



NOTICE ON THE TERMS AND CONDITIONS OF SECONDARY MARKET PURCHASES IN THE MNB'S GREEN MORTGAGE BOND PURCHASE PROGRAMME

Description of the Programme and conditions of participation

1. Based on the Monetary Council's decision on 6 July 2021, the Magyar Nemzeti Bank (MNB) announces a Green Mortgage Bond Purchase Programme (hereinafter: Programme) with the aim to enforce environmental sustainability considerations, foster the disbursement of green housing loans and support modern housing market. Within the framework of the Programme - in accordance with the provisions of this Notice (hereinafter: Notice) - the MNB purchases mortgage bonds issued in Hungary by mortgage banks with registered office in Hungary (Issuers) in the primary (primary market purchases) and the secondary market (secondary market purchases).
2. The MNB will commence the secondary market purchases on 2 August 2021 and continue them until withdrawal.
3. The MNB purchases on the secondary market mortgage bonds that comply with the Green mortgage bond conditions defined in the notice on the terms and conditions of the primary market purchases in the Green Mortgage Bond Purchase Programme (hereinafter: Green Mortgage Bond).
4. The MNB will strive not to acquire ownership of more than 50 percent of the Green Mortgage Bonds outstanding within one mortgage bond series.
5. Based on its decision, the MNB is going to purchase Green Mortgage Bonds from the Money Market Counterparty in the form of direct sale and purchases both in the OTC market as well as in the debt securities section of the Budapest Stock Exchange.
6. The MNB will carry out its purchases in line with the principles of market neutrality and equal treatment.
7. Weekly secondary market purchases and the total amount of purchased green mortgage bonds will be published by securities on MNB's official website as well as on Refinitiv NBHS and Bloomberg NBH8 pages on the first working day of the following week after each secondary market purchase.

In respect of issues not regulated in this Notice, the 'Terms and Conditions of the Operations of the Central Bank in Forint and Foreign Currency Markets' shall be authoritative, with the exception of the provisions of III.B.

Budapest, 17 September 2021

MAGYAR NEMZETI BANK