosed in the Base Prospectus give details here.]*
Estimated net proceeds:	[ ]

USE OF PROCEEDS

The net proceeds from each issue of Mortgage Bonds will be used for the general corporate purposes of the Issuer.

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

OVERVIEW OF PROVISIONS RELATING TO THE MORTGAGE BONDS WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Mortgage Bonds represented by a Global Mortgage Bond in bearer form, references in the Terms and Conditions of the Mortgage Bonds to "Mortgage Bondholder" are references to the bearer of the relevant Global Mortgage Bond which, for so long as the Global Mortgage Bond is held by a common safekeeper, for Euroclear and/or Clearstream, Luxembourg, will be that common safekeeper.

In relation to any Tranche of Mortgage Bonds represented by a Global Registered Mortgage Bond, references in the Terms and Conditions of the Mortgage Bonds to "Mortgage Bondholder" are references to the person in whose name such Global Registered Mortgage Bond is for the time being registered in the Register which, for so long as the Global Registered Mortgage Bond is held by or on behalf of a common safekeeper for Euroclear and/or Clearstream, Luxembourg, will be that common safekeeper or a nominee for that common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Mortgage Bond or a Global Registered Mortgage Bond (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Mortgage Bond or Global Registered Mortgage Bond and in relation to all other rights arising under such Global Mortgage Bond or Global Registered Mortgage Bond. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Mortgage Bond or Global Registered Mortgage Bond will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Mortgage Bonds are represented by a Global Mortgage Bond or Global Registered Mortgage Bond, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Mortgage Bonds and such obligations of the Issuer will be discharged by payment to the holder of such Global Mortgage Bond or Global Registered Mortgage Bond.

Conditions applicable to Global Mortgage Bonds

Each Global Mortgage Bond or Global Registered Mortgage Bond will contain provisions which modify the Terms and Conditions of the Mortgage Bonds as they apply to the Global Mortgage Bond or Global Registered Mortgage Bond. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Mortgage Bond or Global Registered Mortgage Bond which, according to the Terms and Conditions of the Mortgage Bonds, require presentation and/or surrender of a Mortgage Bond, Mortgage Bond Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Mortgage Bond or Global Registered Mortgage Bond to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Mortgage Bonds. On each occasion on which a payment of principal or interest is made in respect of the Global Mortgage Bond, the Issuer shall procure that in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Calculation of interest: the calculation of any interest amount in respect of any Mortgage Bond which is represented by a Global Mortgage Bond or Global Registered Mortgage Bond will be calculated on the aggregate outstanding principal amount of the Mortgage Bonds represented by such Global Mortgage Bond or Global Registered Mortgage Bond, as the case may be, and not by reference to the Calculation Amount.

Payment Business Day: In the case of a Global Mortgage Bond or Global Registered Mortgage Bond, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Mortgage Bond will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System**

Business Day" means a day on which each clearing system for which the Global Registered Mortgage Bond is being held is open for business.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 8(c) (*Redemption at the option of the Issuer*) in relation to some only of the Mortgage Bonds, the Permanent Global Mortgage Bond or a Global Registered Mortgage Bond may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Mortgage Bonds to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Exercise of put option: In order to exercise the option contained in Condition 8(f) (*Redemption at the option of Mortgage Bondholders*) the bearer of a Permanent Global Mortgage Bond or the holder of a Global Registered Mortgage Bond must, within the period specified in the Conditions for the deposit of the relevant Mortgage Bond give notice of such exercise to the Fiscal, in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system, specifying the principal amount of Mortgage Bonds in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Notices: Notwithstanding Condition 18 (*Notices*), while all the Mortgage Bonds are represented by a Permanent Global Mortgage Bond (or by a Permanent Global Mortgage Bond and/or a Temporary Global Mortgage Bond) or a Global Registered Mortgage Bond and the Permanent Global Mortgage Bond is (or the Permanent Global Mortgage Bond and/or the Temporary Global Mortgage Bond are), or Global Registered Mortgage Bond is deposited with a common safekeeper, notices to Mortgage Bondholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Mortgage Bondholders in accordance with Condition 18 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Mortgage Bonds are admitted to trading on the Luxembourg Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be *Luxemburger Wort*) or published on the website of the Luxembourg Stock Exchange (*www.LuxSE.com*).

DESCRIPTION OF THE ISSUER

DESCRIPTION OF THE ISSUER'S BUSINESS

1. Introduction

The Issuer is a specialised credit institution and a subsidiary company of the MBH Group. The operation of the Issuer is regulated by the Mortgage Credit Institutions Act. As a specialised credit institution, the business activity of the Issuer includes primarily the refinancing of long-term mortgage loans for members of the MBH Group and third-party partner banks outside the MBH Group and the issuance of long-term mortgage bonds. The Issuer is an active green and non-green mortgage bonds issuer on the domestic market. In 2025, the Issuer raised HUF 125.5 billion from the domestic capital markets, with HUF 70 billion issued as unsecured floating-rate notes and HUF 55.5 billion as mortgage bonds. The amount of green mortgage bonds issued comprised HUF 8.4 billion, representing 6.7 per cent of all HUF denominated mortgage bonds issued. In 12 November 2025, the Issuer successfully completed an international mortgage bond transaction and raised EUR 100 million (approximately HUF 38.2 billion) from the international capital market.

In the first four months of 2026, the Issuer raised HUF 8.4 billion from the domestic capital market, in the form of non-green fixed- and floating-rate HUF denominated mortgage bonds.

Since the second quarter of 2018, the Issuer has ceased originating new mortgage loans. Consequently, all new mortgage lending activities are undertaken by MBH Bank, the ultimate parent company of the MBH Group. The existing portfolio of mortgage loans previously originated by the Issuer remains on its balance sheet until their respective maturities.

Mortgage bank refinancing is typically conducted through the sale and purchase of independent liens. In this structure, a partner commercial bank sells independent liens related to the mortgage loan it provides, which can be traded separately, to the Issuer and undertakes a repurchase obligation as repayment. The mortgage loans remain on the balance sheet of the commercial bank, its credit risk is borne by the commercial bank, and the tasks related to the customer are performed by the commercial bank, but the Issuer has the unconditional right to request registration of the liens in the land registry under its name. In the event of default by the commercial bank, the Issuer becomes the holder of the independent lien and the claim secured by the lien.

The registered name of the Issuer is MBH Jelzálogbank Nyilvánosan Működő Részvénytársaság, abbreviated as MBH Jelzálogbank Nyrt. The Issuer's corporate name in English is MBH Mortgage Bank Co. Plc. The Issuer has its registered seat at Magyar Tudósok körútja 9. G. ép., 1117 Budapest, Hungary and its telephone number is +36 1 452 9100. The website of the Issuer is https://www.mbhjelzalogbank.hu/. The Issuer was founded on 21 October 1997 for an indefinite period of time and was registered with the Metropolitan Court of Budapest as a company limited by shares (in Hungarian: "*részvénytársaság*") under the registration number of Cg. 01-10-043638. The Issuer's Legal Entity Identifier (LEI) is 5299007F4BUUY6S14E44.

The Issuer operates under Hungarian law, in particular, under the Mortgage Credit Institutions Act, Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (the "**Credit Institutions Act**"), Act CXX of 2001 on the capital markets (the "**Capital Markets Act**"), the Integration Act and the Civil Code.

2. History

The Issuer started its operation in 1998 as FHB Land Credit and Mortgage Bank (the "**FHB**", in Hungarian: "*FHB Földhitel- és Jelzálogbank Nyrt.*"). As Hungary's first specialized mortgage credit institution, FHB laid the groundwork for domestic mortgage lending with a mortgage bank background, helped shape the legal framework for mortgage banking, and pioneered mortgage bond-based financing in Hungary.

Initially, FHB's primary activities have been the financing of residential real estate development and purchase, including state-subsidized housing loans, alongside the issuance of covered bonds. By the end of 2000, FHB was already considered as a significant player in the Hungarian housing finance and in the mortgage bond market.

During the early 2000s, FHB promoted the acceptance of mortgage bonds among market participants, established direct relationships with long-term investors, and developed both primary and secondary markets for public covered bond issuance. It has also become recognized in the international covered bond market. The Issuer's shares are listed on the Budapest Stock Exchange (BSE) since 2003.

In 2006, FHB's management adopted a new business strategy and began transforming FHB into a banking group by establishing subsidiaries and expanding FHB's business beyond mortgage lending and real estate finance with new services and products (the "**FHB Group**"). The aim of the FHB Group was to ensure balanced growth in return on equity by diversifying the FHB's activities, expanding business volume and product offerings, reorganizing its client structure, entering new markets and reducing risk exposure. FHB was the parent company of the FHB Group, exercising ownership control over group members which included FHB Commercial Bank Ltd., FHB Life Annuity Ltd. and FHB Real Estate Ltd. Through the following years, the FHB Group has increasingly distributed the Issuer's loan products through FHB Commercial Bank Ltd., while FHB has shifted its focus to refinancing mortgage loans originated by FHB Commercial Bank and other partners, project lending, and capital market funding through mortgage bond and senior unsecured bond issuances.

FHB became a member of the Integration Organisation (as defined below) in September 2015. For further information on the Integration Organisation, see "*Description of the Issuer's Business – The Issuer's position within the MBH Group, the MBH Integration Group and the Integration Organisation*".

Between 2017 and 2023, the FHB sold all its subsidiaries and handed over its group leader's tasks to Magyar Takarékszövetkezeti Bank Zrt. (currently MBH Investment Bank). Consequently, the Issuer has become a part of the Takarék Group and its official name was changed to Takarék Mortgage Bank Co. Plc. (in Hungarian: "*Takarék Jelzálogbank Nyrt.*") on 25 June 2018.

Since 2018, the Issuer has operated as a refinancing mortgage bank in alignment with the long-term objectives of the former Takarék Group (now MBH Group), focusing on refinancing mortgage loans for MBH Group members and external partner banks, and issuing mortgage bonds.

As a result of a multi-step merger of the former Budapest Bank, Takarék Group and MKB Bank, the MBH Group was established on 30 April 2023, and the official name of the Issuer became MBH Mortgage Bank Co. Plc. – with unchanged business profile.

The Issuer is a member of the MBH Bank Prudential Group (as defined below) and the MBH Integration Group (as defined below).

3. Shareholder Structure

As at 17 April 2026, the Issuer's authorised, issued, and fully paid share capital was HUF 10,849,030,000 consisting of 108,490,300 series "A" ordinary shares with a nominal value of HUF 100 each. Rights of shareholders, both with majority or minority shareholding, are included in the Articles of Association of the Issuer, compliant with the applicable legal regulations.

As at 17 April 2026, the shareholder structure of the Issuer was as follows:

Owner	Shares (pieces)	Total nominal value of shares (HUF)	Ownership share (%)
Domestic institution/company	56,544,473	5,654,447,300	52.12%
Foreign institution/company	8,794	879,400	0.01%
Domestic individual	3,027,860	302,786,000	2.79%
Foreign individual	22,263	2,226,300	0.02%
Treasury shares	253,601	25,360,100	0.23%
Government held owner	48,597,602	4,859,760,200	44.79%
Other	35,707	3,570,700	0.03%
TOTAL	**108,490,300**	**10,849,030,000**	**100.00%**

To the extent known by the Issuer, the direct and/or indirect shareholders of the Issuer with over/around 5 per cent. stake as at 17 April 2026 were as follows:

Owner	Shares (pieces)	Total nominal value of shares (HUF)	Ownership share (%)
MBH Investment Bank Co. Ltd.	52,531,760	5,253,176,000	48.42%
Magyar Posta Ltd.	43,076,417	4,307,641,700	39.71%
TOTAL	**95,608,177**	**9,560,817,700**	**88.13%**

MBH Bank, the ultimate parent company of the Issuer and the MBH Group, has an indirect ownership interest of 48.46 per cent. and indirect voting rights of 48.57 per cent. in the Issuer through its majority-controlling direct ownership interest and voting rights in MBH Investment Bank.

To the best of the Issuer's management's knowledge, there is no person who has a majority influence in the Issuer.

4. Strategy

The Issuer's strategy forms an integral part of the integrated strategy of MBH Bank, the business leader of the MBH Group, and therefore the long-term strategic objectives of Issuer should be interpreted as part of the MBH Group-level strategy.

MBH Group aims to establish itself as Hungary's leading client-centric bank by delivering exceptional value to all citizens and businesses, and by actively contributing to national economic development – particularly within key sectors such as youth, small and medium-sized enterprises ("**SMEs**"), and agriculture – while maintaining a strong commitment to local communities. The MBH Group's digital-first strategy leverages advanced fintech solutions to offer rapid, flexible, and modular products, thereby transforming the customer experience. In the retail segment, priorities include delivering high-quality service, enhancing the customer journey, and expanding lending activities, with particular emphasis on the premium segment. The MBH Group is committed to strengthening strategic partnerships to increase its market share in the intermediary sector, and to reinforcing its corporate banking division through local expertise, advisory-driven sales, and the provision of innovative solutions. A comprehensive range of investment banking services – including Private Banking, Asset Management, and Treasury – is underpinned by an innovative, employee-centric culture that emphasizes continuous professional development.

Within the MBH Group's framework, the Issuer operates in accordance with the 'pure mortgage bank' model, concentrating primarily on the issuance of mortgage bonds and the refinancing of mortgage lending activity. While the Issuer retains on its balance sheet the historical, quickly and constantly amortizing portfolio of client loans – comprising predominantly household mortgage loans – until their contractual maturity, its current business focuses on providing long-term funding to partner banks through the continuous placement of mortgage bonds. As the second-largest issuer of mortgage bonds in Hungary, the Issuer maintains contractual refinancing arrangements with a broad spectrum of large and medium-sized financial institutions outside the MBH Group. MBH Bank remains the Issuer's principal refinancing partner; the strong origination volumes generated by MBH Bank materially contribute to the expansion of the Issuer's refinancing portfolio. Consistent with its business policy, the Issuer seeks to manage a substantial volume of mortgage loans while offering competitive pricing, and it intends to consolidate its position in the Hungarian real-estate finance market by capitalising on favourable market dynamics.

The Issuer's overarching strategic goal is to enhance both operational efficiency and the breadth and quality of its product suite. Key priorities include simplifying and increasing the transparency of its refinancing products, expanding and upgrading complementary services, and introducing new value-added solutions such as advanced real-estate sales technologies and bespoke information-technology platforms. In parallel, the Issuer is committed to lowering its funding costs through the ongoing issuance of mortgage bonds and to maximising process automation in order to achieve rapid, secure, and scalable transaction processing. The Issuer also seeks to streamline and modernise the refinancing process, including improvements in property valuation, collateral management, IT, and ALM systems, and to achieve the highest possible level of automation, speed, and security in operations, including the operation of an automated valuation model (AVM).

Sustainability is a fundamental pillar of the Issuer's corporate strategy, guiding both its operations and long-term vision. The Issuer is committed to becoming Hungary's leading green mortgage bank, with a longstanding focus on environmentally conscious management and sustainable finance. Since 2020, the Issuer has actively integrated environmental considerations into its core activities – mortgage loan refinancing and mortgage bond issuance – ensuring that sustainability factors are embedded in its business strategy. The Issuer was among the first Hungarian institutions to issue green mortgage bonds in 2021 and joined the European Energy Efficient Mortgages Initiative ("**EEMI**") in October 2020, furthering efforts to improve the energy efficiency of the housing stock through green mortgage lending and bond issuance. It also participated in the Green Mortgage Bond Purchase Programme of the MNB, contributing to the development of the domestic green financial sector, climate change mitigation, and the promotion of responsible investment.

5. Competitive environment in Hungary

The Hungarian mortgage bank sector remained stable in 2025, with no changes in its composition. Alongside the Issuer, OTP Mortgage Bank Ltd., UniCredit Mortgage Bank Ltd., Erste Mortgage Bank Ltd. and K&H Mortgage Bank Ltd. continue to hold mortgage bank status. The lending and mortgage bond issuance activities of Hungarian mortgage banks are significantly influenced by the mortgage loan funding adequacy ratio (in Hungarian: *jelzáloghitel-finanszírozás megfelelési mutató*, the "**MFAR**"), introduced by the MNB in 2017, which requires domestic banks to secure funding through mortgage-based refinancing or mortgage bond issuance. As these two specialised funding sources can only be provided by mortgage banks, the market for mortgage-based refinancing and mortgage bond issuance remains highly competitive, although there was no significant shift in the market shares of individual mortgage banks in 2025.

At the end of 2025, the Issuer had eight refinancing partner banks, with MBH Bank remaining the largest among them. In terms of the number of refinancing partners, the Issuer continues to be the market leader. As at the end of 2025, the nominal value of mortgage bonds issued and outstanding by the Issuer amounted to HUF 430.2 billion, representing a 17.9 per cent. increase compared to the end of 2025, primarily due to positive net issuance.

As of 30 April 2026, the face value of the Issuer's mortgage bonds in circulation was HUF 408.1 billion, representing a 5.1 per cent. decrease compared to 31 December 2025, due to the negative net issuance resulting from maturities and buy-backs.

Within the total volume of outstanding mortgage bonds, those issued by the Issuer represented 17.7 per cent. as at the end of 2025, while 16.6 per cent. as at the end of Q1 2026, thereby reaffirming the Issuer's position as the second largest participant in the Hungarian mortgage bond market.

6. Business Overview

Since its establishment, the Issuer's main activities have comprised mortgage bond issuance and mortgage-based financing and refinancing. The Issuer's existing loan portfolio consists predominantly of residential mortgage loans. Since 2018, the Issuer has operated exclusively as a refinancing mortgage bank and does not engage in originating new mortgage loans to retail clients. The mortgage bank's profile is streamlined, with a business model focused solely on (i) the issuance of mortgage bonds – providing partner institutions with long-term capital market funding – and (ii) the refinancing of mortgage loan portfolios for both group entities and external partners. The Issuer's business strategy is aimed at managing high market volumes with competitive pricing, enhancing profitability, improving transparency, and optimising services. In order to leverage synergies within the MBH Integration Group, the Issuer closely cooperates with other Group members in areas such as accounting, IT, liquidity, operation and risk management.

