

IMPORTANT NOTICE

IMPORTANT: You must read the following before continuing: The following applies to the attached offering circular (the "**Offering Circular**") following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the attached Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

THE ATTACHED OFFERING CIRCULAR MUST NOT BE FORWARDED OR DISTRIBUTED OTHER THAN AS PROVIDED BELOW AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. THE ATTACHED OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"). ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THE ATTACHED DOCUMENT IN WHOLE OR IN PART IS PROHIBITED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION. THE NOTES (AS DEFINED BELOW) HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. NOTES MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

Confirmation of your Representation: In order to be able to view the attached Offering Circular or make an investment decision with respect to the Notes, investors must be purchasing the Notes outside the United States in offshore transactions in reliance on Regulation S ("**Regulation S**") under the Securities Act). The attached Offering Circular is being sent at your request and by accepting the e-mail and accessing the attached Offering Circular, you shall be deemed to have represented to Morgan Stanley Europe SE (the "**Sole Bookrunner**") and Eximbank Zrt. ("**Eximbank**" or the "**Issuer**") that you are purchasing the Notes outside the United States in offshore transactions in reliance on Regulation S and that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession the attached Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the attached Offering Circular, electronically or otherwise, to any other person. If you receive the attached Offering Circular by e-mail, you should not reply by e-mail to this notice. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive the attached Offering Circular by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The attached Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. No action has been or will be taken in any jurisdiction, by the Sole Bookrunner or the Issuer that would or is intended to permit a public offering of the Notes, or possession or distribution of a prospectus (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes in any country or jurisdiction where action for that purpose, or registration, is required. If a jurisdiction requires that the offering be made by a licensed broker, dealer or registered financial intermediary and the Sole Bookrunner is a licensed broker, dealer or registered financial intermediary in that jurisdiction, any such offering shall be deemed to be made by the Sole Bookrunner or such affiliate on behalf of the Issuer in such jurisdiction.

The attached Offering Circular has been sent to you in an electronic format. You are reminded that documents transmitted in an electronic format may be altered or changed during the process of transmission and consequently none of the Sole Bookrunner, any person who controls the Sole Bookrunner, or any of their respective affiliates, directors, officers, employees, representatives and agents or accepts any liability or responsibility whatsoever in respect of any discrepancies between the attached Offering Circular distributed to you in electronic format and the hard-copy version.

The attached Offering Circular has not been approved by an authorised person in the United Kingdom and is for distribution only to persons (A) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"); (ii) falling within Article 49(2)(a) to (d) of the Order; (iii) are outside the United Kingdom or (iv) to whom it may otherwise lawfully be communicated (all such persons together being referred to as "**Relevant Persons**"). This attached Offering Circular is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which the attached Offering Circular relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. No part of the attached Offering Circular should be published, reproduced, distributed or otherwise made available in whole or in part to any other person.

MiFID II Product Governance/Professional Investors and ECPs Only Target Market: Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

THE ATTACHED OFFERING CIRCULAR IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 (AS AMENDED, THE "**EU PROSPECTUS REGULATION**") OR REGULATION (EU) 2017/1129 AS IT FORMS PART OF THE UK DOMESTIC LAW BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (THE "**UK PROSPECTUS REGULATION**") OR ANY IMPLEMENTING LEGISLATION OR RULES RELATING THERETO.

THE NOTES WILL NOT BE SUBJECT TO THE PROSPECTUS REQUIREMENTS OF THE EU PROSPECTUS REGULATION AND THE UK PROSPECTUS REGULATION IN ACCORDANCE WITH ARTICLE 1(2)(D) OF THE EU PROSPECTUS REGULATION AND OF THE UK PROSPECTUS REGULATION, AS A RESULT OF THE NOTES BEING SECURED BY THE STATUTORY SURETY IN THE FORM OF AN ABSOLUTE AND DIRECT SURETYSHIP (*KÉSZFIZETŐ KEZESSÉG*) FROM THE HUNGARIAN STATE.

THE ATTACHED OFFERING CIRCULAR IS NOT A PROSPECTUS OR AN INFORMATION MEMORANDUM FOR THE PURPOSES OF HUNGARIAN ACT CXX OF 2001 ON THE CAPITAL MARKETS (THE "**CAPITAL MARKETS ACT**").

No representation, warranty or undertaking is made hereby or to be implied by any person as to the completeness, accuracy or fairness of the information contained or incorporated by reference in the attached Offering Circular and none of the Issuer, the Sole Bookrunner or any affiliate accepts any liability or responsibility whatsoever in respect hereof.

OFFERING CIRCULAR



EXIMBANK ZRT. MAGYAR EXPORT-IMPORT BANK

Zártkörűen Működő Részvénytársaság
(incorporated with limited liability in Hungary)

€500,000,000 4.500% Notes due 2031
Issue Price: 98.900%

Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság (Hungarian Export-Import Bank Private Limited Company) ("**Eximbank**" or the "**Issuer**") intends to issue €500,000,000 4.500% Notes due 2031 (the "**Notes**"), as further described in this offering circular (the "**Offering Circular**") under "*Terms and Conditions of the Notes*" (the "**Conditions**").

The Notes will bear interest from and including 27 November 2024 (the "**Issue Date**") at the rate of 4.500% per annum and shall be payable annually in arrear on 27 November in each year commencing on 27 November 2025. Payments in respect of the Notes will be made in Euro without deduction for or on account of taxes imposed or levied by Hungary to the extent described under "*Terms and Conditions of the Notes – Taxation*."

The Issuer may, at its option, redeem all, but not some only, of the Notes at their principal amount together with interest accrued to but excluding the date of redemption, (i) at any time in the event of certain tax changes as described under Condition 5(b) (*Redemption for Taxation Reasons*) or (ii) at any time on or after the date falling 30 days prior to the Maturity Date as described under Condition 5(c) (*Maturity Par Call Option*). Unless previously redeemed or purchased and cancelled, the Notes will mature on 27 November 2031.

The Issuer's obligations under the Notes have the benefit of a statutory surety in the form of an absolute and direct suretyship (*készfizető kezességvállalás*) from the Hungarian state relating to the Issuer's funding activities (the "**Funding Guarantee**") in accordance with Articles 6:420 and 6:429 of the Civil Code of Hungary (the "**Civil Code**") and pursuant to Paragraph (1)(a) of Article 6 of Act XLII of 1994 on the Hungarian Export-Import Bank Private Limited Company and the Hungarian Export Credit Insurance Private Limited Company, as amended, (the "**Eximbank Act**").

An investment in the Notes involves certain risks. For a discussion of these risks, see "*Risk Factors*" beginning on page 12 of this Offering Circular.

The Notes will be in registered form in the denomination of €100,000 and integral multiples of €1,000 in excess thereof. The Notes will be represented by a global certificate in registered form (the "**Global Certificate**"), which will be issued in respect of the Notes. The Global Certificate will be registered in the name of a nominee of the common safekeeper for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). Individual note certificates ("**Individual Note Certificates**") evidencing holdings of Notes will only be available in certain limited circumstances.

The Global Certificate is intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow such Notes to be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

This Offering Circular does not comprise a prospectus for the purposes of Regulation (EU) 2017/1129 (as amended, the "**EU Prospectus Regulation**") or Regulation (EU) 2017/1129 (as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**").

The Notes will not be subject to the prospectus requirements of the EU Prospectus Regulation and the UK Prospectus Regulation in accordance with Article 1(2)(d) of the EU Prospectus Regulation, and of the UK Prospectus Regulation, as a result of the Notes being secured by the statutory surety in the form of an absolute and direct suretyship (*készfizető kezesség*) from the Hungarian State.

This Offering Circular does not comprise a prospectus or an information memorandum for the purposes of Hungarian Act CXX of 2001 on the Capital Markets (the "**Capital Markets Act**"). See "*Subscription and Sale*."

Application has been made for the Notes to be admitted to listing on the Official List of the UK Financial Conduct Authority (the "**FCA**") (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's main market (the "**Main Market**"). The Main Market is a UK regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "**UK MiFIR**"). The Notes will not be subject to the prospectus requirements of the UK Prospectus Regulation pursuant to Article 1(2)(d) thereof, but will be issued in compliance with applicable Listing Rules of the FCA.

The Notes are expected to be rated BBB- by Standard & Poor's Credit Market Services Europe Ltd ("**S&P**") and BBB by Fitch Ratings Limited ("**Fitch**"). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation. S&P and Fitch are each established in the European Economic Area and registered under Regulation (EU) No 1060/2009, (the "**EU CRA Regulation**"). Each of the ratings S&P and Fitch have given to the Notes are endorsed by S&P Global Ratings UK Limited and Fitch Ratings Ltd., respectively, which are each established in the UK and registered under Regulation (EU) No 1060/2009 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

The Notes have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities law of any state of the United States or other jurisdiction. The Notes may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered, sold or delivered by the Sole Bookrunner (as defined below) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act ("**Regulation S**"). Each purchaser of the Notes will be deemed to have made the representations described in "*Subscription and Sale*" and is hereby notified that the offer and sale of Notes to it is being made in reliance on the exemption from the registration requirements of the Securities Act provided by Regulation S.

It is expected that delivery of the Global Certificate will be made on 27 November 2024 or such later date as may be agreed (the "**Closing Date**") by the Issuer and the Sole Bookrunner. See "*Summary of Provisions Relating to the Notes in Global Form*."

Sole Bookrunner

Morgan Stanley

This Offering Circular is dated 25 November 2024.

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IMPORTANT INFORMATION

In this Offering Circular, "**Eximbank**" or the "**Issuer**" refers to Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság (in English: Hungarian Export-Import Bank Private Limited Company). Eximbank has one majority-owned subsidiary, Exim Invest Zrt., organized under the laws of Hungary ("**Exim Invest**"), and is a 10% equity owner of China-CEE Management S.à.r.l., organized under the laws of Luxembourg, ("**China-CEE Management**").

This Offering Circular is confidential. You are authorized to use this Offering Circular solely for the purpose of considering the purchase of the Notes. You may not reproduce or distribute this Offering Circular, in whole or in part, and you may not disclose any of the contents of this Offering Circular or use any information herein for any purpose other than considering a purchase of the Notes. You agree to the foregoing by accepting delivery of this Offering Circular. Except as otherwise indicated by the context, any reference to the Offering Circular shall include the documents incorporated by reference herein.

The Issuer accepts responsibility for the information contained or incorporated by reference in this Offering Circular. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained or incorporated by reference in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

In addition, the Issuer confirms that this Offering Circular contains or incorporates all material information with respect to the Issuer and the Notes (including all information which, according to the particular nature of the Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Notes), that the information contained or incorporated by reference in this Offering Circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Offering Circular are honestly held and that there are no other facts, the omission of which would make this Offering Circular or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference. This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Morgan Stanley Europe SE (the "**Sole Bookrunner**") has not independently verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Sole Bookrunner as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with the issue and sale of the Notes. The Sole Bookrunner accepts no liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuer in connection with offer of the Notes.

In connection with the issue and sale of Notes, no person is or has been authorised by the Issuer or the Sole Bookrunner to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the offer of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Sole Bookrunner.

Neither this Offering Circular nor any other information supplied in connection with the Notes should be considered as a recommendation by the Issuer or the Sole Bookrunner that any recipient of this Offering Circular should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or Hungary since the date hereof or that there has been no adverse change in the financial position of the Issuer or Hungary since the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Sole Bookrunner expressly does not undertake to update the financial condition or affairs of the Issuer or to advise any investor in the Notes of any information coming to their attention. Each person contemplating making an investment in the Notes

must make its own investigation and analysis of the creditworthiness of the Issuer and its own determination of the suitability of any such investment, with particular reference to its own investment objectives and experience, and any other factors which may be relevant to it in connection with such investment.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer and the Sole Bookrunner do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Sole Bookrunner which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of the Notes. See "*Subscription and Sale*."

In connection with the offering of the Notes, the Sole Bookrunner is not acting for anyone other than the Issuer and will not be responsible to anyone other than the Issuer for providing the protections afforded to their clients nor for providing advice in relation to the issue.

MiFID II Product Governance/Professional Investors and ECPs Only Target Market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of such debt securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Securities and Futures Act 2001 of Singapore (as modified from time to time, the "SFA") Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "excluded investment products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN THE UNITED STATES

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may only be offered or sold outside the United States in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

The securities offered hereby have not been reviewed or recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not passed upon the merits of the offering or confirmed the accuracy or determined the adequacy of this Offering Circular. Any representation to the contrary is a criminal offense under the laws of the United States.

This Offering Circular is being furnished only to investors outside the United States. Any reproduction or distribution of this Offering Circular, in whole or in part, in the United States and any disclosure of their

contents or use of any information herein or therein in the United States for any purpose, is prohibited. Each potential investor in the Notes, by accepting delivery of this Offering Circular, agrees to the foregoing.

NOTICE TO INVESTORS IN THE UNITED KINGDOM

This Offering Circular is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), (ii) are persons falling within Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Financial Promotion Order, (iii) are outside the United Kingdom or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000, as amended (the "**FSMA**") in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This Offering Circular is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Offering Circular relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

FORWARD-LOOKING STATEMENTS

This Offering Circular contains certain forward-looking statements within the meaning of Section 21E of the Exchange Act, as amended, and Section 27A of the Securities Act which appear throughout this Offering Circular. Such estimates and forward-looking statements are primarily based on current expectations and projections about future events and financial trends that affect, or may affect, our business, financial condition, results of operations and prospects.

There are many significant risks, uncertainties and assumptions that might cause our business, financial condition, results of operations and prospects to differ materially from those set out in our estimates and forward-looking statements. Forward-looking statements include, but are not limited to, statements regarding our or our officers' intent, belief or current expectations with respect to, among other things, the use of proceeds of the offering, our financing plans, trends affecting our business, the impact of competition, and future plans and strategies.

Forward-looking statements can generally be identified by the use of forward-looking terminology, including the terms "believes," "could," "may," "estimates," "continues," "potential," "anticipates," "intends," "expects," "will," "should," "seeks," "projects" and "plans," among others (including, in each case, their negative or other variations or comparable terminology). Forward-looking statements speak only as of the date they were made, and neither the Issuer nor the Sole Bookrunner undertake to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, among other things:

- changes in the Hungarian economy, in particular changes to the demand for Hungarian exports;
- changes in the banking and financial markets in Hungary;
- changes in the Issuer's ownership or other changes in policy or regulation, including the status of the statutory guarantee provided by the Hungarian State;
- changes to Hungary's willingness to contribute capital or other financial support;
- infringement procedure and rule of law conditionality mechanism against Hungary;
- the Issuer's credit exposure to financial institutions in Hungary;
- changes in applicable laws and regulations, including sanctions regimes, tax regulations, or accounting standards or practices;
- the monetary, interest rate and other policies of central banks in Hungary, the European Union, the United States and elsewhere;
- changes or volatility in interest rates, foreign exchange rates, asset prices, equity markets, commodity prices, inflation or deflation;
- events in the global economy or in the global financial system and its impact on the Hungarian economy, global or local pandemics and the Hungarian state's response thereto;
- the impact of social unrest on the Hungarian economy and our business, financial condition, results of operations and prospects;
- the effects of, and changes in, fiscal, monetary, trade and tax laws and policies, currency fluctuations and our credit ratings and those of Hungary;
- the on-going IBOR transition in relation to reference rates;
- severe weather, natural disasters, adverse climate changes, regional or global pandemics, or similar events;
- geopolitical instability in Russia, Europe, the United States, the Middle East, Africa, or Asia could affect our revenues;
- political and social developments, including war (such as the recent escalation in regional conflicts exemplified by Russia's war in Ukraine), civil unrest or terrorist activity;

- the impact of sanctions, such as those being levied by the United States, the European Union and other countries against Russia on global financial markets; and
- our exposure to the credit risk of its borrowers and counterparties;
- our ability to hedge certain risks economically;
- our ability to manage any mismatches between the Issuer's interest-earning assets and the Issuer's interest-bearing liabilities;
- our ability to manage operational risks and prevent security breaches;
- our ability to maintain reliable and secure information technology systems;
- our ability to attract and retain key management and qualified personnel;
- our ability to grow our loan portfolio;
- our ability to control expenses;
- our ability to manage liquidity risks and to access credit and capital markets;
- force majeure and other events beyond our control;
- recovery of unlawful and incompatible State aid;
- our success in managing the risks involved in the foregoing, which depends, among other things, on our ability to anticipate events that cannot be captured by the statistical models that we use; and
- other risks and uncertainties described in "*Risk Factors*."

The foregoing factors and others described under "*Risk Factors*" are not exhaustive. Other sections of this Offering Circular describe additional factors that could adversely affect our results of operations, financial condition, liquidity and the development of the industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Because the risk factors referred to in this Offering Circular could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Offering Circular by us or on our behalf, you should not place undue reliance on any of these forward-looking statements. We urge you to read this Offering Circular, including the sections entitled "*Risk Factors*" and "*Description of Eximbank*" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. Any forward-looking statements are only made as of the date of this Offering Circular, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Circular, whether as a result of new information, future events or otherwise. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Circular, including those set forth under "*Risk Factors*." As a result, you should not place undue reliance on these forward-looking statements.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

General

All references to "we," "us," "our," the "Issuer" and "Eximbank" in this Offering Circular are to Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság (Hungarian Export-Import Bank Private Limited Company), organised under the laws of Hungary. As at the date of this Offering Circular, Eximbank has one majority-owned subsidiary, Exim Invest and is a 10% equity owner of China-CEE Management.

Issuer

Certain financial and other information presented in this Offering Circular, including in "*Description of Eximbank*", have been prepared on the basis of the Issuer's own internal accounts, which are prepared under IFRS adopted by the EU ("**IFRS EU**"). The sources for statements and data concerning the Issuer and its business are based on the best estimates and assumptions of the Issuer's management, which believes that these assumptions are reasonable and that its estimates have been prepared with due care. The data concerning the Issuer included herein, constitute the best current estimates of the information provided.

Information Incorporated by Reference

The following information, which has previously been published or is published simultaneously with this Offering Circular, shall be deemed to be incorporated by reference in, and to form part of, this Offering Circular:

- (a) the audited financial statements of the Issuer as at and for the year ended 31 December 2023 and the auditor's report, (which can be viewed online at: <https://exim.hu/wp-content/uploads/EXIMBANK-IFRS-Consolidated-FS-2023.pdf>) and the auditor's report (which can be viewed online at: <https://exim.hu/wp-content/uploads/Eximbank-IFRS-2023.pdf>) (together, the "**2023 Financial Statements**"); and
- (b) the audited financial statements of the Issuer as at and for the year ended 31 December 2022 and the auditor's report (the "**2022 Financial Statements**", which can be viewed online at: <https://exim.hu/wp-content/uploads/Eximbank-IFRS-FS-2022.pdf>, and together with the 2023 Financial Statements, the "**Financial Statements**").

