

**Subsidized retail and corporate loan products and housing subsidies in Hungary - main features and comparison of the most important schemes**

As at 9 November 2021	Non-refundable grant under the Family Housing Subsidy (CSOK)	Subsidized mortgage loan under the Family Housing Subsidy (CSOK) <small>(not participating in the NBH's Green Home Programme)</small>	Funding for Growth scheme by the National Bank of Hungary			Subsidized baby loan	Subsidized home renovation loan	Loans under the Széchenyi Card Restart Programme by KAVOSZ	Interest-free restart loans by the Hungarian Development Bank
			Green Home Programme (GHP)	Subsidized mortgage loan	Subsidized mortgage loan combined with CSOK				
<b>Time frame</b>	started in 2015, open-ended	started in 2015, open-ended	to be launched in October 2021; no time limit, but volume limit applies (might be reviewed)		launched in April 2020, already phased out (volume limit fully allocated)	1 July 2019 - 31 December 2022	1 January 2021 - 31 December 2022	the newly launched 6 products aiming at replacing FGS Go! are available from 1 July 2021 with the exception of the Széchenyi Leasing Programme and Own Contribution Supplementary Loan starting from 1 September; no time limit, no ceiling on volumes	8 March 2021 - 30 November 2021; also, volume limit applies
<b>Scope of eligible clients / available loan purposes</b>	families who have or commit to have children (for details see relevant Govt Decrees), for new and used homes	families who have or commit to have at least 2 children (for details see relevant Govt Decrees), for new and used homes	for construction or purchase of new, highly energy-efficient residential real estate	families who have or commit to have at least 2 children and utilize the non-refundable CSOK grant (for details see relevant Govt Decrees), and fulfil the GHP criteria, too	for SME clients; available for investment and working capital purposes, too	young married couples who commit to having (more) children; for general purposes	families raising or expecting children, for home renovation purposes	domestic SMEs; overdraft, investment loan & agro investment loan, liquidity loan, own contribution supplementary loan, leasing	companies whose revenues in 2020 plummeted by more than 30%, irrespective of the scope of activities (certain other criteria must be met); for general purposes including wages, overhead costs, general operating expenses, inventory financing
<b>Funding source</b>	the subsidy is channeled through banks and financed from the budget	banks' own funding sources	refinanced by the NBH at 0% rate		refinanced by the NBH at 0% rate	banks' own funding sources	banks' own funding sources	banks' own funding sources	not in commercial banks' books, but distributed by commercial banks
<b>Maximum amount per client</b>	HUF 0.6-10 million	2 children: up to HUF 10 million 3 or more kids: up to HUF 15 m	HUF 70 million	Out of the max. HUF 70 million total loan amount available under the GHP, HUF 10 m (in case of 2 children) or HUF 15 m (3 or more kids) can be combined with CSOK, carrying a lower client rate	HUF 20 billion	HUF 10 million	HUF 6 million	HUF 100 million - HUF 1 billion, depending on product	HUF 10 million
<b>Total available amount</b>	HUF 0.6-10 million	no limit set by the Government	GHP envelope is HUF 200 billion, to be reviewed when reached		HUF 3,000 billion, already allocated	no limit set by the Government	no limit set by the Government	no limit set by the Government and KAVOSZ	HUF 100 billion
<b>Maximum loan tenor</b>	-	25 years	25 years		20 years (working capital loans: 3 years)	20 years at origination; upon the birth of child the principal repayment is suspended for 3 years and the maturity is lengthened accordingly	10 years	2-10 years, depending on product	10 years; servicing of the loan starts after a 3 year grace period
<b>Collateral / guarantee</b>	-	mortgage	mortgage		usual collaterals according to banks' internal regulations; also, these loans are typically secured by guarantee institutions in exchange for a certain guarantee fee	uncollateralized loan, but 100% state guaranteed	mortgage	collaterals vary by products and are laid down in the scheme's general terms; also, these loans are typically secured by guarantee institutions in exchange for a certain guarantee fee	-
<b>Client interest rate</b>	-	fixed 3%	max. 2.5% fixed rate	if the GHP is combined with CSOK, for loan amount of up to HUF 10 million in the case of 2 children and HUF 15 million with 3 or more kids an even more preferential client rate of 0% is applied	max. 2.5% fixed rate	free of interest for the client in the first five years. If a baby is born within 5 years, the loan remains free of interest for the client for the whole maturity; if not, a punitive rate will be applied, payable by the client. Also, clients have to pay a guarantee fee of 0.5% p.a.	fixed 3%	max. 0.1%-0.5% fixed, depending on product	0%
<b>Interest subsidy paid by the State</b>	-	max. 5Y Government bond yield * 1.3	-	max. 2.5%	-	difference between the total and client rate	max. 5Y Government bond yield * 1.3	max. 4.85%-7.5% fixed, depending on product	-
<b>Total interest received by the banks</b>	-	max. 5Y Government bond yield * 1.3 + 3%	max. 2.5%	max. 2.5%	max. 2.5% fixed rate	max. 5Y Government bond yield * 1.3 + 2%, fixed for 5 years. A punitive interest rate (5Y Government bond yield * 1.3 + 5%) applies if the first new baby is not born within 5 years or the couple divorces	max. 5Y Government bond yield * 1.3 + 3%	max. 4.95%-8.0% fixed, depending on product	not in commercial banks' books, but distributed by commercial banks
<b>Related fees received by the banks</b>	intermediation fee of 2% of the non-refundable subsidy amount	-	-	commission amounting to 1.5% of the disbursed loan amount	-	opening support fee of 0.8% of the original principal and 0.3% handling fee of the outstanding amount p.a., all paid by the Government to banks	commission amounting to 1.5% of the disbursed loan amount	fees are regulated; clients pay to banks 0.5% handling fee p.a. of the average outstanding loan portfolio, and disbursement fee; banks pay to KAVOSZ 0.5% maintenance commission p.a., and certain part of the disbursement fee	distribution fee of 1.5% of the disbursed loan amount at origination; annual management fee of 1.5% of the average outstanding portfolio

**OTP's participation in the above schemes - key figures**

<b>New flow</b>	2020: HUF 81 bn, 9M 2021: HUF 81 bn grant intermediated by OTP Bank	Disbursement: 2020 HUF 91 billion, 9M 2021 HUF 68 billion	-	-	Contracted amount since the start of the scheme at OTP Bank and Merkantil Group: HUF 827 billion	Contractual amount: 2020: HUF 257 billion, 9M 2021: HUF 180 billion	Disbursement: HUF 22 billion in 9M 2021	Contractual amount: 3Q 2021: HUF 57 billion	Applications submitted in 9M 2021: HUF 26.5 billion
<b>Outstanding stock</b>	-	3Q 2021: HUF 246 billion	-	-	3Q 2021: HUF 565 billion (OTP Bank + Merkantil)	9M 2021: HUF 624 bn	3Q 2021: HUF 21 billion	-	-
<b>Market share</b>	n/a	n/a	-	-	Contractual amount: 28% (OTP Bank + Merkantil)	Contractual amount: 9M 2021: 42.2%	-	3Q 2021 new flow: ~50%	9M 2021, number of submitted applications: 37.8%

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