Issuance of mortgage bonds

As of 30 April 2026, the Issuer had the following mortgage bond series in circulation:

Series	ISIN	Currency	Type of offering	Face amount	First issue date	Maturity date	Interest
FJ28NF01	HU0000653142	HUF	Public	37,147,110,000	28/03/2018	22/10/2028	Fixed
TJ30NF01	HU0000653373	HUF	Public	71,199,980,000	31/07/2020	21/08/2030	Fixed
TJ26NF02	HU0000653407	HUF	Public	32,810,060,000	28/01/2021	22/12/2026	Fixed
TJ36NF01	HU0000653415	HUF	Public	2,000,000,000	28/01/2021	28/01/2036	Fixed
TJ31NF01	HU0000653423	HUF	Public	33,985,940,000	25/02/2021	22/10/2031	Fixed
TZJ27NF1	HU0000653464	HUF	Public	22,135,480,000	29/10/2021	27/10/2027	Fixed
TZJ32NF1	HU0000653514	HUF	Public	11,970,000,000	24/02/2022	27/05/2032	Fixed
MJ33NF01	HU0000653597	HUF	Public	7,543,980,000	15/06/2023	20/04/2033	Fixed
MJ27NV01	HU0000653613	HUF	Public	24,450,000,000	30/06/2023	22/04/2027	Floating
MJ29NF01	HU0000653662	HUF	Public	37,267,000,000	22/09/2023	23/05/2029	Fixed
MZJ29NF1	HU0000653688	HUF	Public	19,880,000,000	13/03/2024	22/11/2029	Fixed
MJ32NV01	HU0000653720	HUF	Public	21,818,000,000	27/06/2024	25/08/2032	Floating
MJ31NF02	HU0000653811	HUF	Public	7,500,000,000	30/01/2025	26/03/2031	Fixed
MJ28NF02	HU0000653829	HUF	Public	8,346,500,000	13/02/2025	25/04/2028	Fixed
MJ31NV01	HU0000653845	HUF	Public	26,559,990,000	29/05/2025	29/05/2031	Floating
MEJ31NF1	XS3205725255	EUR	Public	100,000,000	12/11/2025	21/02/2031	Fixed
MJ34NV01	HU0000653902	HUF	Public	6,200,000,000	13/02/2026	13/02/2034	Floating
MJ29NV01	HU0000653936	HUF	Public	723,420,000	31/03/2026	22/08/2029	Floating

In 2025, the Issuer raised a total of HUF 163.7 billion from the capital markets in the form of mortgage bonds and unsecured bonds. Out of this amount, HUF 93.7 billion was issued as mortgage bonds, while HUF 70 billion was issued as unsecured bonds. Compared to the previous years, there have been two major changes in the Issuer's issuance strategy. One of these changes was the launch of mortgage bonds dedicated to retail investors in the domestic market, in addition to institutional investors, executed in the form of retail subscriptions. In parallel, the Issuer successfully completed a euro-denominated mortgage bond transaction on the international market.

In terms of the number of mortgage bond transactions, the Issuer executed ten retail subscriptions, five public stock exchange auctions, two subscriptions inside the MBH Group and one international euro-denominated issuance in 2025, generating an aggregate principal amount of HUF 11.8 billion, HUF 43.7 billion, HUF 70 billion, and EUR 100 million (approximately HUF 38.2 billion). Notwithstanding the challenging market backdrop, the Issuer adhered to its stated funding strategy and maintained a regular presence in the primary market. The mortgage bonds offered to investors had residual maturities ranging between four and eight years.

In July 2025, similarly to 2024, the Issuer decided to issue two new unsecured floating-rate bonds. The 3-year maturity (MK28NV01) and the 8-year maturity (MK33NV01) floating rate bonds were placed on the market through subscriptions. The total nominal value of these bonds was HUF 45 and HUF 25 billion. The purpose of the issues was to fulfil the Issuer's unsecured funding needs. On the one hand, the Issuer's operations have a certain volume of unsecured funding needs on an ongoing basis - the part of mortgage loans not eligible for cover pool inclusion and the maintained over collateral portfolio cannot be financed from mortgage bonds - while the long-term funding elements in the form of the issued 3 and 8-year bonds is more in line with the asset-liability structure of the mortgage bank from a maturity perspective compared to short-term interbank funding.

As a result of its 'multi-channel' issuance activity, the total volume of the Issuer's domestic retail mortgage bond (MJ28NF02) subscriptions reached HUF 11.8 billion, while the successful international mortgage bond issuance in November 2025 resulted in the placement of a EUR 100 million (approximately HUF 38.2 billion) mortgage bond (MEJ31NF1). In 2025, the Issuer remained committed to issuing green mortgage bonds. During the reporting period ended on 31 December 2025, the Issuer issued green mortgage bonds with an aggregate principal amount of HUF 8.4 billion, a decrease from the HUF 14.5 billion issued in the previous year. Green mortgage bonds constituted 6.7 per cent of the year's total new HUF denominated issuance, compared with 11.2 per cent in the prior year.

In 2025, the Issuer conducted six public offerings (5 domestic and one international) of mortgage bonds, raising approximately HUF 81.9 billion in principal, versus new issuance volumes of roughly HUF 59.6 billion in 2024 and HUF 74.8 billion in 2023.

The total nominal value of mortgage bonds issued and outstanding by the Issuer at the end of 2025 was HUF 430.2 billion.

In the first four months of 2026, the Issuer raised a total of HUF 8.4 billion from the domestic capital market in the form of HUF denominated, fixed- and floating-rate mortgage bonds. Between 1 January and 30 April 2026, the Issuer organized four retail subscriptions and one public stock exchange auction, in the amounts of HUF 2.2 billion and HUF 6.2 billion, respectively.

Mortgage bonds collateral

As of 31 December 2025, the net value of ordinary coverage securing the Issuer's mortgage bonds amounted to HUF 662.8 billion, comprising HUF 432.2 billion in principal and HUF 230.6 billion in interest. This represents an increase of 9.9 per cent. (HUF 59.6 billion) compared to the HUF 603.2 billion reported as of 31 December 2024. The net value of ordinary collateral increased further to HUF 680.4 billion due to the increased refinancing activity by the end of March 2026.

The below table shows the value of assets serving as collateral and of mortgage bonds outstanding as at 31 December 2024, 31 December 2025 and 31 March 2026, respectively.

(in HUF million)	31 December 2024	31 December 2025	31 March 2026
Outstanding mortgage bonds			
Nominal amount	364,927	430,187	438,508
Interest	81,457	89,523	94,484
Total	446,384	519,710	532,992
Value of ordinary coverage			
Principal	403,892	432,233	442,400

Interest	199,353	230,599	237,969
Total	603,245	662,832	680,369
Value of assets involved as supplementary coverage			
Total	0	0	0
Value of liquid assets			
Government and supranational bonds	28,284	138,009	118,361
Total	28,284	138,009	118,361

In accordance with the new provisions of the Mortgage Credit Institutions Act, which entered into force on 8 July 2022 and is aligned with the Directive (EU) 2019/2162 on the issue of covered bonds and covered bond public supervision (the "**European Covered Bond Directive**"), the inclusion of liquid asset elements prescribed by the new regulation in the cover pool – alongside the expansion of ordinary coverage – also contributed to the growth of the Issuer's cover assets in 2025. As of 31 December 2025, the ratio of the net value of collateral assets' principal to the nominal amount of outstanding mortgage bonds was 125.56 per cent. and 121.21 per cent. as of 31 March 2026, while the ratio of the interest amount of collateral assets and the unpaid interest amount of outstanding mortgage bonds was 290.59 per cent. and 282.25 per cent. as of 31 March 2026. The mortgage lending value of properties covering ordinary coverage assets was HUF 1.664 billion as of 31 December 2025 and HUF 1.674 billion as of 31 March 2026. The loan-to-value ("**LTV**") ratio calculated for the ordinary coverage was 25.98 per cent. as of 31 December 2025 and 26.43 per cent. as of 31 March 2026.

In accordance with statutory requirements, the Issuer continues to ensure ongoing compliance with the mortgage bond coverage requirements. Accordingly, the Issuer has at all times maintained coverage assets sufficient to meet all obligations related to outstanding, non-redeemed mortgage bonds. The Issuer has continuously monitored the coverage position and the fulfilment of proportionality requirements in accordance with the provisions of the Mortgage Credit Institutions Act and its coverage register policy. In order to ensure the coverage of mortgage bonds, following the disbursement of loans, the Issuer examined compliance with the conditions for their classification as ordinary coverage. Beyond the statutory requirements, the Issuer has voluntarily undertaken to uniformly apply the new provisions of the Mortgage Credit Institutions Act to the entire cover pool, thereby applying the requirements set out in the coverage register policy to all mortgage bonds issued and outstanding prior to 8 July 2022, as well as to all mortgage bonds to be issued in the future.

Development of the liquidity buffer

In order to cover the net liquidity outflow of the Issuer's mortgage bond issuances, the cover pool includes a liquidity buffer composed of liquid assets. To avoid any breach of liquidity requirements, the Issuer monitors the dynamic development of the maximum cumulative net liquidity outflow over the consecutive 180 days. As at 31 December 2025 and 31 March 2026, the liquidity buffer consisted exclusively of government securities and bonds issued by supranational entities.

	31 December 2025	31 March 2026
Maximum daily net liquidity outflow within 180 days (HUF million)	0	-5,623
Liquidity buffer (market) value of the cover pull set (HUF million)	109.962	90,804

Portfolio quality

As at 31 December 2025, the Issuer's gross loan portfolio amounted to HUF 596.2 billion. Contingent liabilities amounted to HUF 0.3 billion, resulting in an aggregate on- and off-balance-sheet exposure of HUF 596.6 billion (excluding securities).

Claims on customers stood at HUF 14.2 billion and, pursuant to executed but undrawn credit agreements, the Issuer had outstanding lending commitments of HUF 0.03 billion. Within the overall exposure, 413 loan contracts were classified in Stage 3 under IFRS 9, representing HUF 0.4 billion of gross claims against which impairments of HUF 0.1 billion were recognised. Stage 1 and Stage 2 assets comprised HUF 13.8 billion of gross claims and HUF 0.03 billion of undrawn commitments, accompanied by HUF 1 billion in expected credit-loss allowances and provisions. Refinancing loans aggregated HUF 432 billion, with immaterial impairments of HUF 0.3 billion.

The Issuer holds equity interests in MBH Investment Bank and Takarék United Cooperatives (TESZ, in Hungarian: "*Takarék Egyesült Szövetkezet*") with a combined nominal value of HUF 0.02 billion. In the interbank market the Issuer had no placements in the form of sight deposits at the end of 2025. On a portfolio basis, Stage 1 and Stage 2 exposures accounted for 97.3 per cent. of the total loan book as at the end of 2025, while Stage 3 exposures represented 2.7 per cent. The average impairment coverage ratios for both the total credit portfolio (excluding swap transactions) and the standalone loan portfolio decreased compared with the prior measurement date.

Refinancing

The Issuer, as a specialised credit institution, extends loans to financial partner institutions secured either by mortgages established on real estate located within Hungary in accordance with the requirements of the Mortgage Credit Institutions Act, or by state payment guarantees. The refinancing of assets secured by mortgages on real estate (mortgage loans) is carried out either through the purchase and repurchase of independent liens or by the transfer of the mortgage established on the real estate to the mortgage bank.

Pursuant to the regulation introducing the MFAR, effective from 1 April 2017 and aimed at strengthening the maturity matching of forint-denominated assets and liabilities of credit institutions, the ratio of forint funding raised by credit institutions secured by residential mortgage loans to their outstanding stock of residential forint mortgage loans with a remaining maturity of over one year must at all times reach at least 25 per cent. This ratio has been increased gradually in three steps from 15 per cent. to 25 per cent. since its introduction. The implementation of the MFAR ratio has already resulted in an increase in the volume of issued mortgage bonds, the stock of refinancing loans to partner banks, and has intensified competition within the mortgage banking sector. The obligation to comply with the MFAR ratio presents further business opportunities for the Issuer, both within the MBH Group and with potential refinancing partner banks.

In its strategy the Issuer puts special emphasis on co-operating with external partners. It strives to become an attractive alternative for banking groups that are involved in mortgage lending but do not have their own mortgage bank license and thus need mortgage refinancing. The Issuer has entered into framework cooperation agreements with six partner banks outside the MBH Group as at 31 December 2025, making it the largest refinancing centre on the Hungarian mortgage market. The volume of refinanced loans demonstrated dynamic growth between 2016 and 2022, increasing by 11.0 per cent. or HUF 36.5 billion year-on-year to HUF 368.5 billion as at 31 December 2022, up from HUF 332 billion at the end of December 2021. As at 31 December 2024, the volume of refinancing loans increased by 3.6 per cent., or HUF 13.7 billion, to HUF 395.0 billion compared to the previous year.

The stock of refinancing loans granted by the Issuer increased by 9.1 per cent. (or HUF 35.7 billion) in 2025 and their volume at the end of the year amounted to HUF 430.7 billion.

Overview of the cover pool

The composition of the cover pool may vary from time to time, however, it shall at all times comply with the requirements set out in the Mortgage Credit Institutions Act (see "*Detailed Rules of the Coverage System Relating to the Mortgage Bonds*" below). Information regarding the types of assets comprising the cover pool is provided on a quarterly basis, disclosed to the MNB, and published on the Issuer's website. The tables below provide a detailed overview, as at 31 March 2026, of the composition of the cover pool, including its distribution by region, loan purpose, remaining term, volume, LTV ratio, and interest rate reset frequency.

Cover pool breakdown (HUF bn)	
Total assets in the cover pool	**532.05**
Residential loans	442.40
Substitute collateral	0.00
Liquidity buffer (government bonds)	89.65
Derivatives	0.00

Residential loan assets	
Geographic scope	Hungary
Denomination	100.0% HUF
Number of loans (thousands)	45.561
Average loan balance (HUF million)	9.71
Share of 10 largest loans	0.27%
Weighted average LTV	43.03%
Weighted average (season specific; in months)	46.60
Weighted average remaining term (months)	199.93
Share of fixed rate loans	93.38%

Covered bonds breakdown (HUF bn)	
Total outstanding covered bonds	**438.51**
HUF denomination	399.92
EUR denomination	38.59
Maturity type	Hard bullet
Regulatory min. over-collateralization (%)	2.0%

Over-collateralization (%)	21.21%
Weighted average remaining term (years)	3.84
Share of fixed rate covered bonds (%)	81.85%

Cover pool distribution by region	Total (HUF bn)	%
Central Hungary - Budapest & Pest county	251.63	56.88%
Southeast Hungary	38.26	8.65%
Southwest Hungary	31.25	7.06%
Northwest Hungary	75.32	17.02%
Northeast Hungary	45.94	10.38%

Cover pool distribution by purpose	Total (HUF bn)	%
Construction	24.56	5.55%
Purchase	342.70	77.46%
Home Equity	45.64	10.32%
Renovation	7.54	1.71%
Loan Substitution	21.95	4.96%

Cover pool distribution by remaining term	Total (HUF bn)	%
0 - 5 years	15.69	3.55%
5 - 10 years	58.86	13.30%
10 - 15 years	95.13	21.50%
15 - 20 years	145.29	32.84%
Over 20 years	127.44	28.81%
Average remaining term (years)	12.72	

Cover pool distribution by volume	Total (HUF bn)	%
Less than HUF 5 million	37.84	8.55%
HUF 5 - 10 million	95.86	21.67%
HUF 10 - 20 million	150.45	34.01%

HUF 20 - 30 million	85.34	19.29%
Over HUF 30 million	72.91	16.48%

Average volume (HUF million)	9.71	

Cover pool distribution by LTV	Total (HUF billion)	%
0-70%	380.75	86.06%
70-100%	61.65	13.94%
Over 100%	0.00	0.00%

Average LTV (%)	28.81%	

7. Ratings

As at the date of this Base Prospectus, the following ratings have been assigned to the Issuer by Moody's with the cooperation of the Issuer in the rating process:

Rating agency	Rating classes	Rating	
		Long term	Short term
Moody's	Long- and short-term Issuer Rating	Ba3	NP
	Counterparty Risk Rating (Local and Foreign Currency)	Baa3	P-3
	Covered Bonds	A1	

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

8. The Issuer's position within the MBH Group, the MBH Integration Group and the Integration Organisation

Between December 2017 and October 2019, the Issuer disposed of all of its shareholdings in its subsidiaries. Since then, and as of the date of this Base Prospectus, the Issuer has no subsidiaries or any other affiliated undertakings.

As a result of previous changes in its ownership structure, the Issuer is a member of the MBH Integration Group, the MBH Prudential Group, and the Integration Organisation. The Issuer fully retains its independent specialized credit institution status as defined by the Mortgage Credit Institutions Act, thereby fulfilling its statutory obligations, which allow it to conduct its two principal business activities: the refinancing of mortgage loans and the issuance of mortgage bonds to facilitate long-term funding.

MBH Bank Prudential Group

MBH Bank, as an EU-level parent institution, is subject to consolidated supervision pursuant to decision no. H-EN-I-43/2026 of the MNB (the "**Group Establishment Decision**") and is required to comply on a consolidated basis with the provisions of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (the "**CRR**"). Consolidated supervision and prudential consolidation extend to the group of undertakings specified in the Group Establishment Decision (the "**MBH Bank Prudential Group**"), in accordance with the terms set out therein. The financial institution members of the MBH Bank Prudential Group are MBH Bank, MBH Investment Bank, MBH Duna Bank Ltd. ("**MBH Duna Bank**"), Fundamenta-Lakáskassza Ltd., and the Issuer.

