



## Press release

Budapest, 24 March 2021

### **Hungarian Bankholding: The new and unified bank will launch in 2023**

**The Hungarian Bankholding Ltd. has approved the five-year business strategy for the merger of Budapest Bank, MKB Bank and Takarékbank. The aim of the emerging large bank is to be the most modern bank in Hungary, which will introduce flexible, internationally leading digital solutions. With the integration of Budapest Bank, MKB Bank and Takarékbank, the population and businesses of Hungary will be served by a unified financial institution from 2023, which will transform the traditional image of banks.**

The Hungarian Bankholding Ltd. has reached an important milestone. The Board of Directors and the Supervisory Board have approved the strategy of the company for the next five years (2021-2025).

The merger of the three strong domestic commercial banks, Budapest Bank, MKB Bank and Takarékbank, is planned to be concluded in 2023. By this time, the purely Hungarian-owned bank will launch, striving for a market leading position, dedicated to become the most modern, and most digitized financial service provider of Hungary.

The new large bank will serve the full market spectrum and all customer segments in the future, with a significant emphasis on the provision of new, modern range of products and services to retail, micro, small and medium-sized enterprise and agricultural customers. The group will retain its market-leading corporate, agricultural and leasing positions in the new business model.

At the same time, the strategy provides more synergies, such as in the areas of operation, guidance and IT systems, which the new large bank can utilize more efficiently in the future than the previous member banks have done separately.

*“We calculate growth significantly above the market average in the retail, micro and small sectors and agricultural segments. The goal is to increase the financial results of the banking group dynamically, but stably at the same time”* – said dr. Zsolt Barna, Chairman of the Board of Hungarian Bankholding.

### **Dynamic transformation**

Customers will not experience any disruption during the merger process, and member banks will continue to serve their customers with the usual high quality standards.

Hungarian Bankholding has also declared that in accordance with the new business strategy, it will completely return the generated profits to the development and operation of the banking group over the next five years. The new large bank will continue to operate the largest branch network in Hungary following the transformation and will remain committed to serving those living in small settlements, aiming to become a market leader with a strong digital orientation.

### **Serious challenge**



The new Hungarian large bank will compete not only with traditional banks, but also with innovative financial service providers and large international technology companies with foothold in the financial sector.

*"The strategy includes the introduction of internationally leading digital solutions, but at least as much emphasis is placed on creating a flexible, continuously renewable organization and corporate culture based on recognizing and serving the needs of our customer"* – noted dr. Zsolt Barna in connection with the strategic objectives.

He added: *"A historic transformation in the Hungarian banking sector is underway, carried out by the everyday work of an extremely strong professional team."*

### **Efficiency and flexibility**

The key owners of Budapest Bank Ltd., MKB Bank Plc. and MTB Ltd. transferred their bank shares to the Hungarian Bankholding Ltd. on 15 December 2020, which established the unified ownership structure and management of the three banks.

The three member banks already serve 1.4 million active retail customers and 208 thousand active corporate customers. The holding is the market leader in many fields. Its aggregated balance sheet is HUF 8,424, it has a HUF 3,787 credit volume and a HUF 5,414 billion deposit volume.

The global coronavirus epidemic is transforming the economy, including the banking system. Sectors critical to self-sufficiency may become more valuable, on which the new bank plans to have a strong emphasis. In the altered environment, financial service providers are also expected to have flexibility, full digital customer service, i.e. fast and cost-effective response – one of the key elements of which will be the new IT system.

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### **Background information**

#### **Hungarian Bankholding Ltd.**

Hungarian Bankholding Ltd. commenced its effective operation on 15 December, after MNB (acting as the central bank of Hungary) approved the merger of Budapest Bank Group, MKB Bank Plc. and Takarékszövetkezet Group, and the shares of the key owners were transferred to the joint holding company. By transferring the in-kind contributions, the second largest banking group in Hungary has been established, with the Hungarian State owning 30.35 percent of the shares through Corvinus International Investment Ltd., the previous direct owners of MKB acquiring 31.96 percent of the shares and the previous direct owners of MTB acquiring 37.69 percent of the shares. The new banking group serves 1.4 million active retail customers and 208 thousand active corporate customers. It is the market leader in many fields. Its aggregated balance sheet is HUF 8,424, it has a HUF 3,787 credit volume and a HUF 5,414 billion deposit volume.

#### **Further information:**

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