

3 September 2021

**UNICREDIT JELZÁLOGBANK ZRT.**

**Public placement of the UCJBF 2028/A Mortgage Bond, registered type, dematerialized,  
fixed coupon**

***within the framework of the HUF 180 billion Mortgage Bond and Unsecured Bond  
Issue Program for 2020-2021***

Present document is the Final Terms of the Mortgage Bonds above. Terms below were defined in the Base Prospectus, approved on 12<sup>th</sup> October 2020. Present Final Terms were prepared on the basis of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (**Prospectus Regulation**). Present Final Terms are to be read together with the Base Prospectus and its amendments concerning Mortgage Bonds and Unsecured Bonds listed on the Budapest Stock Exchange. The summary was prepared in line with the Article 7 of the Prospectus Regulation and it is considered as an appendix to the present Final Terms. The Base Prospectus and its appendices in line with the Article 21 of the Prospectus Regulation can be read at the homepages of the Issuer (<http://www.jelzalogbank.hu>), the Lead Manager (<http://www.unicreditbank.hu>), the Budapest Stock Exchange (<http://www.bet.hu>) and (<http://kozzetetelek.mnb.hu>).

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| (1) | (i) Issuer:                                   | UNICREDIT JELZÁLOGBANK ZRT.<br>1054 Budapest, Szabadság tér 5-6.   |
|     | (ii) Guarantor                                | UniCredit Bank Hungary Zrt.<br>1054 Budapest, Szabadság tér 5-6.   |
| (2) | (i) Series:                                   | UCJBF 2028/A   |
|     | (ii) Tranche Number:                          | 011  |
| (3) | Issue Currency:                               | HUF  |
| (4) | Aggregate Nominal Value:                      |  |
|     | (i) Series (UCJBF 2028/A):                    | The outstanding amount of the UCJBF 2028/A series is HUF 66,834,970,000                                    |
|     | (i) Planned Tranche Size (UCJBF 2028/A-011):  | HUF 10,000,000<br>The Issuer reserves the right to accept or reject any or all bids.                       |
| (5) | Minimal Issue Price:                          | Not Applicable   |
| (6) | Number of Mortgage Bonds / Nominal Value:     |  |
|     | (i) Series (UCJBF 2028/A):                    | The size of the outstanding series is 6,683,497 pieces. Each mortgage bond has a face value of HUF 10,000. |
|     | (ii) Planned Tranche Size (UCJBF 2028/A-011): | 1,000 pieces.<br>The Issuer reserves the right to accept or reject any or all bids.                        |
| (7) | (i) Issue Date:                               | UCJBF 2028/A-011<br>10 September 2021  |
|     | (ii) Interest Commencement Date:              | UCJBF 2028/A-011<br>14 September 2021  |

(iii) Settlement Date:	UCJBF 2028/A-011	14 September 2021
(iv) Value Date:	UCJBF 2028/A-011	14 September 2021
(8) Maturity Date:		22 October 2028
(9) Remaining maturity:		14 September 2021 - 22 October 2028
(10) Interest Basis:		Fixed rate, 3,25%
(11) Basis of Redemption/Redemption at maturity:		Nominal Value
(12) Type of Issue, possible set of investors:		Public placement
(13) (i) Listing on the Budapest Stock Exchange and its earliest possible date:		The Issuer requests the listing of Mortgage Bonds on the Budapest Stock Exchange (Szabadság tér 7., Budapest 1054) earliest on 14 September 2021.
(ii) Other trading venues where – to the Issuer’s knowledge – other tranches of the bond are traded		Not applicable
(14) Mode of Issue:		Auction
Place of Issue:		Hungary
(15) Contributors:		
(i) Lead Manager, Stock Introducer, Market Maker, Paying Agent:		UniCredit Bank Hungary Zrt. (1054 Budapest, Szabadság tér 5-6.; LEI Code: Y28RT6GGYJ696PMW8T44; Telephone: (+36 1) 269 0812)

