

Extraordinary announcement

Takarék Mortgage Bank Co Plc. (company registration number: 01-10-043638; registered seat: 1082 Budapest, Üllői út 48.; hereinafter: „Issuer”) hereby informs the public on the following:

On 21st of January 2019 Moody’s Investor Service announced that it has upgraded the long term local and foreign-currency deposit ratings of the Issuer to Ba3 from B1 and changed the outlook to positive from stable. The rating agency has upgraded the Issuer’s baseline credit assessment (BCA) to b1 from b3, its adjusted BCA to b1 from b2 and its long term Counterparty Risk Ratings (CRR) to Ba2 from Ba3. The Issuer’s long term Counterparty Risk Assessment (CRA) was upgraded to Ba1(cr) from Ba2(cr). The Issuer’s short term Not Prime deposit ratings and CRRs and its short term Not Prime (cr) CRA have been affirmed.

The upgrade is driven by the rating agency’s assessment of the Issuer’s anticipated financial profile following the near term transformation of the bank into specialized mortgage institution, firmly embedded within the Hungarian credit cooperatives sector, and the sector’s evolving and strengthening credit risk profile on the back of the implementation of new strategic plan adopted by its central bank Magyar Takarékszövetkezeti Bank Zrt (TakarékBank), which will result in more uniform implementation of decision making and better managerial and risk control of the sector.

Budapest, 22 January, 2019

Takarék Mortgage Bank Co Plc.