



Unofficial translation

NOTICE ON THE TERMS AND CONDITIONS OF THE VARIABLE RATE, MAXIMUM 6-MONTH DEPOSIT TENDER

The Magyar Nemzeti Bank (MNB) announces a maximum 6-month deposit instrument (Liquidity Absorbing Deposit) on an ad hoc basis from 3 October 2022 until withdrawal with the terms and conditions specified in the present Notice.

The deposit is offered by the MNB at a tender based on the quantity of the bids submitted. The MNB announces the tender with an indicative amount or without quantitative limit. Depending on the liquidity conditions and the submitted bids, the MNB is entitled to apply a quantitative limit for the acceptance of bids in each tender even without a pre-announced limit, or to deviate from the announced amount up and downwards, or to declare the tender unsuccessful.

The reference rate of the variable rate, maximum 6-month deposit is the base rate. The deposit bears interest rate corresponding to the announced average reference rate during the term of the deposit, plus the individual interest rate spread at the tenders. Interest rate payment is due at the maturity of the deposit, in a lump-sum amount. The deposit is not redeemable by the Money Market Counterparty before maturity.

The MNB will provide transactions in a variable or fixed rate tender. The MNB may announce the tenders including or excluding maximum interest rate spread. For variable interest rate spread tenders (competitive tender), the MNB will decide on accepting the submitted bids by ranking them in the order of spreads. Should the full satisfaction of the bids corresponding to the highest accepted interest rate spread exceed the maximum amount to be allotted, the MNB will satisfy these bids in line with the rules of card allocation, until the maximum amount to be allotted is exhausted. For fixed interest rate spread tenders, should the full satisfaction of the bids exceed the maximum amount to be allotted, the MNB will satisfy these bids in line with the rules of card allocation, until the maximum amount to be allotted is exhausted.

Following the announcement of the results of the competitive tender, the MNB may announce a non-competitive tender. The announced interest rate spread at the non-competitive tender is equal to the average interest rate spread at the competitive tender of the same day, weighted by the accepted amounts. Should the full satisfaction of the bids exceed the maximum amount to be allotted, the MNB will satisfy these bids in line with the rules of card allocation, until the maximum amount to be allotted is exhausted. In the competitive phase of tender those counterparties are allowed to participate that offered a valid bid at the competitive tender.

By submitting the offer, the Money Market Counterparty absolutely and irrevocably authorizes the MNB to debit the Money Market Counterparty's bank account with an amount equal to the amount of the accepted bid on the settlement day published in the announcement and transfer it to the deposit account used to register the Liquidity Absorbing Deposit.

By submitting the offer, the Money Market Counterparty also declares that it establishes a pledge in favour of the MNB over the Liquidity Absorbing Deposit as collateral for the MNB's claims arising from collateralised loan transactions, which pledge is created by crediting the deposit account.

The MNB sends a documented confirmation of deposit transactions to counterparties via the GIROHáló GIRO file channel on the trade day.

Type of transaction	Variable rate, maximum 6-month deposit tender
Date and place of notice/invitation	At latest on the day of the tender, on the MNB's website and on the appropriate Reuters NBHK2 and Bloomberg NBH5 pages
Contents of notice/invitation	The start and the end of the tender, date of the announcement of the results, the settlement and maturity date, length of maturity, reference rate, maximum interest rate spread (for variable rate tender), fixed interest rate spread (for fix price tender) and potentially the quantity announced
Eligible counterparties	Domestic credit institutions (subject to reserve requirements) with direct VIBER or BKR membership and KELER account
Initiator	MNB
Contents and formal requirements of the bids	Via Refinitiv Auction System, or by encrypted, signed email with the content specified in the tender bid form attached as Annex 2 to the "Terms and conditions of the operations of the Central Bank in forint and foreign currency markets"
Number of bids accepted from any bidder	As announced
Bid limit	At least HUF 10 million per bid, as an integral multiple of HUF 1 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
Place of the announcement of the results	On the date indicated in the invitation to tender, on the MNB's website and on the appropriate Reuters NBHK and Bloomberg NBH5 pages

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- average interest rate spread of the bids accepted
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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, 24 November 2022

MAGYAR NEMZETI BANK