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

(16) <b>Provisions relating to Fixed Rate Mortgage Bonds</b>		Applicable
(i) Business Day Convention:		Following Business Day Convention
(ii) Interest Payment Date(s):		22 October 2021., 22 October 2022., 22 October 2023., 22 October 2024., 22 October 2025., 22 October 2026., 22 October 2027., 22 October 2028.
(iii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):		UniCredit Bank Hungary Zrt., as Paying Agent
(iv) Rate of Interest:		Fixed rate, 3,25%
(v) Accrued Interest:		The accrued interest is 2,9116% on 14 September 2021, that is HUF 291,16 for each HUF 10,000 Mortgage Bond.
(vi) Day Count Fraction:		Actual/Actual (calculation method being in effect applied by ÁKK)
(vii) Other method of calculating Interest for Fixed Rate Mortgage Bonds:		Not Applicable

(17)	<b>Provisions relating to Floating Rate Mortgage Bonds</b>	Not Applicable
(18)	<b>Provisions relating to Zero Coupon Mortgage Bonds</b>	Not Applicable
(19)	<b>Provisions relating to Indexed linked Mortgage Bonds</b>	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

(20)	<b>Issuer Call before maturity:</b>	Not allowed
(21)	<b>Investor Put before maturity:</b>	Not allowed
(22)	<b>Redemption Value of Mortgage Bonds at maturity:</b>	Nominal Value of Mortgage Bonds
(23)	<b>Early Redemption Amount and Date:</b>	Not Applicable

#### **GENERAL CONDITIONS RELATING TO MORTGAGE BONDS**

(24)	Type of Mortgage Bonds:	Registered type Mortgage Bonds
(25)	Form of Mortgage Bonds:	Dematerialised Mortgage Bonds, and the Document summarising the conditions of these
(26)	Other provisions or special conditions:	Not Applicable
(27)	Re-purchase	According to Mortgage Bank Act Mortgage Bonds repurchased by the Issuer cannot be placed again.

#### **DISTRIBUTION**

(28)	Mode of distribution:	Auction
(29)	Guarantor:	Not Applicable
(30)	Mode and place of auction:	UniCredit Bank Hungary Zrt. (1054 Budapest, Szabadság tér. 5-6.) Phone: 428-8510
(i)	Time of auction:	10 September 2021, 10:00-11:00 (AM)
(ii)	Places of market making:	UniCredit Bank Hungary Zrt. (1054 Budapest, Szabadság tér 5-6.) Phone: 428-8510
(iii)	Maximal Issue Yield:	Not Applicable
(iv)	Minimal Issue Price / Issue Price:	Not Applicable
(v)	Issue Yield:	Not Applicable

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| (vi) Upper Limit / Oversubscription:   | The Issuer reserves the right to accept (partial or full) overbidding.   |
| (vii) Allocation type and date:  | The auction and allocation will be accomplished by UniCredit Bank Hungary Zrt at the time which was announced at the related Public Offering.<br><br>If more than one investor has bids on the same price and the whole demand of these investors cannot be satisfied, than the same percentage of their bids will be allocated to the investors.  |
| (viii) Non-competitive bids/orders:  | Not Applicable. There is no non-competitive section in this case.  |
| (ix) Place and time of announcement of the result of allocation:   | The Issuer shall publish all announcements (Public Offerings, Final Terms, Result of the Auction, etc.) and the Base Prospectus on the homepages of the Issuer ( <a href="http://www.jelzalogbank.hu">www.jelzalogbank.hu</a> ), the Lead Manager ( <a href="http://www.unicreditbank.hu">www.unicreditbank.hu</a> ), the Budapest Stock Exchange ( <a href="http://www.bet.hu">www.bet.hu</a> ) and the Hungarian National Bank ( <a href="http://kozzetetelek.mnb.hu">kozzetetelek.mnb.hu</a> ). |
| (x) Announcement place, mode and time:   | The issuer will publish and announce the auction results at auction day.   |
| (31) (i) Selling restrictions:   | Followings are allowed to participate at the auctions of Mortgage Bonds: resident private individuals, non-resident private individuals with restrictions determined in the Base Prospectus, legal entities and corporations without legal personality.  |
| (ii) The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised | Not applicable   |

