



**DOCUMENTS**

**OF THE EXTRAORDINARY GENERAL MEETING**

**OF MKB BANK NYRT.**

**OF 24 MAY 2022**

***Date of the General Meeting:*** 24 May 2022 14:00

***Venue:*** Headquarters of MKB Bank Nyrt. (1056 Budapest, V. Váci u. 38.),  
Meeting room No. 24 on the ground floor

***The procedure for holding the General Meeting:*** Microsoft Teams meeting  
(video conference) and presence in person

*Important notice*

*“Hungarian language is the official and registered language of MKB Bank Plc’s („the Issuer”) disclosures pursuant to the relevant legal and stock-exchange rules. The present English translation has been prepared on a voluntary basis, with the best care and intention of the Issuer to inform English speaking investors, however, in the event of any controversy between the Hungarian and English version, the authentic Hungarian version shall prevail.”*

## **Agenda of the General Meeting**

- 1. Approval of the annual accounts of Magyar Takarékszövetkezeti Bank Nyrt. (as legal predecessor) for 2021, prepared in accordance with the International Financial Reporting Standards as adopted by the EU .....3**
  - 1.1. Report of the Board of Directors on the business activities in 2021..... 4
  - 1.2. Approval of the Annual Accounts of Magyar Takarékszövetkezeti Bank Nyrt. for 2021.... 7
  - 1.3. Independent Audit Report..... 16
- 2. Election of the auditor of Magyar Takarékszövetkezeti Bank Nyrt. for the audit of the financial statements at the end of the year, determination of the auditor's remuneration, approval of the appointment of the person responsible for the audit and determination of the terms of the contract to be concluded with the auditor .....21**

*The Board of Directors and Supervisory Board of MKB Bank Nyrt have examined and discussed the proposals for the general meeting and recommended the contents of the general meeting proposals to be presented to the General Meeting.*

## ***Item 1 on the agenda***

**THE ANNUAL ACCOUNTS OF MAGYAR TAKARÉK BANKHOLDING ZRT. (AS LEGAL PREDECESSOR) FOR 2021, PREPARED IN ACCORDANCE WITH THE INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EU**

## ***Agenda item No. 1.1***

### **REPORT OF THE BOARD OF DIRECTORS ON THE BUSINESS ACTIVITIES IN 2021**

## Business Report

### The purpose of operation of the Company

Magyar Takaréék Bankholding Zártkörűen Működő Részvénytársaság (hereinafter the 'Company') was established by Magyar Bankholding Zrt. (hereinafter 'Bankholding') on 9 July 2021 with a capital of HUF 4,100 mln (HUF 2,000 mln subscribed capital, HUF 2,100 mln registered capital). The Company commenced effective operations on 9 August 2021, following its registration at the Companies Court.

The Company's owner, Magyar Bankholding, was established on 26 May 2020 to explore and prepare the ground for the creation of a Hungarian-owned banking group with a significant market share. Magyar Bankholding is the majority shareholder of three commercial banks that have a substantial share in the Hungarian banking sector: MKB Nyrt, Budapest Bank Zrt. and Magyar Takarékszövetkezeti Bank Zrt. During 2021, the three banks continued to operate independently but in a coordinated manner as part of the banking group. According to the Bank Group's strategic plan, the three institutions will merge as one bank in the next two years, becoming one of the most important players in the domestic banking sector.

The Company's mission is to ensure that the Bank Group's major investments and subsidiaries contribute to the realisation of this plan in the most optimal group structure. The Company performs this task as a financial holding company providing financial services, including asset management as its main activity.

As part of the Bank Group's strategic plan, Bankholding has decided to contribute shares of MTB Magyar Takarékszövetkezeti Bank Zrt. (hereinafter MTB Zrt) representing 99.9% of the votes (as a contribution in kind) to the Company as a non-cash contribution on 13 October 2021.

On 15 December 2021, the highest bodies of MKB Bank, Budapest Bank and Magyar Takaréék Bankholding Zrt., which owns the Takaréék Group, approved the first step of the merger timetable of Budapest Bank, MKB Bank and the Takaréék Group. According to the plan, the two member banks of the bank group, Budapest Bank and MKB Bank, and Magyar Takaréék Bankholding will merge on 31 March 2022. The merged bank will temporarily operate under the name MKB Bank Nyrt. The third major member of the banking group, the Takaréék Group, will join the merged bank by the end of the second quarter of 2023. The MNB approved the proposed merger in January 2022. The merger does not imply any change in the ownership structure of the bank group, the dominant shareholder of the banks involved in the merger process will remain Magyar Bankholding Zrt.