Unless specifically incorporated by reference into this Offering Circular, information contained on a website referred to **herein** does not form part of this Offering Circular.

Currency, Exchange Rates, and Rounding

In this Offering Circular, unless otherwise specified, references to "**Euro**," "**EUR**" or "**€**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the Euro, as amended, references to "**\$**," "**USD**," "**US\$**," "**Dollars**" and "**US dollars**" are to United States Dollars and references to "**HUF**," "**Forints**" and "**forints**" are to Hungarian Forints. References in this Offering Circular to a "**Condition**" are to the numbered condition corresponding thereto set out in the "*Terms and Conditions*" in respect of the Notes, as applicable.

All currency conversions in this Offering Circular are at the National Bank of Hungary (the "**NBH**") official middle rate of exchange on a particular date or calculated at the average of the middle rates of exchange for a particular period. For convenience, certain amounts have been converted from Forint into USD and/or Euro at the average exchange rate for each relevant period or the exchange rate in effect on a given date. Any figures only disclosed in Euros or US dollars are not converted and are denominated in those currencies.

Certain figures included in this Offering Circular have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

SERVICE OF PROCESS AND ENFORCEABILITY OF JUDGEMENTS

The Issuer is a private limited company incorporated under the laws of Hungary. All directors and executive officers of the Issuer are resident in Hungary and a substantial portion of their assets are located in Hungary. Although the Issuer has agreed, in accordance with the terms of the fiscal and paying agency agreement governing the Notes (the "**Agency Agreement**"), to accept service of process in the United Kingdom by agents designated for such purpose, it may be difficult for Noteholders to:

- effect service of process within the United Kingdom upon the Issuer or its directors or executive officers named in this Offering Circular; or
- enforce judgments obtained in English courts against the Issuer or any such persons.

Notwithstanding the above, Hungarian law does not limit a Noteholder's ability to take Proceedings (as defined under the Condition entitled Jurisdiction) in respect of the Notes in English courts and the recognition or enforcement of any judgment so rendered by an English court may only be limited in accordance with the Convention on Choice of Court Agreements done at The Hague on 30 June 2005 (the "**Hague Convention**") and Act XXVIII of 2017 on Private International Law (the "**Conflicts Law**"). However, given the asymmetric nature of the jurisdiction clause of the Notes (Clause 17 (*Jurisdiction*) of the Conditions), it is uncertain whether the Hague Convention will apply.

Based on the provisions of the Conflicts Law, subject to the limitations set out therein, judgments of an English court in a commercial matter can be recognised and enforced by the Hungarian courts, if the parties to the dispute have agreed to the jurisdiction of that court and the agreement on jurisdiction satisfies the formality requirements of Hungarian law. Under Hungarian law, an agreement on jurisdiction can be made by the parties (i) in writing, (ii) verbally, if evidenced in writing, (iii) in a form which complies with the practices previously formed among the parties or (iv) in terms of international trade, also in a form which complies with commercial practice in such trade and of which the parties should have been aware.

Under the Conflicts Law, a judgment of a court established in a country other than Hungary may be enforced by the Hungarian courts, if: (i) the jurisdiction of that foreign court is legitimate under the rules of jurisdiction of Hungarian law; (ii) the decision is final under the foreign law under which it was made; (iii) there is reciprocity between Hungary and the state of the foreign court; and that (a) such judgment does not contravene the basic principles of public policy in Hungary; (b) the losing party or its representative had proper or timely notice of the proceedings; (c) the proceedings in which the judgment was made did not seriously breach general principles of Hungarian procedural rules; (d) litigation between the same parties involving the same dispute was not commenced in Hungary prior to the initiation of the foreign litigation; and (e) Hungarian courts have not already determined the matter (*res judicata*). However, Hungarian courts may recognise and enforce judgments of a foreign court chosen by the parties in a commercial matter (*vagyonyjogi határozat*) even if there is no reciprocity between Hungary and the state of the foreign court, provided that the choice of forum by the parties is valid under Hungarian law. However, the wording of the relevant provisions leave the question open for interpretation as to whether the Hungarian courts may exercise some form of discretion when it comes to a decision on the recognition and enforceability of foreign judgments for payment of money in the absence of reciprocity (currently, there is no reciprocity between England and Hungary) if the relevant judgment is based on an agreement of the choice of forum amongst the respective parties.

It is also noted that most of the foreign judgments have been recognised and enforced in Hungary based on either the Regulation (EU) No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**Brussels Regulation**") or international treaties since the entry into force of the Conflicts Law and, therefore, very limited interpretation and court cases are available regarding recognition and enforcing of foreign judgments where no international treaty/EU regulation is applicable and no reciprocity is available.

As a result, there is a risk that a judgment of the courts of England and Wales entered against the Issuer in relation to the Notes may not be enforceable or may take longer to enforce, and any such enforcement is largely untested in Hungary.

OVERVIEW OF THE OFFERING

This overview must be read as an introduction to this Offering Circular and any decision to invest in any Notes should be based on a consideration of this Offering Circular as a whole.

Issuer:Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság.

Description of Eximbank:Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság is a private limited company. It was established by Act XLII of 1994 on the Hungarian Export-Import Bank and the Hungarian Export Credit Insurance Company and commenced operation on 10 August 1994 on the basis of resolution 63/1994 issued by the State Bank Supervisory Authority. Pursuant to its legislative charter, Eximbank's mandate is to act as a specialised credit institution to facilitate the sale of Hungarian goods and services in foreign markets.

The registered office of the Issuer is located at Nagymező utca 46-48, 1065 Budapest, Hungary.

Statutory Surety:The Notes have the benefit of a statutory surety from the Hungarian state relating to the Issuer's funding activities in accordance with Articles 6:420 and 6:429 of the Civil Code (*készfizető kezességvállalás*) and pursuant to Paragraph (1)(a) of Article 6 of the Eximbank Act (the "**Funding Guarantee**"). See "*Description of Funding Guarantee*"

Notes Offered:€500,000,000 4.500% Notes due 2031.

Sole Bookrunner:Morgan Stanley Europe SE

Interest:The Notes will bear interest at a rate of 4.500% per annum.

Interest Payment Dates:Each Note will bear interest from and including the Issue Date, and such interest will be payable annually in arrear on 27 November in each year commencing on 27 November 2025.

Maturity Date:27 November 2031.

Issue Price:98.900% of the principal amount of the Notes.

Currency:Euro.

Form of Notes:The Notes will be represented by the Global Certificate in registered form which will be registered in the name of a nominee for, and shall be deposited on or about the Closing Date with a common safekeeper for and in respect of interests held through Euroclear and Clearstream, Luxembourg.

Beneficial interests in the Global Certificate will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream, Luxembourg and their participants.

Except as described herein, definitive certificates for Notes will not be issued in exchange for beneficial interests in the Global Certificate.

Selling Restrictions:The Notes have not been and will not be registered under the Securities Act or any securities laws of any state of the United States or any other jurisdiction. Consequently, the Notes may only be offered or sold outside the United States in offshore transactions in reliance on Regulation S.

In connection with the offering and sale of the Notes additional selling restrictions will apply. See "*Subscription and Sale*" below.

Events of Default:The Notes will become due and payable prior to their stated maturity upon the acceleration of the Notes following any Event of Default in the circumstances specified in Condition 8. The Events of Default include, without limitation, the following events:

- (a) failure to pay by the Issuer;
- (b) insolvency and other analogous events under the laws of Hungary relating to the Issuer;
- (c) cross-acceleration under other indebtedness of the Issuer (subject to certain minimum thresholds);
- (d) it becomes unlawful for the Issuer to perform its obligations under the Notes or the Agency Agreement;
- (e) the Funding Guarantee no longer being in existence or otherwise ceasing to constitute a guarantee of all of the Issuer's obligations under the Notes;
- (f) cross-default with respect to certain External Indebtedness of Hungary;
- (g) breach of other obligations under the Notes by the Issuer;
- (h) the Issuer ceasing to be owned, directly or indirectly, by Hungary;
- (i) Hungary ceasing to be a member in good standing of the International Monetary Fund; and
- (j) breach of other obligations under the Notes by the Issuer.

A full list of the Events of Default and the circumstances in which the Notes will be accelerated following an Event of Default are set out in Condition 8 of the Notes.

Denominations:The Notes will be issued in minimum denominations of €100,000 and integral multiples of €1,000 in excess thereof.

Taxation:All payments in respect of the Notes will be made without deduction for or on account of withholding taxes levied in Hungary unless such deduction is required by law, as provided in Condition 7 of the Notes. In the event that any such deduction is made, the Issuer will, except in certain circumstances, be required to pay additional amounts to cover the amounts so deducted, as described under the Conditions of the Notes below. However, the Issuer may withhold and deduct for or on account of any taxes, duties, assessments or governmental charges imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service, on any amount payable in respect of the Notes and shall not be required to pay any additional amounts in respect of any such taxes, duties, assessments or governmental charges as described under the Conditions of the Notes below.

Status of the Notes:The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and will rank *pari passu* and without preference among themselves and (except for certain debts required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

Negative Pledge:.....So long as any Note remains outstanding, the Issuer shall not create or permit to subsist any Security Interest (as defined in Condition 3) upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness (as defined in Condition 3) or any guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing any such Security Interest for the Notes as may be approved by the Noteholders in accordance with the provisions of the Agency Agreement.

Further Issues:The Issuer is at liberty from time to time, without the consent of the Noteholders, to create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects save for the date and amount of the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the Notes.

Redemption for Taxation Reasons:The Issuer may, at its option, redeem all, but not some only, of the Notes at their principal amount together with any accrued interest in the event of certain changes affecting taxation as described under Condition 5(b) (*Redemption for Taxation Reasons*).

Optional Redemption at Par:The Issuer may, at any time on or after the date falling 30 days prior to the Maturity Date, on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent (as defined below) and Noteholders, redeem all the Notes, but not some only, at the principal amount thereof together with interest accrued and unpaid to but excluding the Par Optional Prepayment Date as described under Condition 5(c) (*Maturity Par Call Option*).

Listing:.....Application has been made for the Notes to be admitted to listing on the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Main Market.

Ratings:.....The Notes are expected to be rated BBB- by S&P and BBB by Fitch. S&P and Fitch are each established in the European Economic Area and registered under the EU CRA Regulation. Each of the ratings S&P and Fitch have given to the Notes are endorsed by S&P Global Ratings UK Limited and Fitch Ratings Ltd., respectively, which are each established in the UK and registered under the UK CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Neither the rating agency nor the Issuer is obligated to provide the holder with any notice of any suspension, change or withdrawal of any rating.

Governing Law:The Notes and the Agency Agreement and any non-contractual obligations arising out of or in connection with the Notes and the Agency Agreement will be governed by, and construed in accordance with, English law. The Funding Guarantee is provided for under Hungarian law.

Fiscal Agent and Paying Agent:The Bank of New York Mellon, London Branch (the "**Fiscal Agent**").

Registrar and Transfer Agent:The Bank of New York Mellon SA/NV, Dublin Branch.

Security Codes:ISIN: XS2947186131
Common Code: 294718613

Risk Factors:Investing in the Notes in the Notes involves substantial risks. You should consider carefully all the information in this Offering Circular and, in particular, you should evaluate the specific risk factors set forth under "*Risk Factors*" before making a decision whether to invest in the Notes.

RISK FACTORS

Before making an investment in the Notes, prospective purchasers should read the entire Offering Circular and carefully consider the following risks relating to Eximbank, Hungary and the Notes. If any of the following risks actually occurs, Eximbank's business, financial condition, results of operations and prospects may be materially and adversely affected and the market value of the Notes may be adversely affected. In addition, factors that are material for the purpose of assessing the market risks associated with the Notes are also described below. Eximbank believes that the factors described below represent the principal risks inherent in investing in the Notes, but Eximbank does not represent that the statements below regarding the risks of holding any Notes are exhaustive or that the order in which the risks are presented is indicative of the materiality of such risks.

Risks relating to Eximbank

Eximbank is entirely Hungarian state-owned

Eximbank is wholly owned by the Hungarian state, with shareholder's rights exercised by the Minister of National Economy. Eximbank is Hungary's official export credit agency and, accordingly, is an instrument of economic policy for the Hungarian state rather than a for-profit commercial bank. Under the Eximbank Act, Eximbank is charged with, among others, the public task of financing the export of Hungarian goods and services, as well as financing Hungarian investments abroad, thereby enabling entities operating in Hungary – primarily small or medium-sized enterprises but also large corporations – to maximise their export opportunities, while assisting in the maintenance and creation of jobs in Hungary, and also promoting the development of Hungary's national economy by improving the competitiveness of Hungarian exports in foreign markets. Eximbank's mandate was expanded gradually since 2012 to encompass financing transactions within the supply chains of domestic exporters, as well as domestic export-related investments, and certain investments made by domestic or foreign entities in Hungary, and for other purposes stipulated in individual decisions of the government.

Due to its role as a significant instrument of Hungary's economic policy, Eximbank's risk-taking limits may exceed those of commercial banks. While Eximbank ensures that it operates within the framework of its transparent strategic and regulatory framework, it may operate with higher risk compared to market participants. Higher risk can be undertaken in transactions generating positive national economic impacts and significantly adding value to the Hungarian gross domestic product ("**GDP**") and gross national income. Although to date Eximbank has not experienced pressure from the Hungarian state to conduct transactions upon more favourable terms or to deviate from its credit and lending policies and procedures for public policy reasons, there can be no assurance that Eximbank will not be directed or come under pressure to engage in activities with a higher credit risk than it would otherwise pursue or to provide financing to certain companies or entities on more favourable terms. Furthermore, any new strategy that Eximbank pursues as a result of the Hungarian state's direct ownership (including financing a wider range of borrowers and export-related transactions in order to grow its loan portfolio, which might be part of Eximbank's strategy going forward) may result in Eximbank taking on increased risks and may not be successful. As a result of the above or other factors, Eximbank may pursue policies or undertake decisions at the direction of the Hungarian state which can conflict with the interest of Noteholders, any of which could have a material adverse effect on Eximbank's financial condition and result of operations.

The support that Eximbank currently receives from the Hungarian state, including the Funding Guarantee, may be reduced or withdrawn.

Eximbank relies upon various forms of support from the Hungarian state, as set out under "*Overview of EXIMBANK - Relationship with the Hungarian State*" any of which could be reduced or withdrawn.

If any of the Hungarian state support measures are reduced or withdrawn, it would be difficult for Eximbank to obtain similar guarantees and other forms of support in the commercial market at similar levels, or at all. In addition, without additional capital contributions from the Hungarian state, Eximbank may be unable to maintain its capital ratios as it seeks to pursue its strategy of expanding its loan portfolio. If any of these arrangements with the Hungarian state are significantly altered or discontinued, and in particular if the Eximbank Act is amended in the future so that the Hungarian state's general responsibilities towards Eximbank are reduced or withdrawn, there may be a material adverse effect on Eximbank's financial condition and results of operations.

In addition, the level of support that Eximbank receives from the Hungarian state could be scrutinised by the EC from a competition (antitrust) perspective. Any competition investigation could result in the requirement for reduction or withdrawal of state support of Eximbank, including the Funding Guarantee.

A failure by Eximbank to make payments under the Notes would not trigger a cross-default under Hungary's outstanding global bonds.

Hungary's global bond issuances do not contain cross-default provisions. As a result, a failure by Eximbank to make payments on the Notes would not result in a cross-default under the agreements governing Hungary's outstanding global bonds or by Hungary under the Statutory Guarantee. Accordingly, a payment default by Eximbank (with respect to the Notes) or Hungary (with respect to the Statutory Guarantee) would not result in a cross-default under Hungary's global bonds, which means a payment or other default under the Notes or Statutory Guarantee would not be avoided due to the risk of a cross default.

Eximbank has substantial credit exposure to commercial banks in Hungary.

Eximbank is increasing its lending to commercial banks in Hungary, which also increases its exposure to instability in the Hungarian banking sector. As of 31 December 2023, refinancing facilities to commercial banks in Hungary represented HUF1,485 billion. With respect to its bank refinancing facilities, Eximbank is exposed to the credit risk of the Hungarian commercial banks which it lends to (and which on-lend to end-borrowers in the export sector), rather than being exposed to the credit risk of end-borrowers directly. Eximbank's refinancing portfolio, representing 62.2% of Eximbank's total loans and advances as of 31 December 2023, is not covered by MEHIB or other forms of state suretyship, and these facilities are generally secured to a certain extent by pledge on receivables founded on the loans granted by partner banks to the final beneficiaries. Accordingly, Eximbank's business significantly depends upon the ability of Hungarian commercial banks and other financial institutions to accurately assess the credit risk of their end-borrowers and make payments and meet their other obligations to Eximbank, and their failure to do so could directly and adversely affect Eximbank's financial performance.

Eximbank is subject to credit risk in relation to its borrowers, counterparties and the entities to which its guarantee portfolio relates.

Eximbank's business is subject to inherent risks concerning the credit quality of its borrowers, particularly Hungarian commercial banks (see "*Risk Factors—Risks relating to Eximbank—Eximbank has substantial credit exposure to commercial banks in Hungary*" above), and Hungarian exporters and foreign purchasers of Hungarian exports, as well as risks relating to the credit quality of the entities to which Eximbank's guarantee portfolio relates and financial institutions with which Eximbank has entered into short- and long-term foreign exchange swaps.

As of 31 December 2023, HUF1,168,426 million (gross value) loans and advances of Eximbank were covered by collateral, which represented 47.5% of the total loans and advances (at nominal value). As of 31 December 2023, HUF675,273 million loans and advances (by nominal amount) were covered by MEHIB insurance or state suretyship (27.4% of Eximbank's total loans and advances), loans and advances worth HUF122,681 million (gross value) were covered by bank guarantee (5.0% of Eximbank's total loans and advances), loans and advances worth HUF28,173 million (gross value) were covered by pledges on real estate mortgage (1.1% of Eximbank's total loans and advances), and loans and advances worth HUF342,299 million (gross value) were covered by other collaterals, mostly pledges on receivables (13.9% of Eximbank's total loans and advances). Unsecured loans and advances were mostly exposure to Hungarian commercial banks within the framework of refinancing facilities.