#### **OPERATIONAL CONDITIONS**

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| (32) Separated deposit account number of the Issuer: | The bidder pays into the security account kept at UniCredit Bank Hungary Zrt. |
| (33) Places of payment:                              | UniCredit Bank Hungary Zrt. (1054 Budapest, Szabadság tér 5-6.)               |

(34)	(i) The number and date of the license granted by the Central Bank (Magyar Nemzeti Bank) to the issue	H-KE-III-488/2020. (12 October 2021)
	(ii) The resolution of the Issuer about the approval of the issue	Board Decision No. 7/2020. (25 February 2020)
	(iii) The resolution of the Issuer about the listing on the Budapest Stock Exchange:	Board Decision No. 7/2020. (25 February 2020)
	(iv) The number and date of the licences granted by the Central Bank of Hungary to the Amendment No. 1 of the Base Prospectus	H-KE-III-58/2021. (14 January 2021)
	(v) The number and date of the licences granted by the Central Bank of Hungary to the Amendment No. 2 of the Base Prospectus	H-KE-III-300/2021. (31 May 2021)
(35)	ISIN:	HU0000653225
(36)	Series number:	UCJBF 2028/A-011
(37)	Credit of Mortgage Bonds:	On security account
(38)	Central Clearing House and Depository:	KELER Central Depository Ltd. (1074 Budapest, Rákóczi út 70-72.)
(39)	Issue costs paid by:	All costs - expectedly not exceeding HUF 20 million during the whole tenor of the Mortgage Bond - of issue are bore by UniCredit Jelzálogbank Zrt.
(40)	Fees and cost accounted by Lead manager /Dealer and paid by investors	Not applicable

## GENERAL INFORMATION

(41)	Rating	Moody's Investors Service rating agency assigned definitive 'A2' long-term ratings to the mortgage bonds issued by UniCredit Jelzálogbank Zrt on 9 <sup>th</sup> December 2020.
(42)	Interest of natural and legal persons involved in the issues	Except any fees payable to the Lead Manager, so far as the Issuer aware, no person involved in the issue of the Mortgage Bond has an interest material to the offer.
(43)	Expected net income obtained from the auction: Expected net cost of the issue:	Function of the net auction price Not exceeds the 1% of the nominal value of the issued tranche.
(44)	Applicable law	Hungarian law
(45)	Other dealer(s):	Not applicable
(46)	Distribution period in case of other dealers	Not applicable

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| (47) | Additional conditions set by the Issuer regarding consent in line with the second subparagraph of Article 5(1) of the Prospectus Regulation and the (a) point of Article 23 of Prospectus Implementing Regulation: | Not applicable  |
| (48) | Type of suretyship   | On the 2nd November 2017 an Irrevocable Payment Undertaking was published by the Guarantor, in relation, among other things, to any payment obligation due under all the outstanding and future debt securities issued by the Issuer. (including Mortgage Bonds issued under the Program) |

Issuer:

UNICREDIT JELZÁLOGBANK ZRT.

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Lead Manager

UNICREDIT BANK HUNGARY ZRT.

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## **Annex – Summary of the issue**

### **PART 1 – INTRODUCTION AND WARNINGS**

This Summary should be interpreted as an introduction to the Base Prospectus. Any decision to invest in the Mortgage Bonds and Unsecured Bonds should be based on a consideration of the Base Prospectus as a whole by the investor, including the information incorporated by reference into the Base Prospectus. The Issuer is not liable for damages with regard to the Summary and to its translation, if any, unless the Summary or its translation is misleading, inaccurate, or inconsistent with other parts of the Base Prospectus, or fails to include the key information under Regulation (EU) 2017/1129. Where a claim relating to the information contained in the Base Prospectus, including in any documents incorporated by reference into the Base Prospectus, or to the information contained in any supplement to the Base Prospectus, is brought before a court in a Member State of the European Economic Area, the plaintiff might, under the national law of the Member State concerned, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Unless defined otherwise, the terms used in this Summary have the meanings assigned to them by the Base Prospectus. The information contained in this Summary is not exhaustive. The contents of the Summary are based on other parts of the Base Prospectus and should be read in conjunction with the information contained therein.