## Profitability

The Company closed its first financial year with a loss of HUF 184.1 bln. The loss was mainly due to an impairment loss of HUF 184.1 bln on the participation, which was justified by the legislative changes. The Company did not pursue any profitable operating activities other than asset management.

## Business Plan

By mid-2023, Magyar Bankholding will create an integrated bank with unified management, through a merger of the Bankholding's banks and the Company. The merged bank will build on the undeniable strengths and outstanding market positions of Budapest Bank, MKB Bank and Takarékbank in each of their respective segments, while remaining resilient in the face of challenges such as rapidly changing customer needs, unprecedented speed of technological development, increasing market competition and even the current pandemic.

The following key strategic objectives and directions have been set:

- To become the most customer-centric bank in Hungary, offering value to all Hungarian citizens and businesses.
- It actively contributes to the development of the Hungarian economy by supporting segments of national economic importance, such as young people, SMEs and the agricultural sector, while remaining committed to local communities.
- It will create the most advanced banking technology platform and digital channels in the Central and Eastern European region.
- In the long term, it will remain the largest branch network in Hungary, providing nationwide coverage while contributing to quality, value-based customer service through efficient operations.
- It is building an innovative organisation and corporate culture, with a strong focus on its people, continuous capability development and a state-of-the-art corporate culture.

## Corporate social responsibility

Responsible thinking is applied at all levels of Magyar Bankholding Group's activities. Our Corporate Social Responsibility (CSR) strategy is defined by responsible behaviour and operations throughout our operating environment, and by a commitment to our customers, employees and civil society. A key element is the development of a financial culture, a commitment to community values, volunteering, ensuring equal opportunities and protecting the environment.

## ***Agenda item No. 1.2***

**APPROVAL OF THE ANNUAL ACCOUNTS OF MAGYAR TAKARÉK  
BANKHOLDING ZRT. FOR 2021**

**Separate Comprehensive Income Statement for the financial year beginning on 9 July 2021 and ending on 31 December 2021**

	Note	9 July 2021-31 December 2021
Interest revenue	4	3
Interest expense	4	0
<b>Net interest income</b>		<b>3</b>
<b>Fee and commission income</b>		<b>0</b>
Profit/loss of foreign currency transactions	5	0
<b>Net business (trading) profit or loss</b>		<b>0</b>
<b>Gross operating profit/loss</b>		<b>3</b>
Operating expenses	6.7	-30
Impairment of participations	8	-184,100
<b>Loss before tax</b>		<b>-184,127</b>
Income tax		0
<b>Loss of the reporting year</b>		<b>-184,127</b>

**Separate Other Comprehensive Income Statement for the financial year beginning on 9 July 2021 and ending on 31 December 2021**

<b>Loss of the financial year</b>	<b>-184,127</b>
<b>Other overall profit/loss</b>	<b>0</b>
Items not to be reclassified into P&L	0
Items that can be reclassified to P&L	0
<b>Total comprehensive income for the reporting year</b>	<b>-184,127</b>



## Statement of the financial position as of 31 December 2021

	Note	31 December 2021
<b>Assets</b>		
Cash, account balances with banks, and other sight deposits	7	4,094
Investments into subsidiaries	8	98,100
<b>Total assets</b>		<b>102,194</b>
<b>Liabilities</b>		
Financial liabilities valued at amortised cost	12	8
Other liabilities	13	13
<b>Total liabilities</b>		<b>21</b>
<b>Equity</b>		
Subscribed capital	14	30,220
Payment above face value (premium)	14	256,080
Loss of the financial year		-184,127
<b>Total equity</b>		<b>102,173</b>
<b>Total liabilities and equity</b>		<b>102,194</b>

**Separate Cash Flow Statement for the financial year beginning on 9 July 2021 and ending on 31 December 2021**

	Note	9 July 2021-31 December 2021
<b>Cash flows of the business activities</b>		
Loss of the reporting year		-184,127
Effects on net profit of non-cash items:		
Depreciation and amortisation		0
Impairment	8	184,100
<b>Business profit or loss before changes in operating assets</b>		<b>-27</b>
Decrease /(-) increase in operating assets		
Other assets	12	0
Decrease / (-) increase in operating liabilities		
Other liabilities	14	13
<b>Net cash flow from operation</b>		<b>-6</b>