In addition, as of 31 December 2023, only 0.3% of Eximbank's guarantee portfolio was issued at its own risk (i.e., not supported by a back-to-back statutory guarantee provided by the Hungarian state).

In general, changes in the credit quality of banks and other customers to which Eximbank lends, or in the credit quality of Eximbank's other counterparties and entities to which its guarantee portfolio relates, can negatively affect the value of Eximbank's assets, and might lead to increased provisions and/or credit losses. Many factors affect Eximbank's credit portfolio quality. Some of these factors, including adverse changes in the economy and foreign trade due to local, national and global factors, foreign exchange rates and increased market volatility, may be difficult to anticipate and are outside of Eximbank's control. Other factors are dependent upon Eximbank's policies and the viability of Eximbank's internal credit application

and monitoring systems. Eximbank may experience credit losses or delinquency in debt repayments even in normal economic circumstances.

Eximbank's credit exposure is concentrated in certain industries, mostly domestic banking, foreign entities, publishing activity, sound and film recording, broadcasting, trade/vehicle repair, and food and beverage industries. Within the domestic banking sector, Eximbank's loans are also concentrated in certain export destination markets. Economic performance and operating results of entities in the sectors and markets to which Eximbank lends can be volatile, and global and domestic trends in these sectors and markets may have an impact on Eximbank's financial position. There can be no assurance that the customers to which Eximbank or its domestic bank borrowers lend funds will be successful, or that such customers will be able to repay their loans in a timely manner or at all. Any downturn or financial difficulties in the industry sectors to which Eximbank has significant exposure in terms of its loan portfolio could increase the level of Eximbank's problem loans, and adversely affect Eximbank's business and its future financial performance.

Eximbank's activities are highly regulated.

Eximbank's activities are limited to its mandate under the Eximbank Act. As with all credit institutions operating in Hungary, Eximbank is subject to Act No CXXXVII of 2013 on Credit Institutions and Financial Enterprises (the "**Banking Act**") and Act No CXXXVIII of 2007 on Investment Firms and Commodity Dealers, and on the Regulations Governing their Activities (the "**Investment Services Act**"), although the Banking Act and the Investment Services Act are applied with the derogations provided for in the Eximbank Act. Eximbank is under the scope of Act LIII of 2017 on the Prevention and Combating of Money Laundering and Terrorist Financing that is adopted in line with EU's AML Directive. Eximbank is also regulated by the NBH with respect to liquidity, solvency and capital adequacy ratios and compliance with money laundering standards. As an institution engaged in officially-supported export lending, Eximbank also has to comply with the prevailing guidelines and directives of the WTO (particularly the Agreement on Subsidies and Countervailing Measures), the OECD (particularly the OECD Arrangement) and the European Union (particularly the EU Commission Communication 2008/C 14/02).

Future policy decisions by the Hungarian state or by regulators may result in additional regulation and monitoring of Eximbank's functions and operations and Eximbank may be unable to comply with all applicable rules and regulations on a continuous basis. In particular, any change in the regulation to increase the requirements for capital adequacy or liquidity could have an adverse effect on Eximbank's business. See also "*Risk Factors—Risks relating to Eximbank—Changes in the Hungarian banking regulatory framework may require Eximbank to increase the level of capital that it holds to meet revised capital adequacy standards, which it may not be able to do on acceptable terms or at all*". Any significant changes to Eximbank's regulatory regime or to the Hungarian state's monitoring and enforcement policies may materially and adversely impact Eximbank's ability to lend funds and have an adverse effect on Eximbank's results of operations and financial condition.

Changes in the Hungarian banking regulatory framework may require Eximbank to increase the level of capital that it holds to meet revised capital adequacy standards, which it may not be able to do on acceptable terms or at all.

Pursuant to the Banking Act and to EU Regulation No 575/2013, Eximbank applies the standard approach under Basel III ("**Basel III**"), subject to certain exemptions from provisions of Basel III which do not apply given Eximbank's business. Basel III includes requirements regarding regulatory capital, liquidity adequacy, leverage ratio and counterparty credit risk measurements. Although Eximbank is exempt from the liquidity adequacy and leverage ratio regulations of Basel III. Eximbank is currently and has always operated above the statutory minimum capital adequacy ratio, but if Eximbank is unable to maintain its capital adequacy ratio above the minimum levels required by the NBH for any reason (including as a result of increased lending activity, the Hungarian regulatory authorities may impose various corrective measures ranging from management improvement recommendations to emergency measures such as requiring the disposal of assets, which could have a material adverse effect on Eximbank's business, financial condition and/or results of operations.

Eximbank's business is subject to global and regional macroeconomic and financial market conditions.

Global and regional macroeconomic conditions have a significant impact on the level of Hungarian exports and Eximbank's business. The economic conditions over the last few years were largely impacted by

widespread global developments, such as Brexit, the COVID-19 pandemic, the war in Ukraine, the resulting European energy crisis, the Gaza-Israeli conflict and other ongoing events.

Although the COVID-19 pandemic, which started in early 2020, was primarily a health emergency, it had a significant impact on the Hungarian export market. The crisis led to a global and dramatic increase in unemployment and income inequality and disrupted global and Hungarian supply chains. The governments of most developed nations, including Hungary, took swift action and increased public spending, implemented various forms of financial support, introduced debt moratoria, and supported the asset purchase programs of central banks. Although these measures were largely successful, they led to an increase in public debt levels.

It was in this volatile economic climate that energy prices started to rise, mainly as a result of Russia's preparation for the war in Ukraine by decreasing energy sales. Due to its high dependency on the oil and gas supplied by Russia, Europe has been particularly affected by the war in Ukraine and the resulting energy crisis. Soaring natural gas and electricity prices not only placed a high financial burden on households and companies, but also contributed to a surge in inflation.

Though inflation rates have since stabilised, the outlook for the European economy over the near to medium-term remains challenging, which also impacts prospects for improvement of economic and financial conditions in Hungary. In addition, Eximbank is exposed to foreign currency fluctuations, both in its liabilities and debt financing as well as in its foreign loans. Economic conditions in many of the export markets of Eximbank's direct and indirect customers remain volatile. Adverse changes in the level of Hungarian exports could affect demand for Eximbank's products and services and reduce the size of Eximbank's loan portfolio. Any deterioration of the political and economic conditions in Hungary's export markets, individually or in the aggregate, may adversely affect the demand for Hungarian exports and the financial condition of the entities operating in such sectors and may result in, among other things, a decrease in loans to exporters, higher levels of non-performing loans or impairment losses, any of which could have an adverse effect on Eximbank's business, financial condition and results of operations. Weakness in or material deterioration of the economies of EU member states or in the economies of Hungary's other principal trading partners could have negative effects on the Hungarian economy and particularly on the health of the Hungarian export market sector and consequently on customer demand for export financing.

Eximbank's business and results of operations may be adversely impacted by sanctions imposed by the United States and the EU against certain Ukrainian and Russian entities and by counter-sanction measures imposed by Russia on the United States, the EU and some other Western countries.

In response to Russia's military operation in Ukraine, the governments of the United States, the United Kingdom, the European Union, Japan and other countries have announced the imposition of extensive sanctions on certain industry sectors in Russia and the regions of Donetsk and Luhansk and on certain individuals in Russia and abroad. The sanctions announced to date include restrictions on selling or importing goods, services or technology in or from affected regions.

Eximbank has limited exposure to Russia derived from refinancing constructions, originated before 2014 (0.2% of Eximbank's total on-balance sheet portfolio as at 31 December 2023). Eximbank is not directly exposed to Ukraine or Belarus, hence, no credit loss might occur with respect to these countries. Nevertheless, some of the current sanctions have affected Eximbank's existing counterparties (Russian banks), and these sanctions may have an adverse financial effect directly or indirectly on these counterparties resulting in a material adverse effect on Eximbank's business activity. Eximbank classified any Russian outstanding loans as non-performing and created the necessary impairment to cover the expected losses. Where termination of business relationships was necessary, Eximbank has obtained decisions from the competent Hungarian sanctions authority for termination of loan agreements affected by sanctions against Russia.

Eximbank may face increasing levels of problem loans and provisions for possible losses.

Due to increasing economic pressures of high inflation and volatility Eximbank may face increasing levels of problem loans. As of 31 December 2023, Eximbank had established provisions and impairment of HUF77,072 million, compared to HUF64,414 million as of 31 December 2022. While Eximbank regularly monitors its problem loan levels and has strict credit monitoring processes in place, a number of factors could result in an increased number of problem loans in the future and require Eximbank to record additional provisions for possible losses. In addition, Eximbank's future problem loan recovery rates may

not be similar to Eximbank's historical recovery rates and the overall quality of its loan portfolio may deteriorate in the future, particularly as the loan portfolio increases in line with Eximbank's strategy. Any significant increase in Eximbank's problem loans would have a material adverse effect on its financial condition, capital adequacy and results of operations.

Any future unavailability of capital markets financing or loan financing from the Hungarian state or state-owned entities could have an adverse effect on Eximbank's business, financial condition and results of operations.

Historically, Eximbank financed a substantial portion of its operations through debt securities issued in the international capital markets and money markets, including through the issuance of notes under the then-existing EMTN Programme.

Since the maturity of such debt in 2018, 2019 and 2020 Eximbank has sought to meet its medium- and long-term funding needs primarily through bilateral loan agreements from Hungarian and foreign credit institutions – including international development institutions – as well as issuing debt securities in the Hungarian market. In May 2023 Eximbank issued USD 1,250,000,000 6.125% Notes due 2027 in the international capital markets to diversify its funding sources. This was followed by the issuance of EUR 1,000,000,000 6% Notes due 2029 in November 2023.

There can be no assurance that capital markets financing will continue to be available to Eximbank on attractive terms, or at all. The market turmoil that accompanied the adverse economic conditions in certain major countries in recent years have made it difficult for many companies to obtain capital markets financing. Market disruption may make such funding more expensive and difficult to obtain.

If at some point in the future, adequate financing is unavailable to Eximbank, this would limit Eximbank's ability to meet customer demand and grow its loan portfolio, which could have an adverse effect on Eximbank's business, financial condition, results of operations, and prospects.

Eximbank is exposed to liquidity risk, including the risk that access to short-term funding sources may not be available in the event of liquidity gaps.

Eximbank may be adversely affected by liquidity risk. Liquidity risk comprises uncertainties in relation to Eximbank's ability to access funding necessary to cover short-term obligations to borrowers, satisfy maturing liabilities and maintain capital and other regulatory requirements. Eximbank may be subject to liquidity risk as a result of both unexpected increases in the cost of financing and being unable to structure the maturity dates of Eximbank's liabilities reasonably in line with the maturity profile of its assets, as well as the risk of not being able to refinance short-term obligations on time at a reasonable price due to liquidity pressures.

Eximbank's principal liquidity demands consist of short-term loans and deposits from other banks. Eximbank also issues guarantees, a portion of which are not backed by the Hungarian state and which could consequently present a demand for additional liquidity if such guarantees are called. With respect to the portion of Eximbank's guarantees portfolio backed by the Hungarian state, Eximbank is paid only after it applies for funds from the Hungarian state central budget, which could be subject to delay and thereby present a further source of liquidity risk. Furthermore, Eximbank has committed to provide refinancing to domestic commercial banks and other financial institutions. Eximbank may also be exposed to maturity mismatches between its assets and liabilities, which may lead to a lack of liquidity. Any liquidity deficiency faced by Eximbank may require it to apply to the Hungarian state on a short term basis for liquidity management support, and there can be no assurance such support would be available in the future.

Eximbank's liquidity risk could be further exacerbated by market disruptions or credit downgrades of Eximbank or of Hungary or as a result of budgetary constraints of Hungary, all of which may reduce the availability of funding. Eximbank's inability to meet its net funding requirements due to inadequate liquidity could adversely affect its business, financial condition and results of operations.

Eximbank may be adversely affected by volatility in interest rates and the IBOR transition.

Net interest income represents substantially all of Eximbank's revenues. As of 31 December 2023, Eximbank received interest equalisation or support payments from the Hungarian state in respect significant majority of its total loans and advances (by nominal amount), which mitigated interest rate risk as to this portion of Eximbank's loan portfolio. With respect to the minority portion of Eximbank's loan portfolio not

covered by the interest equalisation or support offerings, such loans bear variable interest rates based on CME Term SOFR/ EURIBOR/Budapest Interbank Offering Rate (**BUBOR**”).

There can be no assurance that interest rates will not be raised further. To the extent that a mismatch exists in the re-pricing dates of Eximbank's liabilities and assets not covered by the interest compensation programmes, the interest equalisation and support offerings do not completely mitigate interest rate risk as expected, or these forms of state support are reduced or withdrawn, interest rate volatility may cause Eximbank to face increased net interest expense or require Eximbank to enter into hedging arrangements. An increase in interest rates may also decrease the value of Eximbank's available-for-sale financial assets, raise the cost of any future capital markets funding and increase the risk of default by customers borrowing at variable rates. If any of the foregoing occurs, it could have a material adverse effect on Eximbank's business, financial condition and results of operations.

Fluctuations in foreign exchange rates may adversely affect Eximbank's business, financial condition and results of operations.

As an international lending institution, Eximbank is subject to risk as a result of adverse movements in foreign currency exchange rates. Although the substantial majority of Eximbank's assets and liabilities are denominated in foreign currencies, primarily the Euro and to a significantly lesser extent the U.S. Dollar, Eximbank's functional and operational currency is the Hungarian Forint. The overall effect of exchange rate movements on Eximbank's results of operations and financial position depends primarily on the rate of depreciation or appreciation of the Hungarian Forint relative to the Euro and U.S. Dollars.

Although Eximbank has adopted procedures and policies aimed at managing its foreign exchange risks, these may prove ineffective in hedging Eximbank's exposure to currency fluctuations, which could have an adverse effect on Eximbank's business, financial condition and results of operations.

Eximbank's hedging strategies may not prevent losses.

Eximbank may use hedging instruments in an attempt to manage interest rate, currency, credit and other market-related risks. If any of the variety of instruments and strategies Eximbank uses to hedge its exposure to these various types of risk is not effective, Eximbank may incur losses, impairing its ability to timely repay or refinance its debts. In addition, there can be no assurance that Eximbank will continue to be able to hedge risks related to current or future assets or liabilities in accordance with its current policies in an efficient manner or at all. Disruptions such as market crises and economic recessions may limit the availability and effectiveness of Eximbank's hedging instruments or strategies and could have an adverse effect on Eximbank's financial condition and its ability to fulfil its obligations.

Operational problems or errors could have a material adverse impact on Eximbank's business, financial condition and results of operations.

Eximbank is exposed to operational risks resulting from inadequacy or failure of internal processes, systems, human activities, or from external events. Eximbank is susceptible to, among other things, internal or external fraud, including unauthorised transactions and operational errors, clerical or record-keeping errors and errors resulting from faulty computer or telecommunications systems. There can be no assurance that operational problems or errors will not occur and that their occurrence will not result in a loss of income or decreased consumer confidence in Eximbank.

Furthermore, Eximbank depends upon the reliability and security of its information technology systems, and the reliability and security of these systems depend upon human operators and future investments that may be required by evolving technology. There can be no assurance that delays in increasing the capacity of Eximbank's IT systems will not have an adverse effect on Eximbank's business, financial condition or results of operations.

Eximbank's risk management strategies and internal controls may leave it exposed to unidentified or unanticipated risks.

Eximbank engages in risk management activities to systematically monitor and manage credit, currency, interest rate and liquidity risk. To manage these risks, Eximbank depends on its evaluation of market information, which may be inaccurate, incomplete, out-of-date or improperly evaluated, and as a result Eximbank's policies and procedures may not be fully effective in identifying, monitoring and managing these risks. If any of the variety of strategies Eximbank uses to manage its risks are ineffective, Eximbank

may incur losses. Unexpected market developments may in the future also affect a number of Eximbank's risk management strategies. A part of Eximbank's hedging strategies and other methods of managing risk are based upon observed historical market behaviour. As a result, these methods may not correctly predict future risk exposures, which could be significantly greater than historical results indicate. If the measures which Eximbank uses to identify, monitor and manage risks prove to be insufficient, it may experience unanticipated disruption of its operations and consequent losses which could have a material adverse effect on Eximbank's business, results of operations and financial condition.

Eximbank's business depends on Eximbank's ability to retain and attract qualified personnel.

The successful operation of Eximbank depends, among other things, on the continued employment of key personnel, as well as Eximbank's ability to continually attract and retain talented and skilled personnel with relevant banking sector experience. Eximbank faces significant competition for trained and professional personnel with relevant banking experience and may be unable to attract or retain such personnel in the future. A failure to recruit, train and/or retain necessary personnel could have an adverse effect on Eximbank's business, financial condition and results of operations.

Eximbank intends to increase its equity funding activity to support Hungarian exports which increases its exposure to those activities.

In line with its objective to support Hungarian export activity and increase employment opportunities, Eximbank provides equity financing to Hungarian exporting companies through investment in certain selected equity funds.

In the future, Eximbank expects to participate in further private equity funds to support Hungarian exporting entities by providing equity financing. While in relation to private equity fund participation Eximbank applies strict risk management rules and makes commitments on a case-by-case basis, investments into funds could increase Eximbank's capital requirements and there is generally no upper limit to the total amount of equity investments Eximbank may enter into. Due to the nature of equity capital financing, there can be no assurance that Eximbank will realize any return of its capital on these investments, which could have an adverse effect on Eximbank's financial condition and its ability to continue funding such export activity.

Eximbank's direct lending customers may have access to financing from a variety of sources, creating indirect competition for Eximbank which may limit its growth and profitability.

Depending on the lending environment and the risk appetite of private commercial banks in Hungary, these banks may choose to target Eximbank's direct lending customers with offers of export financing at competitive rates of interest. The Hungarian banking sector is highly competitive and dominated by a small number of banks. In addition, a significant portion of the Hungarian export sector consists of local subsidiaries of multinational corporations, which may have access to internationally-sourced funding from within their corporate groups on more favourable terms than Eximbank can provide. There can be no assurance that competitive pressures, including as a result of increased foreign interest in the banking sector in Hungary and increased access to sources of internal funding, will not result in net interest margin compression and downward pressure on Eximbank's revenues with respect to its direct lending, which could adversely affect Eximbank's business, financial condition and results of operations.