This Summary includes the warning that the investor could lose all or part of the invested capital.

- 1.1 Name and ISIN of the securities:** UCJBF 2028/A mortgage bond, HU0000653225
- 1.2 Identity and contact details of the Issuer, including its LEI:** UniCredit Jelzálogbank Zrt.; 1054 Budapest, Szabadság tér 5-6.; LEI code: 213800DW1L62N1BADM49
- 1.3 Identity and contact details of the distributor, including its LEI:** UniCredit Bank Hungary Zrt.; 1054 Budapest, Szabadság tér 5-6.; Cg. 01-10-041348; LEI code: Y28RT6GGYJ696PMW8T44
- 1.4 Identity and contact details of the competent authority approving the Base Prospectus:** National Bank of Hungary; 1054 Budapest, Szabadság tér 9.; +36 (1) 428 2600
- 1.5 Date of approval of the Base Prospectus:** October 12, 2020

### **PART 2 – THE ISSUER**

#### **2.1 Who is the issuer of the securities?**

##### **2.1.1 Name of the Issuer:**

**Domicile, legal form, and legal entity identifier of the Issuer, the law under which it operates and its country of incorporation:** The Issuer is a mortgage bank operating as a specialized credit institution within the meaning of Act XXX of 1997 on Mortgage Loan Companies and on Mortgage Bonds (**Mortgage Banks Act**), and was established by Bayerische Vereinsbank AG on 8 June 1998 with a registered capital of HUF 3,000,000,000 and its registered seat at H-1054 Budapest, Szabadság tér 5–6, LEI: 213800DW1L62N1BADM49. The Issuer is registered by the Metropolitan Court acting as Company Court under company registration number 01-10-043900.

**2.1.2 Issuer's principal activities:** The Issuer's principal activity is the issue of mortgage bonds and unsecured bonds that typically provide medium and long-term funding for its own and refinanced loan portfolios. Mortgage loans are primarily secured by first-ranked mortgages, independent liens or seceded liens registered on the financed property located in the territory of Hungary.

**2.1.3 Issuer's major shareholders:** Within UniCredit Group, since 22 December 2006, the Issuer's sole shareholder has been UniCredit Bank Hungary Zrt.

**2.1.4 Identity of key managing directors:** Attila Csáky, Bálint Márton Farkas, Viktor Juhász, PhD (board members)

**2.1.5 Identity of statutory auditors:** Deloitte Könyvvizsgáló és Tanácsadó Kft.

## 2.2 Key financial information regarding the Issuer:

### 1 Issuer's profit and loss statement (data in HUF million)

	2019.12.31. IFRS audited	2020.12.31. IFRS audited	2019.06.30. not audited	2020.06.30. not audited
Net interest income	3 196	3 171	1 586	1 598
Net fee and commission income	-295	-423	-149	-194
Net impairment loss on financial assets	57	-45	155	-190
Net trading income	-27	-675	-44	-299
Operating profit	2 874	2 073	1 393	1 105
Net profit or loss	2 517	1 354	1 413	915

### 2 Issuer's statement of financial position (data in HUF million)

	2019.12.31. IFRS audited	2020.12.31. IFRS audited	2019.06.30. not audited	2020.06.30. not audited
Total assets	271 492	305 269	235 300	311 237
Senior debt	248 752	281 620	213 143	288 211
Subordinated debt	0	0	0	0
Loans and receivables from customers (net)	6 181	5 132	7 150	5 632
Deposits from customers	181	162	219	175
Total equity	22 287	20 714	21 007	20 036
Non-performing loans (based on net carrying amount)/Loans and receivables)	413	395	422	567
Common Equity Tier 1 capital (CET1) ratio	93,13%	196,49%	93,26%	168,69%
Total Capital Ratio	93,13%	196,49%	93,26%	168,69%
Leverage Ratio calculated under applicable regulatory framework	7,27%	6,72%	8,30%	6,22%

The Auditor has expressed an unqualified opinion on the Issuer's financial statements prepared for 2019 and 2020 under the International Financial Reporting Standards (IFRS).