**Separate Cash flow statement for the period ending on 31 December 2021**

	Note	9 July 2021-31 December 2021
<b>Cash flows of investing activities</b>		
Purchase of property, plant and equipment and intangible assets	10	0
<b>Net cash flows of investing activities</b>		<b>0</b>
<b>Cash flows of financing activities</b>		
Establishment of the company	15	4,100
<b>Net cash flows of financing activities</b>		<b>4,100</b>
Net increase and decrease of cash and cash equivalents		4,094
Balance of cash and cash equivalents at the beginning of the year		0
<b>Balance of cash and cash equivalents at the end of the year</b>		<b>4,094</b>
<b>Composition of cash and cash equivalents:</b>		
Demand bank account receivables	8	4,094
Bank accounts maturing in less than 90 days	8	0
<b>Balance of cash and cash equivalents at the end of the year</b>		<b>4,094</b>
<b>Supplementary information</b>		
Interests received	4	3
Interests paid	4	0

*The separate cash flow statement is not affected by the capital increase, as the shares were contributed as contribution in kind*

**Separate statement of changes in equity for the period ending on 31 December 2021**

	Note	Subscribed capital	Payment above face value (premium)	Accumulated other comprehensive income	Retained earnings	Other reserves	Total equity
<b>9 July 2021 - establishment of the company</b>		<b>2,000</b>	<b>2,100</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,100</b>
Capital increase as contribution in kind	8, 14	28,220	253,980	0	0	0	282,200
Loss of the financial year		0	0	0	-184,127	0	-184,127
<b>31 December 2021 - closing</b>		<b>30,220</b>	<b>256,080</b>	<b>0</b>	<b>-184,127</b>	<b>0</b>	<b>102,173</b>

## ***Agenda item No. 1.3***

### **INDEPENDENT AUDIT REPORT**

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## **INDEPENDENT AUDIT REPORT**

To the shareholders of Magyar Takaréknál Bankholding Zrt.

### **Report on the Audit of the Financial Statements Opinion**

We have audited the separate financial statements of Magyar Takaréknál Bankholding Zrt. (the „Company”) for the year 2021 which comprise the statement of financial position as at December 31, 2021, which shows total assets of mn HUF 102,194 mln and the separate comprehensive income statement, which shows a net loss for the current year of HUF 184,127, a separate statement of changes in equity and a separate statement of cash flows for the year then ended and notes to the financial statements including a summary of significant elements of the accounting policy.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (the „EU IFRS”), and the financial statements were prepared in all material respects in accordance with the provisions of the effective Hungarian Act C of 2000 on Accounting (the Recounting Act”) relevant to the entities preparing financial statements in accordance with EU IFRS.

### **Basis for Opinion**

We have completed our audit in compliance with the Hungarian National Audit Standards and laws and the other legal regulations pertaining to audit and effective in Hungary. Our responsibilities under these standards are further described in the "The Auditor's Responsibilities for the Audit of the Financial Statements" section of our report.

We are independent of the Company pursuant to the specifications of the applicable legislation effective in Hungary and the "Rules on the (Ethical) Conduct of Auditors and Disciplinary Procedures” of the Chamber of Hungarian Auditors, as well as, for issues that are not addressed in the above, according to the manual entitled “International Code of Ethics for Professional Accountants (including International Independence Standards)” (IESBA Code) issued by the International Ethics Standards Board for Accountants, and comply with other ethical requirements contained in the same standards.

We are convinced that the obtained audit evidence provides a sufficient and adequate basis for our audit opinion.

## Issues raised

Please refer to Note 1 'Presentation of the Company' of the Notes to the Separate Financial Statements, which states that the Company was established on 9 July 2021, as a consequence of which the Separate Financial Statements do not include comparative information. Our opinion is not qualified on this issue.

## Other Information: The business report

The miscellaneous information is included in the 2021 business report of the Company. The management is responsible for preparing the business report in compliance with the Accounting Act and the applicable provisions of other legal regulations. Our opinion on the financial statements provided in the section of our independent auditor's report entitled "Opinion" does not apply to the business report.

In relation to the audit of the financial statements conducted by us, our responsibility is to read the business report and consider, in that process, whether the business report has any material contradiction to the financial statements or our knowledge obtained during the audit or otherwise do they seem to contain a materially erroneous statement.

Pursuant to the Accounting Act, it is also our responsibility to decide whether the Business Report was prepared in compliance with the provisions of the Accounting Act and other legal regulations, and expressing our opinion on this, and also on the consistency of the business report and the financial statements.

In our opinion, the 2021 business report of the Company is in line with all essential aspects of the 2021 annual financial statements of the Company and the applicable provisions of the Accounting Act. As other legal regulations do not specify further requirements for the Company in relation to the business report, in that context we do not formulate an opinion.

