

BASE PROSPECTUS DATED 22 May 2024



**OTP Bank Nyrt.**

*(incorporated with limited liability in Hungary)*

**€5,000,000,000**

## **Euro Medium Term Note Programme**

Any notes (“Notes”) issued pursuant to this base prospectus (the “**Base Prospectus**”) under the Euro Medium Term Note Programme (the “**Programme**”) on or after the date of this Base Prospectus are issued subject to the provisions described herein. Under the Programme, OTP Bank Nyrt. (the “**Issuer**” or the “**OTP Bank**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Notes. The aggregate principal amount of Notes outstanding under the Programme will not at any time exceed €5,000,000,000 (or the equivalent in other currencies), subject to increase as provided herein.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of 12 months from the date of approval of this Base Prospectus. This Base Prospectus comprises a base prospectus for the purpose of Article 8 (1) of the Prospectus Regulation. Applications have been made to the Luxembourg Stock Exchange for the Notes to be admitted during the period of 12 months from the date of approval of this Base Prospectus to listing on the Official List of the Luxembourg Stock Exchange (the “**Official List**”) and to trading on the Luxembourg Stock Exchange’s regulated market (the “**Market**”). The Market is a regulated market for the purposes of Directive 2014/65/EU, as amended, on markets in financial instruments (“**MiFID II**”). References in this Base Prospectus to Notes being “**listed**” (and all related references) shall, unless the context otherwise requires, mean that such Notes have been admitted to the Official List and admitted to trading on the Market.

The CSSF only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation; such approval should not be considered as (a) an endorsement of the Issuer; or (b) an endorsement of the quality of any Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer.

The Senior Preferred Notes and any Coupons (each as defined herein) relating thereto will constitute ordinary non-preferential debt for the purposes of the Ranking Legislation (as defined below). The Senior Non-Preferred Notes (as defined herein) and any Coupons relating thereto will constitute secondary non-preferential debt for the purposes of the Ranking Legislation. The Tier 2 Capital Notes (as defined herein) and any Coupons relating thereto will constitute subordinated non-preferential debt for the purposes of the Ranking Legislation.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date (i.e. until 22 May 2025) in relation to Notes which are to be admitted to trading on a regulated market in the European Economic Area (the “**EEA**”) and/or offered to the public in the EEA other than in circumstances where an exemption is available under Article 1(4) and/or 3(2) of the Prospectus Regulation. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the “**Benchmark Regulation**”). If any such reference rate does constitute such a benchmark, the applicable Final Terms (as defined below) will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (“**ESMA**”) pursuant to Article 36 of the Benchmark Regulation. Not every reference rate will fall within the scope of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the European Union (the “**EU**”), recognition, endorsement or equivalence). The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the relevant Final Terms to reflect any change in the registration status of the administrator.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or any U.S. state securities laws, and may not be offered, sold or delivered within the United States (as defined in Regulation S (“**Regulation S**”) under the Securities Act), except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

**Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations under the Notes are discussed under “Risk Factors” herein.**

*Arranger*

**BNP PARIBAS**

*Dealers*

**BNP PARIBAS**

**OTP BANK**

## IMPORTANT NOTICES

### Final Terms/Drawdown Prospectus

Each Tranche (as defined under “*General Description of the Programme*” below) of Notes will be issued on the terms set out herein under “*Terms and Conditions of the Notes*” (the “**Conditions**”) as completed by a document specific to such Tranche called final terms (the “**Final Terms**”) which will be delivered to the CSSF and, where listed, the Market or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “*Final Terms and Drawdown Prospectuses*” below.

### Responsibility for this Base Prospectus

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus (or the relevant Final Terms, as the case may be) is in accordance with the facts and this Base Prospectus (or the relevant Final Terms, as the case may be) makes no omission likely to affect the import of such information.

### The Notes

Notes may only be issued under the Programme which have a denomination of at least €100,000 (or its equivalent in any other currency at the relevant issue date).

Each Tranche of Notes in registered form (“**Registered Notes**”) will be represented by either: (a) individual note certificates in registered form (“**Individual Certificates**”); or (b) one or more global note certificates (“**Global Certificates**”).