With effect from 1 January 2026, MBH Duna Bank operates as an integration business management organisation (in Hungarian: "*integrációs üzleti irányító szervezet*") and is required to comply with the requirements of the CRR and Regulation (EU) 2017/2402 on a sub-consolidated basis and based on the consolidated position of the MBH Integration Group.

As a member of the MBH Prudential Group, the Issuer is also required to comply with the regulations of the MBH Bank Prudential Group in the course of its operations.

The scope of the MBH Bank Prudential Group as at 30 April 2026:

Company name	Direct MBH ownership ratio (%)	Indirect MBH ownership ratio (according to the Credit Institutions Act) (%)	Total MBH voting rights ratio (if different from ownership ration) (%)	Brief description of core business activity
Credit institutions				
MBH Bank Plc. (in Hungarian: *MBH Bank Nyrt.*)	0.00118			
MBH Investment Bank Co. Ltd. (in Hungarian: *MBH Befektetési Bank Zrt.*)	80.55		99.9999	Credit institution, investment and treasury services
MBH Mortgage Bank Co. Plc. (in Hungarian: *MBH Jelzálogbank Nyrt.*)	0.04003	48.42	48.57	Mortgage bond issuance, refinancing of mortgage loans
MBH Duna Bank Ltd. (in Hungarian: *MBH Duna Bank Zrt.*)	98.46			Other monetary intermediation
Fundamenta-Lakáskassza Building Society Ltd. (in Hungarian: *Fundamenta-Lakáskassza Lakástakarékpénztár Zrt.*)	91.2249	1.39		Other monetary intermediation
Leasing firms				
Euroleasing Ltd. (in Hungarian: *Euroleasing Zrt.*)	100.00			Financial leasing
Euroleasing Real Estate Ltd. (in Hungarian: *Euroleasing Ingatlan Zrt.*)		100.00		Other lending
Payment service provider				

MBH eFin Technologies Ltd. (in Hungarian: *MBH eFin Technologies Zrt.*)	100.00			Computer programming
Fund manager firm				
MBH Fund Management Ltd. (in Hungarian: *MBH Befektetési Alapkezelő Zrt.*)	75.54			Fund management
Other firms				
MBH Services Plc. (in Hungarian: *MBH Szolgáltatások Zrt.*)	100.00			Rental and operation of own or leased real estate
MBH Blue Sky Ltd. (in Hungarian: *MBH Blue Sky Kft.*)	100.00			Rental of air transport equipment
MITRA IT Service Provider Ltd. (in Hungarian: *MITRA Informatikai Zrt.*)	96.47			Data processing, web hosting services
MBH Domo Ltd. (in Hungarian: *MBH DOMO Kft.*)	100.00			Rental and operation of own or leased real estate
Fundamenta-Lakáskassza Financial Intermediary Ltd. (in Hungarian: *Fundamenta-Lakáskassza Pénzügyi Közvetítő Kft.*)		100.00		Other financial auxiliary activities
Fundamenta Value Chain Property Agency and Services Ltd. (in Hungarian: *Fundamenta Értéklánc Ingatlanközvetítő és Szolgáltató Kft.*)		100.00		Real estate agency activities
OC Pénzügyek Hitelközvetítő Ltd. (in Hungarian: *OC Pénzügyek Hitelközvetítő Kft.*)		100.00		Other financial auxiliary activities
OC Hungary Holding Ltd. (in Hungarian: *OC Magyarország Holding Kft.*)	80.00			Business management activities
Takarék United Cooperative (in Hungarian: *Takarék Egyesült Szövetkezet*)	2.72	2.72		Asset management
Central Organisation of Integrated Credit Institutions (in Hungarian: *Integrált Hitelintézetek Központi Szervezete*)		0.20	60.01	Central body (Art. 10 of the CRR)

The Issuer outsources certain activities related to its financial services operations in accordance with Section 68 of the Credit Institutions Act. In addition, specific activities that do not involve data processing, data management, or data storage are delegated or performed under agency agreements, primarily with members of the MBH Bank Prudential Group.

Within this framework, MBH Bank acts as an agent for the Issuer under an agency agreement, performing a range of functions mainly related to the management of the own originated loan portfolio as specified in the contract. MBH Bank is also responsible for back-office operations related to the Issuer's treasury and capital markets activities based on the effective service level agreement ("**SLA**").

Furthermore, on the basis of an open-ended service level agreement, MBH Bank provides the Issuer with a variety of support services, including taxation, bank security, internal audit, procurement, human resources, certain risk management functions, communications and controlling.

As part of its outsourced activities, MBH Bank also provides compliance and anti-money laundering services to the Issuer, covering data and confidentiality protection, consumer protection, general compliance, conflict of interest management, fraud prevention, anti-money laundering and counter-terrorist financing and sanctions screening. In addition, certain operational support functions and financial and reporting services are also provided by MBH Bank.

MITRA IT Service Provider Ltd. and MBH Bank support the Issuer's operations through agency and service level agreements, supplying the necessary IT software as well as the comprehensive development, operation, and maintenance of the related infrastructure, all at a standard that ensures prudent operations and in accordance with mutually agreed and defined rules. MITRA IT Service Provider Ltd. also provides the Issuer with access to the Unified IT System ("**EIR**") and delivers EIR-related services.

MBH Integration Group

The MBH Integration Group comprised of MBH Investment Bank and those legal entities for which MBH Investment Bank had sub-consolidated compliance obligations up to 31 December 2025. During this period, the further members of the group were the Issuer, MBH Duna Bank Ltd., Takarék United Cooperative and the Central Organisation of Integrated Credit Institutions. With the consent of the General Meetings of MBH Investment Bank Ltd. and MBH Bank Plc., and with the approval of the General Meeting of the Central Organisation of Integrated Credit Institutions (CBIC), MBH Investment Bank Ltd. exited the Integration Organisation as of 1 January 2026 and transferred its role as the integration business management organisation to MBH Duna Bank Ltd.

Within the MBH Integration Group, the Issuer performs key business functions, while strategic business management is carried out by MBH Duna Bank as at the date of this Base Prospectus.

Integration Organisation

In 2013, the Hungarian legislator recognised that the network of savings cooperatives did not provide appropriate protection to their depositors and owners, as savings cooperatives did not have uniform rules of operation, risk management, collateral appraisal or prudential operation and did not require member organisations to operate in a uniform manner. For this reason, it has decided to integrate these savings cooperatives and adopted the Integration Act. The Integration Act established the integration organisation which is the central body for the integration of the cooperative credit institutions supervised by the **MNB** (the "**Integration Organisation**").

As of the date of this Base Prospectus, the members of the Integration Organisation besides the Issuer are: MBH Duna Bank, "KMF" Central-Hungarian Development Company (in Hungarian: "*KMF*" *Közép-magyarországi Fejlesztési Zrt.*) and Takarék United Cooperative.

The Integration Organisation has three main responsibilities: (i) regulation and governance: adopting common, standardised regulations applicable to the member credit institutions; (ii) supervision and institution protection: inspecting the operation of its members and stabilising their operations in the event of a crisis; and (iii) ensuring joint capital adequacy: providing the members of the integration with regulatory capital. The Integration Organisation shall not carry out any economic activity other than those set out in the Integration Act. The powers under the Integration Act shall not affect or limit the powers of the MNB in relation to the financial institution members of the Integration Organisation. In accordance with the rules of the Integration Act and the Civil Code, the members of the Integration Organisation are jointly and severally liable for each other's obligations (except for 'KMF') independent from the date of liabilities incurred.

Since 1 January 2026, MBH Investment Bank is no longer a member of the Integration Organisation and MBH Duna Bank has taken over its integration business management role.

9. Governmental, legal and arbitration proceedings

As of the date of this Base Prospectus, the Issuer is not involved in any governmental, legal or arbitration proceedings which may have a significant effect on its financial position, operations or profitability. However, the Issuer may be a party to legal proceedings in the future. There can be no assurance that the Issuer will not be subject to fines, damages or other penalties which could have a material adverse effect on its business and financial position.

10. Recent developments

10.1 Exit of MBH Investment Bank from the Integration Organisation

With the consent of the General Meetings of MBH Investment Bank and MBH Bank, and with the approval of the General Meeting of the Central Organisation of Integrated Credit Institutions, MBH Investment Bank exited the Integration Organisation as of 1 January 2026 and transferred its role as the integration business management organisation to MBH Duna Bank.

Pursuant to the MNB's resolution, the Issuer must meet its own MREL requirements effective 1 January 2026. See details in the "*Selected Financial Information of the Issuer and Overview of the Issuer's Financial Condition – 9. Minimum MREL Requirement*" section.

10.2 Temporary cap on certain floating interest rates applicable to consumer mortgage loans

On 24 December 2021, the Hungarian Government introduced a temporary cap on (reference interest rate linked) floating interest rates applicable to consumer mortgage loans as well as certain subsidised interest rate consumer mortgage loans (qualifying as housing related state subsidies). Between 1 January 2022 and 30 June 2022, reference interest rates applicable to the above type of consumer mortgage loans cannot be set higher than the actual reference interest rate which was applicable in the context of the respective mortgage loan on 27 October 2021. In addition, lenders are not entitled to increase principal and interest amounts payable under consumer mortgage loans with any interest amounts which become due and are not paid during the above temporary period.

According to Government Decree 49/2022 (II. 18.) issued by the Hungarian Government on 18 February 2022, between 1 January 2022 and 30 June 2022 in the case of financial lease contracts on housing purpose with a reference interest rate, the reference interest rate shall be set so, that it cannot be higher than the reference interest rate specified in the contract on 27 October 2021. The extension of the interest rate cap to housing purposes financial leasing contracts did not have a significant negative effect.

By Government Decree No. 215/2022 (VI. 17.) which entered into force on 18 June 2022, the temporary cap was maintained until 31 December 2022.

On 14 October 2022, the Hungarian Government decided to maintain the temporary cap on (reference interest rate linked) floating interest rates applicable to consumer mortgage loans (as well as on financial lease contracts for housing purposes) until 30 June 2023. This amendment was introduced by Government Decree No. 390/2022 (X. 14.) on 14 October 2022 and entered into force on 15 October 2022. From 1 November 2022, the application of this temporary cap was also extended to non-state subsidised mortgage loan contracts with an interest rate fixed for up to five years.

In recent years, the Hungarian Government has extended the duration of the temporary cap on multiple occasions, with the last government decree extending it for an indefinite period. On 9 May 2026, Act XIV of 2026 enshrined the temporary cap on floating interest rates applicable to consumer mortgage loans in statute for an indefinite period. On 11 June 2026, the Hungarian Government published a legislative proposal to amend Act XIV of 2026 such that the temporary cap would remain in force only until 30 September 2026 and would be abolished thereafter. Accordingly, if the legislative proposal is adopted in its current form, the temporary interest rate cap would cease to apply following 30 September 2026.

10.3 Windfall tax on extra profits in the banking sector

On 24 May 2022, the Hungarian Government announced a special tax on extraordinary profits in the banking and other sectors (the "**Windfall Tax**"). The Windfall Tax is to be levied with respect to financial years 2022-2026 on a temporary basis. The introduction of the Windfall Tax significantly increased the tax burden and reduced the profitability of the Hungarian banks, including, amongst others, the Issuer.

The Government Decree No. 197/2022 on extra profit taxes (the "**Windfall Tax Decree**") was amended on 21 November 2024 by Government Decree No. 356/2024 (XI.21.), setting out the Windfall Tax payable by credit institutions in 2025. The tax is based on the 2023 profit before tax (adjusted for several items), with a rate of 7 per cent. up to HUF 20 billion and 18 per cent. above that amount. The decree also provides for a reduction in the Windfall Tax if the institution's average holdings of Hungarian government bonds increase over a specified period, subject to certain limits.

In June 2025, the Windfall Tax Decree ceased to be in effect, and the windfall tax liability for 2026 is now governed by Act LIV of 2025 (the "**Windfall Tax Act**"). For 2026, the tax base is the profit before tax for 2024 (adjusted for specified items). Following a further modification introduced by Government Decree 358/2025 of 13 November 2025, the applicable tax rate is 10 per cent. for the part of the tax base that does not exceed HUF 20 billion, and 30 per cent. for any amount exceeding HUF 20 billion. If the average amount of Hungarian government bonds held by the financial institution increases – measured as the daily average for the period from 1 January to 30 November 2026 compared to the higher of the daily averages for 1 September to 30 November 2024 or 1 September to 30 November 2025 – the windfall tax payable by the credit institution may be reduced. Any such reduction is limited to 10 per cent. of the increase in government bond holdings and may not exceed 30 per cent. of the windfall tax payment obligation calculated without the reduction.

10.4 "Otthon Start" Programme

The "Otthon Start" ("Home Start loan") programme, introduced by Government Decree No. 227/2025 (VII. 31.) on the "Fixed 3% housing loan under the Otthon Start Program", became available from 1 September 2025 provided by the Hungarian Government with the objective to support first-time home buyers. The programme offers state-subsidized loans with a customer interest rate capped at 3 per cent., available for terms of up to 25 years and for amounts up to HUF 50 million. Under the structure, borrowers pay a maximum 3 per cent. interest rate, with the remaining interest subsidized by the Hungarian State. The loan proceeds may be applied either towards the purchase price of residential property or, in the case of new construction, to cover building costs. Borrowers may combine this facility with other available loan schemes and incentives. MBH Bank offers this loan product to its customers.

SELECTED FINANCIAL INFORMATION OF THE ISSUER AND OVERVIEW OF THE ISSUER'S FINANCIAL CONDITION

1. Presentation of financial information

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been extracted from (i) the 2025 Financial Statements and the 2024 Financial Statements (together with the 2025 Financial Statements, the "**Annual Standalone Financial Statements**"). The Annual Standalone Financial Statements have been prepared in accordance with IFRS.

The functional currency of the Issuer is Hungarian forint. Unless stated otherwise, all figures are presented in the Annual Standalone Financial Statements in millions of HUF.

Non-financial operating data

The non-financial operating data included in this Base Prospectus has been extracted without material adjustment from the management records of the Issuer and is unaudited.

Rounding

Percentages and certain amounts in this Base Prospectus, including financial, statistical and operational information, have been rounded according to established commercial standards. As a result, the figures shown as totals in tables or elsewhere may not be the precise sum of the figures that precede them and, in some cases, rounding may cause some figures to differ from those in the audited standalone financial statements.

2. Standalone Statement of Profit or Loss and Other Comprehensive Income of the Issuer for the years ended 31 December 2025 and 31 December 2024, respectively

(in million HUF)	31 December 2025	31 December 2024
Interest income	**59,214**	**61,507**
Interest income calculated using effective interest rate method	51,931	53,422
Other income similar to interest	7,283	8,085
Interest expense	**(47,415)**	**(48,672)**
Interest expense calculated using effective interest rate method	(40,577)	(40,665)
Other expense similar to interest	(6,838)	(8,007)
Net interest income	**11,799**	**12,835**
Fee and commission income	**222**	**186**
Fee and commission expenses	**(292)**	**(288)**
Net income from fees and commissions	**(70)**	**(102)**
Results from remeasurement and derecognition of financial instruments	**51**	**(2,206)**
Result from remeasurement and derecognition of financial instruments measured at fair value through profit or loss	(354)	884
Result from derecognition of debt securities measured at fair value through other comprehensive income	193	147
Results from derecognition of loans and debt securities measured at amortised cost	(21)	(3,874)
Results from hedge accounting	287	380
Foreign exchange gains less losses	(54)	257
Allowances for expected credit losses, provisions for liabilities and charges and impairment of non-financial assets	**730**	**(535)**
Expected credit loss on financial assets, financial guarantees and loan commitments	930	(137)
Provisions for litigation, restructuring and similar charges	(92)	10
(Loss) / gain on modification of financial instruments that did not lead to derecognition	(109)	(357)
(Impairment) / reversal of impairment on other financial and non-financial assets	1	(51)
Administrative and other operating expenses	**(3,169)**	**(2,641)**
Other income	**42**	**9**
Other expense	**(8)**	**(183)**

(in million HUF)	31 December 2025	31 December 2024
Profit before taxation	**9,375**	**7,177**
Income tax income / (expense)	**(526)**	**(580)**
Profit for the year	**8,849**	**6,597**
Items that may be reclassified to profit or loss	**(288)**	**(274)**
Debt instruments at fair value through other comprehensive income:	(316)	(235)
Fair value changes	(326)	(118)
Reclassification of accumulated remeasurements to profit or loss upon derecognition	10	(117)
Income tax relating to items that may be reclassified subsequently	28	(39)
Other comprehensive income/ (loss) for the year net of tax	**(288)**	**(274)**
Total comprehensive income	**8,561**	**6,323**