In addition to the above and based on our information obtained about the Company and its environment we also must report whether or not we learned of any material erroneous statement (material misstatement) in the business report, and if so, the nature of the respective erroneous statement (erroneous misstatement). We have nothing to report in this regard.

## Responsibility of the management and the persons in control for the financial statements

The Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards as adopted by

the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in the financial statements, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The people appointed to take charge are responsible for monitoring the financial reporting process of the Company.

### **The Auditor's Responsibilities for the Audit of the Financial Statements**

During our audit we aim to gain sufficient assurance that the financial statements do not contain any erroneous statement arising from fraud or an error, and to issue an independent audit report containing our opinion based on our audit. Sufficient assurance is a high degree of certainty, but is not a guarantee that an audit conducted in compliance with the Hungarian National Audit Standards and other effective laws and regulations applicable to the audit and effective in Hungary always detects existing material misstatements. Misstatements can arise from fraud or error, and they are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We apply professional judgement and maintain professional scepticism throughout the audit in accordance with the

– Hungarian National Standards on Auditing and the laws and regulations applicable to auditing in Hungary.

Moreover:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detection of a material erroneous statement arising from fraud is greater than the same arising from an error, because fraud may include concerted action, counterfeiting, erroneous omissions, wrong declarations, or overruled internal controls.
- We study the internal control, relevant in terms of the audit, in order to be able to design audit procedures that are adequate under the given conditions, but not in order to form an opinion on the efficiency of the internal control of the Company.



- We assess the adequacy of the accounting policy applied by the management and the practicality of the accounting estimates made by the management and the related disclosures.
- We draw a conclusion on the appropriateness of the use by the management of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained by the date of our independent audit report. However, future events or conditions may prevent the Company from continuing its business.
- We evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

In addition to other issues, we communicate to the individuals in charge of control, the envisaged scope and schedule of the audit, the material findings of our audit, also including the material inadequacies of internal controls applied by the Company, identified by me during the audit, if applicable.

Budapest, 22 April 2022

.....

Gábor Molnár

on behalf of Deloitte Könyvvizsgáló és Tanácsadó Kft. and as a statutory registered auditor

Deloitte Könyvvizsgáló és Tanácsadó Kft. 1068 Budapest, Dózsa György út 84/C. Registration number: 000083

Registration number of statutory registered auditor: 007239

**Proposed general meeting resolution:**

The General Meeting approves the report of Magyar Takarékkészlet Bankholding Zrt. (as legal predecessor) on the 2021 business activities and, accepts - being aware of the reports of the Supervisory Board and the Auditor - the separate I (non-consolidated) financial statements for 2021 prepared in accordance with the International Financial Reporting Standards as adopted by the EU.

The General Meeting establishes the individual (non-consolidated) balance sheet of Magyar Takarékkészlet Bankholding Zrt. according to International Accounting Standards 2021 with the following main figures:

**BALANCE SHEET TOTAL: HUF 102,194 mln**  
**LOSS BEFORE TAX HUF 184,127 mln**

## ***Agenda item No. 2***

**ELECTION OF THE AUDITOR OF MAGYAR TAKARÉK BANKHOLDING ZRT.  
FOR THE AUDIT OF THE FINANCIAL STATEMENTS AT THE END OF THE YEAR,  
DETERMINATION OF THE AUDITOR'S REMUNERATION, APPROVAL OF THE  
APPOINTMENT OF THE PERSON RESPONSIBLE FOR THE AUDIT AND  
DETERMINATION OF THE TERMS OF THE CONTRACT TO BE CONCLUDED  
WITH THE AUDITOR**

## Reasoning:

### **2.1. THE ELECTION OF THE AUDITOR AND DETERMINATION OF THE AUDITOR'S REMUNERATION FOR 2022**

Pursuant to Section 155 (6) and (7) of the Accounting Act:

'(6) Where audit is mandatory, the supreme body of the company must - at the time of approval of the annual report or simplified annual report of the previous financial year or, in respect of companies established without legal predecessor, prior to the balance sheet date of the financial year - appoint a registered auditor or audit firm in accordance with Section (7) to review the company's annual report or simplified annual report on the financial year from the point of view of legitimacy and authenticity.

(7) A member of the Hungarian Chamber of Auditors or an audit firm registered with the Hungarian Chamber of Auditors may be selected for the audit referred to in Section (6).'

