



Extraordinary Information
on the opinion of MKB Bank Plc's Board of Directors and Works Council regarding the
public takeover bid made by Hungarian Bankholding Ltd. for MKB's ordinary shares

MKB Bank Plc. (1056 Budapest, Váci utca 38.; Cg.01-10-040952, "Issuer") released information in its 30 December 2020 extraordinary disclosure about the fact that on 30 December 2020 Hungarian Bankholding Private Limited Company submitted a statutory public takeover bid concerning its ordinary shares (ISIN: HU0000139761) at a price of HUF 1985 per share ("Takeover Bid").

The extraordinary information is accessible here:

https://www.mkb.hu/sw/static/file/MKB_Bank_Plc_Extraordinary_announcement_Public_takeover_bid_2020_12_30.pdf

The statutory public takeover bid was submitted for approval to the National Bank of Hungary (MNB), the entity performing the public duty of supervising financial organisations. The MNB has not approved the Takeover Bid yet.

MKB Bank Plc's Board of Directors hereby fulfils the requirement laid down in Section 69 (4) of Act CXX of 2001 on the Capital Markets ("Capital Markets Act"), that the board of directors of the target company must comment on the buying offer and publish it for shareholders at the place of publication of its operating plan, and the report on the economic activities of the entity making the offer, before the starting date of the time limit available for making the declaration of acceptance.

The Board of Directors makes the following declaration concerning the Takeover Bid, formed in accordance with its legal obligation, in the structure prescribed in the relevant Annex 9 to the Capital Markets Act. Capitalised terms appearing in this opinion, not specifically defined herein, shall have the meanings stipulated in the Takeover Bid.

MKB Bank Plc.
Registered office of the Company: 1056 Budapest, Váci u.38., Hungary
Mail: Budapest, H-1821
Phone: +36-1-327-8600
E-mail: investorrelations@mkb.hu
Internet: www.mkb.hu

Important notice

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

1. Name and registered office of the shareholding company;
MKB Bank Plc. (1056 Budapest, Váci utca 38.; Cg.01-10-040952)

2. Summary of the takeover bid, including its key terms and conditions (consideration, time limit available for accepting the buying offer, mode of payment);

Hungarian Bankholding Private Limited Company submitted a statutory public takeover bid on 30 December 2020 for all ordinary shares issued by MKB Plc., at a price of HUF 1985 per share. Equilor Befektetési Zrt. shall carry out the tasks of the Implementing Agent during the statutory public takeover bid procedure. The Takeover Bid contains the terms and conditions applying to the acceptance of the mandatory public buying offer.

The time limit available for the acceptance of the Takeover Bid shall last from 09:00 on the Starting Date up to 15:00 on the Closing Date. The Starting Date of the Bid Period is [•], its Closing Date is the 30th (thirtieth) day following the Starting Date, or if such date is not a working day, the first subsequent working day, that is, [•]. The Starting Date is not later than the second working date after receipt of the Supervisory Permit, of which the Offeror and the Implementing Agent shall provide information in a specific communication.

3. Declaration on whether the senior officers of the shareholding company hold any managerial position at or have any influence in the Offeror or in any entity having an influence in the Offeror, or what other relationships they have with them;

The following senior officers of MKB Bank Plc. hold managerial positions at the Offeror

Name	Managerial position at MKB Bank Plc.	Managerial position at Hungarian Bankholding Ltd.
dr. Zsolt Barna	Chairman & CEO	Chairman of the BoD
dr. András Csapó	Deputy CEO, member of the Board of Directors	member of the Supervisory Board*
János Nyemcsok	Deputy CEO member of the Supervisory Board	Deputy CEO**

* Authorisation procedure is in progress at the National Bank of Hungary regarding the appointment of Dr. András Csapó the Offeror's Deputy CEO for Legal Affairs and Group Management. In accordance with the relevant legal regulations Dr. András Csapó will, in view of his employment relating his appointment, resign his membership in the Supervisory Board with effect from his receipt of the authorisation concerned. After Dr. András Csapó's resignation the Offeror will, in accordance with its by-laws, make the necessary arrangements to ensure that the fifth member of the supervisory board is designated and elected.

** An authorisation procedure is in progress at the National Bank of Hungary regarding the appointment of János Nyemcsok the Offeror's Deputy CEO for Risk Management and Prudential control.

4. The shareholding company's ownership structure, list of the individuals having at least five percent voting rights, the numbers of their shares and the numbers of their votes;

Shareholder	Number of shares	Number of votes	Shareholding (%)	Voting rights (%)
Hungarian Bankholding Ltd.	97 185 008	97 185 008	97.19%	97.19%
Free float	2 814 992	2 814 992	2.81%	2.81%

5. Explanation must also be given in the opinion of the way the acquiring of influence will affect the shareholding company's employees;

The Offeror acquired a 97.19% controlling share in MKB Bank Plc. by way of capital increase on 15 December 2020 through in-kind contribution. At the same time, the Offeror also acquired a dominant share of ownership in Budapest Bank Zrt. as well as MTB Magyar Takarékszövetkezeti Bank Zrt., creating the second largest banking group in Hungary.

