



Unofficial translation

NOTICE ON THE CONDITIONS OF THE FIXED-RATE COLLATERALIZED LOAN INSTRUMENT WITH MATURITIES OF 3, 6 AND 12 MONTHS AS WELL AS 3 AND 5 YEARS

I. Description of the transaction and access conditions

The Magyar Nemzeti Bank introduces fixed rate collateralized loan instrument (collateralized loan instrument) under the terms and conditions stipulated in the Notice from 25 March 2020 until further notice. The purpose of the instrument is to provide liquidity on longer maturities.

The MNB decides on the announcement of the fixed rate collateralized loan instrument with maturities of 3, 6 and 12 months as well as 3 and 5 years depending on the current financial market conditions.

The collateralized loan shall be repaid in lump sum, upon the expiry of the following tenors: 13 weeks, 26 weeks, 52 weeks, 156 weeks or 260 weeks. The tenor starts on the day of the loan disbursement. On each tender day, the MNB may announce the collateralized loan instrument for several maturities. The MNB announces tenders with or without quantitative restrictions; in the latter case, it reserves the right to apply quantitative restrictions for specific tenders upon accepting the bids. Upon applying quantitative restriction, in the event of excess demand the MNB satisfies the bids using the rules of card allocation. The tender is open to resident credit institutions, subject to reserve requirements, with direct VIBER (RTGS), IBS (BKR) and KELER membership (Counterparty). Depending on the liquidity trends and the submitted bids, the MNB is entitled to diverge from the announced volume both upwards and downwards, or to declare the tender unsuccessful.

The interest rate of the loan shall be the fixed interest published in the announcement of the tender. Interest payment is due quarterly: for the first time one quarter following disbursement and for the last time upon maturity or simultaneously with the prepayment of the total principal amount. The Counterparty shall pay interest calculated based on the actual/360 interest calculation algorithm.

Counterparties may repay the 3-year collateralized loan in a lump sum at the earliest one year before maturity (exact maturity is 156 weeks), while in case of the 5-year collateralized loan at the earliest two years before maturity (exact maturity is 260 weeks), as long as they notify the MNB of their intention to make a prepayment at least two working days in advance through any of the transactions channels specified in this Notice for the submission of bids.

Settlements, including interest payments, are performed following the VIBER cut-off time, and they are conditional upon the Counterparty's providing the necessary cover for the value date as a standing facility. The collateralized loan shall be disbursed on the fifth working day after the trade date (T+5). In exceptional cases the day of the disbursement may differ from this, which the MNB

shall specifically indicate in the announcement of the tender. The MNB will disburse the concluded collateralised loan transactions even if the collateral in the form of securities or corporate receivable is insufficient, subject to blocking the Counterparty's Minimum balance specified in the business terms and conditions applicable to accounting-keeping.

II. Detailed parameters and technical criteria

Description of transaction	Fixed-rate collateralised loan instrument with maturities of 3, 6 and 12 months as well as 3 and 5 years
Date and place of notice/tender invitation	On Reuters COLLATLOAN and COLLATLOAN2, Bloomberg NBH7 and the MNB website on the day of the tender
Notice/tender invitation content	Date and time of the tender, tenor, settlement date, maturity date and fixed interest rate of the loan (and offered quantity in the case of quantitative restrictions)
Eligible counterparties	Resident credit institutions (subject to reserve requirements) with direct VIBER or BKR membership
Maturity period	13 weeks, 26 weeks, 52 weeks, 156 weeks or 260 weeks. The tenor starts on the day of the loan disbursement.
Initiator	MNB
Business hours for receiving bids	As per the tender invitation
Content and formal requirements for bids	Via Refinitiv Auction System, or by encrypted, signed email and encrypted fax, containing the information specified in Annex 2 of the tender-bid form
Number of bids accepted from any bidder per maturity	1
Bid limit	At least HUF 100 million, an integer multiple of HUF 10 million
Adjustments	Of the amended bids received within the deadline for submission the bid received last shall be accepted for processing
Bid increment	HUF 1 million
Method of allocation	Card allocation
Date and place of announcements	As per the tender invitation
Contents of the announcement of the results	<ul style="list-style-type: none"> - announced parameters of the tender - sum of the bids submitted - sum of the bids accepted

Financial settlement / date of settlement	Fifth working day after the trade day (T+5)
Day of interest payment	Every three months following disbursement, last payment is due on the day of repaying the collateralised loan.

The issues not regulated in this Notice shall be governed by the “Terms and conditions of the operations of the central bank in forint and foreign currency markets”.

Budapest, 2 August 2021

MAGYAR NEMZETI BANK