In line with the strategic plan, Magyar Takarék Bankholding Zrt. will close its operations on 31 March 2022 and merge into MKB Bank Nyrt.

Based on the above requirement and plans, as well as preliminary discussions with Deloitte in accordance with MBH Board of Directors' resolution 214/2021 (30 August), we propose that Deloitte (Company Registration Number: 01 09 071057 Hungarian Chamber of Auditors Registration Number: 000083) be engaged to audit the financial statements for the first quarter of 2022.

It caps Deloitte's annual audit fee for the financial statements for the first quarter of 2022 at HUF 5 mln + VAT.

The annual audit fee includes: the audit of the individual financial statements for the first quarter of 2022 to be prepared in accordance with IFRS rules

### **2.2. APPROVAL OF THE APPOINTMENT OF THE PERSON RESPONSIBLE FOR AUDITING**

Deloitte nominated Gábor Molnár registered auditor (membership certificate number of the Chamber of Hungarian Auditors: 007239) and, in the event he is impeded in his duties, Attila Molnár registered auditor (membership certificate number of the Chamber of Hungarian Auditors: 007379) as the natural persons performing and responsible for the auditing of Magyar Takarék Bankholding Zrt. in 2022. On the basis of Deloitte's nomination, we propose to approve Gábor Molnár and Attila Molnár as the registered auditors responsible for the audit.

We recommend the approval of the person responsible for auditing and his deputy to the General Meeting based on the nomination of the audit firm.

### **2.3. APPROVAL OF THE TERMS AND CONDITIONS OF THE CONTRACT TO BE CONCLUDED WITH THE AUDITOR**

Pursuant to the applicable provisions of the Civil Code, the General Meeting shall determine the terms and conditions of the contract to be concluded with the auditor simultaneously with the appointment of the Company's auditor. The contract with the appointed auditor shall be concluded within ninety days of their appointment. The assignment contract with the permanent auditor for the performance of the audit shall be concluded with the approval of the Board of Directors, subject to the following main conditions determined by the General Meeting:

#### **Auditor:**

Pursuant to Sections 2.1 and 2.2

#### **Remuneration of the Auditor:**

Pursuant to Section 2.1

#### **Subject matter of the Contract:**

Audit of the interim financial statements of Magyar Takarékkészlet Zrt. prepared in accordance with International Financial Reporting Standards (IFRS) for the period ending 31 March 2022 and the preparation of the related independent auditor's reports

#### **Term of the contract:**

Fixed term, first quarter of 2022

#### **Effective date of the contract:**

The date on which the Board of Directors approves the assignment contract to be concluded within 90 days of the auditor's appointment.

#### **Date of termination of contract:**

The date of approval by the General Meeting of the Annual Report and accounts prepared in accordance with the Accounting Act for the financial year ending 31 December 2022.

#### **Miscellaneous provisions:**

The Company may also commission the auditor to perform other tasks within the framework of separate contracts, including but not limited to:  
Business consultancy and participation in due diligence procedures;

**Proposed general meeting resolutions:**

The General Meeting elects Deloitte Könyvvizsgáló és Tanácsadó Kft-t (Cg 01-09-071057, Hungarian Chamber of Auditors Registration Number: 000083, hereinafter 'Deloitte' for the audit of the report closing the activities of Magyar Takaréknál Bankholding Zrt. and capped the Deloitte's audit fee at HUF 5 mln + VAT.

The General Meeting also authorises the Deputy Chief Financial Officer for Finance and Operations and the Purchasing area to negotiate the conclusion of the assignment contract with the auditor. The final amount of the assignment contract is decided by the Board of Directors within the limits set by the General Meeting, as well as the conclusion of the contract.

In accordance with the proposal of the audit firm, the General Meeting approves the appointment of Gábor Molnár registered auditor (membership certificate number of the Chamber of Hungarian Auditors: 007239) as the person responsible for auditing the report closing the activities of Magyar Takaréknál Bankholding Zrt. as the person responsible for the audit.

In accordance with the proposal of the audit firm, the General Meeting approves the appointment of Gábor Molnár registered auditor (membership certificate number of the Chamber of Hungarian Auditors: 007239) as the person responsible for auditing the report closing the activities of Magyar Takaréknál Bankholding Zrt. as the person responsible for the audit and, in the event he is impeded in his duties, Attila Molnár registered auditor (membership certificate number of the Chamber of Hungarian Auditors: 007379) as deputy auditor.

## **ANNEXES**

1. Magyar Takarékos Bankholding Zrt. - Separate Financial Statements and Independent Auditor's report (31 December 2021)