Risks relating to Hungary

Hungary's economy and economic growth might be affected by eventual adverse external factors.

As with most countries, Hungary's economy and macroeconomic goals might be susceptible to eventual adverse external factors, including the ongoing instability in the European banking system and weakness of the sovereign debt market of certain members of the European Monetary System. The occurrence of disruptive external political events, including sanctions, embargoes and asset freezes, civil unrest, actual or threatened acts of war, escalation of current hostilities, or any other military or trade disruptions, may adversely impact Hungary's economy by causing, among other things, supply chain disruptions and market volatility. If global economic growth stalls and Hungary's primary trading partners experience economic difficulties, it could result in lower export earnings by Hungary, which relies on the export market. The European Union, particularly Germany, is Hungary's largest export market. A decline in demand for imports from Hungary's major trading partners, such as the European Union, from whatever source, could

have a material adverse impact on Hungary's balance of trade and adversely affect Hungary's economic growth which could have an adverse effect on Eximbank's business, financial condition and results of operations.

The ongoing conflict between Russia and Ukraine could negatively impact Hungary.

On 21 February 2022, Russia recognised the independence of the self-proclaimed republics of Donetsk and Luhansk in the Donbas region of Ukraine and in the following days ordered Russian troops into these regions, commencing a military operation against Ukraine. In response to Russia's military operation in Ukraine, the governments of the United States, the United Kingdom, the European Union, Japan and other countries have announced the imposition of extensive sanctions on certain industry sectors in Russia and the regions of Donetsk and Luhansk and on certain individuals in Russia and abroad.

Hungary has economic relations with both Ukraine and Russia. Because of Hungary's close relationship with, and geographic proximity to, both countries, the current hostilities between Russia and Ukraine are likely to have an increasingly adverse effect on Hungary's political, economic and financial position, especially if Hungary were to be required to source its energy needs elsewhere, as further discussed below.

Hungary is highly dependent on Russian energy imports. The transition to alternative oil supply would require an estimated investment of several hundred million dollars and a 2- 4-year transition period for the Hungarian oil industry. As such, a possible failure, disruption, material increase in the costs of, or material decrease in energy imports from Russian energy would adversely affect the country.

Further, Hungary has contractual obligations with Russian counterparties that may be affected by current sanctions. Due to the broad economic sanctions imposed on Russian entities and persons, Hungary could experience increased credit risk and defaults on loans to counterparties in Russia. Although Hungary has established policies to ensure that these activities are conducted in compliance with applicable laws and regulations, including applicable sanctions, any actual or perceived failure to comply with applicable laws and regulations could result in regulatory actions against Hungary, such as secondary sanctions. In addition, Hungary's participation in transactions with sanctioned entities may lead some potential counterparties and investors to avoid doing business with Hungary or investing in its securities.

As a result of these factors, Hungary's budgetary and financial condition could be negatively impacted, which could have an adverse effect on Eximbank's business, financial condition and results of operations.

Actions taken by EU institutions such as the European Council, further tightening of the European Central Bank's monetary policy or other changes to EU funding could have a material adverse impact on Hungary's capital market and adversely affect Hungary's financial stability.

On 26 July 2024, the European Council launched excessive deficit procedures against seven member states, including Hungary. As a result, the European Council may be invited to adopt recommendations to be made by the European Commission to take effective action to correct such deficit within a given time period. Such recommendations may contain a corrective budgetary path, expressed in numerical terms, and a deadline and may in turn have a material adverse impact on Hungary's capital market and fiscal position.

The monetary policy of the European Central Bank has substantial indirect effect on the Hungarian capital market. A tighter ECB monetary policy stance could have a material adverse impact on Hungary's capital markets and the Government's borrowing costs, negatively impacting Hungary's fiscal position.

In 2022, the EC launched the conditionality mechanism which would condition a portion of the disbursement of various EU funds on Hungary's compliance with the rule of law. Any deterioration in the relationship between Hungary and the EC, or any material reduction in EU funds to be disbursed to Hungary going forward (e.g., further delays, deductions or reduction of foreseen payments), could have a material adverse impact on Hungary's budgetary and financial condition, which could have an adverse effect on the funding Eximbank receives from the Hungarian state and in turn could have an adverse effect on its business, financial condition and results of operations.

There can be no assurance that Hungary's credit rating will not change.

Long-term foreign currency and local currency debt of Hungary is currently rated BBB- by Standard & Poor's and Baa2 by Moody's. Hungary's foreign currency and local currency sovereign credit rating issued

by Fitch Ratings is currently BBB. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Rating agencies continue to assess rating levels, including to monitor the inflation and economic landscape generally. There can be no assurance that the rating or outlook of Hungary will not be placed on watch or be subject to change in the future. A downgrade in rating or a negative change in outlook could have a materially adverse impact on the cost of funding of Hungary and could have a further impact on the Hungarian economy including on the GDP and budget, which could have an adverse effect on Eximbank's business, financial condition and results of operations.

Risks relating to the Notes and the Funding Guarantee

The Funding Guarantee, although designated as irrevocable under Hungarian law, may in the future be changed or revoked.

Eximbank's obligations under the Notes have the benefit of a statutory surety in the form of an absolute and direct suretyship (*készfizető kezességvállalás*) from the Hungarian state relating to the Eximbank's funding activities (the "**Funding Guarantee**") in accordance with Articles 6:420 and 6:429 of the Civil Code of Hungary (the "**Civil Code**") and pursuant to Paragraph (1)(a) of Article 6 of Act XLII of 1994 on the Hungarian Export-Import Bank Private Limited Company and the Hungarian Export Credit Insurance Private Limited Company, as amended, (the "Eximbank Act").

Although under current Hungarian law the Funding Guarantee is irrevocable and any change of law which may negatively impact the Funding Guarantee extended over already issued notes would almost certainly be unlawful under current Hungarian law, there is no assurance that a future Hungarian Parliament (or the Hungarian Constitutional Court) will not seek to amend the law (or interpret the Fundamental Law of Hungary) in such a manner as to revoke the Funding Guarantee or decrease in coverage (thereby rendering it insufficient to cover the full amount of the Issuer's borrowings) with retrospective effect, resulting in amendment, restriction and/or full or partial withdrawal of the Funding Guarantee. No assurances can be given as to the impact of any changes to the Eximbank Act or other legislative provisions of Hungarian law which may affect the Funding Guarantee, or its enforcement, following the date of this Offering Circular. See also "*The support that Eximbank currently receives from the Hungarian state, including the Funding Guarantee, may be reduced or withdrawn.*"

The Funding Guarantee may be insufficient to cover the full amount of Eximbank's borrowings.

Article 7(3) of the Eximbank Act stipulates that Eximbank cannot incur guaranteed liabilities beyond the upper limit approved in the relevant central budget of Hungary for a given year. The Hungarian state Funding Guarantee (including in respect of the Notes) is subject to an upper limit set by the annual central budget of Hungary (which, as of the date of this Offering Circular, is HUF4,300 billion, including the aggregate volume of activities secured by the Funding Guarantee and the replacement costs of foreign exchange and interest rate swap transactions). The debts outstanding under credits, loans, deposits and bonds shall be calculated on the basis of the official foreign exchange rate that is published by NBH and which is effective on the date of the conclusion of the underlying agreement or the issuance of the relevant bonds.

A substantial majority of Eximbank's borrowings are denominated in foreign currencies, particularly the Euro. If the value of certain of Eximbank's borrowings exceeds the relevant limit set by the then applicable annual budget act approved each year by the Hungarian Parliament (as amended), at any time during the lifetime of such borrowings, the Funding Guarantee may not be effective.

Accessory nature of the Funding Guarantee.

According to Article 6:417 of the Civil Code, a suretyship (such as the Funding Guarantee) is an accessory security interest under Hungarian law, meaning that should the secured obligations (such as Eximbank's obligations under the Notes) be invalid or ineffective or not enforceable in any other way for any reason, the suretyship will not be enforceable either. In any event, enforcement of a suretyship is subject to the general limitation period (five years) commencing on the date on which the right to enforce is triggered.

The payment obligations of the Hungarian state under the Funding Guarantee only arise if there is a valid payment obligation of Eximbank and are subject to certain procedural steps. In accordance with Hungarian law, if Eximbank fails to perform any of its guaranteed liabilities which benefit from the Funding Guarantee,

creditors may seek to recover directly from the Hungarian state by filing a petition with the minister responsible for public finances (currently the Minister of Finance) without first seeking to recover from Eximbank. Within 30 calendar days of receipt of a valid petition, the minister responsible for public finances is required to arrange payment to the relevant creditor. Eximbank is under the obligation to notify the Hungarian state about the date of the contemplated enforcement of the Funding Guarantee at least within 15 days prior to that date, however, in enforcement cases not foreseeable by Eximbank, such notification is not required.

Jurisdiction of Hungarian courts in connection with the Notes.

Hungarian law does not limit a Noteholder's ability to take Proceedings in respect of the Notes in English courts and the recognition or enforcement of any judgment so rendered by an English court may only be limited in accordance with the Convention on Choice of Court Agreements done at The Hague on 30 June 2005 (the "**Hague Convention**") and Act XXVIII of 2017 on Private International Law (the "**Conflicts Law**"). However, given the asymmetric nature of the jurisdiction clause of the Notes, it is uncertain whether the Hague Convention will apply.

Based on the provisions of the Conflicts Law, subject to the limitations set out therein, judgments of an English court in a commercial matter can be recognised and enforced by the Hungarian courts, if the parties to the dispute have agreed to the jurisdiction of that court (the parties may agree on a choice of a non-Hungarian jurisdiction and of foreign law in commercial matters) and the agreement on jurisdiction satisfies the formality requirements of Hungarian law. Under Hungarian law, an agreement on jurisdiction can be made by the parties (i) in writing, (ii) verbally, if evidenced in writing, (iii) in a form which complies with the practices previously formed among the parties or (iv) in terms of international trade, also in a form which complies with commercial practice in such trade and of which the parties should have been aware. The agreed courts have exclusive jurisdiction, unless otherwise provided by the parties.

Under Hungarian law, a judgment of a court established in a country other than Hungary may be enforced by the Hungarian courts, if: (i) the jurisdiction of the foreign court is legitimate under the rules of jurisdiction of Hungarian law; (ii) the decision is final under the foreign law under which it was made; (iii) there is reciprocity between Hungary and the state of the foreign court; and that (a) such judgment does not contravene the basic principles of public policy in Hungary; (b) the losing party or its representative had proper or timely notice of the proceedings; (c) the proceedings in which the judgment was made did not seriously breach general principles of Hungarian procedural rules; (d) litigation between the same parties involving the same dispute was not commenced in Hungary prior to the initiation of the foreign litigation; and (e) Hungarian courts have not already determined the matter (*res judicata*). However, Hungarian courts may recognise and enforce judgments of a foreign court chosen by the parties in a commercial matter (*vagyonyjogi határozat*) even if there is no reciprocity between Hungary and the state of the foreign court, provided that the choice of forum by the parties is valid under Hungarian law. However, the wording of the relevant provisions leave the question open for interpretation as to whether the Hungarian courts may exercise some form of discretion when it comes to a decision on the recognition and enforceability of foreign judgments for payment of money in the absence of reciprocity (currently, there is no reciprocity between England and Hungary) if the relevant judgment is based on the choice of forum agreement of the respective parties.

Also, most of the foreign judgments that have been recognised and enforced in Hungary have been based on either the Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (the "**Brussels I Regulation**") or international treaties since the entry into force of the Conflict Law and, therefore, very limited interpretation and court cases are available regarding recognition and enforcing of foreign judgments where no international treaty/EU regulation is applicable and no reciprocity is available.

As a result, there is a risk that a judgment of the courts of England and Wales entered against the Issuer in relation to the Notes may not be enforceable or may take longer to enforce, and any such enforcement is largely untested in Hungary.

Furthermore, all of Eximbank's directors and executive officers are residents of Hungary and a substantial portion of the assets of Eximbank and such persons are located in Hungary. As a result, it may be difficult for Noteholders to effect service of process upon Eximbank or such persons outside Hungary, or to enforce judgments or arbitral awards obtained against such parties outside Hungary.

Jurisdiction of the Hungarian courts in connection with the Funding Guarantee.

The Hungarian state, based on Article 3:405 of the Civil Code, is a legal person and, based on Article 33 of Act CXXX of 2016 on civil procedure, is capable of suing and being sued.

Hungarian law (in particular, Conflicts Law) sets out certain limits on a Noteholder's ability to take proceedings in respect of the Funding Guarantee. As a general rule, in actions against the Hungarian state, Hungarian courts shall have exclusive jurisdiction subject to certain exceptions. Exemptions apply where, amongst others, (i) the subject-matter of the proceeding is a right or obligation of the Hungarian state arising out of a contract under civil law, (ii) the Hungarian state has expressly renounced its immunity, (iii) the proceeding has been initiated by the State itself, or in which it has intervened or entered an appearance, or (iv) of a counterclaim presented in a proceeding initiated by the State, if based on the legal relationship in dispute.

There is a risk that, if sued, Hungary may seek to claim the exclusive jurisdiction of the Hungarian courts in respect of any claims submitted against it in connection with the Funding Guarantee. Also, there is a risk that, a claimant will not be able to enforce a court judgment or arbitral award against certain assets of Hungary in certain jurisdictions (including the imposition of any arrest order or attachment or seizure of such assets and their subsequent sale) without Hungary having waived its sovereign immunity and having specifically consented to such enforcement at the time when the enforcement is sought. These may affect the enforcement of a foreign judgment against the Hungarian state in Hungary.

Ratings could affect the market price of the Notes.

As of date of this Offering Circular, the long-term foreign currency and local currency debt of Hungary was rated BBB- by S&P, with a stable outlook, and Baa2 by Moody's, with a stable outlook, and Hungary's foreign currency and local currency sovereign credit ratings issued by Fitch were BBB, with negative outlook. As of the date of this Offering Circular, Eximbank was rated BBB by Fitch with a negative outlook and BBB- by S&P with a stable outlook. In addition, one or more additional independent credit rating agencies may assign credit ratings to an issue of Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

Eximbank's credit ratings depend on many factors, some of which are outside of Eximbank's control. Factors that are significant in determining Eximbank's credit ratings or that otherwise could affect its ability to raise financing include its ownership structure, asset quality, liquidity profile, short- and long-term financial prospects, risk exposures, capital ratios, and prudential measures, as well as government support and Eximbank's public policy role. Deterioration in any of these factors or any combination of these factors may lead rating agencies to downgrade Eximbank's credit ratings.

In addition, the Notes are expected to be rated BBB- by S&P and BBB by Fitch. The ratings may not reflect the potential impact of all risks relating to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes in the European Economic Area (the "EEA"), unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances while the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by EEA -registered credit rating agency or the relevant third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (the "ESMA") on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the United Kingdom (the "UK") are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (a) endorsed by a UK registered credit rating agency; or (b) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the EU CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

Adverse changes of law may affect the Notes.

The Notes are governed by English law and the terms are specified with reference to that law as in effect as of the date of this Offering Circular. Similarly, the enforcement rights of the Noteholders against Eximbank and its assets in Hungary assume the application of Hungarian law as presently in effect. No assurance can be given as to the impact on these Notes of any possible judicial decision or change to English or Hungarian law or administrative practice after the date of this Offering Circular.

Exchange rate risks and exchange controls may adversely affect Eximbank's ability to make payments on the Notes.

Eximbank will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than Euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Euro (or the applicable currency) or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, any Noteholder whose Investor Currency is not the Euro may receive less interest or principal than expected, or no interest or principal.

The Notes constitute unsecured obligations of Eximbank and could be effectively junior to those of certain other creditors.

Eximbank's obligations under the Notes constitute unsecured and unsubordinated obligations of Eximbank. Accordingly, any claims against Eximbank under the Notes would be unsecured claims. Subject to statutory preferences, the Notes will rank equally with any of Eximbank's other unsecured and unsubordinated indebtedness. However, the Notes will be effectively subordinated to any of Eximbank's future secured indebtedness, to the extent of the value of the assets securing such indebtedness, and other preferential obligations under Hungarian law. The ability of Eximbank to pay such claims will depend upon, among other factors, its liquidity, overall financial strength and ability to generate asset flows, and the continued availability of the Hungarian state's surety guarantee.

Further notes may be issued without the consent of the Noteholders.

Eximbank may from time to time create and issue further notes without the consent of the Noteholders, subject to terms and conditions which are the same as those of the Notes, or the same except for the date and amount of the first new payment of interest. Such new notes may be consolidated and form a single series with the outstanding Notes even if doing so may adversely affect the value of the original Notes.

Investors who hold less than €100,000 in principal amount of the Notes may be unable to sell their Notes and may be adversely affected if definitive Notes are subsequently required to be issued

It is possible that Notes may be traded in amounts in excess of €100,000 that are not integral multiples of €100,000. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than €100,000 in the Noteholder's account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the €100,000 such that its holding amounts to at least €100,000. Further, a Noteholder who, as a result of trading such amounts, holds an amount which is less than €100,000 in the Noteholder's account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of €100,000 such that its holding amounts to at least €100,000.

If such Notes in definitive form are issued, Noteholders should be aware that definitive Notes which have a denomination that is not an integral multiple of €100,000 may be illiquid and difficult to trade.

As the Global Certificate is held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfers, payments and communications with the Issuer

The Notes will initially only be issued in global certificated form and held through the clearing systems. Interests in the Global Certificate will trade in book-entry form only, and notes in definitive registered form, or Individual Note Certificates, will be issued in exchange for book-entry interests only in limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The common safekeeper, or its nominee, for the clearing systems will be the sole registered holder of the Global Certificate representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Certificate representing the Notes will be made to the Fiscal Agent, who will make payments to the clearing systems. Thereafter, these payments will be credited to accounts of participants who hold book-entry interests in the Global Certificate representing the Notes and credited by such participants to indirect participants. After payment to the common depository for the clearing systems, none of the Issuer, the Joint Lead Managers or the Agents (as defined in the Conditions) will have any responsibility or liability for the payment of interest, principal or other amounts to the owners of the book-entry interests. Accordingly, persons that own a book-entry interest must rely on the procedures of the clearing systems, and persons that are not a participant in the clearing systems must rely on the procedures of the participant through which they hold such interest, to exercise any rights and obligations of a Noteholder under the Notes.