3. Standalone Statement of Financial Position of the Issuer as at 31 December 2025 and 31 December 2024, respectively

(in million HUF)	31 December 2025	31 December 2024
Assets		
Cash and cash-equivalents	**1,414**	**1,249**
Financial assets measured at fair value through profit or loss	**5,434**	**6,860**
Loans and advances to customers mandatorily at fair value through profit or loss	4,553	5,481
Derivative financial assets	881	1,379
Hedging derivative assets	**711**	**1,431**
Financial assets measured at fair value through other comprehensive income	-	**47,196**
Debt and equity securities	-	47,196
Financial assets measured at amortised cost	**767,354**	**834,702**
Loans and advances to banks	581,553	593,463
Loans and advances to customers	13,146	16,468
Debt securities	172,414	224,418
Other financial assets	241	353
Property and equipment	**61**	**104**
Intangible assets	**106**	**150**
Income tax assets	**611**	**363**
Current income tax assets	37	-
Deferred income tax assets	**574**	363
Other assets	**56**	**256**
Total assets	**775,747**	**892,311**
Liabilities		
Financial liabilities measured at fair value through profit or loss	**105**	**159**
Derivative financial liabilities	105	159
Financial liabilities measured at amortised cost	**679,483**	**803,370**
Amounts due to banks	111,790	374,995
Issued debt securities	567,021	427,599
Other financial liabilities	672	776
Hedging derivative liabilities	**2,456**	**3,569**
Provision for liabilities and charges	99	**7**
Income tax liabilities	105	200
Current income tax liabilities	105	200
Other liabilities	**410**	**478**
Total liabilities	**682,658**	**807,783**
Equity		
Share capital	**10,849**	**10,849**
Treasury shares	(207)	(207)
Share premium	27,926	27,926
Retained earnings	**41,841**	**36,129**
Other reserves	**3,831**	**2,946**
Profit for the year	**8,849**	**6,597**
Accumulated other comprehensive income	**-**	**288**
Total equity	**93,089**	**84,528**
Total liabilities and equity	**775,747**	**892,311**

4. Standalone Statement of Cash Flows of the Issuer for the years ended 31 December 2025 and 31 December 2024, respectively

(in million HUF)	**31 December 2025**	**31 December 2024**
Cash flow from operating activities		
Profit/ (Loss) before taxation	**9,375**	**7,177**
Adjustments for non-cash income and expenses, interest, dividends and tax:		
Depreciation, amortisation and impairment	107	160
Expected credit loss / (reversal) on financial instruments held for credit risk management	(862)	156
Impairment of other assets / (Reversal of impairment)	(1)	-
Impairment / (Reversal of impairment) on securities, associates and other investments	(69)	(47)
(Reversal of provisions for) / Recognise provisions on other items	92	(10)
Revaluation of loans and advances to customers mandatorily at fair value through profit or loss	411	(15)
Revaluation of securities	1,230	-
Revaluation of issued bonds	(8)	-
Other revaluation differences	(4,095)	6,867
Net interest income	(11,575)	(11,803)
Foreign Exchange movement	(64)	(24)
Interest received	60,131	62,344
Interest paid	(41,558)	(45,273)
Income tax	(869)	(670)
Adjusted profit / (loss) before taxation	***12,245***	***18,862***
Change in loans and advances to banks	12,255	(70,680)
Change in loans and advances to customers	4,770	5,150
Change in financial assets measured at fair value through other comprehensive income	46,539	(37,531)
Change in derivative assets	1,218	(605)
Change in other assets	183	(175)
Change in amounts due to banks (short term)	72,411	(198)
Change in other financial liabilities	(43)	189
Change in other liabilities	(40)	(477)
Change in derivative liabilities	(1,167)	(2,858)
Net change in assets and liabilities of operating activities	**136,126**	**(107,185)**
Net cash (used in) / generated by operating activities	**148,371**	**(88,323)**
Cash flow from investing activities		
Purchase of property, equipment and intangible assets	(4)	(40)
Disposals of property, equipment and intangible assets	2	1
Purchase of securities measured at amortised cost	-	(97,718)
Redemptions of securities measured at amortised cost	52,385	191,328
Net cash (used in) / generated by investing activities	**52,383**	**93,571**
Cash flow from financing activities		
Increase in issued securities	163,801	130,306
Decrease in issued securities	(29,009)	(83,584)
Cash outflows due to leases	(61)	(50)
Decrease in long term amounts due to banks	(350,384)	(210,000)
Increase in long term amounts due to banks	15,000	140,000
Net cash (used in) / generated by financing activities	**(200,653)**	**(23,328)**
Net increase / (decrease) of cash and cash-equivalents	**101**	**(18,080)**
Cash and cash-equivalents at 1 January	**1,249**	**19,305**
FX change on cash and cash-equivalents	64	24
Net cash-flow of cash and cash-equivalents	101	(18,080)
Cash and cash-equivalents at the end of the year	**1,414**	**1,249**

The Issuer's total assets decreased by 13.1 per cent., or HUF 116.6 billion, year-on-year, amounting to HUF 775.7 billion as at 31 December 2025. In 2025, the Issuer's profit before taxation reached HUF 9.4 billion, while profit for the year amounted to HUF 8.8 billion. The Issuer's total comprehensive income for the year ended on 31 December 2025 was HUF 8.6 billion.

Among financial assets measured at amortised cost, gross receivables from customers (retail and corporate) continued to decline, decreasing from HUF 17.8 billion at the end of 2024 to HUF 14.2 billion at the end of 2025, representing a 20.2 per cent. decrease. At the end of 2025, the gross customer loan portfolio was comprised of 98.5 per cent. retail loans, the volume of which decreased by HUF 3.5 billion over the year. The gross corporate loan portfolio amounted to HUF 0.2 billion at the end of 2025.

The mortgage bonds issued by the Issuer, as well as the refinancing loans provided from the proceeds thereof, represent a key element for partner banks in ensuring their compliance with the MFAR. As at the date of this Base Prospectus, the Issuer has eight refinancing partners, with MBH Bank holding the largest refinancing loan portfolio among them. As at 31 December 2025, the volume of refinancing loans increased by 9.1 per cent., or HUF 35.7 billion, year-on-year to HUF 430.7 billion.

In 2025, the Issuer raised a total of HUF 163.7 billion from the Hungarian domestic capital market, of which HUF 70.0 billion was issued in the form of unsecured, floating rate bonds and HUF 93.7 billion in the form of mortgage bonds. Among the mortgage bonds issued in 2025, green mortgage bonds accounted for 8.9 per cent. (HUF 8.4 billion). During 2025, HUF 26.5 billion (28.3 per cent.) of the mortgage bonds issued were floating rate securities, while HUF 67.2 billion (71.7 per cent.) were fixed rate securities. In 2025 mortgage bonds were issued through ten retail subscriptions, five public auctions with the participation of the Issuer's four-member dealer consortium, and one international issuance, while bonds were issued through two private placements.

As at 31 December 2025, the net value of the ordinary cover assets serving as collateral for the mortgage bonds issued by the Issuer amounted to HUF 662.8 billion, representing a 9.9 per cent. increase compared to 31 December 2024 (HUF 603.2 billion), as a result of the expansion in the refinancing loan portfolio.

As at 31 December 2025, the Issuer's shareholders' equity totalled HUF 93.1 billion, reflecting an increase of HUF 8.6 billion, or 10.1 per cent., compared to the prior year.

5. Non-IFRS financial measures

This Base Prospectus includes certain data which the Issuer considers to constitute non-IFRS financial measures or alternative performance measures (the "**APMs**") for the purposes of the European Securities Markets Authority (the "**ESMA**") Guidelines on Alternative Performance Measures.

These APMs or non-IFRS financial measures may not be indicative of the Issuer's historical operating results, nor are such measures meant to be predictive of its future results. The Issuer presents these APMs because it considers them an important supplemental measure of its performance and believes that they and similar measures are widely used in the industry in which it operates as a means of evaluating a company's results. The Issuer believes that the presentation of these non-IFRS measures enhances an investor's understanding of the Issuer's financial performance in the periods presented and provides helpful comparisons of financial performance between periods by providing segmented financial information and adjustment for the distorting effect. However, not all banks and financial institutions calculate APMs in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other banks and financial institutions under the same or similar names.

Neither the assumptions underlying the APMs have been audited in accordance with International Standards on Auditing (ISA) or any other auditing standards nor reported on in any other form by an independent auditor.

In evaluating the APMs, investors should carefully consider the standalone financial information of the Issuer incorporated by reference in this Base Prospectus. Although certain of this data has been extracted or derived from the financial statements incorporated by reference in this Base Prospectus, this data has not been audited or reviewed by the independent auditor.

Accordingly, undue reliance should not be placed on the APMs contained in this Base Prospectus and they should not be considered as alternatives to any measures of performance under IFRS or as measures of the Issuer's liquidity.

The APMs include the following financial measures (data is presented in HUF million):

(i) Return on Equity ("ROE")

Definition:

Profit for the year for the relevant period (annualised for periods of less than one year) divided by average total equity. This provides additional information on the financial performance and profitability of the bank for the relevant period, compared to its average total equity.

Reconciliation table:

	FY 2025	FY 2024
Profit for the year	8,849	6,597
Average total equity	88,809	81,367
ROE	**10.0%**	**8.1%**

Average total equity calculated as the arithmetic mean of the closing balance of the previous year's equity and the closing balance of the equity for the current reporting period.

(ii) Return On Assets ("ROA")

Definition:

Profit for the year for the relevant period divided by average total assets. This provides additional information on the financial performance and profitability, compared to average total assets.

Reconciliation table:

	FY 2025	FY 2024
Profit for the year	8,849	6,597
Average total assets	834,029	899,449
ROA	**1.1%**	**0.7%**

Average total assets calculated as the arithmetic mean of the closing balance of the previous year's total assets and the closing balance of the total assets for the current reporting period.

(iii) Gross operating income

Definition:

Gross operating income is the sum of net interest income, net income from fees and commissions, results from remeasurement and derecognition of financial instruments, other income and other expense.

Reconciliation table:

	FY 2025	FY 2024
Net interest income	11,799	12,835
Net income from fees and commissions	(70)	(102)
Results from remeasurement and derecognition of financial instruments	51	(2,206)
Other income	42	9
Other expense	(8)	(183)
Gross operating income	**11,814**	**10,353**

(iv) Cost to income ratio ("C/I")

Definition:

Administrative and other operating expenses divided by gross operating income. This provides additional information on the operating efficiency for the relevant period.

Reconciliation table:

	FY 2025	FY 2024
Administrative and other operating expenses	3,169	2,641
Gross operating income	11,814	10,353
C/I	**26.8%**	**25.5%**

(v) Net interest margin ("NIM")

Definition:

Net interest income for the relevant period divided by average total assets. This provides additional information on net interest generation of assets and liabilities for the relevant period.

Reconciliation table:

	FY 2025	FY 2024
Net interest income	11,799	12,835
Average total assets	834,029	899,449
NIM	**1.4%**	**1.4%**

Average total assets calculated as the arithmetic mean of the closing balance of the previous year's total assets and the closing balance of the total assets for the current reporting period.

(vi) Total comprehensive income for the year without banking tax and windfall taxes

Definition:

Total comprehensive income is calculated by adding total comprehensive income, bank tax and extra profit tax.

Reconciliation table:

	FY 2025	FY 2024
(+) Total comprehensive income	8,561	6,323
(+) Bank tax	374	332
(+) Extra profit tax	586	194
Total comprehensive income for the year without bank tax and extra profit tax	**9,521**	**6,849**

(vii) NPL ratio

Definition:

NPL divided by gross customer loans.

Reconciliation table:

	FY 2025	FY 2024
NPL loans	465	996
Gross customer loans	597,889	613,365
NPL	**0.08%**	**0.16%**

Non-performing loans balances for the given periods were calculated based on the methodology used by the Issuer for regulatory reporting purposes and were not derived from the Annual Standalone Financial Statements.

6. Capital management

The Issuer is a member of the Central Organisation of Integrated Credit Institutions. Accordingly, members assess prudential requirements on a consolidated basis, with individual compliance exempted under applicable legislation and the relevant resolution of the MNB. Additionally, the MNB issued resolution H-EN-I-36./2017 ruling to grant exemption for the MBH Integration Group from the individual and sub-consolidated compliance obligations.

7. Regulatory capital and capital adequacy

The MBH Group complies with the capital requirement and regulatory capital calculation standards set by the European Parliament and of the Council (Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, the CRR) and by the MNB, as the supervisor of the MBH Group. In 2025, the MBH Group complied with prudential regulations at all times, and no limits were breached. Based on MNB's decision no. H-EN-I-267/2022, regulatory capital includes reserves of the Central Organisation of Integrated Credit Institutions, therefore the table of regulatory capital shows the capital adequacy of the entire scope of prudential consolidation.

The regulatory capital and capital adequacy of the MBH Group is the following:

data in HUF million	2024	2025
Capital adequacy ratio (%)	19.62%	22.86%
Tier 1 ratio (%)	18.19%	20.20%
CET1 ratio (%)	18.19%	20.20%
Own funds	1,084,055	1,232,727
Tier 1 capital	1,004,958	1,089,486
Common Equity Tier1 capital	1,004,958	1,089,486
Additional Tier1 capital	0	0
Tier 2	79,097	143,240
Consolidated Risk Weighted Assets	5,524,052	5,392,510
Consolidated Risk Weighted Assets/Total Assets	43.39%	41.09%
Leverage ratio (%)	7.60%	7.47%

The regulatory capital and capital adequacy of the MBH Integration Group is the following:

data in HUF million	2024	2025
Capital adequacy ratio (%)	54.43%	76.97%
Tier 1 ratio (%)	51.58%	74.87%
CET1 ratio (%)	51.58%	74.87%
Own funds	137,466	157,004
Tier 1 capital	130,252	152,710
Common Equity Tier1 capital	130,252	152,710
Additional Tier1 capital	0	0
Tier 2	7,214	4,294
Consolidated Risk Weighted Assets	252,540	203,972
Consolidated Risk Weighted Assets/Total Assets	15.94%	12.44%
Leverage ratio (%)	17.45%	24.43%

Source: MBH Integration Group's Pillar 3 Disclosure Report under Article 435(1) of the CRR published by MBH Duna Bank Ltd.

8. Capital requirements

Based on the consolidated level Supervisory Review and Evaluation Process ("**SREP**"), the Total SREP Capital Requirement ("**TSCR**") rate of 11.50 per cent. is effective for the MBH Group from 31 March 2025.

The minimum level set by SREP can be covered by Tier 1 or Tier 2 capital instruments which results in the following minimum levels without regulatory capital buffers:

	TSCR requirement
CET 1 ratio	6.47%
Tier 1 ratio	8.63%
CAR	11.50%

As the MBH Group has no Additional Tier 1 capital instrument, the Tier 1 minimum level represents the highest ratio to be held with Tier 1 capital instruments.

The minimum requirement includes regulatory capital buffers, which should be met by CET1 instruments in accordance with the following table:

	31 December 2024	31 December 2025
Basel minimum	8.00%	8.00%
TSCR add-on	3.50%	3.50%
Combined capital buffer	4.00%	4.50%
thereof capital conservation buffer (CCB)	2.50%	2.50%
thereof countercyclical buffer (CCyB)	0.50%	1.00%
thereof buffer for other systemically important institutions (OSII)	1.00%	1.00%
Overall capital requirement (OCR)	15.50%	16.00%

The minimum level of the Leverage Ratio is set within the internal limit system (in line with CRR II) to 3 per cent.

The development of capital requirement for the MBH Integration Group is shown the below table:

	31 December 2024	31 December 2025
Basel minimum	8.00%	8.00%
TSCR add-on	0.00%	0.00%
Combined capital buffer	2.99%	3.47%
thereof capital conservation buffer (CCB)	2.50%	2.50%
thereof countercyclical buffer (CCyB)	0.49%	0.97%
thereof buffer for other systemically important institutions (OSII)	0.00%	0.00%
Overall capital requirement (OCR)	10.99%	11.47%

Source: MBH Integration Group's Pillar 3 Disclosure Report under Article 435(1) of the CRR published by MBH Duna Bank Ltd.

9. Minimum MREL Requirement

The MNB, in its role as resolution authority, determined the final MREL requirement for the MBH Group of 22.54 per cent. in TREA and 5.88 per cent. in TEM from 1 January 2026.

Beside the total minimum MREL requirement, subordination requirements as defined by BRRD II were also introduced for the MBH Group.

The minimum level of subordination for the MBH Group is 13.5 per cent. of TREA, 5 per cent. of TEM or 8 per cent. of Total Liabilities and Own Funds ("**TLOF**"). Subordination requirements shall be met by capital instruments classified as own funds or CRR defined MREL eligible subordinated liabilities.

According to the report issued by MNB the preferred resolution strategy for the MBH Group is a Single Point of Entry ("**SPE**") and its primary resolution strategy is as a going concern operation with the bail-in approach.

Pursuant to the revised MREL resolutions of the MNB, the Issuer has to meet standalone MREL requirements from 1 January 2026, as shown in the table below:

MREL target level	1 January 2026-
MREL-TREA (%)	22.54%
MREL-TEM (%)	5.88%

Subordination MREL requirements do not apply to the Issuer.

FINANCIAL RISK MANAGEMENT

The MBH Group's – including the Issuer's – risk strategy was set up so as to be consistent with its business strategy and the regulations of MNB. Its risk strategy aims to ensure a balanced risk and return relationship, develop a disciplined and constructive control environment, define the Issuer's and willingness to assume risk and risk appetite, as well as to ensure the on-going ability of the Issuer to manage its risks and the maintenance of its funds to cover risk exposures in the long-term. This is also to ensure capital preservation and guarantee the solvency of the MBH Group and the Issuer at any time.

Given the Issuer operates with a certain level of risk exposure, the daily business activities include the processes of measuring, evaluating, accepting and managing these risks effectively.

Risk management is an integral part of the Issuer's operations and a crucial component of its business and overall financial performance. The Issuer's risk management framework is in compliance with that of the MBH Group and has been designed to support the continuous monitoring of the changes of the risk environment and is supported by the strong commitment to a prudent risk management culture both on the strategy and business line levels.

The risk strategy of the Issuer is in line with that of the MBH Group and defines the risk related vision, mission and values of the MBH Group and sets out the main principles of risk management for all major risk types (credit, market, liquidity, country, participation, operational, legal, conduct, reputational, model, ICT, real estate, strategic and business).