## 2.3 What are the key risks associated with the issuer?

Specific factors may influence the ability of the Issuer to meet its liabilities outstanding in respect of the Mortgage Bonds and Unsecured Bonds issued under the Programme. These factors include, in particular, the following risk factors pertaining to the Issuer: (i) risks referred to the COVID-19 situation; (ii) risk factors related to the amendment of Act CLXII of 2009 on Consumer Credit; and risks and systemic risks arising from changes in the economic or business environment; (iii) risk of changes in the regulatory environment; (iv) risks associated with the change of the economic and business environment and systemic risk; (v) interest rate risk; (vi) exchange rate risk; (vii) liquidity risk; (viii) risks arising from the early repayment of loans; (ix) risks arising from developments in the macroeconomic environment; (x) renewal risk; (xi) credit risk; (xii) operational risk; (xiii) risk associated with the level of available capital; (xiv) risks arising from market competition; (xv) risks associated with the value and enforcement of real estate collateral.

## PART 3 – SECURITIES

### 3.1 What are the main features of the securities?

#### 3.1.1 Type, class, ISIN of the securities:

The Mortgage Bonds are registered dematerialized securities. ISIN of Mortgage Bonds: HU0000653225

#### 3.1.2 Currency, denomination, par value, the number of securities issued and the term of the securities:

Currency of the securities: HUF

Denomination of the securities: HUF 10,000

Total par value of the securities: HUF 66,834,970,000

Number of securities issued: 6,683,497 pieces

Term of the securities: 14 September 2021 - 22 October 2028

#### 3.1.3 Rights attached to the securities:

The **Mortgage Bonds** represent the direct, unconditional and unsubordinated liabilities of the Issuer, which are secured by collateral under Sections 14 and 14/A of the Mortgage Bank Act.

#### 3.1.4 Relative seniority of the securities in the Issuer's capital structure in the event of insolvency:

In the event of the Issuer's liquidation or in enforcement proceedings against the Issuer, under Sections 20–21 of the Mortgage Bank Act the liabilities arising from the **Mortgage Bonds** take precedence over the Issuer's any other unsecured and unsubordinated liabilities outstanding from time to time, as follows: The liquidation of mortgage banks shall be governed by the provisions relating to the liquidation of credit institutions, except that following the settlement of the costs referred to in Subsection 20(5) of the Mortgage Bank Act, primary or substitutional collateral entered on the collateral registry book and the assets of the Mortgage Bank, in particular the part of its liquid assets that is equivalent to the unsecured portion of the claims arising from mortgage bonds, may be used solely for the satisfaction of liabilities to the holders of the Mortgage Bonds, and, in respect of any derivative transactions used as collateral, to the counterparties of such transactions. In enforcement proceedings against mortgage banks, Act LIII of 1994 on Judicial Enforcement shall be applicable, except that in respect of the assets of the mortgage bank that have been entered on its collateral registry book as primary or substitutional collateral, and in respect of the part of the assets of the mortgage bank, comprising in particular liquid assets, that is equivalent to the unsecured portion of the claims arising from mortgage bonds, judicial enforcement may only be demanded by holders of the Mortgage Bonds, and, in respect of any derivative transactions used as collateral, by the counterparties of such transactions, up to the amount of their respective claims. The Mortgage Bonds, including any non-contractual obligations arising therefrom and the interpretation of those obligations, shall be governed by the Hungarian laws and regulations as in effect from time to time.

Under Subsection 58(1)(c) of Act XXXVII of 2014, the scope of a bail-in measure that may be applied in the event of the Issuer's resolution may not include Mortgage Bonds.

### 3.1.5 Restrictions on the free transferability of the securities:

The **Mortgage Bonds** are transferred by debiting the seller's securities account and simultaneously crediting the Mortgage Bonds to the buyer's securities account. In the event of Mortgage Bonds being transferred, the regulations that the provider servicing the central securities account has in place from time to time may apply restrictions and locked periods with a binding effect on Mortgage Bond holders in respect of the transmission of the rights attached to the Mortgage Bonds in the context of transfers between the consolidated securities accounts serviced by account providers.

### 3.2 Where will the securities be traded?

An application will be submitted for the admission of the Mortgage Bonds to trading on the Budapest Stock Exchange.