Each Note represented by a Global Certificate will either be: (a) in the case of a Global Certificate which is not to be held under the new safekeeping structure (“**NSS**”), registered in the name of a common depositary (or its nominee) for Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) with a sub-custodian for the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority (the “**CMU**”) and/or any other relevant clearing system and the relevant Global Certificate will be deposited on or about the issue date with the common depositary and/or the sub-custodian; or (b) in the case of a Global Certificate to be held under the NSS, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”), without interest coupons, or a permanent global note in bearer form (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of Notes with a depositary or a common depositary for Euroclear, Clearstream, Luxembourg and/or the CMU and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

## Other relevant information

This Base Prospectus must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Certain information in this Base Prospectus has been extracted or derived from independent sources. Where this is the case, the source has been identified. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant source, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Base Prospectus, the source of such information has been identified.

Save for the Issuer, no other party has separately verified the information contained in this Base Prospectus. None of the Arranger or the Dealers or the Calculation Agent or any of the Agents accepts any responsibility for the contents of this Base Prospectus (or any Final Terms) or for any other statement, made or purported to be made by the Arranger or the Dealers or the Calculation Agent or Agents or on its or their behalf in connection with the Issuer or the issue and offering of any Notes. Each of the Arranger, the Dealers, the Calculation Agent and the Agents accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus, any Final Terms or any such statement. The statements made in this paragraph are without prejudice to the responsibilities of the Issuer under or in connection with this Base Prospectus, any Final Terms and the Notes.

In the ordinary course of business, the Arranger and the Dealers may have engaged and may in the future engage in banking or investment banking transactions with the Issuer and its affiliates or any of them.

References in this Base Prospectus to a “**Holder**” or “**Noteholder**” are to the holder of a Bearer Note or the person in whose name a Registered Note is registered, as the case may be.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus (and the relevant Final Terms, where applicable) or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Arranger, the Dealers or any Agent.

Neither this Base Prospectus nor any other information supplied in connection with the offering of any Notes is intended to constitute, and should not be considered as, a recommendation by any of the Issuer and the Issuer’s subsidiaries (the “**Subsidiaries**”) taken as a whole (collectively, the “**OTP Group**”), the Arranger, the Dealers, the Calculation Agent or the Agents that any recipient of this Base Prospectus, any Final Terms or any other information supplied in connection with the Programme or the offering of Notes should purchase any Notes. None of the Arranger or the Dealers or any of their respective affiliates or any Agent has authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus.

Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true at any time subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the OTP Group since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or

supplemented or that any other information supplied in connection with the Programme or the offering of any Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Arranger, the Dealers, the Calculation Agent and Agents expressly do not undertake to review the financial condition or affairs of the Issuer or the OTP Group during the life of the Programme nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Dealers, the Calculation Agent or the Agents. Investors should review, *inter alia*, the most recent published financial statements of the Issuer and the OTP Group when evaluating the Notes.

### **Suitability of investment**

The Notes are complex financial instruments and may not be a suitable investment for all investors. Such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the prospectus or any applicable Drawdown Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal or interest payments is different from the currency in which the potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets;
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and
- (vi) understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the relevant Notes.

An investment in the Notes may give rise to higher yields than a bank deposit placed with the Issuer or another deposit-taking bank within the OTP Group. However, an investment in the Notes carries risks which are very different from the risk profile of such a bank deposit. The Notes may provide greater liquidity than a bank deposit since bank deposits are generally not transferable. Conversely, unlike certain bank deposits (i) holders of the Notes have no ability to require repayment of their investment other than in very limited circumstances and (ii) Holders of the Notes will not have the benefit of any insurance or deposit guarantee of any government agency.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions

should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Notes to retail investors. There are risks inherent in the holding of the Notes, including the risks in relation to their ranking and the circumstances in which Noteholders may suffer loss as a result of holding the Notes. See also the risks described in the section headed “*Risk Factors*”.

### **Restrictions on distribution**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction and/or to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any 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, the Arranger or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus 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 Base Prospectus or any Final Terms comes are required by the Issuer, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”.

