Hungarian Bankholding Ltd. commences effective operation

The shares of Budapest Bank, MKB Bank and Takarék Group have been successfully transferred

Hungarian Bankholding Ltd. commenced its effective operation on 15 December, after MNB (acting as the central bank of Hungary) approved the merger of Budapest Bank Group, MKB Bank Plc. and Takarék Group, and the shares of the key owners were transferred to the joint holding company. By transferring the in-kind contributions, the second largest banking group in Hungary has been established, with the Hungarian State owning 30.35 percent of the shares through Corvinus International Investment Ltd., the previous direct owners of MKB acquiring 31.96 percent of the shares and the previous direct owners of MTB acquiring 37.69 percent of the shares.

Following the successful transfer of the in-kind contributions, the financial holding company will exercise prudential control and group management functions over the three banking groups and will plan and manage the merger process. The detailed merger roadmap and business strategy will be developed next year.

For the time being, Budapest Bank, MKB and Takarékbank will retain their legal status and will operate as separate entities with independent brands until their integration. However, they will start making use of the synergies emanating from the joint operations immediately after the in-kind contribution.

Dr. Zsolt Barna will handle the duties of the Chairman of the Board of Directors of Hungarian Bankholding Ltd. and the Chief Executive Officer will be Mr. József Vida. Further members of the Board of Directors are dr. Ádám Balog, dr. Koppány Lélfai, and dr. Attila Tajthy.

The work of the management will be supported – with the participation of international consulting firms – by executives from the three banks, who were selected in an internal tender in early November. Dr. András Csapó is responsible for legal and prudential control, Antal Martzy for strategic control and Ádám Egerszegi for the management of the merger office. In addition, twelve leaders form the initial expert team of Hungarian Bankholding, covering the fields of integration, strategy, operations, technology, law, risk management, HR, accounting, controlling and communications. The professionals working in these fields will temporarily carry out their newly entrusted duties while maintaining their previous positions.

In accordance with the relevant provisions of the applicable laws, after the in-kind contribution, a mandatory takeover bid will be made in the cases of MKB Bank Plc. and Takarék Mortgage Bank Plc. during January.

– end –

Background information

Hungarian Bankholding Ltd..

The financial holding company was established by Corvinus Ltd., Budapest Bank Ltd., MKB Bank Plc., and the controller of Takarék Group, MTB Bank Ltd. in May 2020 in order to examine and prepare the opportunity of the establishment of a domestically owned banking group with significant market power.
The new banking group is the second-largest organization in the Hungarian market: it serves 1.9 million customers and operates 920 branches nationwide; nearly half of the domestic branch network. Its aggregated balance sheet total is close to HUF 6,800, it has a HUF 3,800 credit volume and a 4,800 billion deposit volume. It serves 200 thousand microenterprises, 30 thousand small and medium sized enterprises, and 6 thousand private banking clients. It is the market leader in many fields.

**Founding Banks**

**Budapest Bank Ltd.**

Budapest Bank Ltd. was established as one of the first domestic commercial banks in 1987; it is now one of the ten largest domestic banks in Hungary. In addition to retail services, the universal bank has been a committed partner of Hungarian small and medium sized enterprises for decades, and its market position is particularly strong in the segment. Together with its subsidiaries, Budapest Fund Management Ltd., Budapest Leasing Ltd. and Budapest Asset Financing Ltd., the bank employs a total of nearly 3,000 people, with its nationwide network including nearly 100 branches. In 2006, it was the first in the Hungarian banking market to open its operational center in the countryside, Békéscsaba, creating 800 workplaces in the region. Responsible thinking applies at all levels of the bank’s activities and its corporate social responsibility strategy, with an emphasis on financial literacy, commitment to community values, volunteering, equal opportunities and environmental protection.

**Takarék Group** is one of the biggest banking groups of Hungary and is a key member of the Hungarian financial system. The members of the Group are MTB Bank of Hungarian Savings Cooperatives Ltd. as its integration business management organization, Takarékbank Ltd. as its universal commercial bank, and Takarék Mortgage Bank Plc. as its specialized credit institution. Its members also include other companies and subsidiaries specialised in factoring, leasing, fund management, real estate management, IT, as well as other auxiliary financial services. Takarékbank Ltd. is the universal commercial bank of the Takarék Group, it is also the legal successor of the savings cooperatives. It has nation-wide coverage and is one of the biggest domestic financial institutions, operating the biggest branch network in the country; it serves 1.1 million clients.

The 70 years old **MKB Bank Plc.**, as a significant universal bank in Hungary provides long-lasting value to its customers through its predictable partnerships. The bank is set on a dynamic development path; it has a well-developed digital foundation and strategy. It also has a traditionally strong corporate and private banking clientele, as well as strong consulting and analytical competencies. The core value of the financial institution is its professional customer service enhanced by well-prepared, supportive, honest and professional work.

**Further information**

Orsolya Tölgyes

Head of Communications
Hungarian Bankholding Ltd.
Mobile: 0036 70 436 6065
E-mail: orsolya.tolgyes@magyarbankholding.hu