The group-wide risk strategy sets the risk appetite for the Issuer, defines the types and levels of risk they may assume, prescribes the applicable risk measurement and management tools, and establishes the principles and rules governing risk-taking. The Issuer fosters a risk culture that ensures the timely identification, measurement and management of emerging risks in line with this risk appetite. This culture is embedded through internal policies, strategies, regulations and guidelines, supported by targeted communication and employee training. Risk-taking is inherent in the Issuer's activities, and the measurement, assessment, acceptance and management of these risks are integral to day-to-day operations.

Risk management is therefore central to the Issuer's business model and overall financial performance. The Issuer's risk management framework enables continuous monitoring of changes in the risk environment and is underpinned by a strong commitment to prudent risk management at both the strategic and business line levels.

The Issuer's risk management organisation is separated from the organisational units engaged in business management as it is operating under a multi-level control system. Key governance principles include ultimate oversight by the Board of Directors (with Supervisory Board approval required for certain specifically defined risk decisions), the independent review of all risk-taking activities separate from the business lines, and the rigorous evaluation, diversification, limitation, monitoring and reporting of all risks.

Major risk principles are approved at group level and implemented by the respective decision-making bodies of the Issuer. A risk self-assessment and the identification of material risks are conducted at least annually as part of the Internal Capital Adequacy Assessment Process ("**ICAAP**").

1. Credit risk

The credit risk associated with lending activities encompasses the potential for the counterparty to default on payment obligations or to do so with delay, as well as the risk of a decline in the receivable's value resulting from a deterioration in the counterparty's credit rating. Additionally, risks arising from loans or other credit commitments extended to affiliated entities are incorporated within the Issuer's comprehensive credit risk management framework.

For risk management reporting purposes, the Issuer considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country and sector risk).

The Issuer has standards, policies and procedures dedicated to the effective monitoring and managing risk from lending (including debt securities) activities. The risk management of the Issuer controls and manages credit risks at high standards, in a centralised manner. Its responsibilities include:

- Formulating the Issuer's credit policy in consultation with business units by establishing credit approval policies, standards, limits and guidelines that define, quantify, and monitor credit risk.
- Establishing the authorisation structure for the approval and renewal of credit facilities. In order to establish an adequate credit decision-making system in which decisions are made on time, the limit amounts are established differently according to the customer segment, the customer quality and the business line, for the delegated credit decision authorities and the boards and individual decisionmakers of the Business and Risk Units.
- Monitoring the performance and management of retail and wholesale portfolios across the Issuer.
- Supervising the management of exposures to debt securities by establishing controls in respect of securities held.
- Establishing and maintaining the Issuer's concentration risk management policies ensuring that the concentration of exposure does not exceed the limits stated in the internal and regulatory limit systems and concentration risks are effectively managed without any need for additional capital requirements if possible.
- Developing and maintaining the Issuer's risk assessment systems in order to categorise the exposures according to the degree of the risk of financial loss faced and to manage the existing risks adequately. The purpose of the credit (deal) classification system is to define when ECL may be required against specific credit exposures. The risk categorisation system consists of several grades which reflect sufficiently the varying degrees of risk of default and the availability of collateral or other credit risk mitigation options with regard to a specific exposure.
- Providing position statements, guidance and professional support to the business units of the Issuer in credit risk management. In order to comply with the prudential requirements, the Issuer adopted and operates its borrower group forming concept in line with Group-level procedures. As part of that, the borrower group-level monitoring concept is to be highlighted. According to the processes, the complete risk assumption process must be executed at the level of borrower groups: in the case of the individual groups the limit proposal and monitoring process for each individual group member takes place at the same time based on the collective analysis and consideration of risks.

With regards to the management of concentration risks, MBH Group including the Issuer implemented the global concept of concentration risk limits. As part of the concept, the Issuer set up bank and sector level KPI's (key performance indicator) set and product limits, in order to restrain the assumption of further risks arising from the characteristics or risks rooted in different sectors and the assumption of risks of products representing high or special risk. Aiming to avoid high risk concentration within the portfolio, the concentration risk limit value has been established for the total bank portfolio, with the stipulation that the limits of the individual customers or customer groups may exceed this target value only in extraordinary and justified cases, based exclusively on the strategic guidelines approved by the relevant committee.

2. Liquidity risk

Liquidity is the institution's ability to finance the growth of its assets and meet its maturing obligations without incurring significant and unexpected losses. Liquidity risk is embodied in long-term lending from short-term liabilities (maturity transformation carried out for the sake of profitability), mass disinvestment before maturity, the renewability of funds, changes in funding costs, environmental effects and the uncertainty of the behaviour of other market participants.

Liquidity risk comprises funding liquidity risk and market liquidity risk. Funding liquidity risk arises from mismatches between asset and liability cash flows, early withdrawals, or difficulties and higher costs in renewing funds. Market liquidity risk refers to the possibility that positions cannot be closed quickly at prevailing market prices, potentially requiring the use of liquid assets or maintaining positions until conditions improve.

The Issuer's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Issuer's reputation. The daily liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions on MBH Group level. All liquidity policies and procedures are subject to approval by the Board of Directors following the prior review and approval by the Asset-Liability Committee (the "**ALCO**").

Liquidity risks are mitigated through the application of group-level limits within the MBH Group, including the Liquidity Coverage Ratio ("**LCR**"), Net Stable Funding Ratio ("**NSFR**"), liquidity stress testing, and limits established under the early warning system. In addition, management decisions are informed by the liquidity gap between contractual inflows and outflows (net position), with both financial assets and liabilities classified into liquidity categories accordingly.

3. Market risk

Market risk is the current or prospective risk of losses on balance sheet and off-balance sheet positions arising from changes in market prices (changes in bond prices, security or commodity prices, exchange rates or interest rates that impact the positions).

As part of the risk strategy, the Board of Directors approves the maximum amount and scope of market risks incurable by the Issuer, ensured by a comprehensive limit structure broken down by relevant portfolios. The main market risk limit is arising from the annual capital allocation process based on ICAAP requirements. The ALCO is responsible for developing and monitoring the Issuer's market risk management policies. The ALCO has the overall responsibility for establishing and managing market risk policies for the Issuer, within the framework of internal policies, covering risk management, assessment of risk and related limits, competence and decision-making mechanism, and regulation for breaches of limits, approved by the Board of Directors. The members of the ALCO are senior executives who have principal decision-making responsibilities for businesses throughout the Issuer. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. The Issuer maintains only non-trading portfolios, which comprise positions arising from its mortgage refinancing and mortgage bond issuance activities, including the management of interest rate risk associated with related assets and liabilities.

4. Operational risk

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

(i) Legal and business risk

Legal risk is the risk of losses due to the non-observance of the scope set by legal provisions and jurisdiction caused by ignorance, lack of diligence in applying law, a delay in reacting to changes in legal framework conditions, unexpected or ex post facto changes in legal framework respectively courts diverse legal judgements from the Issuer's side. The legal risk includes conduct risk in the supply of financial services originated from an inadequate supply of services or deliberately exhibited impermissible conduct. This includes risks arising from fraud and unfair, unethical or aggressive trading practices harmful to consumers.

(ii) Reputational risk

Reputational risk is the current or prospective indirect risk to liquidity, earnings and capital arising from adverse perception of the image of the financial institution on the part of customers, counterparties, shareholders, investors or regulators. It is manifested in the fact that the external opinion on the institution is less favourable than desired.

(iii) Modelling risk

Modelling risk refers to the potential for financial loss arising from decisions made on the basis of models that are insufficiently accurate or reliable. Such deficiencies may not necessarily result from negligence, but rather from inherent limitations in available knowledge, insufficient or imperfect data, or the inability of models to capture future changes not reflected in historical data. As models are inherently imperfect, this risk is an unavoidable aspect of model-based decision-making.

(iv) Information and Communication Technology ("ICT") risk

ICT risk means the current or prospective risk of losses due to the inappropriateness or failure of the hardware and software of technical infrastructures, which can compromise the availability, integrity, accessibility and security of such infrastructures and of data. ICT risk also includes risks occurring from outsourcing of ICT relevant systems.

5. Operational risk management

The principles, rules and procedures that serve to properly identify, manage and monitor operational risk are defined in the Issuer's Risk Strategy and in its operational risk ("**OpRisk**") Policy.

The system that serves to evaluate operational risk is fully integrated in MBH Group's risk management process and in the working processes. The centralised unit of the MBH Group including the Issuer's operational risk management is the OpRisk Management that is responsible for the establishment and maintenance of the internal regulation and organisation of operational risk management and for the establishment and coordination of the Oprisk management methods and tools. Additionally, its responsibilities include ensuring the accurate collection of loss data and fulfilling all related reporting obligations.

Besides the OpRisk Management, OpRisk Network (extended to the whole organisation) were established in order to identify, report and manage operational risks. The network's tasks and responsibilities are included in the OpRisk regulations. The OpRisk Management keeps independent control over the OpRisk Champions that are assigned in the various units and responsible for managing operational risk and reporting of loss events. At group level, the Issuer's Operational Risk Management function establishes the operational risk regulations applicable to subsidiaries, defines the overarching framework for operational risk management across the MBH Group, and exercises supervisory oversight of the subsidiaries in this regard. The centralised and decentralised operational risk management units have also been established in MBH Bank's subsidiaries including the Issuer that have loss data collection and reporting obligation towards the OpRisk Management. The OpRisk Management prepares reports on the current status of the operational risk management of the Issuer for the Board of Directors on a quarterly basis. The Issuer has a half-yearly reporting obligation about operation risks in COREP (the "**Common Reporting Framework**") data delivery to the MNB.

6. Strategic and business risk

Strategic risk is defined as the negative impact on capital and income of business policy decisions, deficient or unsatisfactory implementation of decisions, or slow adjustment to changes in the economic environment. Business risk is defined as unexpected changes in the economic environment that cause negative changes in business volume or margins and are not attributable to other types of risk. It quantifies the difference between planned and actual costs and income.

7. Risk management and internal control

The Issuer maintains a comprehensive internal control and risk management framework based on the lines-of-defence model and in accordance with applicable laws and supervisory guidance. Within this framework, the Compliance and Prevention of Money Laundering division of MBH Bank, operating under an SLA, is responsible for ensuring that the Issuer complies with all applicable laws, professional standards and practices, supervisory recommendations, directives and decisions issued by public authorities, as well as the Issuer's internal regulations. This division oversees the operation of the internal control system, the components of which – including process-integrated management controls, a comprehensive management information system, and an independent internal audit function – are applied across all entities and activities of the Issuer. These controls are fully integrated into daily operations, thoroughly documented, and designed to provide regular and systematic feedback to the relevant management and governance bodies.

With effect from 1 March 2024, the compliance function for the Issuer is performed by MBH Bank's Compliance and Prevention of Money Laundering division pursuant to the SLA, replacing MBH Investment Bank. The division operates under an annual work plan approved by the Board of Directors. Its objective is to support the prudent, reliable, effective and efficient operation of the organisation in compliance with applicable regulations across the banking group, to maintain confidence in the institution and to help prevent legal or regulatory sanctions, significant financial losses and reputational damage.

General Compliance

The General Compliance function identifies, assesses and manages compliance risks to support the sound and prudent operation of the Issuer. It enforces the provisions of the Credit Institutions Act and the MBH Group Conflict of Interest Policy, under which employees are required to refrain from any conduct that could jeopardise the legitimate economic interests of the Issuer. The division conducts conflict-of-interest due diligence in connection with hiring and engagement processes for candidates, employees and senior officers, as well as in transactions such as sales of receivables or assets, including assessments of any relationship between prospective buyers and the underlying debtor. It also performs due diligence for intermediaries and prospective outsourced service providers prior to contract execution. Furthermore, General Compliance reviews new and amended products and services for compliance with applicable laws and supervisory instruments, contributes to the development of complaint-handling monitoring systems, and oversees the adequacy of complaint-handling activities, except for complaints relating to investment services.

Capital Markets, DDC and Sanctions Compliance

Within the scope of Capital Markets, DDC and Sanctions Compliance, the division maintains the insider list for the Issuer and informs individuals with access to inside information of their inclusion. It also maintains the list of persons discharging managerial responsibilities and persons closely associated with them.

Prevention of Money Laundering and Terrorist Financing

The Money Laundering Prevention Investigation and Review unit and the Money Laundering Prevention Monitoring unit conduct risk-based screening and analysis of customers and transactions using internal records and external tools to support an effective anti-money laundering and counter-financing of terrorism (AML/CFT) framework. Through their analytical activities, these units identify and mitigate customer, transactional and geographic risks, thereby supporting risk management and business processes.

Reporting

In accordance with the SLA, Compliance and Prevention of Money Laundering provides quarterly reports to the Board of Directors and the Supervisory Board on compliance activities. Control elements embedded in business and management processes are incorporated into job descriptions and current procedures. Principles of application are set out in internal orders and in organisational and operational rules governing control systems, supporting efficient operations, legal compliance and the timely identification and remediation of risks.

Fraud Prevention

The Banking Security Directorate's Fraud Prevention Department investigates internal and external abuses, takes the necessary actions in case of suspected criminal activity and operates preventive monitoring systems. Banking security also performs personnel security tasks and handles classified requests from authorities in compliance with applicable law. According to the above departments' records, no fraud incidents or suspicion related to the Issuer was recorded in 2025.

Data Protection and Confidentiality

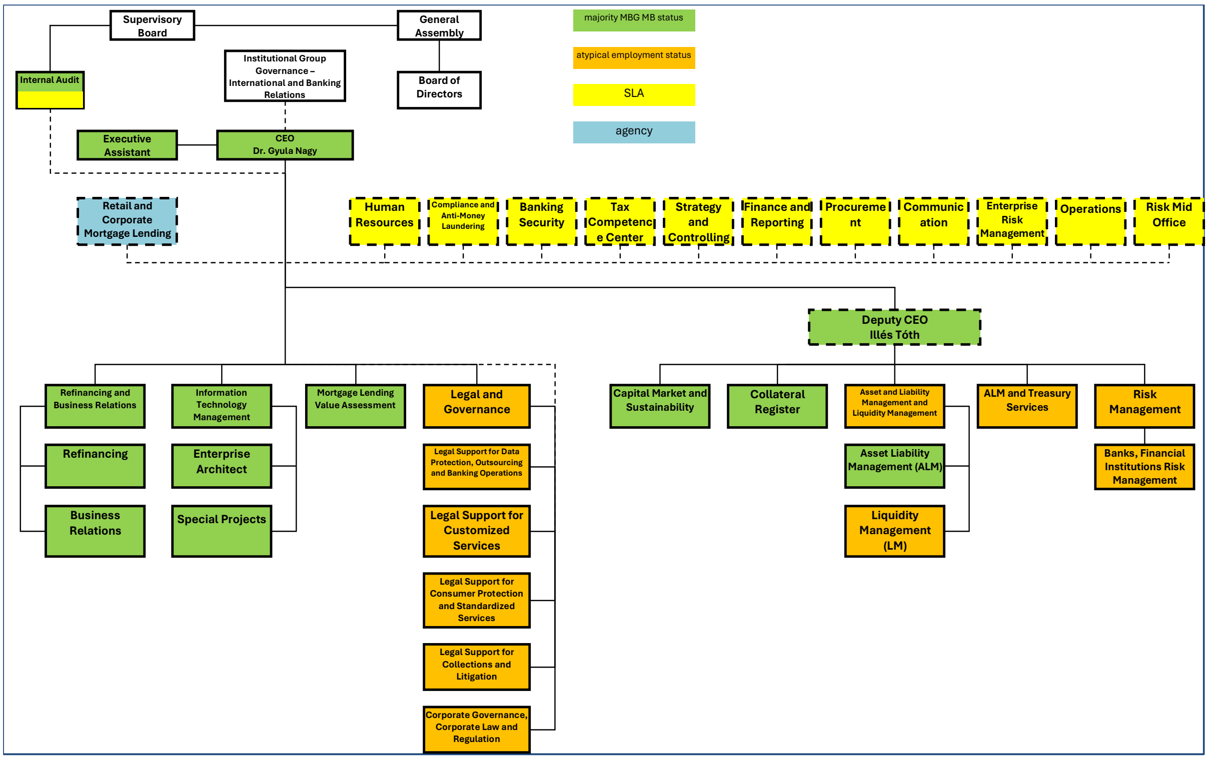
The Data Protection, Outsourcing and Banking Operational Legal Department within the Legal and Governance Division is responsible for personal data protection and confidentiality, in line with regulations issued by the Central Organisation of Integrated Credit Institutions at the integration level. In 2024, the Department supported the HR Department in preparing the annual mandatory training for the relevant employees and provided data-protection support for new data management notices, as well as issuing data-protection opinions on internal mortgage bank regulations and on documents related to certain mortgage bank products and services.

ORGANISATION STRUCTURE AND MANAGEMENT

1. Organisational structure of the Issuer

The supreme body of the Issuer is the General Meeting. The Supervisory Board, the Board of Directors and the Audit Committee perform their duties set out in the relevant legislation and in the Issuer's Articles of Association. The Issuer is headed by the Chief Executive Officer ("**CEO**"), over whom employer rights are exercised by the Board of Directors. The CEO is the chief managing director according to clause 115 of Section 6(1) of the Credit Institutions Act. The CEO and the Deputy CEO elected by the General Meeting as members of the Board of Directors are internal members of the Board of Directors. The CEO directs the Issuer's work organisation. All matters except for those falling within the exclusive authority of the General Meeting, of the Supervisory Board, or of Board of Directors, fall within the scope of authority of the CEO.

The following diagram illustrates the internal organisational structure of the Issuer.



As far as it is aware, the Issuer is in compliance with the provisions of all applicable statutory regulations and orders of the supervisory authority. The structure and operating conditions of the Issuer are contained in its Articles of Association, which are approved by the general meeting of shareholders.

2. Board of Directors

The Board of Directors is an executive body elected by the General Meeting of the Issuer. The Board of Directors shall be entitled and obliged to make decisions on all issues rendered to the exclusive competence of the Board of Directors by law, the Articles of Association, or the internal regulations approved by the Board of Directors of the Issuer.