### 3.3 Is there a guarantee attached to the securities?

#### 3.3.1 Brief description of the nature and scope of the guarantee:

On 2 November 2017, UniCredit Bank Hungary Zrt. (the **Guarantor**) issued a statement (**Statement**) offering a Payment Undertaking (**Payment Undertaking**) for any and all of the Issuer's payment obligations arising from the debt securities issued by the Issuer and specified in the Statement as being in circulation as well as from those to be issued by it in the future, from the credit facilities and loan agreements also referred to in the Statement, and from interbank deposits (collectively: **Debt Instruments**). Under the Statement, the Guarantor is bound by the Payment Undertaking in relation to any payment obligations due under Debt Instruments of Issuer. The Guarantor has undertaken to assume liability to the holders of the Debt Instruments (**Holder**) in the event of the Issuer's failure to fulfil, as and when due, any of its payment obligations arising in respect of any of the Debt Instruments, based on the holder's written demand, as laid down in the Statement. Subject to the terms of the Statement, the holders of claims outstanding in respect of a Debt Instrument falling due may, at their discretion, seek to enforce their claims against the Issuer, the Guarantor, or both. Subject to the terms of the Statement, the obligation of the Guarantor will be aligned with the claims outstanding in respect of the Debt Instrument. Under the Statement, the Guarantor unconditionally and irrevocably undertakes the obligation to pay on the written demand of any holder of any Debt Instrument any amount (whether principal, interest, or any other amounts payable pursuant to the documentation of the Debt Instrument) which is due but remains unpaid by Issuer on the due date as set out in the respective terms and conditions of the relevant Debt Instrument. UniCredit Bank may withdraw its obligation under this Payment Undertaking by publishing an adequate notification to the Holders. In case of Holders of bonds and mortgage bonds such notification will appear on the website of UniCredit Mortgage Bank ([www.jelzalogbank.hu](http://www.jelzalogbank.hu)) in the "investor information part". In case of Holders as lenders or their successors/assignees notification will also appear on the website of UniCredit Mortgage Bank and UniCredit Mortgage Bank moreover shall send a notification directly to all known lenders or their successors/assignees in written form. UniCredit Bank Hungary Zrt. will not have any obligation under this Payment Undertaking in respect of the mortgage bonds and bonds issued-, or credit lines provided, loans disbursed, interbank deposits made later than 30 (thirty) days after the publication of the withdrawal notice on the website of UniCredit Mortgage Bank. However, notwithstanding the expiry of the Payment Undertaking pursuant to this Section this Payment Undertaking shall remain in full force and effect with respect to all Debt Instruments outstanding at the time of such expiry and may not be terminated until all amounts which may be or become payable by UniCredit Bank under or in connection with such Debt Instruments have been irrevocably paid in full.

**3.3.2 Brief description of the Guarantor:** UniCredit Bank Hungary Zrt.; H-1054 Budapest, Szabadság tér 5-6; registered by the Company Court of Budapest-Capital Regional Court under company registration number 01-10-041348; LEI: Y28RT6GGYJ696PMW8T44.

### 3.3.3 Key financial information regarding the Guarantor:

#### 1 Guarantor's profit and loss statement (data in HUF million)

	2019.12.31. IFRS audited	2020.12.31. IFRS audited
Net interest income	61 868	67 848
Net fee and commission income	46 984	42 755
Net impairment loss on financial assets	-4 895	-23 329
Net trading income	16 654	15 905
Operating profit	125 695	126 513
Net profit or loss	51 291	31 268

#### 2 Guarantor's statement of financial position (data in HUF million)

	2019.12.31. IFRS audited	2020.12.31. IFRS audited
Total assets	3 380 945	4 076 248
Senior debt	747 625	879 862
Subordinated debt	0	0
Loans and receivables from customers (net)	1 497 535	1 696 812
Deposits from customers	2 099 276	2 641 238
Total equity	388 276	384 910
Non-performing loans (based on net carrying amount)/Loans and receivables)	55 427	66 355
Common Equity Tier 1 capital (CET1) ratio	19,64%	23,01%
Total Capital Ratio	19,94%	23,29%
Leverage Ratio calculated under applicable regulatory framework	8,93%	8,49%

The Auditor has expressed an unqualified opinion on the Guarantor's financial statements prepared for 2019 and 2020 under the International Financial Reporting Standards (IFRS).