Unlike Noteholders themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from Noteholders. Instead, persons that own a book-entry interest will be permitted to act only to the extent they have received appropriate proxies to do so from the relevant clearing system. The procedures implemented for the granting of such proxies may not be sufficient to enable such persons to vote on a timely basis.

Similarly, upon the occurrence of an Event of Default (as defined in the Conditions), unless and until Individual Note Certificates are issued in respect of all book-entry interests, persons that own a book-entry interest will be restricted to acting through Euroclear and Clearstream, Luxembourg. The procedures to be implemented through Euroclear and Clearstream, Luxembourg may not be adequate to ensure the timely exercise of rights under the Notes.

There may not be an active trading market for the Notes.

The Notes will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular tranche, such tranche is to be consolidated with and form a single series with a tranche of Notes which is already issued and for which there is such a market). If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of Eximbank and/or Hungary. Although application has been made for the Notes to be admitted to listing and to trading on the Regulated Market of the London Stock Exchange, there can be no assurance that such application will be approved or that an active trading market will develop. Accordingly, Eximbank can give no assurance as to the development or liquidity of any trading market for any particular tranche of Notes.

The market price of the Notes may be volatile.

The market price of the Notes could be subject to significant fluctuations in response to Eximbank's actual or anticipated operating results, adverse business developments, changes to the regulatory environment in which Eximbank operates, changes in ratings or in financial estimates by securities analysts and the actual or expected sale of a large number of Notes, as well as other factors, including the trading market for Hungarian sovereign debt and market interest rates. In addition, in recent years the global financial markets have experienced significant price and volume fluctuations which, if repeated in the future, could adversely affect the market price of the Notes irrespective of factors specific to Eximbank or the Notes.

The Notes may be subject to optional redemption by Eximbank.

An optional redemption feature of the Notes is likely to limit their market value. During any period when Eximbank may elect to redeem the Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

Eximbank may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Modification, waivers and substitutions of the Notes approved by certain Noteholders may adversely affect other dissenting Noteholders.

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. As a result, decisions might be taken by the Noteholders as a whole that are contrary to the interests of any particular Noteholder.

Certain payments on Notes may be subject to U.S. withholding tax under FATCA.

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Hungary) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to Notes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register, as such Notes generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Investors should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, neither the Issuer nor any other person will be required to pay additional amounts as a result of the withholding.

Eximbank was established by the Eximbank Act and is an entity regulated under Hungarian law. Hungary applies the Agreement between the Government of the United States of America and the Government of Hungary to Improve International Tax Compliance and to implement FATCA (the "**U.S.-Hungary IGA**"). According to the U.S.-Hungary IGA, Eximbank, as a "Hungarian Governmental Entity," qualifies as exempt beneficial owner and therefore is exempt from the reporting and other obligation required by FATCA.

USE OF PROCEEDS

The net proceeds from the sale of the Notes will be approximately €493,750,000 after deduction of certain expenses (including, but not limited to, fees and commissions payable to the Sole Bookrunner). We intend to apply the net proceeds from the sale of the Notes for general corporate purposes.

DESCRIPTION OF EXIMBANK

Purpose and Authority

Eximbank is a specialised credit institution wholly owned by the Hungarian state. It is a legal successor of Export Guarantee Insurance Private Limited Company (company registration number: 01-10-041726) and was established by way of a de-merger, based on the de-merger agreement dated 26 May 1994. It began non-licensed operations on 26 May 1994 in line with the regulations set in Act XLII of 1994 on the Hungarian Export-Import Bank and the Hungarian Export Credit Insurance Company and started its licensed activities on 10 August 1994 on the basis of resolution 63/1994 issued by the State Bank Supervisory Authority, in order to facilitate the sale of Hungarian goods and services in foreign markets.

As Eximbank is a specialised credit institution wholly owned by the Hungarian state and maintained, primarily for the purpose of financing the export of Hungarian goods and services, the primary aim of its operations is not to achieve the highest possible profit, but to make sustainable, efficient and effective use of the resources in support of its mandate. The Hungarian Government (the “**Government**”) is responsible for ensuring the long-term and stable operation of Eximbank in accordance with Eximbank's legislative charter. Eximbank's operations are conducted in accordance with the relevant provisions of the World Trade Organization (“**WTO**”) Agreement on Subsidies and Countervailing Measures requiring long-term financial sustainability. In addition, Eximbank also benefits from various forms of support from the Hungarian state, including the Funding Guarantee (as defined under “*Risks relating to the Notes and the Funding Guarantee*”), the statutory back-to-back suretyship relating to certain of Eximbank's guarantees, interest equalisation and support payments covering the majority of loans which Eximbank provides, credit insurance with respect to a portion of Eximbank's loan portfolio and funding and liquidity support.

Under the Eximbank Act, Eximbank is charged, in particular, with the public task of financing the export of Hungarian goods and services, as well as financing export-related working capital and investments in Hungary, thereby enabling companies operating in Hungary – primarily small or medium-sized enterprises but also large corporations and private equity funds – to improve their international competitiveness, maximise their export opportunities, while assisting in the maintenance and creation of jobs in Hungary. In support of its mandate, Eximbank may lend directly to the exporters of Hungarian products and services, to their suppliers or their foreign purchasers, or, as is more prevalent, indirectly through refinancing facilities to domestic commercial banks and leasing companies (and, to a lesser extent, foreign commercial banks) providing financing in order to support Hungarian export.

Eximbank continues to play an important role in countercyclical measures initiated by the Hungarian state providing (among other measures) soft loans based on EU State Aid rules to Hungarian exporters and suppliers.

As an export credit agency in the traditional sense, Eximbank provides products and services which represent either alternative or supplementary financial tools, the purpose of which is to fill gaps in trade finance created by the lack of capacity or willingness on the part of commercial banks to provide loans at rates that are attractive to Hungarian exporters, and to provide Hungarian exporters with a more level playing field in terms of access to financing compared to exporters from other countries. The majority of Eximbank's direct customers tend to export to geographic markets where financing provided by Eximbank has the potential to deliver significant competitive advantages to exporters. Eximbank provides the majority of its cross-border financing according to the OECD Arrangement in the form of medium- to long-term credit at favourable fixed interest rates (buyer's credit). Buyer's credit is one of the classic export financing products where the recipient of the credit (loan) is the Hungarian exporter's foreign buyer (customer). The amount of the credit is disbursed to the Hungarian exporter when the buyer certifies the (partial) fulfilment of the export contract, depending on the agreement. These rates are based on the Commercial Interest Reference Rate (CIRR), which is the OECD minimum interest rate for officially-supported financing of exports. In addition, Eximbank fulfils the role of lender in tied-aid agreements concluded between the Hungarian state and governments of tied-aid eligible countries.

The functions of the export credit agency in Hungary are divided between Eximbank and the Hungarian Export Credit Insurance Private Limited Company (“**MEHIB**”). While Eximbank is engaged in the provision of export and export-related financing and export-related guarantees, MEHIB provides export credit insurance to exporters or their banks, including Eximbank in case of export credits.

In case of domestic financing Eximbank is not permitted to compete with commercial banks under its statutory mandate, and rather provides lending to customers where commercial banks are unable or unwilling to lend to the clients, that is, where a market gap can be identified. In this context Eximbank has been playing an important role in counter-cyclical measures initiated by the Hungarian state providing soft loans based on EU State Aid rules to Hungarian exporters and suppliers throughout its existence.

Eximbank's statutory mandate also allows it to provide equity funding especially in support of development goals for Hungarian exports and job creation. In addition, Eximbank may establish international cooperation funds with international agencies (such as the International Finance Corporation (IFC)) with development goals on behalf of the Hungarian state.

Strategy

In support of its mandate to finance the export of Hungarian goods and services, Eximbank's historical strategy has been to focus on those market segments or export destinations which, in the view of the Hungarian state, are in need of official support or are under-penetrated by Hungarian exports. Going forward, Eximbank expects to expand this strategy to encompass a wider range of borrowers and export-related transactions as it seeks to grow its loan portfolio. As a result of these recent developments, Eximbank significantly grew its loan portfolio during 2023, and intends to further grow in 2024, in line with its risk management criteria, taking into consideration the funding limitation of, as of the date of this Offering Circular, up to HUF4,300 billion in aggregate volume under the Funding Guarantee, and the replacement costs of foreign exchange and interests rate swap transactions (see: "*Relationship with the Hungarian State*"). Eximbank has recently expanded its portfolio to include crisis management loans designed to provide support for Hungarian companies facing economic difficulty by providing loans at reduced interest rates with state-guaranteed interest support including the Reindustrialisation Programme, the Compensation Loan and Suretyship Programme and the Baross Gábor Loan Programme. In line with its objective to support Hungarian export activity and increase job creation, Eximbank indirectly provides, and intends to continue to provide, equity financing to Hungarian exporting companies through investment in certain selected equity funds.

Business Overview and Strategy

Eximbank provides the following six main types of loans, primarily related to export financing:

Cross-border financing: (1) Buyer's credit facilities; (2) Tied aid loans to the least developed countries; and (3) Discounting facilities for export receivables;

Domestic loans: (4) Export prefinancing working capital and investment loans for domestic exporters; (5) Investment and working capital loans to improve international competitiveness; and (6) in order to support the anticyclical activities of the government crisis management loans for liquidity and investment financing needs of domestic enterprises. Domestic loans are offered by Eximbank both in direct financing and through refinancing schemes, involving Hungarian commercial banks and leasing companies as financial intermediaries.

In support of its mandate to finance the export of Hungarian goods and services, Eximbank has historically focused on those market segments or export destinations which, in the view of the Hungarian state, are in need of official support or are under-penetrated by Hungarian exports. Eximbank has gradually expanded this strategy since approximately 2012 to encompass a wider range of borrowers and export-related transactions as it seeks to grow its loan portfolio going forward.

In addition to direct export financing, Eximbank has developed an export prefinancing product range to strengthen international value chains and another loan scheme to improve the international competitiveness of domestic enterprises, the latter offered to "future exporters."

Relationship with the Hungarian State

As Eximbank is a specialised credit institution wholly owned by the Hungarian state and maintained – among others – for the purpose of financing the export of Hungarian goods and services, the primary aim of its operations is not to achieve the highest possible profit, but to make sustainable, efficient and effective use of its resources in support of its mandate. The Government is responsible for ensuring the long-term and stable operation of Eximbank in accordance with the Eximbank Act. In addition, Eximbank also benefits from various forms of support from the Hungarian state, as described below.

The Hungarian state is liable, as absolute direct surety, for the fulfilment of Eximbank's payment obligations arising from its borrowings as specified by the Eximbank Act, including (but not limited to) capital markets debt instruments issued by Eximbank such as the Notes, certain loans to Eximbank from Hungarian or foreign credit institutions with the aim of raising finance and Eximbank's payment obligations arising from the replacement cost risk of foreign exchange and interest rate swap transactions, up to an aggregate limit specified in section 7(1)(a) of the Eximbank Act and set out in the annual central budget of Hungary. For 2024, according to Act LV of 2023 on the Annual Budget of Hungary for Year 2024 ("**2024 Budget Act**"), the total approved amount in connection with the above borrowings of the Issuer and the replacement costs of foreign exchange and interest rate swap transactions was HUF3,500 billion. However, Government Decree no. 489/2023 (XI.2.) increased this upper limit to HUF4,300 billion for the duration of the state of danger declared by the Hungarian Government (as at the date of this Offering Circular, until 18 May 2025). As of 31 December 2023, Eximbank 71.53% of the upper limit of Funding Guarantee was drawn.

The Hungarian state also provides a back-to-back statutory guarantee in respect of certain export-credit guarantees that conform to the Organisation for Economic Co-operation and Development ("**OECD**") Arrangement on Officially Supported Export Credits (the "**OECD Arrangement**") implemented into EU Law by regulation (EU) No 1233/2011 of the European parliament and of the Council of 16 November 2011 on the application of certain guidelines in the field of officially supported export credits and repealing Council Decisions 2001/76/EC and 2001/77/EC (issued primarily to banks) and certain other export-related guarantees (issued primarily to corporate customers). According to the 2024 Budget Act, the upper limit of the back-to-back statutory guarantee approved for 2024 increased to HUF200 billion.

The Hungarian state is also liable, as absolute surety, for the payment obligations arising from credits and loans provided by Eximbank based on individual government decisions according to section 6(1)(d) of the Eximbank Act. The limit of these credits and loans is HUF600 billion under section 7(1)(f) of the Eximbank Act and section 53 (4) of the 2024 Budget Act. However, such a limit was increased to HUF1,800 billion under Government Decree no. 489/2023 (XI.2.) applicable until 18 May 2025.

Where Eximbank provides loans according to the OECD Arrangement as well as based on the EU Communication 2008/C 14/12 at favourable fixed interest rates, the Hungarian state provides Eximbank with periodic interest equalisation payments so that Eximbank is compensated for interest rate fluctuations up to the level of associated costs incurred, thereby covering fluctuations in interest rates. The amount of interest compensation provided by the Hungarian state is determined by the difference between the interest rate paid by the borrower and the sum of Eximbank's funding costs, operating expenses, and the applicable risk premium, in accordance with the provisions of the agreement concluded with the Ministry of Finance. Under the 2024 Budget Act, interest equalisation payments are budgeted at HUF110 billion. However, the actual amounts paid by the Hungarian state could be higher than the budgeted amount as in this budget item, additional amounts may be added with the approval of the Hungarian state if interest equalisation requirements exceed the budget amount in a given year. The Hungarian state will also provide interest equalisation payments to Eximbank for loans with a maturity of less than two years, based on the EU Communication 2008/C 14/02 for setting the reference and discount rates. In addition, Eximbank receives interest support payments from the Hungarian state with respect to tied aid loans provided by Eximbank, under a separate budget appropriation. Loans containing state aid provided by Eximbank in accordance with the relevant State aid rules of the European Union are also eligible for interest rate equalisation. As of 31 December 2023, interest equalisation payments and claims totalled 99% of the modified budgeted amount under the 2023 Budget Act and the related government approval, and interest equalisation payments and claims in 2022 totalled 98% of the budgeted amount under the 2022 Budget Act with government approval. Including tied aid loans, as of 31 December 2023 and 31 December 2022 Eximbank had received some form of interest compensation representing a significant majority of its total loans and advances (by nominal amount). Incurred and expected credit losses are covered by the interest equalisation system, wherein the long-run loss absorption capacity of Eximbank is countervailed by state measures.

A minority of other loans provided by Eximbank (i.e., loans that are not covered by the interest equalisation and interest support programmes) are based on variable rates and are priced by reference to CME Term SOFR/EURIBOR/BUBOR according to Eximbank's average costs.

Interest equalisation and support are intended to promote stability and sustainability for Eximbank, and contribute to interest risk management. However, the level of interest equalisation and support provided by the Hungarian state is also intended to hold Eximbank's profit at or near zero for loans covered by these offerings, reflecting Eximbank's special role as an economic policy tool rather than as a traditional profit-oriented bank.

With respect to its buyer's credit and discounting portfolios, Eximbank also benefits from export credit insurance policies issued by Hungarian Export Credit Insurance Private Limited Company ("**MEHIB**"), Eximbank's sister agency, which was also established under the Eximbank Act, is also owned by the Hungarian state and currently shares the same management team as Eximbank. Under the 2024 Budget Act, MEHIB may underwrite insurance policies up to a limit of HUF1,200 billion with a direct state suretyship.

The Hungarian state is the direct owner of 100% of Eximbank and has provided regular capital contributions to Eximbank in recent years, including once in 2024 (year-to-date), once in 2023, twice in the second half of 2022, twice in the second half of 2021, and once in the second half of 2020.

The Hungarian state does not charge any fee in respect of the Funding Guarantee.

In accordance with Hungarian law, if Eximbank fails to perform any of its payment obligations which are guaranteed by the Hungarian state, creditors who have served Eximbank with an acceleration notice and not received payment within the grace period specified in that notice, or who are in possession of documents evidencing that the deadline for payment of instalments, interest or other amounts under the Notes passed without payment, may seek to recover directly from the Hungarian state by filing a petition with the minister responsible for public finances without first exhausting legal remedies against Eximbank. Within 30 calendar days of receipt of a valid petition and the documents required under the Government Decree no. 110/2006 (V.5.), the minister responsible for public finances is required to arrange payment to the relevant creditor if the underlying transaction is in line with the relevant regulations set out in the Eximbank Act. For further description, see "*Description of the Funding Guarantee*" below.

Statutory suretyship relating to Eximbank's Guarantees

Under the Eximbank Act, the Hungarian state also provides a back-to-back statutory guarantee in respect of certain guarantees issued by Eximbank. Eximbank's guarantee portfolio consists mainly of (i) export-credit guarantees, issued primarily to banks and (ii) primarily export-related guarantees (including tender guarantees, advance repayment guarantees, performance guarantees and warranty guarantees), issued primarily to corporate customers.

Regulatory and Legislative Supervision

Eximbank was established (together with MEHIB) in line with the Eximbank Act and began its non-licensed operations on 26 May 1994 and its licensed operations on 10 August 1994 on the basis of resolution 63/1994 issued by the State Bank Supervisory Authority.

Eximbank is regulated by the Eximbank Act and a number of government and ministerial decrees and provisions that are specific to Eximbank. In addition, Eximbank is governed by the Banking Act and Investment Services Act ("**ISA**") which applies to all credit institutions operating in Hungary and their investments activities. However, the prevailing Eximbank Act deviates in many respects from the Banking Act and ISA. To the extent there is any contradiction between the Eximbank Act, the Banking Act, and the ISA, the Eximbank Act would prevail. Eximbank is a company of major economic importance under the Act CXCVI of 2011 on national assets, which lead to differences in its supervision compared to other banks, as described below.

Eximbank, as a specialised credit institution, is supervised by the NBH which is responsible, among others, for the prudential supervision, monitoring and regulation of the Hungarian financial intermediation system pursuant to Act CXXXIX of 2013 on the Central Bank. The NBH is institutionally designed to be independent from political interference, and accordingly, it may not be instructed by the Hungarian Government, the European Central Bank or, with certain exceptions, by the institutions, bodies or offices of the EU. Eximbank currently operates on the basis of operating license 188/1998/F, issued on 9 February 1998 by the Hungarian Money and Capital Markets Supervisory Authority, the legal predecessor to the NBH. Pursuant to the Banking Act and to EU Regulation No 575/2013, Eximbank applies the standard approach under Basel III, subject to certain exemptions from provisions of Basel III which do not apply given Eximbank's business (including liquidity adequacy and leverage ratio regulations), in calculating credit risk and its capital requirement, which are revised annually by the NBH.