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 Notes in bearer form are subject to U.S. tax law requirements. 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 and any applicable securities laws of any state or other jurisdiction of the United States.

**NEITHER THE PROGRAMME NOR THE NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.**

**IMPORTANT – EEA RETAIL INVESTORS** – If the Final Terms in respect of any Notes include a legend entitled “*Prohibition of Sales to EEA Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a “**retail investor**” means a person who is one (or more) of:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – If the Final Terms in respect of any Notes include a legend entitled “*Prohibition of Sales to UK Retail Investors*”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the “**UK**”). For these purposes, a “**retail investor**” means a person who is one (or more) of:

- (a) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or
- (b) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”).

Consequently, no key information document required by the PRIIPs Regulation as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**MiFID II PRODUCT GOVERNANCE/TARGET MARKET** – The Final Terms in respect of any Notes will include a legend entitled “*MiFID II Product Governance/Target Market*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

**UK MiFIR PRODUCT GOVERNANCE/TARGET MARKET** – The Final Terms in respect of any Notes may include a legend entitled “*UK MiFIR Product Governance/Target Market*” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “**UK MiFIR Product Governance Rules**”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

## **Notice to investors in Canada**

The Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Base Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

If applicable, pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the Arranger and the Dealers are relying on an exemption from the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

## **Investors to make own investigations**

Neither this Base Prospectus nor any Final Terms nor any of the documents incorporated by reference constitutes an offer or an invitation to subscribe for or purchase any Notes and are not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

## **Programme limit**

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €5,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Programme Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

## **Currency definitions**

Unless otherwise indicated, all references in this Base Prospectus to "**Euro**", "**euro**", "**EUR**" or "**€**" are to the 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; all references to "**dollars**", "**\$**", "**U.S.\$**" or "**USD**" are to the lawful currency of the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia (the "**United States**" or "**U.S.**"); all references to "**forint**", "**Hungarian forint**" and "**HUF**" are to the lawful currency of Hungary; all references to "**UAH**" are to the lawful currency of Ukraine, all references to "**RUB**" are to the lawful currency of the Russia and all references to "**Renminbi**", "**RMB**" or "**CNY**" are to the lawful currency of the People's Republic of China, excluding Taiwan, Hong Kong and Macau (the "**PRC**").

The Issuer prepares its financial statements in Hungarian Forint and, unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in forint.

### Exchange Rates

The following table sets forth, for the periods set forth below, the high, low, average and period end Bloomberg Composite Rate expressed as HUF per EUR 1.00. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks. The Bloomberg Composite Rate is a mid-value rate between the applied highest bid rate and the lowest ask rate. The rates may differ from the actual rates used in the preparation of the consolidated financial statements and other financial information appearing in this Base Prospectus. Neither the Issuer nor the Arranger nor the Dealers represents that the HUF amounts referred to below could be or could have been converted into euro or USD at any particular rate indicated or any other rate. The average rate for a financial year means the average of the closing Bloomberg Composite Rate on each business day during a year. The average rate for a month, or for any shorter period, means the average of the closing Bloomberg Composite Rate of each business day during that month, or shorter period, as the case may be.

Unless otherwise specified, where financial information in relation to the Issuer has been translated into EUR, it has been so translated, for convenience only, at the rate of HUF 382.42 per EUR 1.00. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted into euro at that or any other rate.

The Bloomberg Composite Rate of the euro on 15 May 2024 was HUF 385.49 per EUR 1.00.

	HUF per EUR 1.00			
	High	Low	Average	Period end
<b>Year ended 31 December</b>				
2023	401.54	367.91	381.54	382.42
2022	432.34	352.93	391.07	398.50
2021	370.39	345.81	358.54	369.33
2020	368.70	328.95	351.24	362.79
<b>Month ended</b>				
30 April 2024	395.57	389.24	392.62	391.05
31 March 2024	399.35	393.12	395.11	393.71
29 February 2024	393.57	382.75	388.26	392.74
31 January 2024	389.38	377.31	382.03	383.68

