

Extraordinary Announcement

Complying with its extraordinary information obligation set out in Section 55 (1) of Act CXX of 2001 on the Capital Market (hereinafter: 'Capital Market Act'), and in the Point 1.27. Annex 4. of the Regulation 24/2008 (VIII.15.) of the Ministry of Finance MBH Mortgage Bank Co. Plc (company registration number: 01-10-043638; registered office: H-1117 Budapest, Magyar Tudósok körútja 9. G. épület, hereinafter: 'Issuer' or 'Mortgage Bank') hereby informs the Esteemed Investors, that the Nation Bank of Hungary's (hereinafter: "MNB") resolution No. H-JÉ-I-B-138/2023 on August 18, 2023-as a result of the monitoring of MBH Bank Plc. (registered office: 1056 Budapest, Váci u. 38) and its subsidiaries placed under combined prudential supervision, as well as Central Body of Integrated Credit Institutions (CBIC, registered office: 1062 Budapest, Andrásy út 59.) contains the below measures for the Issuer as follows:

- I. MNB obliges Mortgage Bank to comply with the below measures to fulfill all legal requirements in relevance to providing financial services until December 31, 2023 and on a continual bases onward:
 - 1.1 as a part of the company governance, to execute all the monitoring tasks of the valuation of outsourcing in accordance with its internal regulation
 - 1.2 to establish effective process and surface for the transparency of insurance monitoring with the aim of providing continuous monitoring process for credit risk management, also amend current process and internal regulations to ensure the ongoing monitoring of collateral property insurances.
 - 1.3 In terms of capital, accountancy, provisioning:
 - 1.3.1 to unify the differences of the definitions of default, NPL and Stage 3
 - 1.3.2 to update the regulation of fair value measurement and ensure its regular monitoring
 - 1.4 In the field of IT and information security
 - 1.4.1 to prepare a complete IT security risk analysis for the current situation and to elaborate an action plan for risks that require management, as well as the provision and the monitoring of the resources necessary for implementation
 - 1.4.2 to prepare complete business continuity and recovery plans and to ensure the adequacy and functionality of plans with regularly completed, documented tests, to ensure the expected availability of all critical processes, tools and data

- II. In the framework of extraordinary data provision, the MNB requires Mortgage Bank to submit its internal audit report discussed by the board of directors and approved by the supervisory board, on the control of full implementation of the measures related to the requirements contained in Point I. of the operative part of the decision, and the documents proven the implementation of the measures to the MNB by February 29. 2024 at the latest.

- III. MNB obliges the Mortgage Bank to pay a penalty of HUF 2.8 million (Two million and eight hundred thousand) due to the breach of law detailed and justified under the referring points 1.1-1.4. of the current resolution.

Budapest, August 21, 2023

MBH Mortgage Bank Co. Plc.