The State Audit Office of Hungary (the "**SAO**"), which is the supreme financial and economic supervisory body of Hungary and reports to the Hungarian Parliament, has general authority to monitor the management of public funds and state-owned assets according to Act LXVI of 2011 on the State Audit Office (the "**SAO**")

Act"). The SAO is expressly entitled to monitor the asset management of state-owned companies including Eximbank. With its findings, recommendations and advice, the SAO assists the Hungarian Parliament, its committees and the monitored entities to facilitate well-governed state operations. The reports of the SAO are publicly available, as provided by article 32 of the SAO Act. Eximbank is obliged to comply with reports and recommendations of the SAO through the preparation and execution of an action plan reflecting such recommendations. As set forth in the SAO Act, in the absence of compliance, the SAO has discretion to apply sanctions against Eximbank. Eximbank has never been the subject to such sanctions restrictions.

The Government Control Office (the "**GCO**") monitors the use of public resources, the management of state-owned assets and the performance of public tasks pursuant to its annual monitoring plan. According to the Government Decree No. 355/2011 (XII. 30) on the GCO, it also monitors the implementation of certain decisions of the Hungarian Government, and files its report annually with the Hungarian Government. Pursuant to applicable law, Eximbank could be chosen by the GCO to be among the entities monitored. At the end of any monitoring procedure, the GCO prepares a report including its assessment and suggestions with a view to improving efficiency. On the basis of such report, an action plan is required to be prepared and complied with by the monitored entity. Each monitored entity is required to prepare a report annually setting forth the elements of the action plan which have been completed and indicating any items with which such entity has failed to comply with (and the reasons for such failure).

Litigation and Proceedings

To the best of Eximbank's knowledge, neither Eximbank nor its majority-owned subsidiary is or have been engaged in any governmental, legal, arbitration, administrative or other proceedings, the results of which may have or have had in the 12 months preceding this Offering Circular a significant effect on the financial position or profitability of Eximbank and/or its majority-owned subsidiary taken as a whole, and Eximbank is not aware of any such proceedings being threatened or pending.

While maintaining the above, Eximbank notes that it is party to an ongoing lawsuit where the plaintiff is seeking liquidated damages (penalty for non-performance) and damages against Eximbank. The sum in dispute is approximately HUF3 billion (plus legal fees), which is partially already accounted for by reserves as of 31 December 2023. This case is heard by the Budapest Metropolitan Regional Court as the court of first instance. Eximbank believes that even if the final outcome is adverse to Eximbank, it would not have a material adverse effect on Eximbank's financial condition or operations.

TERMS AND CONDITIONS OF THE NOTES

The following (except for the paragraphs in italics) is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The €500,000,000 4.500 per cent. Notes due 2031 (the "**Notes**", which expression includes any further notes issued pursuant to Condition 13 (*Further issues*) and forming a single series therewith) of Magyar Export-Import Bank Zártkörűen Működő Részvénytársaság (in English: Hungarian Export-Import Bank Private Limited Company) (the "**Issuer**") are constituted by a deed of covenant dated 27 November 2024 (as amended or supplemented from time to time, the "**Deed of Covenant**") entered into by the Issuer and are the subject of a fiscal agency agreement dated 27 November 2024 (as amended or supplemented from time to time, the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon SA/NV, Dublin Branch (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, London Branch as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), the transfer agents named therein (the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes). References herein to the "**Agents**" are to the Registrar, the Fiscal Agent, the Transfer Agents and the Paying Agents and any reference to an "**Agent**" is to any one of them. Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and subject to their detailed provisions. The Noteholders (as defined below) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices (as defined in the Agency Agreement) of each of the Agents and will be provided by email to any Noteholder (as defined below) upon their written request and provision of proof of holding and identity (in a form satisfactory to the relevant Agent), the initial Specified Offices of which are set out below.

1. FORM, DENOMINATION AND STATUS

- (a) *Form and denomination:* The Notes are in registered form in the denominations of €100,000 and integral multiples of €1,000 in excess thereof (each, an "**Authorised Denomination**").
- (b) *Status of the Notes:* The Notes are the direct, unconditional, unsubordinated and (subject to the provisions of Condition 3 (*Negative Pledge*), unsecured obligations of the Issuer and rank *pari passu* and without preference among themselves and (except for certain debts required to be preferred by law) equally with all other present and future unsecured and unsubordinated obligations of the Issuer from time to time outstanding.

2. REGISTER, TITLE AND TRANSFERS

- (a) *Register:* The Registrar will maintain a register (the "**Register**") in respect of the Notes in accordance with the provisions of the Agency Agreement. In these Conditions, the "**Holder**" of a Note means the person in whose name such Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" and "**holder**" shall be construed accordingly. A certificate (each, a "**Note Certificate**") will be issued to each Noteholder in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.
- (b) *Title:* The Holder of each Note shall (except as otherwise required by law) be treated as the absolute owner of such Note for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft of such Note Certificate) and no person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.
- (c) *Transfers:* Subject to paragraphs (f) (*Closed periods*) and (g) (*Regulations concerning transfers and registration*) below, a Note may be transferred upon surrender of the relevant Note Certificate,

with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however*, that a Note may not be transferred unless the principal amount of Notes transferred and (where not all of the Notes held by a Holder are being transferred) the principal amount of the balance of Notes not transferred are Authorised Denominations. Where not all the Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Notes will be issued to the transferor.

- (d) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (c) (*Transfers*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (e) *No charge:* The transfer of a Note will be effected without charge by or on behalf of the Issuer, the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (f) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Notes or after all Notes have been called for redemption.
- (g) *Regulations concerning transfers and registration:* All transfers of Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

3. **NEGATIVE PLEDGE**

So long as any Note remains outstanding (for the purposes of these Conditions, "outstanding" shall have the meaning ascribed to such term in the Agency Agreement), the Issuer shall not create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues to secure any Relevant Indebtedness or any guarantee of Relevant Indebtedness without (a) at the same time or prior thereto securing the Notes equally and rateably therewith or (b) providing any such Security Interest for the Notes as may be approved by the Noteholders in accordance with the provisions of the Agency Agreement.

In these Conditions:

"**Relevant Indebtedness**" means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is capable of being, listed, quoted or traded on any stock exchange or in any securities market; and

"**Security Interest**" means any lien, pledge, hypothecation, mortgage, security interest, charge or any other encumbrance, agreement or arrangement which has a similar legal and economic effect including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

4. **INTEREST**

The Notes bear interest from and including 27 November 2024 (the "**Issue Date**") at the rate of 4.500 per cent. per annum (the "**Rate of Interest**"). Interest on the Notes is payable annually in arrear on 27 November in each year (each, an "**Interest Payment Date**") from and including 27 November 2025 (the "**First Interest Payment Date**") to and including the Maturity Date.

Each Note will cease to bear interest from the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which case it will continue to bear interest at such rate (both before and after judgment) until whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

The amount of interest payable shall be €45.00 per Calculation Amount in respect of each Note on each subsequent Interest Payment Date. If interest is required to be paid in respect of a Note on any other date, it shall be calculated by applying the Rate of Interest to the Calculation Amount and on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date (the "**Day Count Fraction**"). The resultant figure shall be rounded to the nearest cent, half a cent being rounded upwards. The interest payable in respect of a Note shall be the product of such rounded figure and the amount by which the Calculation Amount is multiplied to reach the denomination of the relevant Note, without any further rounding.

The calculation of any interest amount in respect of any Note which is represented by a Global Certificate will be calculated on the aggregate outstanding nominal amount of the Notes represented by such Global Certificate and not by reference to the Calculation Amount.

In these Conditions:

"**Calculation Amount**" means €1,000.

5. **REDEMPTION AND PURCHASE**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their principal amount on 27 November 2031 (the "**Maturity Date**"), subject as provided in Condition 6 (*Payments*).
- (b) *Redemption for Taxation Reasons*: The Issuer may, at its option, having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due, if:
 - (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Hungary or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 25 November 2024; and
 - (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

Upon the expiry of any such notice referred to above, the Issuer shall be bound to redeem the Notes in accordance with this Condition 5(b).

For the avoidance of doubt, nothing in this Condition 5(b) shall allow the Issuer to redeem the Notes as a result of any withholding or deduction it may be required to make in respect on any payment of interest on the Notes arising as a result of Act CXVII of 1995 on the Personal Income Tax relating to the withholding tax on interest payments to private individuals as may be amended or implemented by subsequent legislation.

- (c) *Maturity par call option:* The Issuer may at its option, at any time on or after the date falling 30 days prior to the Maturity Date having given not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 14 (*Notices*), the Noteholders (which notice shall be irrevocable and shall specify the date fixed for prepayment (the "**Par Optional Prepayment Date**")), redeem all the Notes, but not some only, at their principal amount together with interest accrued to but excluding the Par Optional Prepayment Date.
- (d) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraph (a) (*Scheduled redemption*), (b) (*Redemption for Taxation Reasons*) and (c) (*Maturity par call option*) above.
- (e) *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price.
- (f) *Cancellation:* All Notes so redeemed or purchased by the Issuer shall be cancelled and may not be reissued or resold.

6. PAYMENTS

- (a) *Principal:* Payments of principal shall be made by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to the real time gross settlement system operated by the Eurosystems, or any successor system ("T2") and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by transfer to a Euro account (or other account to which Euro may be credited or transferred) maintained by the payee with, a bank in a city in which banks have access to T2 and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 7 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to a Euro account (or other account to which Euro may be credited or transferred), payment instructions (for value the due date, or, if the due date is not a business day, for value the next succeeding business day and no interest shall accrue for such intervening period) will be initiated. A Holder of a Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a business day or (B) if the Noteholder is late in surrendering its Note Certificate (if required to do so). In this paragraph "**business day**" means:
 - (i) in the case of payment by transfer to a Euro account (or other account to which Euro may be credited or transferred) as referred to above, any day which is a day on which T2 is open; and
 - (ii) in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, any day on which banks are open for general business (including dealings in foreign currencies) in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed).
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

7. TAXATION

All payments of principal and interest in respect of the Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Hungary or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note:

- (a) held by a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with Hungary other than the mere holding of, or receipt of payment on, the Note; or
- (b) where (in the case of a payment of principal or interest on redemption) the relevant Note Certificate is surrendered for payment more than 30 days after the Relevant Date except to the extent that the relevant Holder would have been entitled to such additional amounts if it had surrendered the relevant Note Certificate on the last day of such period of 30 days.

In these Conditions, "**Relevant Date**" means whichever is the later of (1) the date on which the payment in question first becomes due and (2) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders.

Notwithstanding anything in this Condition 7 (*Taxation*) or any other Condition to the contrary, the Issuer shall be permitted to withhold and deduct for or on account of any taxes, duties, assessments or governmental charges imposed pursuant to Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder, pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service, on any amount payable in respect of the Notes and shall not be required to pay any additional amounts in respect of any such taxes, duties, assessments or governmental charges.

Any reference in these Conditions to principal or interest shall be deemed to include any additional amounts in respect of principal or interest (as the case may be) which may be payable under this Condition 7 (*Taxation*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than Hungary, references in these Conditions to Hungary shall be construed as references to Hungary and/or such other jurisdiction.

8. EVENTS OF DEFAULT

8.1 If any of the following events occurs and is continuing:

- (a) the Issuer fails to pay any amount of principal in respect of the Notes on the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within 15 days of the due date for payment thereof; or
- (b) the Issuer defaults in the performance or observance of any of its obligations under or in respect of the Notes or the Agency Agreement other than as described in (a) above and such default remains unremedied for 30 days after written notice thereof, addressed to the Issuer by any Noteholder, has been delivered to the Issuer or to the Specified Office of the Fiscal Agent;
- (c) any action, condition or thing at any time required to be taken, fulfilled or done in order (i) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable and (iii) subject to their official translation into the Hungarian language,

to make the Notes admissible in evidence in the courts of Hungary is not taken, fulfilled or done within 30 days of receipt by the Issuer of written notice thereof;

- (d) (i) the Issuer becomes insolvent or is unable to pay its debts as they fall due, or (ii) an administrator or liquidator of the Issuer is appointed, or (iii) the Issuer, as a result of financial difficulties, takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness for Borrowed Money or any guarantee of any Indebtedness for Borrowed Money given by it, or (iv) the Issuer ceases to carry on all or a substantial part of its business that it carries on at the date hereof;
- (e) one or more non-appealable final judgement(s) or order(s) for the payment of an amount in excess of EUR 25,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer in Hungary and continues unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment;
- (f) an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer;
- (g) any event occurs which under the laws of Hungary has an analogous effect to any of the events referred to in paragraphs (d) to (f) above;
- (h) there shall occur any default by Hungary in the due and punctual payment of the principal of or premium or prepayment charge, if any, or in respect of, interest on, any other External Indebtedness when and as the same shall become due and payable, and such default shall continue for more than the original period of grace, if any, applicable thereto unless such payment is being contested in good faith by Hungary and reserves at least equal to the amount of the contested payment are being maintained by it, (the term "**original period of grace**" as used herein meaning that grace period fixed by the terms of the agreement or instrument under which such indebtedness was created, but specifically not including any extension in the time permitted for such payment or any waiver or delay in requirement for such payment) provided that the aggregate principal amount of the relevant External Indebtedness in respect of which any one or more of the events mentioned in this paragraph has occurred is at least equal to EUR 50,000,000 (or its equivalent in any other currency);
- (i) any Indebtedness for Borrowed Money of the Issuer becomes due and payable prior to its stated maturity otherwise than at the option of the Issuer (as a result of any default, howsoever described, of the Issuer);
- (j) the Issuer fails to pay when due any amount payable by it under any guarantee of any Indebtedness for Borrowed Money or (as the case may be) within any originally applicable grace period;
- (k) any Security Interest securing Indebtedness for Borrowed Money over any asset of the Issuer becomes enforceable by reason of default (howsoever described),

provided that there shall only be an Event of Default under paragraphs (i) to (k) above if the amount of Indebtedness for Borrowed Money which is not so paid and/or in respect of which such event has occurred and/or which becomes prematurely due and payable or is placed on demand and/or in respect of which a Security Interest becomes enforceable, equals or exceeds EUR 25,000,000 in aggregate (or equivalent in other currencies);

- (l) it is or will become unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes, and/or the Agency Agreement and such unlawfulness is not remedied within 30 days thereof;
- (m) the Funding Guarantee ceases to exist or otherwise ceases to secure all of the Issuer's obligations under the Notes for whatever reason;
- (n) Hungary ceases to own, directly or indirectly, 100 per cent. of the authorised and issued share capital of the Issuer; or

- (o) Hungary shall cease to be a member in good standing of the IMF or shall be generally unable to pay its debts as they fall due or shall enter into any agreement or composition with or for the benefit of its creditors or shall declare or impose a moratorium on the payment of and Indebtedness for Borrowed Money of or assumed or guaranteed by it,

then all of the Notes (but not some only) may by written notice addressed and delivered by the holders of at least 25 per cent. of the aggregate principal amount of the outstanding Notes to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon, unless prior to such date the Issuer shall have cured or otherwise rectified the relevant event, all of the Notes shall become immediately due and payable at their principal amount together with accrued interest to the date of repayment. The Issuer shall give prompt notice of any such declaration to all Noteholders.

8.2 **Rescission of the Declaration of Acceleration**

If the Fiscal Agent receives notice in writing from holders of at least 50 per cent. in aggregate principal amount of the outstanding Notes and/or a resolution is passed at a meeting of Noteholders duly convened and held in accordance with the Agency Agreement to the effect that the Event(s) of Default giving rise to a declaration of acceleration made pursuant to Condition 8.1 above is or are cured or is or are waived by them following any such declaration and that such holders request the Fiscal Agent to rescind the relevant declaration, the Fiscal Agent shall notify the Issuer who shall, by notice in writing to the Noteholders, rescind the relevant declaration whereupon it shall be rescinded and shall have no further effect. No such rescission shall affect any other or any subsequent Event of Default or any right of any Noteholder in relation thereto.

8.3 **For the purposes of these Conditions:**

"**Eximbank Act**" means Act XLII of 1994 on the Hungarian Export-Import Bank Private Limited Company and the Hungarian Export Credit Insurance Private Limited Company, as amended;

"**External Indebtedness**" means any obligation in respect of existing or future Indebtedness for Borrowed Money denominated or payable, or at the option of the holder thereof payable, in a currency other than Hungarian Forint;

"**Funding Guarantee**" means the first demand absolute direct suretyship in accordance with Articles 6:420 and 6:429 of the Civil Code ("*készfizető kezességvállalás*") by Hungary of the Issuer's obligations under the Notes pursuant to Paragraph (1)(a) of Article 6 of the Eximbank Act;

"**IMF**" means the International Monetary Fund; and

"**Indebtedness for Borrowed Money**" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance of credit or acceptance similar thereto.

9. **PRESCRIPTION**

Claims for principal and interest on redemption shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

10. **REPLACEMENT OF NOTE CERTIFICATES**

If any Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Note Certificates must be surrendered before replacements will be issued.

11. **AGENTS**

In acting under the Agency Agreement and in connection with the Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

The initial Agents and their initial Specified Offices are listed below. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor registrar or fiscal agent and additional or successor paying agents and transfer agents; *provided, however*, that the Issuer shall at all times maintain a fiscal agent and a registrar.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

12. **MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER**

12.1 The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including, without limitation, the modification of any provision of these Conditions. The following is a summary of selected provisions contained in the Agency Agreement.