### Ratings

As at the date of this Base Prospectus, the issuer credit rating assigned to the Issuer by S&P Global Ratings Europe Limited (“**S&P**”) was BBB-, the long-term counterparty risk rating assigned to the Issuer by Moody’s Investors Service Cyprus Ltd (“**Moody’s**”) was Baa1, the issuer rating assigned to the Issuer by Scope Ratings GmbH (“**Scope**”) was BBB+ and the issuer credit rating (China national scale) assigned to the Issuer by China Lianhe Credit Rating Co., Ltd. (“**Lianhe**”) was AAA. S&P, Moody’s and Scope are established in the EEA and



are certified under Regulation (EC) No. 1060/2009, as amended (the “**CRA Regulation**”). As such, S&P, Moody’s and Scope are included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. Lianhe is authorised by the China Securities Regulatory Commission and is not established in the European Union nor certified under the CRA Regulation.

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) applicable to the Issuer or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be: (a) issued by a credit rating agency established in the EEA and registered under the CRA Regulation; (b) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation; or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the relevant Final Terms.

**A 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.**

### **Stabilisation**

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the relevant Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

### **Singapore SFA Product Classification**

In connection with Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore (as modified and amended from time to time, the “**SFA**”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes issued under the Programme 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).

## **SUPPLEMENT TO THE BASE PROSPECTUS**

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the Market, shall constitute a supplement to the base prospectus as required by Article 23 of the Prospectus Regulation.

## FORWARD-LOOKING STATEMENTS

This Base Prospectus and the information incorporated by reference into this Base Prospectus include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “anticipates”, “expects”, “intends”, “plans”, “goal”, “target”, “aim”, “may”, “will”, “would”, “could” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this Base Prospectus and the information incorporated by reference into this Base Prospectus and include statements regarding the intentions, beliefs or current expectations of the Issuer or the OTP Group concerning, among other things, the operating results, financial condition, prospects, growth, strategies and dividend policy of the Issuer and the sectors and markets in which it operates.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future and may be beyond the Issuer’s ability to control or predict. Forward-looking statements are not guarantees of future performance.

The Issuer’s actual operating results, financial condition and the development of the sectors and markets in which it operates may differ materially from the impression created by the forward-looking statements contained in this Base Prospectus and/or the information incorporated by reference into this Base Prospectus. In addition, even if the operating results and financial condition of the Issuer, and the development of the sectors and markets in which it operates, are consistent with the forward-looking statements contained in this Base Prospectus and/or the information incorporated by reference into this Base Prospectus, those results or developments may not be indicative of results or the development of such sectors and markets in subsequent periods. Important factors that could cause these differences include, but are not limited to, general political, economic and business conditions, sector and market trends, changes in government, changes in law or regulation, stakeholder perception of the Issuer and/or the sectors or markets in which it operates and those risks described in the section headed “*Risk Factors*”.

Investors are advised to read this Base Prospectus and the information incorporated by reference into this Base Prospectus in their entirety, and, in particular, the section headed “*Risk Factors*”, for a further discussion of the factors that could affect the Issuer’s future performance and the sectors and markets in which it operates. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Base Prospectus and/or the information incorporated by reference into this Base Prospectus may not occur.

Subject to applicable law or regulation, the Issuer explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Base Prospectus that may occur due to any change in the Issuer’s expectations or to reflect events or circumstances after the date of this Base Prospectus.

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## GENERAL DESCRIPTION OF THE PROGRAMME

*The following overview is a general description of the Programme, must be read as an introduction to this Base Prospectus, and is qualified in its entirety by the remainder of this Base Prospectus and the information incorporated by reference herein (and, in relation to any Tranche of Notes, the relevant Final Terms). Words and expressions defined in “Forms of the Notes” or “Terms and Conditions of the Notes” shall have the same meanings in this General Description of the Programme.*