The liability of the Board of Directors extends the entire operation of the Issuer, as part of which the Board of Directors' main duties include the approval of the Issuer's strategy, annual report, major organisational restructurings and policies, as well as making other significant company law-related decisions. In its objectives and activities, particular emphasis is placed on increasing shareholder value, profitability and efficiency, and on managing risks and complying fully with external requirements – in other words on ensuring the most effective enforcement of business, ethical and internal control policies.

The scope of its authority is defined in the effective statutory provisions, the Issuer's Articles of Association and the General Meeting resolutions. Its rules of procedure include the legal status and composition of the Board of Directors, as well as the regulations applicable to its operation and decision making.

All the obligations and prohibitions specified for executive officers under the Credit Institutions Act apply to the members of the Board of Directors.

The Board of Directors has an executive role in the governance of the Issuer. It oversees the Issuer's operative management through the CEO. The CEO is authorised to decide in all matters that do not, pursuant to the Articles of Association, fall within the scope of authority of the General Meeting or the Board of Directors. The employer's rights related to the executive officers of the Issuer are generally exercised by the Board of Directors as a corporate body.

In view of the fact that the Board of Directors also has an important role to play in overseeing the work of the management, it is of substantive importance that the principle of a majority of external (non-executive) members be implemented in respect of the Board of Directors (2 executive members, 4 non-executive members). The composition of the Board of Directors ensures that professional expertise, experience, and a degree of impartiality that goes beyond the above-mentioned independence requirement, are brought to bear in equal measure in the decision-making processes. The members of the Board of Directors are elected by the General Meeting for a term of maximum five years.

The business address for the members of the Board of Directors is:

MBH Mortgage Bank Co. Plc.
Budapest
Magyar Tudósok körútja 9. Infopark G. ép.
1117 Hungary

2.1 Members of the Board of Directors:

József Vida – Chairman of the Board of Directors

József Vida is an economist who earned degrees and qualifications in various fields of information technology, economics, and law as a student at several universities and colleges – including Budapest Business School, the University of Pécs, Szent István University, and the French Université Paris-Nanterre.

His banking career began at Citibank Zrt. in 1999. In 2003, he moved from the position of head of department at Magyar Takarékszövetkezeti Bank to become Director of the Active Business Division at Szentgál és Vidéke Takarékszövetkezet, where he later served as managing director from 2006 and then as chairman and CEO. Under his leadership, B3 TAKARÉK Szövetkezet was established on 1 September 2015, through the merger of ten savings cooperatives. In 2014, he was awarded the Gróf Sándor Károlyi Memorial Plaque for his outstanding contribution to the development of the savings cooperative integration. Mr. Vida played a key role in the integration of savings cooperatives and in ensuring the competitiveness and long-term future of the Takarék Group. Under his direction, the former FHB Group was integrated into the Takarék Group, and in 2017, fifty-two savings cooperatives merged into twelve regional credit institutions, which in 2019 were consolidated in two steps into a single nationwide universal commercial bank, Takarékbank Zrt. Until 30 October 2020, he served as Chairman and CEO of Hungarian Bankholding Ltd. (in Hungarian: *Magyar Bankholding Zrt.*, "**Hungarian Bankholding**"), and until 31 December 2021, as Chairman and CEO of Takarékbank and MTB Zrt.

In addition, he is engaged in farming and racehorse breeding, and holds leadership positions in several social organizations, including serving as Chairman of the Supervisory Board of the National Association of Hungarian Dog Breeders, and since June 2021, as a member of the board of trustees of the public-interest asset management foundation maintaining the Hungarian University of Sports Science.

He is the member of the Board of Directors of the Issuer since 30 November 2016 and the Chairman of the Issuer's Board of Directors since 5 December 2016.

Dr. Gyula László Nagy – CEO

Dr. Gyula László Nagy graduated in 1976 from the Budapest University of Economic Sciences with a degree in foreign trade, after which he earned a postgraduate economist qualification and a university doctoral degree in economics in 1981. From 1977, he worked as Head of the Export Department at Ganz Árammérőgyár, then as a dealer at Unicbank Plc. and later as Head of Corporate Client Relations at Citibank Hungary Plc. Between 1991 and 1995, he managed the corporate division of BNP-Dresdner Bank Plc., and from 1995 to 1999, that of HVB Bank Hungary Plc. From 1999 to 2001, he served as Deputy CEO and member of the Board of Directors at HVB Bank Hungary Plc., and between 2001 and 2007, he was CEO of Unicredit Mortgage Bank Plc. From October 2007, Dr. Nagy headed the Partner Refinancing and Integration Independent Department at Takarék Mortgage Bank Plc., where he oversaw the refinancing activities of the former FHB Group. Since 26 April 2017, he has been CEO of FHB Mortgage Bank Plc., now the Issuer. He holds a master-level real estate expert qualification and is a member of the Research and Statistics Working Group of the European Mortgage Federation.

He has been a member of the Board of Directors and CEO of the Issuer since 26 April 2017.

Illés Tóth – Deputy CEO

Illés Tóth is the Deputy CEO of the Issuer and Head of the Capital Markets Division, responsible since 2019 for the Issuer's mortgage bond issuance activities, credit rating management, and investor relations. Since 2020, Mr. Tóth has been actively involved in implementing the Issuer's sustainability strategy, preparing the sustainability report and managing the green mortgage bond framework.

He earned his degree in economics in 2000 from the College of Finance and Accountancy, specializing in finance and banking. Before assuming his leadership role in capital markets, he worked as a senior capital markets expert at the Issuer between 2015 and 2019. From 2008 to 2015, Mr. Tóth held senior positions and later headed the treasury department at UniCredit Mortgage Bank Ltd., where he managed ALM and liquidity tasks related to mortgage banking activities and oversaw mortgage bond issuance. In 2015, he briefly worked at Raiffeisen Bank Ltd. in the market risk management area, focusing on liquidity risk as a senior expert. Between 2000 and 2008, Mr. Tóth worked as a bond market analyst at DZ BANK's outsourced emerging markets research office in Budapest.

He has been the member of the Issuer's Board of Directors since 1 December 2022.

Ildikó Ginzer – External member of the Board of Directors

Ildikó Ginzer graduated from Corvinus University as an economist and certified economics teacher. She began her professional career at Raiffeisen Bank Ltd. in 2004 in the Project Finance and Syndicated Lending Department, later serving as Head of the Corporate Debt Management Department and then as Division Head until 2016. In 2016, she worked for more than half a year as an expert at Borealis AG in Vienna. She then continued her career at MKB Bank as Deputy CEO for Risk Management and later for Business, becoming a member of the Issuer's Board of Directors in September 2021. Since June 2021, she has also held the position of Deputy CEO for Business at Hungarian Bankholding, and since November 2021, she has served as Deputy CEO responsible for standard services at Takarékbank Plc., MTB Plc., Budapest Bank Plc., and MKB Plc. She is a member of the Supervisory Board of CIG Pannónia Plc., a member of the Board of Directors of Euroleasing, and Chair of the Supervisory Board of MBH Asset Management. Since 21 June 2023, she has been a member of the Board of Directors of MBH Investment Bank and since 3 May 2024 she has also been a member of the Board of Directors of Fundamenta-Lakáskassza building society closed joint stock company.

She has been the member of the Issuer's Board of Directors since 3 December 2021.

Szabolcs Károly Brezina – External member of the Board of Directors

Szabolcs Károly Brezina earned his degree in economics in 1998 from IBS – Oxford Brookes University. He began his professional career in 1997 at Kereskedelmi és Hitel Bank. Between 2001 and 2003, Mr. Brezina worked in Switzerland as an interdealer broker at Continental Capital Markets, then from 2003 to 2010, he headed the Money and Capital Markets Division of Takarékbank Plc. as Director. Over the next three years, he served as Managing Director and member of the Board of Directors, and from 2013 as Deputy CEO. During this period, Mr. Brezina also held the position of Chairman of the Supervisory Board of Takarék Asset Management. From 2015 for four years, he worked at Duna Takarék Bank Plc. as Managing Director and member of the Board of Directors. He returned to Takarékbank in 2019 as Managing Director, leading the money and capital markets, investment, and private banking areas across the entire MTB Bank Group. Since 19 June 2023, he has been an internal member of the Board of Directors and the CEO of MBH Investment Bank.

He has been the member of the Issuer's Board of Directors since 9 December 2022.

Dr. Ilona Török – External member of the Board of Directors

Dr. Ilona Török has more than twenty years of experience in the banking sector. She began her career at the Hungarian Financial Supervisory Authority, where she gained legal and financial expertise in several areas and later became Head of the Licensing and Enforcement Directorate. Between 2010 and 2021, Dr. Török held various positions at OTP Bank Plc. in the capital markets and treasury areas, later becoming a leader in corporate governance. During this time, she also served on the governing bodies of several domestic and international subsidiaries of the OTP Group. From March 2021, she headed the Office of the Chairman and CEO at MKB Bank. From November 2021, she held the same position at Hungarian Bankholding and its member banks. Since September 2022, Dr. Török has been a member of the Supervisory Board of MKB Bank Plc. Since May 2023, as Head of the Chairman and CEO's Office at MBH Bank, she has coordinated the bank's prudential compliance and managed central areas such as legal and governance, compliance and anti-money laundering, internal audit, bank security, marketing, events and protocol, international and banking relations, acquisitions, and banking group management. Since June 2023, she has been a member of the Board of Directors of MBH Investment Bank.

She has been a member of the Issuer's Board of Directors since 14 November 2022.

3. Supervisory Board

The Supervisory Board – as a body elected by the General Meeting – performs the oversight of the Issuer's management, business activities and legal operation and fulfils the responsibilities assigned to it by the Credit Institutions Act.

In accordance with the regulatory requirements – the principle of a majority of independent (non-executive) members is fully enforced in respect of the composition of the Supervisory Board. All members of the Issuer's Supervisory Board are independent.

In order to avoid conflicts of interest, the General Meeting may not appoint the members of the Board of Directors and their close relatives to the Supervisory Board.

The Supervisory Board determines and approves its own rules of procedure which is effective without the approval of the General Meeting.

The responsibility of the Supervisory Board extends to the supervision of the lawfulness of the Issuer's operations, its business practices and management, including the control of the Issuer's internal audit organisation. The Supervisory Board exercises a preliminary right of consent in respect of decisions relating to the establishment and termination by the employer of the employment of the head of the internal audit organisation; the termination (ordinary or with immediate effect) of employment of the chief risk officer; the passing of a Board of Directors' resolution on accepting the Issuer's interim balance sheet and also for the passing of the Board of Directors' resolutions on internal loans to non-consumers.

It is the task of the Supervisory Board to accept and regularly review – within the limits defined by the Articles of Association and the General Meeting of Shareholders – the principles of the Issuer's Remuneration Policy.

The business address for the members of the Supervisory Board is:

MBH Mortgage Bank Co. Plc.
Budapest
Magyar Tudósok körútja 9. G. ép.
1117 Hungary

3.1 *Members of the Supervisory Board:*

The Supervisory Board members are elected by the General Meeting of Shareholders for a term of maximum five years.

Dr. Géza Károly Láng – Chairman of the Supervisory Board

Dr. Géza Károly Láng obtained his law degree from Pázmány Péter Catholic University in 2002, and after passing the bar exam and qualifying as an insurance lawyer, he qualified as a competition lawyer in 2012. Dr. Láng has spent 16 years in the insurance sector in various positions, and since 2019, he has been Deputy State Secretary for National Financial Services and Postal Affairs at the Prime Minister's Office. From 2023 to 31 January 2025, he was Deputy State Secretary for State Property and Postal Affairs at the Ministry of National Economy. Between April and August 2022, he was a member of the Board of Directors of MKB Bank and the Hungarian Bankholding. From 1 February 2025 he is the CEO of the Hungarian Post.

He has been the Chairman of the Issuer's Supervisory Board since 5 August 2022.

Dr. Koppány Tibor Lélfai

Dr. Koppány Tibor Lélfai graduated as a lawyer from the Faculty of Law at Eötvös Loránd University in 2003. From 2000 to 2011, Dr. Lélfai worked at MFB (Hungarian Development Bank Ltd.), initially in the Lending and then in the Business Coordination Directorate. From 2008 to 2011, he served as Head Legal Counsel in the Legal Directorate. Between 2011 and 2016, he was the CEO of Bethlen Gábor Asset Management Plc. He continued his career as Deputy CEO responsible for the business division at MFB until the end of August 2017, after which he led the investment division until early 2018. From January 2018, he served as Chairman and CEO of Budapest Bank Plc. In addition to numerous other positions, he is a member of the Board of Directors of Hungarian Bankholding and the Supervisory Board of the Foundation for Hungarian Culture. Since 2019, he has been a member of the Supervisory Board of Budapest Fund Management Plc. (now MBH Fund Management Plc.). In 2022, he was elected a member of the Board of Directors and CEO of OPUS GLOBAL Plc., and in the same year, he became a member of the Supervisory Boards of OPUS TIGÁZ Plc. and OPUS TITÁSZ Plc. In 2023, he was elected to the Supervisory Board of OPTESZ OPUS Plc.

He has been the member of the Issuer's Supervisory Board since 3 January 2022.

Dr. Éva Szilvia Gödör

Dr. Éva Szilvia Gödör is an attorney and head of Dr. Gödör Law Office. She graduated in law from the Faculty of Law at Eötvös Loránd University in 2002 and passed the bar exam in 2006. During her years as a trainee lawyer, she handled civil and criminal cases, after which her professional focus shifted to civil law. She has been practicing as an attorney since 2007. In 2012, Dr. Gödör founded her law firm, which from the outset has primarily supported the activities of several players in the Hungarian financial sector and their subsidiaries. She has participated in portfolio transfer transactions, reorganizations, and mergers carried out at financial institutions. Her areas of expertise include real estate transactions and developments, corporate law, financing, debt management, supporting the operations of financial institutions, mergers, acquisitions, due diligence, project support, and procedures related to social organizations. Since April 2018, she has been a member of the Supervisory Board of OPUS GLOBAL Plc.

She has been the member of the Issuer's Supervisory Board since 1 August 2018 and the member of the Issuer's Audit Committee since May 2021.

Dr. Ákos Ferenc Tisza-Papp

Dr. Ákos Ferenc Tisza-Papp graduated in law from Eötvös Loránd University in 2004 and passed the bar exam in 2007. He began his professional career in the Legal Department of the predecessor of UniCredit Bank, then from 2003 to 2007 worked at Raiffeisen Leasing Plc. as a legal officer and later as legal counsel. From 2007, he served as legal counsel at OTP Bank Plc., later becoming head of the Corporate and Capital Markets Legal Group, then department head, and from 2019 to 2021, he was Director of the Corporate and Capital Markets Legal Directorate. During this period, Dr. Tisza-Papp was a member of the supervisory boards of OTP Group's Bulgarian and Ukrainian subsidiaries, as well as OTP Factoring Plc. and OTP Real Estate Investment Fund Management Plc., and was also a member of the Responsible Corporate Governance Committee of the Budapest Stock Exchange. He joined the MBH Banking Group in 2021 and currently serves as Managing Director responsible for the legal and governance areas of the entire group. In addition, he is a member of the Supervisory Boards of Exter-Immo Plc., Extercom Asset Management Ltd., and Exter-Reál Real Estate Trading Ltd., and since 29 June 2023, he has been a member of the Supervisory Board and Audit Committee of MBH Investment Bank.

He has been the member of the Issuer's Supervisory Board since 29 November 2022.

Péter Krizsanovich

Péter Krizsanovich graduated from Corvinus University of Budapest in 2003. He began his career as a consultant at IFUA Horváth & Partners, a management consulting firm. From 2005, he spent 17 years in leadership positions at OTP Bank, including serving as Managing Director of the Strategy, Planning, and Controlling Directorate. Mr. Krizsanovich gained international experience through involvement in regional expansion, participating as a board member in the management of several leading foreign banks, including OTP Bank Serbia and CKB Bank in Montenegro. Between 2017 and 2022, he was a member of the Board of Directors of OTP Real Estate Investment Fund Management Plc. From September 2022, he worked as Chief Advisor to the Chairman and CEO of Hungarian Bankholding, focusing on financial, risk management, and strategic matters. Since 1 January 2023, he has been Deputy CEO responsible for Finance at MBH Bank. Since 29 June 2023, he has also been a member of the Supervisory Board and Audit Committee of MBH Investment Bank.

He has been the member of the Issuer's Supervisory Board since 29 June 2023.

András Bakonyi

According to Resolution No. 8/2024 (04.24.) of the Issuer's General Meeting, András Bakonyi was elected as a member of the Supervisory Board for a fixed term until 2 January 2027. He graduated from Corvinus University of Budapest in 2002. He began his banking career in 2002 at MKB Bank Plc. From 2003, he worked at CIB Bank Plc. in the Corporate Client Relations area, where he held the position of Head of Department from 2007. In 2010, Mr. Bakonyi joined K&H Bank Plc., where from 2011 he led the Budapest West Corporate Region, and from 2013, the Budapest East Corporate Region. At the same time, from 2013, he also served as Deputy Head of the Corporate Network. From 2015, he was Managing Director and Head of the Corporate Division at MKB Bank Plc. In 2017, he was appointed Deputy CEO for Corporate and Treasury, responsible for the bank's corporate, treasury, and leasing activities. Between 2019 and 2021, he served as Deputy CEO for Risk Management. At Hungarian Bankholding, from 2021, he led the credit risk management area as Managing Director. Since May 2023, he has been Head of Risk Management at MBH Bank, a role he has held as Deputy CEO since June 2023. Since 30 November 2023, he has been a member of the Supervisory Board of MBH Investment Bank and since 27 March 2024, he has also been a member of the Supervisory Board of Fundamenta-Lakáskassza building society closed joint stock company.