### 3.3.4 Brief description of the most material risk factors pertaining to the guarantor:

Specific factors may influence the ability of the Guarantor to meet its liabilities outstanding in respect of the Mortgage Bonds and Unsecured Bonds issued under the Programme. These factors include in particular the following risk factors pertaining to the Guarantor: (i) risks referred to the COVID-19 situation; (ii) risk factors related to the amendment of Act CLXII of 2009 on Consumer Credit; and risks and systemic risks arising from changes in the economic or business environment; (iii) risk of changes in the regulatory environment.

### 3.4 What are the key risks that are specific to the securities?

Investments in the Mortgage Bonds are not covered either by deposit insurance under the National Deposit Insurance Fund, or by protection provided under any other similar guarantee such as the Investor Protection Fund. The key risks associated with the structure of specific Series of Mortgage Bonds are as follows: (i) at the discretion of the Issuer, the [auction bids]/[subscription offers] for the Mortgage Bonds

might not or might only partially be accepted by the Issuer; (ii) risk associated with the absence of a secondary market; (iii) exchange rate risk; (iv) risk of market yield movements; (v) credit rating risk; and (vi) risks associated with the legal aspects of the investment and the fact that the Mortgage Bonds may not be suitable for all investors.

## **PART 4 – KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC**

### **4.1 Under which conditions and timetable can I invest in this security?**

Timetable of the offer: 10 September 2021, 10:00-11:00 (AM). The Issuer applies for the admission of the Mortgage Bonds to trading on the Budapest Stock Exchange. Total estimated cost of the offering (including the costs charged by the Issuer to investors): all of the costs associated with the placement are borne by UniCredit Jelzálogbank Zrt. and are likely to remain within HUF 20,000,000 during the entire term of the Mortgage Bonds.

### **4.2 Why is this Base Prospectus being produced?**

The Base Prospectus includes a base prospectus prepared according to Article 8 of the Prospectus Regulation and to Article 25 of the Supplementing Regulation of the Prospectus Regulation as well as an voluntary prospectus according to Article 4 of the Prospectus Regulation, based on which, as part of the Programme the Issuer seeks to place on the market, publicly or privately as the case may be, Exchange Traded Mortgage Bonds and Unsecured Bonds, Public Mortgage Bonds and Unsecured Bonds, and Private Mortgage Bonds and Unsecured Bonds. The Issuer intends to place Mortgage Bonds and Unsecured Bonds on the market based upon the voluntary prospectus for Investors under Article 1 (4) (a) and (c) respectively (d).

#### **4.2.1 Use and estimated net amount of the proceeds:**

The estimated amount of the proceeds from the sale of the Mortgage Bonds will depend on the net price achieved at auction.

The Programme has been designed for the Issuer to raise funds periodically through the placement of Mortgage Bonds and Unsecured Bonds. By executing Mortgage Bond and Unsecured Bond placements as part of the Programme, the Issuer raises forint and foreign currency funds in the capital market so that it may offer its customers loans that are predictable over the long term and bear interest at competitive rates, while enabling eligible customers to maximise their benefit from public interest rate subsidies. Additionally, raising long-term funds by means of the placements executed as part of the Programme also enables the Issuer to improve its structural liquidity situation. A further business objective of individual placements within the Programme is to provide the Issuer with funds to purchase the greatest possible volume of performing receivables from the loans granted by the commercial banks that are parties to cooperation agreements with the Issuer for the purchase of independent liens. The funds raised through Mortgage Bond and Unsecured Bond placements help the Issuer to maintain and improve the balanced structure of its assets and liabilities.

#### **4.2.2 Offer is subject to an underwriting agreement on a firm commitment basis: Not applicable.**

#### **4.2.3 Description of any material conflict of interest pertaining to the offer or the admission to trading:**

There is no conflict of interest pertaining to the offer or the admission to trading.