*This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.*

<b>Issuer:</b>	OTP Bank Nyrt.
<b>Issuer Legal Entity Identifier (LEI):</b>	529900W3MOO00A18X956
<b>Website of the Issuer:</b>	<a href="https://www.otpbank.hu">https://www.otpbank.hu</a>
<b>Arranger:</b>	BNP Paribas
<b>Dealers:</b>	BNP Paribas, OTP Bank Nyrt. and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes (each a “ <b>Dealer</b> ”, and together the “ <b>Dealers</b> ”).
<b>Fiscal Agent, Transfer Agent and Calculation Agent:</b>	Citibank, N.A, London Branch
<b>Registrar:</b>	Citibank Europe plc
<b>CMU Lodging and Paying Agent:</b>	Citicorp International Limited
<b>Listing Agent:</b>	Banque Internationale á Luxembourg SA
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series (as defined below) of Notes issued under the Programme. See “ <i>Risk Factors</i> ”.
<b>Admission to Listing and Trading:</b>	Applications have been made for Notes to be admitted during the period of 12 months from the date of approval of this Base Prospectus to listing on the Official List and to trading on the Market. The Market is a regulated market for the purposes of MiFID II.
<b>Clearing Systems:</b>	Euroclear, Clearstream, Luxembourg and/or the CMU and/or, in relation to any Tranche of such Notes, any other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer(s) and specified in the relevant Final Terms.
<b>Programme Amount:</b>	Up to €5,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Issuance in Series:**

Notes will be issued in series (each a “**Series**”). Each Series may comprise one or more tranches (each a “**Tranche**”) issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

**Final Terms or Drawdown Prospectus:**

Each Tranche of Notes will be issued on the terms set out in the Conditions as completed by the relevant Final Terms or Drawdown Prospectus.

**Forms of Notes:**

Notes may be issued in bearer form or in registered form.

***Bearer Notes***

Bearer Notes will be sold outside the United States to persons that are not U.S. persons in “offshore transactions” within the meaning of Regulation S. In respect of each Tranche of Bearer Notes, the Issuer will deliver a Temporary Global Note or (if TEFRA is specified as non-applicable or if the TEFRA C Rules are specified as applicable) a Permanent Global Note.

Each Temporary Global Note will be exchangeable for a Permanent Global Note. Each Permanent Global Note will be exchangeable for Notes in definitive bearer form (“**Definitive Notes**”) in accordance with its terms. Definitive Notes will, if interest-bearing, have interest coupons (“**Coupons**”) attached and, if appropriate, a talon (“**Talon**”) for further Coupons.

Each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and each Global Note which is not intended to be issued in NGN form (a “**CGN**”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common depositary (or its nominee) for Euroclear, Clearstream, Luxembourg and/or the CMU and/or any other relevant clearing system.

***Registered Notes***

Each Tranche of Registered Notes will be represented by either: (a) Individual Certificates; or (b) one or more Global Certificates.

Each Note represented by a Global Certificate will either be: (a) in the case of a Global Certificate which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear, Clearstream, Luxembourg and/or the CMU and/or any other relevant clearing system and the relevant Global Certificate will be deposited on or about the issue date with the common depositary and/or the sub-custodian; or (b) in

the case of a Global Certificate to be held under the NSS, registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the relevant Global Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

**Currencies:**

Notes may be denominated in euro, U.S. dollars, pounds sterling or in any other currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Status of the Senior Preferred Notes:**

The Senior Preferred Notes (and the Coupons relating thereto, if any) will constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer and will constitute ordinary non-preferential debt (Hungarian terminology: *rendes fedezetlen követelések*) pursuant to Section 57(1b)(a) of the Credit Institutions Act for the purposes of the Ranking Legislation. The Senior Preferred Notes and any Coupons relating thereto will rank junior to the claims against the Issuer specified in Section 57(1)(a)-(e) of the Ranking Legislation (including, among others, deposits held with the Issuer pursuant to Section 57(1)(a)-(c) of the Credit Institutions Act) and *pari passu* without any preference among themselves and, save for such exceptions as may be provided by applicable legislation, at least *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future (other than Senior Non-Preferred Notes and other obligations which rank or are expressed to rank junior to the Senior Preferred Notes including debt of the Issuer specified in Section 57(1b)(b) and Section 57(1b)(c) of the Credit Institutions Act for the purposes of the Ranking Legislation, and claims against the Issuer specified in Section 57(1)(g)-(h) of the Ranking Legislation (including claims for default interest and certain claims of affiliated persons and entities against the Issuer as specified in the Ranking Legislation) and other than such deposits, loans or other obligations which are given priority pursuant to applicable statutory provisions).