For the purposes of this Condition 12:

"Debt Security" means the Notes and any other bills, bonds, debentures, notes or other debt securities issued by the Issuer in one or more Series with an original stated maturity of more than one year, and includes any such obligation, irrespective of its original stated maturity, that formerly constituted a component part of a Debt Security;

"Cross-Series Modification" means a modification involving (i) the Notes or any agreement governing the issuance or administration of the Notes (including the Agency Agreement), and (ii) the Debt Securities of one or more other Series or any agreement governing the issuance or administration of such other Debt Securities;

"Holder" in relation to a Note means a Noteholder, and in relation to any other Debt Security means the person the Issuer is entitled to treat as the legal holder of the Debt Security under the law governing that Debt Security;

"Reserved Matter" in relation to the Notes means any proposal in relation to a modification of these Conditions or of any agreement governing the issuance or administration of the Notes (including the Agency Agreement) that would:

- (a) change the date on which any amount is payable on the Notes;
- (b) reduce any amount, including any overdue amount, payable on the Notes;
- (c) change the method used to calculate any amount payable on the Notes;
- (d) reduce the redemption price for the Notes or change any date on which the Notes may be redeemed;
- (e) change the currency or place of payment of any amount payable on the Notes;
- (f) impose any condition on or otherwise modify the Issuer's obligation to make payments on the Notes under Condition 6 (*Payments*);
- (g) if permitted by any related guarantee, release any guarantee issued in relation to the Notes or change the terms of that guarantee;
- (h) change any payment-related circumstance under which the Notes may be declared due and payable prior to their stated maturity;
- (i) change the seniority or any *pari passu* ranking provisions of the Notes;
- (j) change the law governing the Notes;

- (k) change any court to whose jurisdiction the Issuer has submitted or any immunity waived by the Issuer in relation to any legal proceedings arising out of or in connection with the Notes;
- (l) change the principal amount of outstanding Notes or, in the case of a Cross-Series Modification, the principal amount of Debt Securities of any other Series required to approve a proposed modification in relation to the Notes, the principal amount of outstanding Notes required for a quorum to be present, or the rules for determining whether a Note is outstanding for these purposes; or
- (m) change the definition of a Reserved Matter.

and has the same meaning in relation to the Debt Securities of any other Series save that any of the foregoing references to the Notes or any agreement governing the issuance or administration of the Notes (including the Agency Agreement) shall be read as references to such other Debt Securities or any agreement governing the issuance or administration of such other Debt Securities; and

"Series" means:

- (a) in relation to the Notes, the Notes together with any further Notes which are (i) expressed to be consolidated and form a single series and (ii) are identical in all respects except for the first payment of interest and the issue price so as to form a single series with the Notes; and
- (b) in relation to any Debt Securities, a tranche of Debt Securities, together with any further tranche or tranches of Debt Securities that in relation to each other and to the original tranche of Debt Securities are (i) identical in all respects except for their date of issuance or first payment date, and (ii) expressed to be consolidated and form a single series.

The definition of "outstanding" is contained in the Agency Agreement.

12.2 Convening Meetings of Noteholders

A meeting of Noteholders:

- (a) may be convened by the Issuer at any time;
- (b) will be convened by the Issuer if an Event of Default in relation to the Notes has occurred and is continuing and a meeting is requested in writing by the Holders of not less than 10 per cent. of the aggregate principal amount of the Notes for the time being outstanding; and
- (c) will be convened by the Issuer or the Fiscal Agent if a meeting is requested in writing by the Holders of not less than 10 per cent. of the aggregate principal amount of the Notes for the time being outstanding and, if the Issuer or the Fiscal Agent makes default for a period of seven days in convening such a meeting of the Noteholders, the same may be convened by the requisitionists.

12.3 Quorum

- (a) The quorum at any meeting at which Noteholders will vote on a proposal in relation to, or a proposed modification of:
 - (i) a Reserved Matter will be one or more persons present or represented at the meeting and holding not less than $66 \frac{2}{3}$ per cent. of the aggregate principal amount of the Notes then outstanding; and
 - (ii) a matter other than a Reserved Matter will be one or more persons present or represented at the meeting and holding not less than 50 per cent. of the aggregate principal amount of the Notes then outstanding.
- (b) The quorum for any adjourned meeting will be one or more persons present or represented at the meeting and holding:

- (i) not less than 66 2/3 per cent. of the aggregate principal amount of the Notes then outstanding in the case of a proposed Reserved Matter modification or a proposal relating to a Reserved Matter; and
- (ii) not less than 25 per cent. of the aggregate principal amount of the Notes then outstanding in the case of a non-Reserved Matter modification or any proposal relating to a matter other than a Reserved Matter.

12.4 **Non-Reserved Matters**

These Conditions and any agreement governing the issuance or administration of the Notes (including the Agency Agreement) may be modified, or a proposal may be approved, in relation to any matter other than a Reserved Matter with the consent of the Issuer and:

- (a) the affirmative vote of Noteholders of more than 50 per cent. of the aggregate principal amount of the outstanding Notes represented at a duly called and quorate meeting of Noteholders; or
- (b) a Written Resolution signed by or on behalf of Noteholders of more than 50 per cent. of the aggregate principal amount of the outstanding Notes.

12.5 **Reserved Matters**

Except as provided by Condition 12.6 below, the Conditions of the Notes and any agreement governing the issuance or administration of the Notes (including the Agency Agreement) may be modified, or a proposal may be approved, in relation to a Reserved Matter with the consent of the Issuer and:

- (a) the affirmative vote of Noteholders of not less than 75 per cent. of the aggregate principal amount of the outstanding Notes represented at a duly called and quorate meeting of Noteholders; or
- (b) a written resolution signed by or on behalf of Noteholders of not less than 66 2/3 per cent. of the aggregate principal amount of the Notes then outstanding.

12.6 **Cross – Series Modifications**

In the case of a Cross-Series Modification (and/or a proposal in respect of a Cross-Series Modification), the Conditions of the Notes and the terms and conditions of the Debt Securities of any other Series, and any agreement (including the Agency Agreement) governing the issuance or administration of the Notes or Debt Securities of such other Series, may be modified, or a proposal may be approved, in relation to a Reserved Matter with the consent of the Issuer and:

- (a)
 - (i) the affirmative vote of not less than 75 per cent. of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called and quorate meetings of the Holders of the Debt Securities of all the Series (taken in the aggregate) that would be affected by the proposed modification and/or proposal; or
 - (ii) a Written Resolution signed by or on behalf of the Holders of not less than 66 2/3 per cent. of the aggregate principal amount of the outstanding Debt Securities of all the Series (taken in the aggregate) that would be affected by the proposed modification and/or proposal; and
- (b)
 - (i) the affirmative vote of more than 66 2/3 per cent. of the aggregate principal amount of the outstanding Debt Securities represented at separate duly called and quorate meetings of the Holders of each Series of Debt Securities (taken individually) that would be affected by the proposed modification and/or proposal; or
 - (ii) a Written Resolution signed by or on behalf of the Holders of more than 50 per cent. of the aggregate principal amount of the then outstanding Debt Securities of each Series (taken individually) that would be affected by the proposed modification and/or proposal.

12.7 **Written Resolutions**

A "**Written Resolution**" is a resolution in writing signed by or on behalf of Noteholders of the requisite majority of the Notes and will be valid for all purposes as if it was a resolution passed at a quorate meeting of Noteholders duly convened and held in accordance with these provisions. A Written Resolution may be set out in one or more documents in like form each signed by or on behalf of one or more Noteholders.

12.8 **Binding Effect**

A resolution duly passed at a quorate meeting of Noteholders duly convened and held in accordance with these provisions, and a Written Resolution duly signed by the requisite majority of Noteholders, will be binding on all Noteholders, whether or not the Noteholder was present at the meeting, voted for or against the resolution or signed the written resolution.

12.9 **Manifest Error, Technical Amendments, etc.**

The Fiscal Agent may agree without the consent of the Noteholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement for the purpose of complying with mandatory provisions of law, curing any ambiguity or curing, correcting any manifest or proven error or any other defective provision contained herein or therein or modifying these Conditions or the Agency Agreement in a formal or technical manner or in a manner which is not, in the sole opinion of the Issuer, prejudicial to the interests of the Noteholders.

Any modification shall be binding on the Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 14 (*Notices*).

13. **FURTHER ISSUES**

The Issuer is at liberty from time to time, without the consent of the Noteholders, to create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects save for the date and amount of the first payment of interest thereon and the date from which interest starts to accrue) and so that the same shall be consolidated and form a single series with the Notes.

14. **NOTICES**

Notices to the Noteholders will be sent to them by email or first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

15. **CURRENCY INDEMNITY**

If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

16. **GOVERNING LAW AND SUBMISSION TO JURISDICTION**

The Agency Agreement, the Notes and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, English law.

17. **JURISDICTION**

- (a) *Jurisdiction*: The Issuer irrevocably agrees for the benefit of the Noteholders that the courts of England shall have exclusive jurisdiction to hear and determine any suit, action or proceedings ("**Proceedings**"), and to settle any dispute or difference arising out of or in connection with the Notes, or any non-contractual obligations arising out of or in connection with them, including any question as to the existence, validity or termination of the Notes (a "**Dispute**"), which may arise out of or in connection with the Notes, or any non-contractual obligations arising out of or in connection with them, and, for such purposes, irrevocably submits to the exclusive jurisdiction of such courts.
- (b) *Appropriate forum*: The Issuer irrevocably waives any objection which it might now or hereafter have to the courts of England being nominated as the forum to hear and determine any Proceedings and to settle any Disputes, and agrees not to claim that any such court is not a convenient or appropriate forum.
- (c) *Process agent*: The Issuer hereby irrevocably and unconditionally appoints the Embassy of Hungary in London, 35 Eaton Place, London SW1X 8BY, United Kingdom as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act or the appointment of such agent ceasing to be effective, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.
- (d) *Non-exclusivity*: The submission to the jurisdiction of the courts of England shall not (and shall not be construed so as to) limit the right of any Noteholder to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not) if, and to the extent, permitted by law.
- (e) *Waiver of immunity*: The Issuer hereby irrevocably and unconditionally waives and agrees not to raise with respect to the Notes any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

SUMMARY OF PROVISIONS RELATING TO THE NOTES IN GLOBAL FORM

New Safekeeping Structure

In a press release dated 22 October 2008, "*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*," the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the international securities depositories (ICSDs) had designed in cooperation with market participants and that the global certificates, including the Global Certificate, to be held under the new structure (the "**New Safekeeping Structure**" or "**NSS**") would be in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the central banking system for the euro (the "**Eurosystem**"), subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

The Global Certificate is intended to be held in a manner which would allow Eurosystem eligibility – that is, in a manner which would allow such notes to be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Clearing System Accountholders

In relation to any Notes represented by the Global Certificate, references in the relevant Terms and Conditions of the Notes to "Noteholder" are references to the person in whose name the relevant Global Certificate is for the time being registered in the note register which is held by or on behalf of a common safekeeper for Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system, will be that common safekeeper or a nominee for that common safekeeper.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in the Global Certificate (each an "**Accountholder**") must look solely to Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Certificate and in relation to all other rights arising under the Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Certificate, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the holder of the Global Certificate.

Transfers of Interests in Global Certificate

Transfers of interests in Global Certificate within Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Sole Bookrunner or the Agents will have any responsibility or liability for any aspect of the records of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in the Global Certificate or for maintaining, supervising or reviewing any of the records of Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

Individual Note Certificates

The Global Certificate will become exchangeable in whole, but not in part, for Individual Note Certificates if (a) Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 8 (*Events of Default*) occurs and Hungary receives a notice in writing from a holder or holders representing more than 50% in aggregate principal amount of the outstanding Notes and/or a resolution is passed to the effect that the holder or holders representing more than 50% in

the aggregate principal amount of outstanding Notes direct for the Global Certificate to be exchanged for Individual Note Certificates.

Whenever the Global Certificate is to be exchanged for Individual Note Certificates, such Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Certificate (the "**Holder**"), Euroclear and/or Clearstream, Luxembourg, to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Certificate at the Specified Office of the Registrar. Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any Holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been issued and delivered by 5.00 p.m. (London time) on the thirtieth day after the date on which the same are due to be issued and delivered in accordance with the terms of the Global Certificate; or
- (b) any of the Notes evidenced by the Global Certificate has become due and payable in accordance with the Conditions or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the Holder of the Global Certificate on the due date for payment in accordance with the terms of the Global Certificate,

then the Global Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the Holder will have no further rights thereunder (but without prejudice to the rights which the Holder or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg as being entitled to interests in the Notes will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Global Certificate became void, they had been the registered Holders of Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or (as the case may be) Clearstream, Luxembourg.

Conditions applicable to Global Certificate

The Global Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Certificate. The following is a summary of certain of those provisions:

Calculation of Interest: For so long as Notes are represented by a Global Certificate, interest payable to the holder of such Global Certificate will be calculated on the aggregate principal amount of the Notes represented by such Global Certificate (and not per Calculation Amount (as defined in the Conditions)), but otherwise shall be calculated in accordance with Condition 4 (*Interest*).

Payments: All payments in respect of the Global Certificate which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note or Note Certificate will be made against presentation for endorsement and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Certificate, the Issuer shall procure that the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment on business days: "**business day**" means any day which is a day on which T2 is open.

Payment Record Date: Each payment in respect of a Global Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**record date**") where "**Clearing System**

Business Day" means a day on which each clearing system for which the Global Certificate is being held is open for business.

Notices: Notwithstanding Condition 14 (*Notices*), so long as the Global Certificate is held on behalf of Euroclear, Clearstream, Luxembourg or any other clearing system notices to Holders of Notes represented by the Global Certificate may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 14 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are admitted to trading on the London Stock Exchange and it is a requirement of applicable law or regulations, such notices shall also be published in a leading newspaper having general circulation in England (which is expected to be the *Financial Times*) or published on the website of the London Stock Exchange.

DESCRIPTION OF FUNDING GUARANTEE

Under the Eximbank Act, the Hungarian state is irrevocably liable, as absolute surety providing an absolute and direct suretyship (*készfizető kezesség*), for the fulfilment of Eximbank's payment obligations arising from certain of Eximbank's borrowings, including capital markets debt instruments (such as the Notes) issued by Eximbank with the aim of raising finance, certain loans to Eximbank from Hungarian and foreign credit institutions with the aim of raising finance and Eximbank's payment obligations arising from the replacement costs of foreign exchange and interest rate swap transactions (the "**Funding Guarantee**"). The payment obligations of the Hungarian state under the Funding Guarantee only arise if there is a valid payment obligation of Eximbank and this payment obligation is not performed duly by Eximbank. The Hungarian state's obligations in respect of the statutory Funding Guarantee are subject to an upper aggregate limit set by the annual central budget of Hungary. In 2023, according to the 2023 Budget Act, the total approved amount in connection with the above borrowings of the Issuer and the replacement costs of foreign exchange and interest rate swap transactions was HUF3,500 billion. On 3 November 2023 in accordance with 489/2023. (XI. 2.) Government Decree, the upper limit of the Funding Guarantee increased to HUF4,300 billion for the duration of the state of danger declared by the Hungarian Government (currently until 18 May 2025). As of 31 December 2023, Eximbank had total amounts drawn, under the Funding Guarantee (calculated as Eximbank's balance sheet liabilities) plus replacement cost of HUF3,076 billion, representing 71.53% of the HUF4,300 billion upper limit under the 2023 Budget Act. For 2024, pursuant to section 53(1) of the 2024 Budget Act, the aggregate upper limit has remained HUF3,500 billion, however, as 489/2023. (XI. 2.) Government Decree is still effective, the upper limit of the Funding Guarantee shall be HUF4,300 billion. As of 30 September 2024, Eximbank had total amounts drawn, under the Funding Guarantee (calculated as Eximbank's balance sheet liabilities) plus replacement cost of HUF3,075 billion, representing 71.51% of the HUF4,300 billion upper limit. However, the increased limit of HUF4,300 billion would continue to apply if the state of danger is extended. Although under current Hungarian law the Funding Guarantee is irrevocable, it may nevertheless be changed or revoked, or may prove insufficient to cover the full amount of Eximbank's borrowings, including the Notes. The Hungarian state does not charge any fee in respect of the Funding Guarantee. In accordance with Hungarian law, if the Issuer fails to perform any of its payment obligations which are guaranteed by the Hungarian state, creditors who have served Eximbank with an acceleration notice and not received payment within the grace period specified in that notice, or who are in possession of documents evidencing that the deadline for payment of instalments, interests or other amounts under the Notes passed without payment may seek to recover directly from the Hungarian state by filing a petition with the minister responsible for public finances without first exhausting legal remedies against Eximbank.

The written petition shall include the following:

- designation of the obligor (i.e., Eximbank);
- amount of the claim (principal and interest amounts to be separately identified in the petition);
- reasons for requesting the enforcement of the Funding Guarantee; and
- bank account number of the creditor submitting the petition.

The Notes and underlying documents evidencing title to such Notes will be required to be attached to the petition. Within 30 calendar days of receipt of a valid petition (i.e., a petition which has been submitted in compliance with the above), the Minister of Finance, who is the minister responsible for public finances, is required to arrange payment to the relevant creditor, if the underlying transaction is in line with the relevant regulations set out in the Eximbank Act. Eximbank is also required to report to the State Treasury ("*Magyar Államkincstár*") on a quarterly basis, amongst others: (i) the amount of its outstanding obligations covered by the Funding Guarantee; and (ii) Eximbank's calculations on the likelihood that the Funding Guarantee will be called.

Eximbank is under the obligation to provide at least 15 days' prior notice to the Hungarian state about the date of the contemplated enforcement of the Funding Guarantee. In cases not foreseeable by Eximbank such notification is not required.

Article 7(3) of the Eximbank Act stipulates that Eximbank cannot incur guaranteed liabilities beyond the upper limit approved in the relevant central budget of Hungary for a given year. Provided that such guaranteed liabilities of Eximbank are within the budgeted amounts at the time such guaranteed liabilities

are incurred, the Funding Guarantee extends to the entire amount of such guaranteed liabilities. The debts outstanding under credits, loans, deposits and bonds shall be calculated on the basis of the official foreign exchange rate that is published by NBH and which is effective on the date of the conclusion of the underlying agreement or the issuance of the bonds. The calculation method serves budgetary purposes only, and accordingly, fluctuations in exchange rates do not affect the enforceability of the Funding Guarantee with respect to the valid payment obligations of the Issuer under the guaranteed liabilities.

TAXATION

The following is a general discussion of certain tax consequences of the acquisition, holding and disposition of the Notes. It does not purport to be a comprehensive description of all tax considerations, and, in particular, does not consider any specific facts or circumstances that may apply to a particular investor. This summary is based on the laws of Hungary and the United States currently in force and as applied on the date of this Offering Circular which are subject to change, possibly with retroactive effect.

Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the acquisition, ownership and disposition of the Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country where they are tax residents.

Hungarian Taxation

The following is a general discussion of certain Hungarian tax consequences relating to the acquisition and ownership of Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Notes, and, in particular, does not consider any specific facts or circumstances that may apply to a particular purchaser. It is based on laws currently in force in Hungary and applicable on the date of this Offering Circular, but subject to change, possibly with retrospective effect. The acquisition of the Notes by non-Hungarian Holders, or the payment of interest under the Notes, may trigger additional tax payments in the country of residence of the Holder, which is not covered by this overview, but where the provisions of the treaties on the avoidance of double taxation should be taken into consideration. Prospective purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country of which they are residents.

