



Summary

to the decision No. H-SZN-I-23/2016 of the Central Bank of Hungary on the application of the sale of business tool in the ongoing resolution process in respect of MKB Bank Zrt.

MKB Bank Zrt. (seat: 1056 Budapest, Váci street 38.; Company Register: Budapest-Capital Regional Court of Appeal, as Registry Court; Company Register No.: 01-10-040952; hereinafter 'Bank') was placed under resolution on 18 December 2014 according to the resolution strategy determined by Magyar Nemzeti Bank (The Central Bank of Hungary, hereinafter: 'MNB') as the designated national resolution authority.

The obligation to sell the shares (100 per cent) of the Bank was prescribed by the decision of the European Commission (SA.40441 (2015/N) dd. 16 December 2015). In accordance with the relevant decision of the European Commission, the sale process must comply with the criteria of open, transparent, competitive and non-discriminative sale, with the view to maximize the purchase price and in line with the EU regulations pertaining to State aids within the meaning of the competition law and with Directive 2014/59/EU of the European Parliament and of the Council establishing a framework for the recovery and resolution of credit institutions and investment firms (hereinafter 'BRRD').

In order to implement a successful sale on the market and enforce the aforementioned principles in full, the investment bank J.P. Morgan Limited acted in the sale process as financial advisor to the seller. With the involvement of other advisors as well, a multi-round competitive sale was conducted in accordance with international practice. In the initial phase of the sale, open for the submission of non-binding offers, seven offers were received. In order to ensure sufficient competition, all potential buyers that submitted non-binding offers were permitted to continue participating in the sales process.

The investors were granted access to legal, business and financial data in a virtual data room, set up in accordance with international practice, to perform the due diligence review of the Bank. Following the due diligence process the binding bids had to be submitted by 22 February 2016. Three bids were received by the specified deadline, from which the MNB selected the members of the syndicate offering the highest purchase price, i.e. HUF 37 billion, as winner. According to the decision, following the fulfilment of the closing conditions (including authorisation of the acquisition of holding by the members of the winning syndicate) the new owners (buyers) of the Bank will be Blue Robin Investments S.C.A., METIS Private Capital Fund and Pannónia Pension Fund, member of the CIG Partnership, in a proportion of 45-45-10 per cent, respectively¹.

MNB performed the evaluation of the offers in accordance with a set of selection criteria which were developed in cooperation of a leading international consultant firm and finalized prior to the submission of the binding offers to be evaluated and which are based on objective foundations, correspond to international best practice and notified to the bidders in advance. In accordance with the European Commission's competition law practice, the purchase price had a decisive role in the selection decision, but apart from this, the requirements of the resolution framework focusing on financial stability interests were also taken into account.

MNB has been applying the sale of business tool complying with all requirements laid down in point a) of Article 36 (1) of the Hungarian Resolution Act² transposing Article 39 (1) of BRRD (criteria of

¹ BLUE ROBIN INVESTMENTS S.C.A., an investment fund incorporated in Grand Duché de Luxembourg managed by Blue Robin Management S.à.r.l., a company incorporated in Grand Duché de Luxembourg which has its registered office at 51 Route de Thionville, L-2611 Luxembourg, Grand Duché de Luxembourg ("Purchaser 1"); METIS MAGÁNTŐKEALAP, a private equity fund incorporated in Hungary with number 6122-42 managed by MINERVA Tőkealap-kezelő Zrt., a company incorporated in Hungary with number Cg.01-10-047474 which has its registered office at 1143 Budapest, Ilka u. 31., Hungary ("Purchaser 2"); PANNÓNIA NYUGDÍJPÉNZTÁR, A CIG PARTNERSÉG TAGJA, a pension fund incorporated in Hungary with number Cg.01-04-000052 which has its registered office at 1072 Budapest, Nyár u. 12., Hungary whose sole external investment manager is Pannónia CIG Alapkezelő Zrt., a company incorporated in Hungary with number Cg.01-10-047118 which has its registered office at 1072 Budapest, Nyár u. 12., Hungary

² Act XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system

applying the sale of business tool) into the Hungarian law and the governing Communications of the European Commission.

The decision No. H-SZN-I-23/2016, which is effective from 31 March 2016, does not have any effect on the retail customers of the Bank in turn it is a necessary provision in line of the planned actions and the State aid SA.40441 (2015/N) decision of the European Commission.