The Offeror is planning to elaborate the detailed schedule of the fusion of the three banks in 2021, together with a detailed business strategy. Accordingly, the banks – including the Target Company – retain their legal statuses for now and continue to operate as separate brands until their fusion takes place. At the same time, the members of the bank holding are already starting to benefit from the synergies stemming from operation as a group. MKB Bank's management and employees are actively participating in working out and implementing the objectives of the bank holding strategy.

The Offeror is performing prudential control and group management functions over the three banking groups, including MKB Bank Plc., as a financial holding company.

The Takeover Bid and its acceptance do not, in themselves, affect matters of employment at MKB Bank Plc. The offer documentation explored and showed the possible medium and long term implications of the implementation of the bank holding integration on employment.

According to the Operational Plan and the report on its business operations the Offeror is not, for the time being, planning to introduce changes to the conditions of employment. Nonetheless, the implementation of the bank holding integration, the partial or complete fusion of the three banking group under the relevant legal regulations may, in the medium and long run, entail reorganisation and consequently headcount changes, including changes in the places of employment.

Moreover, the successful accomplishment of the Offeror's objectives may result in organisational changes, including changes among the employees and managers of MKB Bank Plc. as Target Company.

6. Proposal of the board of directors of the shareholding company concerning the acceptance or rejection of the takeover bid and a detailed explanation for the proposal; in case any member of the board of directors has a different opinion or abstained when the proposal was voted on, this fact must be presented alongside the explanation;

MKB Bank Plc's Board of Directors reviewed the Takeover Bid which was worked out in accordance with the relevant provisions laid down in the Capital Markets Act in terms of its content. The Offer Price was also set in accordance with the relevant provisions of the Capital Markets Act on the basis of the amount of equity per share as per the latest audited consolidated annual report prepared regarding the financial year of 2019 in accordance with the international financial reporting standards, as adopted by MKB Bank Plc. as Target Company.

The dominant shareholders of MKB Bank Plc., Budapest Bank Zrt. and MTB Zrt. transferred their holdings in the banks concerned, by way of in-kind contribution, to the Offeror financial holding company on 15 December 2020. The Hungarian State (through Corvinus Zrt.), the shareholders of MKB Bank Plc. and those of MTB Zrt. acquired 30.35%, 31.96% and 37.69%, respectively, in the newly established banking group. 97.19% of MKB Bank Plc's shares were transferred by the transaction at 1,786.29 HUF/share under an independent valuation, which is exceeded by HUF 198.72 by the HUF 1,985 Offer Price.

In view, in particular, of the fact that the Offeror has more than 90% of the shares and the voting rights, which may reduce the liquidity of the free float shares, the Board of Directors of MKB Bank Plc. recommends that acceptance of the Takeover Bid be considered.

At the same time, MKB Bank Plc's Board of Directors advises the Shareholders not acting in concert that they should make their decisions regarding the Takeover Bid after careful assessment, with the help of consultants, if necessary.

7. Identification of the independent financial advisor engaged by the company's board of directors and the advisor's declaration that it is not affected by any conflict of interests that might compromise its capability of issuing an unbiased report;

No independent advisor was commissioned in forming this opinion.

8. The employees' opinion on the Takeover Bid.

Pursuant to a resolution adopted by the Board of Directors on 31.12.2020 and in accordance with Section 69 (6) of the Capital Markets Act the Takeover Bid was immediately transferred to the Works Council representing MKB's employees. The Works Council communicated its opinion to MKB Bank Plc's Board of Directors in a written form on 8 January 2021. The opinion of the Works Council concerning the Takeover Bid is attached hereto.

Budapest, 13 January 2021

MKB Bank Plc.

Attachment

The Works Council's opinion on the statutory public takeover bid

The Opinion of the Works Council of MKB Bank Plc. on the Mandatory Public Takeover Bid submitted on 30.12.2020 by Hungarian Bankholding Private Limited Company as Offeror regarding the ordinary shares of MKB Bank Plc.

The Works Council (in Hungarian: Üzemi Tanács) of MKB Bank Plc. (hereinafter: Works Council MKB WC) received and reviewed the Bid and the associated documentation. MKB WC Works Council appreciates the Offeror's intent to retain, and rely on, the values, professionals and experience of MKB Bank Plc, a financial institution dating back to 70 years. Since the schedule of the fusion and the detailed business strategy will be elaborated during 2021 and the banks will retain their independent legal statuses, the Offeror is planning no changes to be made to the conditions of the employment of MKB's workforce in the short term. This is crucial for keeping MKB in operation and for the successful implementation of the intended fusion.

The possibility of staff cuts, along with reorganisation of the places of work, appearing in the medium and long term plans that might be entailed by the implementation of the bankholding integration and the fusion of the member banks, necessitates timely and accurate information of the employees. Works Council MKB WC therefore requests that the Offeror should continuously involve the employees' interest advocacy organisation in processes of change affecting employment.

Budapest, 08 January 2021

Balázs Bechtold, representing MKB
Bank's Works Council
Chairman of MKB Bank Plc's Works Council