



Customer Information

Dear Clients,

Let us inform you that MagNet Hungarian Community Bank, at the invitation of the Hungarian Financial Supervisory Authority (HFSA), has joined the Code of Conduct on the principles of fair conduct by financial organizations engaged in retail lending.

The Code of Conduct is an agreement or set of rules created in the framework of market self-regulation, which lays down behavioural rules in relation to retail lending operations for those financial institutions that undertake to be bound by the Code.

The purpose of the Code of Conduct is to strengthen the confidence indispensable in the relationship between retail borrowers and creditors. The institutions signing the Code commit themselves to transparent and responsible lending practices by complying with the rules of the Code in their proceedings

- during the period preceding the conclusion of a contract,
- during the entire term of a credit,
- upon the occurrence of payment difficulties, and
- before and after enforcement proceedings.

The principles of the Code of Conduct are as follows:

- **principle of transparency** (for clients and all market participants)
 - clarity
 - applying enhanced transparency
 - access to the necessary information
- **principle of compliance**
 - the creditors lay down their procedures in by-laws in line with legislative provisions and requirements promoting best practices
- **principle of symmetry**
 - creditors consider, to the benefit of their clients, not only unfavourable, but also favourable changes in their circumstances when establishing their pricing policy.

Having regard to the fact that the MagNet Bank has joined the Code of Conduct and considering the above principles, we will amend the General Terms and Conditions of the Contracting Conditions of Credit Operations (hereinafter: GTC) as well as the list of Terms & Conditions with effect from December 17, 2009, which can be downloaded from our website and are available in our branches.

The changes in brief:

1. The Credit Department will notify its natural person and corporate clients in a separate list of Terms & Conditions of the interest rates, commissions, as well as the costs and fees applied.
2. For the purpose of enhancing transparency, the Bank will introduce the use of the **Reference Rate (RR)** in respect of its HUF and FX-based credit operations *vis-a-vis* its **natural person clients qualifying as a consumer**. The definition of the Reference Rate, and the Reference Rate applied by the Bank as well as its scope of application are laid down in the list of Terms & Conditions. As a result, as soon as the amendment takes effect, the interest rate applied by MagNet Bank will be pegged to the RR published in the Announcement so that our clients can keep track of the direction and degree of interest rate changes.

The RR, in the case of HUF-based, CHF-based and FX-based loans, equals with the Central Bank base rate, the middle of the 3-month Libor CHF SNB target range and the fixed ECB rate for main refinancing operations, respectively.

The RR is reviewed with the frequency and at the dates set forth in the list of Terms & Conditions, and MagNet Bank establishes its RR-related interest rate on the basis of the current RR.

Let us reassure you that the introduction of the RR-related interest rate will not result in interest rate increase in respect of the loan contracts concluded with the clients affected.

3. As regards those retail clients whose contracts stipulate an interest rate that is not linked to the RR, the circumstances that allow us to unilaterally change the interest rate or the method of the establishment of the RR-related interest rate are specified in the GTC.
4. For the purpose of transparency, we provide detailed information in respect of the Central Credit Information System (KHR).

Please, study carefully the GTC and the list of Terms & Conditions effective as of December 17, 2009, and should you have any questions in respect of the above or the content of the GTC or the list of Terms & Conditions, please do not hesitate to visit us or write to us.

We hope that the above changes will serve the satisfaction of our clients and that MagNet Bank, operating in compliance with the Code of Conduct, will meet the strong demand of its clients in the future as well.

Budapest, December 2, 2009

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