Non-Hungarian Tax Residents

Private individual Holders

Individual non-Hungarian tax-resident Noteholders are subject to tax in Hungary only with respect to their Hungarian source income or income that is otherwise taxable in Hungary if the applicable treaty on the avoidance of double taxation, or in the absence of a tax treaty, Act CXVII of 1995 on Personal Income Tax ("**Hungarian Personal Income Tax Act**") so requires.

Payments received with respect to publicly offered debt securities (including interest and yield realised upon the redemption or sale thereof) are treated as interest income under Hungarian law, and are subject to personal income tax (at 15%).

The interest paid by the Issuer upon the Notes to a non-Hungarian tax resident private individual Holder can only be subject to 15% withholding tax in Hungary, if the disburser (such as the Paying Agent) of the interest (proceeds) is a tax resident in Hungary, in which case it is obliged to assess, withhold, pay and report this tax liability to the Hungarian Tax Authority, if any. In the absence of a Hungarian paying agent withholding the tax, the Holder itself must assess, file a tax return on, and pay the applicable tax in Hungary.

The provisions of any applicable tax convention may exempt the Holder from the withholding tax or may reduce its rate. Holders claiming exemption from withholding tax or the application of a reduced withholding tax rate are required to furnish the paying agent with a certificate of their tax residence and a declaration of beneficial ownership. Tax withheld by the paying agent in excess of the rate allowed by the applicable double tax convention can be refunded by the Hungarian tax authority at the request of the Holder.

The tax on interest income is to be withheld by the "Payor" (in Hungarian: *kifizető*) (as defined below), if any entity qualifies as such.

Pursuant to Act CL of 2017 on the Rules of Taxation (ART), a "Payor" means a Hungarian resident legal person, other organisation, or private entrepreneur that provides taxable income, irrespective of whether such payment is made directly or through an intermediary (post office, credit institution). In respect of interest, Payor means the borrower of a loan or, the issuer of a note, including the investment service provider or credit institution providing the interest instead of the borrower/issuer. In respect of revenues originating from a transaction concluded with the involvement of a licensed stockbroker, Payor means such

stockbroker. The Hungarian permanent establishment of a foreign resident entity is also considered as a Payor.

Furthermore, taxable payments received with respect to publicly offered and traded debt securities acquired in Hungary (including interest and gains realised upon the redemption or sale of the debt security) are subject to social contribution tax (at 13 per cent.) from 1 August 2024 according to Act LII of 2018 on Social Contribution Tax. Noteholders who qualify as “foreigner” pursuant to Act CXXII of 2019 on persons entitled to social security benefits and on the coverage of these benefits (Social Security Contribution Act) and those who are secured for social security purposes in an EU member state or by an EU institution pursuant to Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems are not subject to social contribution tax in respect of the above-mentioned payments. A non-Hungarian tax resident individual for personal income tax purposes does not necessarily qualify as “foreigner” for social contribution tax purposes.

In case any taxes are not withheld by the Payor, the individual may be obliged to declare and pay the relevant taxes.

Holders other than private individuals

A non-Hungarian tax resident holder other than a private individual is not subject to tax in Hungary with respect to any income resulting from the acquisition, holding, redemption or sale of the Notes, provided that it does not have a permanent establishment in Hungary to which such transaction with the Notes can be related.

The tax liability of a foreign resident corporate Holder, which has a permanent establishment in Hungary, is limited, in general, to the income from business activities realised through its Hungarian permanent establishment.

US Investors

US tax resident Holders of the Notes shall be aware that the double tax convention between Hungary and the USA has ceased with an effect from 1 January 2024 due to the termination of the convention. As it stands at the time of this present document, there is no new double tax convention. Institutional investors can be affected by the absence of a double tax convention if the Government imposes a withholding tax on the yield of Notes of a Hungarian issuer.

Hungarian Tax Residents

Individual holders

In the event the Notes are publicly offered and/or traded (within the meaning of the Hungarian Personal Income Tax Act and the Hungarian Capital Markets Act), the income of a Hungarian tax resident private individual Holders, arising from the acquisition, holding, redemption or sale of the Notes and qualifying as interest income in accordance with the provisions of the Hungarian Personal Income Tax Act, is subject to personal income tax in Hungary at the rate of 15% preferential tax rate or tax exemption is available for long term investments, subject to specific conditions laid down by the applicable laws.

In the event the Notes are not publicly offered and/or traded (within the meaning of the Hungarian Personal Income Tax Act and the Hungarian Capital Markets Act), the income of Hungarian tax resident private individual Holders, arising from the acquisition, holding, redemption or sale of the Notes and qualifying as other income under the Hungarian Personal Income Tax Act, is subject to personal income tax in Hungary at the rate of 15% and such other income can be subject to social contribution tax in Hungary at the rate of 13%, subject to specific conditions laid down by the applicable laws. In addition, under Act LII of 2018 on Social Contribution Tax, effective from 1 August 2024, 13% social security tax is payable on interest income realized on publicly offered and/or traded Notes provided that the private individual is resident in Hungary for the purpose of Act CXXII of 2019 on Entitlements to Social Security Benefits and on Funding of Such Services.

According to the Hungarian Personal Income Tax Act, individual Hungarian tax residents are:

- (a) any citizen of Hungary (with the exception of dual citizens without a permanent home or habitual abode in Hungary);

- (b) any individual whose stay in Hungary exceeds 183 days, including the day of entry and the day of exit;
- (c) any individual who has permanent resident status, or is a stateless person; and
- (d) any individual, other than those mentioned in points (a) to (c) above:
 - (i) whose only permanent home is in Hungary;
 - (ii) whose centre of vital interests (in Hungarian *létérdek központja*) is in Hungary if they have no permanent home in Hungary or if Hungary is not the only country where they have a permanent home; or
 - (iii) whose habitual abode is in Hungary if there is no permanent home in Hungary or if Hungary is not the only country where they have a permanent home, and if their centre of vital interests is unknown,

where "**centre of vital interests**" means the country to which the individual is most closely connected due to family ties and business relations.

Note, that an applicable treaty on the avoidance of double taxation may define tax residence prevailing over the domestic definition of tax residence.

Holders other than private individuals

Under Act LXXXI of 1996 on Corporate Tax and Dividend Tax (the "**Corporation Tax Act**"), Hungarian resident taxpayers are subject to tax on their worldwide income. In general, resident taxpayers are entities established under the laws of Hungary (i.e. having a Hungarian registered seat). Foreign persons having their place of management in Hungary are also considered as Hungarian resident taxpayers. Taxable income is based on the pre-tax profit as shown in the financial statements calculated under Hungarian GAAP or IFRS Standards and adjusted by certain increasing and decreasing items set forth by tax legislation.

In general, interest and capital gains realised by Hungarian resident corporate Holders on the Notes will be taxable in the same way as the regular income of the Holders. The general corporation tax rate in Hungary is 9 per cent.

Pursuant to Act C of 1990 on Local Taxes (the "**Local Taxes Act**"), financial institutions, financial enterprises, insurance companies and investment enterprises may be subject to local business tax on the basis of the proceeds realised on the Notes.

Transfer Tax

The receipt of the Notes is subject to Hungarian transfer tax when the Notes are transferred gratuitously (by way of gift or otherwise for no consideration) and delivered in Hungary. The general rate of transfer tax is 18%.

Inheritance of the Notes can be subject to inheritance tax in Hungary. The general rate of inheritance tax is 18%.

FATCA

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. A number of jurisdictions (including Hungary) have entered into, or have agreed in substance to, IGAs, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to Notes issued on or prior to the date that

is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register, as such Notes generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. Investors should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, neither the Issuer nor any other person will be required to pay additional amounts as a result of the withholding.

Eximbank was established by the Eximbank Act and is an entity regulated under Hungarian law. Hungary applies the U.S.-Hungary IGA. According to the U.S.-Hungary IGA, Eximbank, as a "Hungarian Governmental Entity," qualifies as exempt beneficial owner and therefore is exempt from the reporting and other obligation required by FATCA.

SUBSCRIPTION AND SALE

The Sole Bookrunner has, in a subscription agreement dated 25 November 2024 (the "**Subscription Agreement**") and made between the Issuer and the Sole Bookrunner upon the terms and subject to the conditions contained therein, agreed to subscribe and pay for the Notes. The purchase price for the Notes will be the issue price of 98.900 per cent. of the principal amount of the Notes, less certain commissions specified in the Subscription Agreement. The Sole Bookrunner is entitled in certain circumstances to be released and discharged from its obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

This Offering Circular does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the potential offering be made by a licensed broker or dealer and any underwriter or any affiliate of any underwriter is a licensed broker or dealer in that jurisdiction, any offering shall be deemed to be made by the underwriter or such affiliate on behalf of the Issuer in such jurisdiction.

The Subscription Agreement provides that the obligations of the Sole Bookrunner to pay for and accept delivery of the Notes is subject to, among other conditions, the delivery of certain assurances by the Issuer and the delivery of legal opinions by Issuer's and the Sole Bookrunner's counsel.

The Issuer has agreed in the Subscription Agreement to indemnify the Sole Bookrunner against certain liabilities incurred in connection with the issue of the Notes.

General

No action has been or will be taken in any jurisdiction by the Issuer or the Sole Bookrunner that would, or is intended to, permit a public offering of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Offering Circular comes are required by the Issuer and the Sole Bookrunner to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession, distribute or publish this Offering Circular or any other offering material relating to the Notes, in all cases at their own expense.

United States of America

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being offered and sold only outside the United States by the Sole Bookrunner in offshore transactions in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

The Sole Bookrunner has represented and agreed that:

- (a) it has offered and sold, and will offer and sell the Notes, only outside the United States in offshore transactions in accordance with Rule 903 of Regulation S; and
- (b) it or any of its affiliates or any other person acting on its behalf has not engaged or will not engage in any directed selling efforts with respect to the Notes, and that all such persons have complied and will comply with the offering restrictions of Regulation S. Each purchaser of the Notes, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:
 - (i) it is, or at the time the Notes are purchased will be, the beneficial owner of such Notes and it is located outside the United States (within the meaning of Regulation S);
 - (ii) the Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may only be offered or sold outside the United States in an offshore transaction in reliance on Rule 903 of Regulation S; and
 - (iii) it understands that the Issuer, the Sole Bookrunner, its affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or

agreements deemed to have been made by it by its purchase of Notes is no longer accurate, it shall promptly notify the Issuer and the Sole Bookrunner.

United Kingdom

The Sole Bookrunner has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuers or the Hungarian state as guarantor; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the UK.

Hungary

This Offering Circular has not been and will not be submitted for approval to the NBH and the Notes (including any additional notes) will not be offered or sold in Hungary by way of private placement or in a public offer (offer of securities to the public) exclusively in Hungary within the meaning of the Capital Markets Act. The Sole Bookrunner has confirmed its awareness of the above and has represented that it has not offered or sold and will not offer or sell the Notes (including any additional notes) in Hungary, nor distribute the Offering Circular or any other material relating to the Notes in Hungary by way of private placement or in a public offer exclusively in Hungary (within the meaning of the Capital Markets Act).

Italy

The Sole Bookrunner has represented and agreed that, as long as the offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and no Notes may be offered, sold or delivered, nor may copies of this Offering Circular or of any other document relating to any Notes be distributed in Italy, except, in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations:

- (i) to qualified investors (*investitori qualificati*), as defined in Article 2 of the Prospectus Regulation and any applicable provision of Italian laws and regulations; or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of May 14, 1999, as amended from time to time, and the applicable Italian laws.

In any event, any offer, sale or delivery of the Notes or distribution of copies of the Offering Circular or any other document relating to the Notes in Italy must be in compliance with the selling restrictions under paragraphs (i) or (ii) above and must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of February 15, 2018 and Legislative Decree No. 385 of September 1, 1993 (the "**Italian Banking Act**") (in each case, as amended from time to time); and
- (b) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian competent authority.

Republic of Singapore

The Sole Bookrunner has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Sole Bookrunner has represented, warranted and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it

circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended (the "FIEA")) and the Sole Bookrunner has represented and agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Hong Kong

The Sole Bookrunner has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into, or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652(a) or article 1156 of the Swiss Code of Obligations, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (Corporations Act)) in relation to the Notes has been or will be lodged with the Australian Securities and Investments Commission ("ASIC"). The Sole Bookrunner has represented and agreed that it:

- (a) has not (directly or indirectly) offered, and will not offer for issue or sale and has not invited, and will not invite, applications for issue, or offers to purchase, the Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) has not distributed or published, and will not distribute or publish, any information memorandum, advertisement or other offering material relating to the Notes in Australia, unless (i) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other

currencies, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act, (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act, (iii) such action complies with all applicable laws, regulations and directives and (iv) such action does not require any document to be lodged with ASIC.

GENERAL INFORMATION

Authorisations

The issue of Notes was duly authorised by resolutions of the Founder of the Issuer dated 18 November 2024 (the "**Authorisation**"). All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of Hungary or otherwise have been given for the issue of Notes and for the Issuer to undertake and perform its obligations under the Subscription Agreement, the Agency Agreement and the Notes.

Listing and Admission to Trading

Application has been made for the Notes to be admitted to listing on the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Main Market.

Documents Available

For so long as any of the Notes are outstanding, copies of the following documents may be inspected (and in the case of (a), are obtainable) during normal business hours at the Specified Office of each of the Agents (as defined in the Conditions) and will be provided by email to any Noteholder (as defined in the Conditions) upon their written request and provision of proof of holding and identity (in a form satisfactory to the relevant Agent):

- a) the Financial Statements;
- b) this Offering Circular;
- c) the Agency Agreement;
- d) the Deed of Covenant; and
- e) the Authorisation.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg, as applicable.

The ISIN and Common Code for the Notes are XS2947186131 and 294718613, respectively.

Significant or Material Change

There has been no significant change in the financial or trading position of Eximbank or its majority-owned subsidiary since 31 December 2023 and there has been no material adverse change in the financial position or prospects of the Issuer or its majority-owned subsidiary since 31 December 2023.

Litigation

Neither Eximbank nor its majority-owned subsidiary is or have been engaged in any governmental, legal, arbitration, administrative or other proceedings, the results of which may have or have had in the 12 months preceding this Offering Circular a significant effect on the financial position or profitability of Eximbank and/or its majority-owned subsidiary taken as a whole, nor is Eximbank aware of any such proceedings being threatened or pending.

Enforceability of Judgments

Hungarian law does not limit a Noteholder's ability to take Proceedings (as defined under Condition 18 (*Jurisdiction*)) in respect of the Notes in English courts and the recognition or enforcement of any judgment so rendered by an English court may only be limited in accordance with the Convention on Choice of Court Agreements done at The Hague on 30 June 2005 (the "**Hague Convention**") and Act XXVIII of 2017 on Private International Law (the "**Conflicts Law**"). However, given the asymmetric nature of the jurisdiction clause of the Notes (Clause 17 (*Jurisdiction*) of the Conditions), it is uncertain whether the Hague Convention will apply.

Under Conflicts Law, the parties may agree on a choice of a non-Hungarian jurisdiction and of foreign law in commercial matters provided that the agreement is made by the parties (i) in writing, (ii) verbally, if evidenced in writing, (iii) in a form which complies with the practices previously formed among the parties or (iv) in terms of international trade, also in a form which complies with commercial practice in such trade and of which the parties should have been aware. The agreed courts have exclusive jurisdiction, unless otherwise provided by the parties.

Under Hungarian law, a judgment of a court established in a country other than Hungary may be enforced in the Hungarian courts, if: (i) the jurisdiction of the foreign court is legitimate under the rules of jurisdiction of Hungarian law; (ii) the decision is final under the foreign law under which it was made; (iii) there is reciprocity between Hungary and the state of the foreign court; and that (a) such judgment does not contravene the basic principles of public policy in Hungary; (b) the losing party or its representative had proper or timely notice of the proceedings; (c) the proceedings in which the judgment was made did not seriously breach general principles of Hungarian procedural rules; (d) litigation between the same parties involving the same dispute was not commenced in Hungary prior to the initiation of the foreign litigation; and (e) Hungarian courts have not already determined the matter (*res judicata*). However, Hungarian courts could recognise and enforce judgments of a foreign court chosen by the parties in a commercial matter (in Hungarian: *vagyonjogi határozat*) even if there is no reciprocity between Hungary and the state of the foreign court, provided that the choice of forum by the parties is valid under Hungarian law. However, the wording of the relevant provisions leave the question open for interpretation as to whether the Hungarian courts may exercise some form of discretion when it comes to a decision on the recognition and enforceability of foreign judgments for payment of money in the absence of reciprocity (currently, there is no reciprocity between England and Hungary) if the relevant judgment is based on the choice of forum agreement of the respective parties.

It is also noted that most of the foreign judgments have been recognised and enforced in Hungary based on either the Brussels Regulation or international treaties since the entry into force of the Conflict Law and, therefore, very limited interpretation and court cases are available regarding recognition and enforcing of foreign judgments where no international treaty/EU regulation is applicable and no reciprocity is available.

As a result, there is a risk that a judgment of the courts of England and Wales entered against the Issuer in relation to the Notes may not be enforceable or may take longer to enforce, and any such enforcement is largely untested in Hungary.

Independent Auditors

The Financial Statements of Magyar Export-Import Bank Zrt. have been audited by KPMG Hungária Kft., independent auditors, as stated in their report appearing herein.

The Independent Auditor's Report notes certain "key audit matters" as stated in their report appearing herein.

The Legal Entity Identifier

The Legal Entity Identifier (LEI) Code of the Issuer is 52990004UGETQ9Q3AA63.

Sole Bookrunner transacting with the Issuer

The Sole Bookrunner is a full-service institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Sole Bookrunner and its affiliates may have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Sole Bookrunner and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of Eximbank or its affiliates. If the Sole Bookrunner or its affiliates has a lending relationship with Eximbank, the Sole Bookrunner or its affiliates routinely hedge, or may hedge, their credit exposure to Eximbank consistent with their customary risk management policies. Typically, the Sole Bookrunner and its affiliates

would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in Eximbank's securities, including potentially the notes. Any such short positions could adversely affect future trading prices of the notes offered hereby. The Sole Bookrunner and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

THE ISSUER

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