He has been the member of the Issuer's Supervisory Board since 29 April 2024.

4. Audit Committee

The Issuer operates an Audit Committee of three members who are elected by the General Meeting from among the independent members of the Supervisory Board. The Audit Committee assists the Supervisory Board in the evaluation of the internal controls over financial reporting, as well as supervision over: (i) the reliability of the financial reporting process; (ii) the audit process; and (iii) the process of ensuring compliance with the provisions of the law.

4.1 Members of the Audit Committee:

Péter Krizsanovich, Chairman of the Audit Committee

Dr. Éva Szilvia Gödör

Dr. Géza Károly Láng

5. Chief executive officer and deputy chief executive officers:

Dr. Gyula László Nagy, Chief Executive Officer

Illés Tóth, Deputy CEO

6. Asset and Liability Committee

The Asset and Liability Committee exercises its powers in relation to the Issuer on an individual level within the framework defined by MBH Bank as the group controller, the Integration Organisation and the Integration Business Management Organisation. The Asset and Liability Committee is the primary responsible body for the Issuer's asset and liability management. It is responsible for reviewing and discussing the returns, interest expenses and changes in asset holdings, as well as the impact and potential impact on results. Within this remit, the Asset and Liability Committee shapes and approves the Issuer's medium- and long-term liquidity and financing plans; oversees mortgage bond issuance by setting the parameters of the issuance programme and authorising individual issues within it; and grants prior approval for any non-voting or non-convertible private placement programme, including its parameters. It decides on the pricing of the Issuer's products and services, approving the standard (public) terms and conditions for the Issuer's own loan portfolios and approving the terms and conditions applied in refinancing operations. It decides on the setting of limits for market risks and makes proposals to the Board of Directors in accordance with the risk policy/risk strategy, and monitors compliance with the limits.

7. Methodology Committee

The Methodology Committee cooperates with the MBH Methodology Committee and carries out the tasks assigned to it by this committee. It exercises its powers within the framework defined by MBH Bank, the Integration Organisation and the Integration Business Management Organisation. It is responsible for reviewing the Issuer's risk profile, approving risk methodologies and setting the internal mortgage bank limit for exposures to a client or counterparty group. The Methodology Committee also monitors credit and counterparty risk within treasury and asset-liability management activities, taking necessary measures to address any issues that arise and ensuring compliance with risk limits for individual clients or groups of clients. It sets country risk limits and oversees adherence to these limits, while also making decisions on operational risk management measures. As the Non-performing Loan Committee, it monitors compliance with the allocated risk limits for the portfolio under its responsibility and takes action in the event of a breach of the limits.

8. Refinancing Credit Committee

The purpose of the Refinancing Loan Committee is to take decisions on the refinancing exposures necessary for the establishment of certain framework conditions for the cooperation agreement (framework agreement) to be concluded with a given counterparty bank in connection with Issuer's refinancing business.

9. Green Mortgage Bond Committee

The Green Mortgage Bond Committee is responsible for establishing and maintaining the Issuer's green mortgage bond framework, deciding on the eligibility of green mortgage loans and monitoring the use of funds from the issuance of green mortgage bonds. It determines the maximum number of green mortgage bonds that can be placed. The committee approves the environmental impact and allocation reports defined in the green mortgage bond framework and supports the creation and implementation of the Issuer's green strategy.

For the avoidance of doubt, the Issuer does not intend to issue green mortgage bonds under this Programme.

10. Potential conflicts of interest

According to the available information and registers, there are no actual or potential conflicts of interest between the private interests or duties of the members of the Board of Directors, the Supervisory Board or the senior management of the Issuer and their duties to the Issuer.

OVERVIEW OF THE HUNGARIAN MORTGAGE BOND REGULATION

The coverage system for mortgage bonds

Coverage requirement

The coverage requirements applicable to mortgage bonds are set out in Sections 14 to 14/C of the Mortgage Credit Institutions Act. Mortgage credit institutions must, at all times, have "coverage" (in Hungarian: *fedezet*) available at a value which is higher than the equivalent of the outstanding principal and interest in respect of all outstanding mortgage bonds. In order to achieve this, mortgage credit institutions must ensure that: (a) the total amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the aggregate amount of outstanding principal on all outstanding mortgage bonds; and (b) the total amount of interest payable on the amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the interest payable on the aggregate amount of outstanding principal on all outstanding mortgage bonds. Mortgage credit institutions must ensure that the above coverage requirements are also met on a present value basis (for a more detailed discussion see "*Detailed Rules of the Coverage System Relating to the Mortgage Bonds*" below).

The role of the Cover Pool Monitor

Monitoring the availability of coverage assets

Sections 16 and 17 of the Mortgage Credit Institutions Act contain the provisions on the appointment and responsibilities of the Cover Pool Monitor (in Hungarian: *vagyonellenőr*).

The Cover Pool Monitor:

(i) monitors and certifies the continuous availability of sufficient coverage for mortgage bonds as required by the Mortgage Credit Institutions Act; and

(ii) is responsible for the due registration of the (1) properties subject to the mortgages and other liens included in the ordinary coverage for mortgage bonds together with their land registry details and mortgage lending values; and (2) coverages in the coverage register.

The appointment of the Cover Pool Monitor is mandatory and valid only with the approval of the MNB. The appointed Cover Pool Monitor of the Issuer is KPMG Hungária Kft. (31 Váci Road, Budapest, H-1134, Hungary).

A security has to meet certain formal requirements to qualify as a mortgage bond. One of these requirements is the certification by the Cover Pool Monitor on the mortgage bonds of the existence of the prescribed coverage and the registration thereof in the coverage register.

Registration of coverage assets

Pursuant to applicable legal requirements, the Issuer maintains a coverage register for the registration of: (i) the mortgage loans included in the ordinary coverage for mortgage bonds with all necessary data of these loans including data of mortgaged properties; (ii) supplementary coverage assets; (iii) liquidity buffer assets; (iv) derivative cover pool assets; and (v) the outstanding value of the ordinary and supplementary coverage and derivative coverage pool assets and liquidity buffer assets. The coverage registration rules of the Issuer were approved by the Board of Directors, and by the MNB (Resolution No H-EN-I-536/2024.) with effect from December 2024 and have been reviewed by the Cover Pool Monitor.

Valuation of coverage assets

The Mortgage Credit Institutions Act and the Credit Institutions Act impose stringent requirements on the valuation of coverage assets. The requirements are elaborated *in extenso* in No 25/1997 (VIII.1.) order of the Minister of Finance on the principles of the methodology applicable to the establishment of the mortgage lending value of real estate not qualifying as agricultural land and No 54/1997. (VIII.1.) order of the Minister of

Agriculture on the principles of the methodology applicable to the establishment of the mortgage lending value of agricultural land. Accordingly, the key elements of the valuation of coverage assets are as follows:

- preliminary assessment of the acceptability and effectiveness of coverage assets under the relevant legal requirements (as a general rule, the Issuer accepts only unencumbered real estate);
- assessment of the long-term permanent nature of the value of the real estate serving as collateral for mortgage loans;
- assessment of the time required for the sale of such real estate; and
- the establishment of the mortgage lending value of such real estate.

Special status of the mortgage bonds

As a summary of the provisions laid out in this section, the following is a list of the seven basic pillars on which the security of mortgage bonds rely:

1. *Coverage system*

The ordinary coverage for mortgage bonds is provided for by mortgage loans adjusted according to mortgage lending values of their respective collateral, established on the basis of detailed and strict statutory regulations. Each mortgage loan may only be taken into account as coverage to the extent permitted by the Mortgage Credit Institutions Act. Where there is no sufficient ordinary coverage, supplementary coverage must be added on a mandatory basis.

For further information, see the section entitled "*Detailed Rules of the Coverage System Relating to the Mortgage Bonds*" below.

2. *Strictly defined coverage proportions*

Strict limitations apply to the recognition of mortgage loan assets as ordinary coverage (see "*Detailed Rules of the Coverage System Relating to the Mortgage Bonds*" below).

3. *Independent Cover Pool Monitor*

The registration of the current mortgage loan portfolio and the mortgaged real estate underlying the mortgage loan assets constituting the coverage for mortgage bond issues is supervised and controlled by an independent Cover Pool Monitor appointed in order to safeguard the interests of investors.

4. *Special status of the holders of mortgage bonds in a liquidation proceeding against a mortgage credit institution*

The Mortgage Credit Institutions Act grants a privileged position in the liquidation of a mortgage credit institution, as compared with other creditors, to the holders of mortgage bonds and counterparties to derivative transactions included in the coverage in respect of the coverage and certain other liquid assets.

For a more detailed discussion see "*Detailed Rules of the Coverage System Relating to the Mortgage Bonds*" below.

5. *Special supervision by the MNB*

Pursuant to the Mortgage Credit Institutions Act, the MNB is obliged to carry out comprehensive on-site audits at mortgage credit institutions at least every three years.

6. ***Increased publicity***

A mortgage credit institution is obliged to disclose quarterly information to the MNB and to the public on its website periodically, on, among others the value of the cover pool and outstanding mortgage bonds, details in relation to market risk, including interest rate risk and currency risk, and credit and liquidity risks, the maturity structure of cover assets and mortgage bonds, including an overview of the maturity extension triggers if applicable.

7. ***Specialised credit institution***

Mortgage bonds can be issued exclusively by mortgage credit institutions with certain formal requirements as set out in the Mortgage Credit Institutions Act. If any of the mandatory elements of such statutory content is missing, a bond will not qualify as a mortgage bond.

Mortgage Bonds created in an OECD member state other than Hungary

Pursuant to the Mortgage Credit Institutions Act, certain provisions of Hungarian law are not applicable to the formal requirements for a security to qualify as a mortgage bond in respect of mortgage bonds created in an OECD member state other than Hungary and to the issuance thereof. Such securities will still qualify as mortgage bonds even if the global note representing the relevant mortgage bonds, which is deposited with a common safekeeper, is exchanged for definitive securities in accordance with the specified denomination of the mortgage bonds. The form of such securities is governed by the law of the jurisdiction where they have been created.

Consequently, in the event that mortgage bonds are created in an OECD member state other than Hungary Section 6(3) of the Capital Markets Act, which provides that publicly issued securities must be in a dematerialised and registered form, will not be applicable. Further, such mortgage bonds do not need to specify the name of the owner thereof, and will qualify as a registered security provided that the name of the owner of the account in which it is registered can be clearly identified. Finally, Section 12(2) of the Mortgage Credit Institutions Act, which states that coupons shall be issued in respect of interest and principal instalment payments to be made on mortgage bonds created in a physical form, will not apply.

Implementation of the new EU Covered Bond Legislation

The European Union's covered bond directive (EU) 2019/2162 and regulation (EU) 2019/2160 came into effect on 7 January 2020 (jointly, the "**New EU Covered Bond Legislation**"). Among other things, the New EU Covered Bond Legislation lays down the conditions that covered bonds have to meet in order to be recognised under European Union law, aiming to strengthen investor protection in the European Union by imposing specific supervisory duties. In Hungary, the revised Mortgage Credit Institutions Act implemented the New EU Covered Bond Legislation.

Act No. LVIII of 2021 on the amendments of the Mortgage Credit Institutions Act in relation to the implementation of the Directive was passed by the Hungarian Parliament on 18 May 2021, and the relevant amendments became effective as of 8 July 2022. According to Section 19/A of the amended Mortgage Credit Institutions Act, in order to use the "*European Covered Bond*" label and the "*European Covered Bond (premium) label*", issuers need to comply with certain requirements under the Mortgage Credit Institutions Act and regarding the "*European Covered Bond (premium) label*", under Article 129 of the CRR as well. On 12 September 2022, the MNB permitted the use of these labels for the Issuer in accordance with the Mortgage Credit Institutions Act.

DETAILED RULES OF THE COVERAGE SYSTEM RELATING TO THE MORTGAGE BONDS

Mortgage bonds (*jelzáloglevél*) are transferable debt securities issued exclusively by mortgage credit institutions pursuant to the Mortgage Credit Institutions Act.

Mortgage credit institutions grant loans secured by mortgages on real estate properties located in the territory of Hungary or another member state of the EEA, for which they procure funds primarily by way of issuing mortgage bonds.

Mortgage credit institutions must at all times have "coverage" (*fedezet*) available at a value which is higher than the equivalent of the outstanding principal and interest in respect of all outstanding mortgage bonds. In order to achieve this, mortgage credit institutions must ensure that: (a) the total amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the aggregate amount of outstanding principal on all outstanding mortgage bonds; and (b) the total amount of interest payable on the amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the interest payable on the aggregate amount of outstanding principal on all outstanding mortgage bonds. Mortgage credit institutions must ensure that the above coverage requirements are also met on a present value basis. Such coverage may consist of ordinary coverage and supplementary coverage.

The ordinary coverage for mortgage bonds consists primarily of mortgage loans adjusted for the lending value of the respective mortgaged properties, established on the basis of detailed and strict statutory regulations. The repurchase price of so-called independent liens (as defined in Act V of 2013 on the Civil Code of Hungary) may also serve as ordinary coverage. Refinancing mortgage loans (which are granted to credit institutions and where the mortgage interest created to secure the refinanced mortgage loan (the "**Transfer Mortgage Interest**") is transferred to the refinancing mortgage credit institution (without the underlying loan) as security in respect of the refinancing mortgage loan) also qualify for inclusion in the ordinary coverage, subject to certain conditions. Each mortgage loan or refinancing mortgage loan or the repurchase price of each independent lien, as applicable, may only be taken into account as coverage up to 60 per cent. of the established mortgage lending value of the relevant mortgaged property, except in respect of residential real estate, where the relevant mortgage loan, refinancing mortgage loan or repurchase price may only be taken into account as ordinary coverage for up to 70 per cent. of the mortgage lending value of such residential mortgaged property. Principal and interest claims arising from mortgage loans and management fees received regularly by a mortgage credit institution may serve as ordinary coverage, if the mortgage securing the respective loan is registered on the land registry. Refinancing mortgage loans and the repurchase price of independent liens may be included in the ordinary coverage only on condition that the relevant Transfer Mortgage Interest or, as the case may be, independent lien has been validly created and transferred to the refinancing mortgage credit institution and provided that the refinancing mortgage credit institution has an unconditional right to initiate the registration of such transfer on the land registry. Under the "portfolio refinancing model", a condition for disbursing and including a refinancing mortgage loan as an ordinary asset in the cover pool is the valid establishment of a mortgage in favour of the mortgage loan company on the claims arising from the original mortgage loans granted by the refinanced credit institution, serving as security for the refinancing mortgage loan. In the case of mortgage loans secured by mortgages on real estate situated in another member state of the EEA, further prudential requirements need to be met in order for such loans to be included in the ordinary coverage.

In addition, the adjusted value of certain derivative transactions concluded in relation to mortgage bonds issued by the respective mortgage credit institution and/or the coverage thereof may be included as coverage, provided that the relevant counterparty consents to the inclusion of the respective derivative transaction into the coverage and certain other conditions are met, and the balance of the liabilities arising from such derivative transactions on a present value basis does not exceed 12 per cent. of the present value of the liabilities arising under the outstanding mortgage bonds issued by the relevant mortgage credit institution. Furthermore, claims for principal and interest as well as management fees arising from the so-called "connected loan" (that part of the credit facility which is secured by state guarantee and not covered by the mortgage) may also constitute ordinary coverage.

The supplementary coverage may consist of the following instruments: (a) cash held in a separate blocked account with the MNB; (b) securities issued by the central banks of the member states of the EEA, the Organisation for the OECD or the ECB; (c) securities issued by member states or full members of the EEA or the OECD; (d) securities issued by the European Investment Bank, the International Bank for Reconstruction and Development, the Council of Europe Development Bank or the European Bank for Reconstruction and Development, provided that the issuer is the obligor; (e) securities issued by the Hungarian State or issued with first demand suretyship (in Hungarian: *állami készfizető kezességvállalás*) provided by the Hungarian State; (f) securities which have the principal and interest payment guaranteed by any of the issuers listed in (c) and (d) above; (g) certain loans granted with first demand suretyship provided by the Hungarian State; and (h) covered bonds (as defined in the CRR) which are recognised as eligible collateral by the central bank of a member state or the ECB, except for mortgage bonds issued by the relevant mortgage credit institution and covered bonds issued by a credit institution or investment firm closely linked to that mortgage credit institution. The total amount of claims towards any of the obligors listed in (c), (d), (f) and (h) and not denominated in Hungarian forints above may not at any time exceed 2 per cent. of the aggregate principal amount of all outstanding mortgage bonds issued by the relevant mortgage credit institution.

The inclusion of covered bonds referred to in (h) above in the supplementary coverage is subject to further strict statutory thresholds as follows: (i) the total amount of such covered bonds is capped at 25 per cent. of the aggregate amount of the supplementary coverage; and (ii) the total amount of such covered bonds may not exceed 5 per cent. of the aggregate nominal value of the mortgage bonds outstanding.

If the mortgage bonds and their respective coverage are denominated in different currencies, mortgage credit institutions are required to hedge their foreign exchange risk by derivative transactions. These derivative transactions may, subject to further rules as referred to above, also be included in the ordinary coverage.

In the event of the transformation or liquidation of a mortgage credit institution, the respective mortgage credit institution may transfer wholly or partially its rights and obligations arising under mortgage bonds and derivative transactions to another mortgage credit institution. This transfer is subject to the permission of the MNB, but does not require the prior consent of the holders of the mortgage bonds or the counterparties to the relevant derivative transactions. The obligations arising from mortgage bonds may only be transferred together with the related coverage. The mortgage credit institution, taking over the portfolio concerned, must issue new mortgage bonds on the original terms and conditions.

Liquidation proceedings against mortgage credit institutions are governed by the rules applicable to the liquidation of credit institutions, subject to the following specific provisions.

Upon ordering the liquidation, the competent court also appoints a coverage administrator (the "**Coverage Administrator**", in Hungarian: *fedezeti gondnok*), whose main responsibility is to ensure the satisfaction of all claims of the holders of mortgage bonds in due course. From its appointment, only the Coverage Administrator is entitled to dispose of those assets of the relevant mortgage credit institution which constitute the coverage for mortgage bonds.

In the event of the liquidation of a mortgage credit institution, claims arising under mortgage bonds and derivative transactions included in the coverage will not become due and payable at the time of the commencement of the liquidation. The Coverage Administrator acts outside the ordinary liquidation proceedings. The Coverage Administrator will satisfy the claims of the holders of mortgage bonds and the counterparties to those derivative transactions which have been registered in the coverage register. The claims of these counterparties will rank *pari passu* with those of the holders of mortgage bonds in right of satisfaction. The rules on satisfying claims arising under mortgage bonds must be applied appropriately to the satisfaction of claims arising from such derivative transactions.

Following the settlement of the Coverage Administrator's fees, the fees relating to the administration and enforcement of certain claims in relation to the liquidation, and the costs associated with the activities of the Cover Pool Monitor, the following assets (the "**Restricted Assets**") may be used exclusively for the satisfaction of obligations owed to holders of mortgage bonds and counterparties to derivative transactions included in the coverage: (a) the coverage registered in the coverage register at the time of the commencement of the liquidation; (b) (i) that proportion of the ordinary coverage which could not be taken into account as ordinary coverage for the reason that it exceeds the 60 per cent. or 70 per cent. of the mortgage lending value statutory limits to which extent a receivable may account for ordinary coverage; and (ii) those liquid assets of the mortgage credit institution which (A) exist at the time of the commencement of the liquidation, (B) are not included in the coverage but (C) satisfy the criteria set out in the Mortgage Credit Institutions Act for supplementary coverage.

The Restricted Assets defined in (a) and (b) above do not constitute part of the liquidation assets. The Coverage Administrator will satisfy the claims arising from mortgage bonds on the dates for interest payment and redemption indicated on the mortgage bond.

Restricted Assets only become part of the liquidation assets of the mortgage credit institution if all the claims of the holders of mortgage bonds and counterparties to derivative transactions included in the coverage are satisfied or transferred to another mortgage credit institution.

When claims arising under mortgage bonds and derivative transactions included in the coverage become due and the Restricted Assets are not sufficient to cover these claims, the holders of mortgage bonds and the relevant counterparties to the derivative transactions included in the coverage will be satisfied *pro rata* to their claims. In this case, proceeds generated by Restricted Assets at a later stage must be paid to settle such unsatisfied claims as they fall due and *pro rata* in respect of claims falling due at the same time. In the case of late payment of principal or interest, the holders of mortgage bonds may claim the default interest specified in the terms and conditions of the mortgage bonds (the default interest accrued from the original maturity is payable after the satisfaction of claims for principal and interest claims arising under the mortgage bonds).

From the commencement of the liquidation, only the Coverage Administrator may act exclusively with respect to the Restricted Assets on behalf of the mortgage credit institution. The Coverage Administrator may initiate the transfer of obligations arising under mortgage bonds and the repurchase of outstanding mortgage bonds. The Coverage Administrator may also conclude derivative transactions for hedging purposes, and it must enforce claims serving as coverage on behalf of the mortgage credit institution. From the commencement of the liquidation, the proportion of the ordinary coverage of the total coverage may fall below 80 per cent. of all mortgage bonds with remaining maturity of more than 180 days. The purchase price from the sale of Restricted Assets may be used solely for satisfying obligations owed to the holders of mortgage bonds and the counterparties to the derivative transactions included in the ordinary coverage. The Coverage Administrator must take all actions necessary to maintain the continuous solvency of the mortgage credit institution (i.e. that all claims are fully satisfied from the Restricted Assets at the time when they fall due). If continuous solvency is not fully achievable, then the Coverage Administrator must satisfy the relevant claims, irrespective of their maturity, *pro rata* to their principal amounts.

Within the two years following the commencement of the liquidation, the Coverage Administrator or any holder of mortgage bonds may request the court to supplement the Restricted Assets from the liquidation assets of the mortgage credit institution. This is subject to proving that the Restricted Assets are not sufficient to cover the claims of holders of the mortgage bonds. After two years this right elapses. The court may only resolve on the conclusion of the liquidation proceedings and the dissolution of the relevant mortgage credit institution, if (i) all the claims arising under the mortgage bonds and the derivative transactions included in the coverage have been satisfied or transferred to another mortgage credit institution, or (ii) all the assets serving as coverage for such claims have been exhausted.

Pursuant to Section 21 of the Mortgage Credit Institutions Act, only the holders of mortgage bonds and the counterparties to the derivative transactions included in the coverage (to the extent of their claims arising under the mortgage bonds and such derivative transactions) may commence enforcement proceedings with respect to Restricted Assets. Payment to such persons in the enforcement proceedings falls after the payment of statutory enforcement costs.

TAXATION

The tax laws of the investor's State and of the issuer's State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Mortgage Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Mortgage Bonds and receiving payments of interest, principal and/or other amounts under the Mortgage Bonds and the consequences of such actions under the tax laws of those countries.

1. HUNGARY

The following is a general description of certain Hungarian tax considerations relating to the Mortgage Bonds. It does not purport to be a complete analysis of all tax considerations relating to the Mortgage Bonds, whether in those countries or elsewhere. Prospective purchasers of Mortgage Bonds should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Mortgage Bonds and receiving payments of interest, principal and/or other amounts under the Mortgage Bonds and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Taxation of individual non-Hungarian tax-resident Holders

Individual non-Hungarian tax-resident holders of the Mortgage Bonds are subject to tax in Hungary only with respect to their Hungarian sourced income or income that is otherwise taxable in Hungary as a result of the application of the relevant treaty on the avoidance of double taxation, or in the absence of a tax treaty/reciprocity, if Act CXVII of 1995 on Personal Income Tax (the "**Personal Income Tax Act**") so requires.

Payments received with respect to publicly offered debt securities (including interest and yield realised upon the redemption or sale thereof) are treated as income under Hungarian law, subject to personal income tax (at 15 per cent.). However, provided that Hungary has an applicable treaty on the avoidance of double taxation in place with the country of tax-residence of the Holder, such treaty may fully exempt the Holder from personal income tax or may reduce the applicable personal income tax rate, with the right to credit any Hungarian tax against the income tax payable in the country of the Holder's tax residence.

Furthermore, taxable payments received with respect to publicly offered and traded debt securities (including interest and gains realised upon the redemption or sale of the debt security) are subject to social contribution tax (at 13 per cent.) according to Act LII of 2018 on Social Contribution Tax.

Holders who qualify as "foreigner" pursuant to Act CXXII of 2019 on persons entitled to social security benefits and on the coverage of these benefits (Social Security Contribution Act) are not subject to social contribution tax in respect of the above-mentioned payments. A non-Hungarian tax resident individual for personal income tax purposes does not necessarily qualify as "foreigner" for social contribution tax purposes.

The tax on interest income is to be withheld by the "Payor" (in Hungarian: *kifizető*) (as defined below), if any entity qualifies as such.

Pursuant to Act CL of 2017 on the Rules of Taxation ("**ART**"), a "**Payor**" means a Hungarian resident legal person, other organisation, or private entrepreneur that provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor means the borrower of a loan or, the issuer of a note, including the investment service provider or credit institution providing the interest instead of the borrower/issuer. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Payor means such stockbroker. The Hungarian permanent establishment of a foreign resident entity is also considered as a Payor.

Withholding tax (foreign resident corporate Mortgage Bondholders)

Interest on Mortgage Bonds paid to foreign resident corporate Mortgage Bondholders, who do not have a permanent establishment in Hungary, by resident legal entities or other persons and any capital gains realised by such foreign resident Mortgage Bondholders on the sale of the Mortgage Bonds is not subject to tax in Hungary. The tax liability of a foreign resident corporate Mortgage Bondholder, which has a permanent establishment in Hungary is limited, in general, to the income from business activities realised through its Hungarian permanent establishment.

Taxation of Hungarian resident individual Mortgage Bondholders

Individual Hungarian tax-resident Mortgage Bondholders are subject to tax on their worldwide income. Interest received with respect to publicly offered debt securities, such as the Mortgage Bonds (including any yield on the sale or redemption thereof), as well as capital gains, are treated as income. The tax withheld is personal income tax (at 15 per cent.) and social contribution tax (at 13 per cent.) pursuant to Act LII of 2018 on Social Contribution Tax unless the Mortgage Bondholder qualifies as a "foreigner" according to the Social Security Contribution Act.

According to the Personal Income Tax Act, individual Hungarian tax residents are:

(a) any citizen of Hungary (with the exception of dual citizens without a permanent home or habitual abode in Hungary);

(b) any individual whose stay in Hungary exceeds 183 days, including the day of entry and the day of exit;

(c) any individual who has permanent resident status, or is a stateless person; and

(d) any individual, other than those mentioned in paragraphs (a) to (c) above:

  (i) whose only permanent home is in Hungary;

  (ii) whose centre of vital interests (in Hungarian: létérdekek központja) is in Hungary if they have no permanent home in Hungary or if Hungary is not the only country where they have a permanent home; or

  (iii) whose habitual abode is in Hungary if there is no permanent home in Hungary or if Hungary is not the only country where they have a permanent home, and if their centre of vital interests is unknown,

where "**centre of vital interests**" means the country to which the individual is most closely connected due to family ties and business relations.

Note, that an applicable treaty on the avoidance of double taxation may define tax residence prevailing over the domestic definition of tax residence.

Taxation of Hungarian resident corporate Holders

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax (the "**Corporation Tax Act**"), Hungarian resident taxpayers are subject to tax on their worldwide income. In general, resident taxpayers are entities established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers. Taxable income is based on the pre-tax profit as shown in the financial statements calculated under Hungarian GAAP or IFRS and adjusted by certain increasing and decreasing items set forth by tax legislation. In general, interest and capital gains realised by Hungarian resident corporate Mortgage Bondholders on the Mortgage Bonds will be taxable in the same way as the regular income of the Mortgage Bondholders. The general corporation tax rate in Hungary is 9 per cent.

2. FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including Hungary) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Mortgage Bonds, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Mortgage Bonds, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Mortgage Bonds, such withholding would not apply prior to the date that is two years after the publication of the final regulations defining "foreign passthru payment" and Mortgage Bonds issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Mortgage Bonds (as described under Condition 17 (*Further Issues*)) that are not distinguishable from previously issued Mortgage Bonds are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Mortgage Bonds, including the Mortgage Bonds offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Mortgage Bonds. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Mortgage Bonds, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

Mortgage Bonds may be sold from time to time by the Issuer to any one or more of UniCredit Bank GmbH (the "**Arranger**") and Erste Group Bank AG, ING Bank N.V. and MBH Investment Bank Co. Ltd (together with the Arranger, the "**Dealers**"). The arrangements under which Mortgage Bonds may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 18 June 2026 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Mortgage Bonds the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Mortgage Bonds the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Mortgage Bonds will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Mortgage Bonds, the price at which such Mortgage Bonds will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Mortgage Bonds. Each new Dealer so appointed will be required to represent, warrant and undertake to the following selling restrictions as part of its appointment.

The relevant Dealers will be entitled in certain circumstances to be released and discharged from their obligations in respect of a proposed issue of Mortgage Bonds under or pursuant to the Dealer Agreement prior to the closing of the issue of such Mortgage Bonds, including in the event that certain conditions precedent are not delivered or met to their satisfaction on or before the issue date of such Mortgage Bonds. In this situation, the issuance of such Mortgage Bonds may not be completed. Investors will have no rights against the Issuer or the relevant Dealers in respect of any expense incurred or loss suffered in these circumstances.

United States of America

The Mortgage Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Bearer Mortgage Bonds are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Mortgage Bonds, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Mortgage Bonds comprising the relevant Tranche within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Mortgage Bonds during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Mortgage Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Prohibition of Sales to EEA Retail Investors

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Mortgage Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Mortgage Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Mortgage Bonds.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Mortgage Bonds which are the subject of this Base Prospectus as completed by the Final Terms thereto in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision;

(a) the expression "**retail investor**" means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Mortgage Bonds to be offered so as to enable an investor to decide to buy or subscribe for the Mortgage Bonds.

Other UK regulatory restrictions

Each Dealer has represented and agreed that:

(a) ***No deposit-taking:*** in relation to any Mortgage Bonds having a maturity of less than one year:

  (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and:

  (ii) it has not offered or sold and will not offer or sell any Mortgage Bonds other than to persons:

    (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

    (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

  where the issue of the Mortgage Bonds would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

(b) ***Financial promotion:*** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Mortgage Bonds in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(c) ***General compliance***: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Mortgage Bonds in, from or otherwise involving the United Kingdom.

Hungary

No approval of this Base Prospectus has been sought or obtained from the National Bank of Hungary in respect of the Mortgage Bonds. No application has been filed, nor has any permission been obtained for accepting, nor has any other arrangement for trading the Mortgage Bonds on any regulated market in Hungary been made. Accordingly, any person making or intending to make any offer of Mortgage Bonds within Hungary which are the subject of the placement contemplated in this Base Prospectus should only do so in circumstances in which no obligation arises for the Issuer or any of the Dealers to have a prospectus for such offer approved by the National Bank of Hungary.

Republic of Italy

The Mortgage Bonds are not intended to be offered or sold and should not be offered or sold to any investor in the Republic of Italy.

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Mortgage Bonds or caused the Mortgage Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Mortgage Bonds or cause the Mortgage Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Mortgage Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Mortgage Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Mortgage Bonds in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Switzerland

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offering of the Mortgage Bonds in Switzerland is exempt from the requirement to prepare and publish a prospectus under the Swiss Financial Services Act ("**FinSA**") as long as such offering is made to professional clients within the meaning of the FinSA only or as long as the Mortgage Bonds have a minimum denomination of CHF 100,000 (or equivalent in another currency) or more and the Mortgage Bonds will not be admitted to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. This Base Prospectus does not constitute a prospectus pursuant to the FinSA, and no such prospectus has been or will be prepared for or in connection with the offering of the Mortgage Bonds.

General

Each Dealer has represented and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Mortgage Bonds or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Mortgage Bonds or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Mortgage Bonds) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

1. Authorisation

The establishment of the Programme and the issue of Mortgage Bonds under the Programme has been authorised by a resolution of the Board of Directors of the Issuer dated 25 March 2026.

2. Listing and Admission to Trading

Application has been made to the Luxembourg Stock Exchange for Mortgage Bonds issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

3. Legal and Arbitration Proceedings

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position, operations or profitability of the Issuer.

4. Significant/Material Change

There has been no significant change in the financial performance or position of the Issuer since the end of the last financial period for which audited or interim standalone financial information of the Issuer has been published, and there has been no material adverse change in the prospects of the Issuer since the end of the last financial year for which audited financial information of the Issuer has been published.

5. Independent Auditor

The standalone financial statements of the Issuer have been audited without qualification for the years ended 31 December 2025 and 31 December 2024 by PricewaterhouseCoopers Könyvvizsgáló Kft., independent auditor. As at the date of this Base Prospectus, the independent auditor of the Issuer is PricewaterhouseCoopers Könyvvizsgáló Kft. (registered seat: 1055 Budapest, Bajcsy-Zsilinszky út 78., Hungary, registration number with the Chamber of Hungarian Auditors: 001464). PricewaterhouseCoopers Könyvvizsgáló Kft. have no material interest in the Issuer. PricewaterhouseCoopers Könyvvizsgáló Kft. is a member of the Chamber of Hungarian Auditors.

6. Documents on Display

Electronic copies of the following documents (together with English translations thereof where applicable) will be available for viewing on the Issuer's website at https://www.mbhjelzalogbank.hu/ for 12 months from the date of this Base Prospectus:

(A) the Articles of Association of the Issuer; and

(B) the Agency Agreement and the Deed of Covenant.

The following documents will be available, in electronic format, on the Issuer's website at https://www.mbhjelzalogbank.hu/ for at least 10 years after their publication:

(A) this Base Prospectus;

(B) the documents incorporated by reference;

(C) any future offering circular, prospectus, information memorandum, supplement or drawdown prospectus published since the most recent base prospectus was published and any documents incorporated therein by reference; and

(D) any Final Terms issued in respect of Mortgage Bonds admitted to listing and/or trading by the listing authority and/or stock exchange since the most recent base prospectus was published.

7. Language of this Base Prospectus

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

8. Clearing Systems

The Mortgage Bonds have been accepted for clearance through the Clearstream, Luxembourg and Euroclear systems (which are entities in charge of keeping the records). The common code for each Series of Mortgage Bonds allocated by Clearstream, Luxembourg and Euroclear will be contained in the relevant Final Terms, along with the International Securities Identification Number (ISIN). The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Mortgage Bonds for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42, Avenue J.F. Kennedy, L-1855 Luxembourg.

9. Post-issuance information

The Issuer does not intend to provide any post-issuance information in relation to any issues of Mortgage Bonds.

10. Issue Price and Yield

Mortgage Bonds may be issued at any price. The issue price of each Tranche of Mortgage Bonds to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Mortgage Bonds or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Mortgage Bonds, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche. An indication of the yield of each Tranche of fixed rate Mortgage Bonds will be set out in the relevant Final Terms and will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

11. The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 5299007F4BUUY6S14E44.

12. Conflicts of Interest

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Mortgage Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer and its affiliates. Certain of the Dealers of their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer and its affiliates consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Mortgage Bonds issued under the Programme. Any such positions could adversely affect future trading prices of the Mortgage Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

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