**Status of the Senior Non-Preferred Notes:**

The Senior Non-Preferred Notes (and the Coupons relating thereto, if any) will constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer and will constitute secondary non-preferential debt (Hungarian terminology: *előresorolt, de nem elsőbbségi fedezetlen követelések*) pursuant to Section 57(1b)(b) of the Credit Institutions Act for the purposes of the Ranking Legislation. Subject to the Ranking Legislation, the Senior Non-Preferred Notes and any Coupons relating thereto rank junior to the claims against the Issuer specified in Section 57(1)(a)-(e) of the Ranking Legislation, junior to the Senior Preferred Notes and any Coupons relating

thereto and ordinary non-preferred debt of the Issuer specified in Section 57(1b)(a) of the Credit Institutions Act for the purposes of the Ranking Legislation. The Senior Non-Preferred Notes will rank *pari passu* without any preference among themselves and with all other Senior Non-Preferred Claims and in priority to (A) all claims in respect of other non-preferential debts of the Issuer specified in Section 57(1b)(c) of the Credit Institutions Act for the purposes of the Ranking Legislation; (B) all claims against the Issuer specified in Section 57(1)(g)-(h) of the Ranking Legislation (including claims for default interest and certain claims of affiliated persons and entities against the Issuer as specified in the Ranking Legislation); and (C) all claims in respect of Tier 2 items and instruments of the Issuer within the meaning of Section 57(2) of the Credit Institutions Act for the purposes of the Ranking Legislation (including, without limitation, any Tier 2 Capital Notes).

**Status of the Tier 2 Capital Notes:**

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) will constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer and will constitute subordinated non-preferential debt arising from Tier 2 instruments (Hungarian terminology: *járvulékos tőkeelem*) within the meaning of Section 57(2) of the Credit Institutions Act for the purposes of the Ranking Legislation. Subject to the Ranking Legislation, the Tier 2 Capital Notes and any Coupons relating thereto will rank junior to the claims against the Issuer specified in section 57(1)(a)-(h) of the Ranking Legislation, including the Senior Preferred Notes and the Senior Non-Preferred Notes and, in each case any Coupons relating thereto. The Tier 2 Capital Notes will rank *pari passu* without any preference among themselves.

Claims in relation to the Tier 2 Capital Notes shall be subordinated as provided in Condition 3(c) (*Tier 2 Capital Notes*) to all Senior Claims but shall rank:

- (i) subject as provided in paragraph (ii) below, *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and all obligations of the Issuer which rank, or are expressed to rank, *pari passu* therewith; and
- (ii) in priority to (A) the claims of holders of the Issuer's EUR 500,000,000 fixed to floating rate perpetual subordinated notes (ISIN: XS0274147296), (B) obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital, (C) all obligations which rank, or are expressed

to rank, *pari passu* with such obligations described in (A) and (B), (D) the claims of holders of all classes of share capital of the Issuer and (E) any obligations that otherwise rank junior to the Tier 2 Capital Notes.

<b>Issue Price:</b>	Notes may be issued at any price. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
<b>Specified Denominations:</b>	The Notes may be issued in such denominations as may be specified in the relevant Final Terms, save that no Notes may be issued under the Programme which have a denomination of less than €100,000 (or its equivalent in any other currency at the relevant Issue Date).
<b>Maturities:</b>	Any maturity, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Interest:</b>	Notes may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate, a resetting rate or a floating rate (or a fixed/floating rate or floating/fixed rate).
<b>Fixed Rate Notes:</b>	Fixed Rate Notes will bear interest at the fixed rate(s) of interest specified in the relevant Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the relevant Final Terms or determined pursuant to the Conditions.
<b>Reset Notes:</b>	Reset Notes will, in respect of an initial period, bear interest at the Initial Rate of Interest specified in the relevant Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the relevant Final Terms by reference to a mid-swap rate for the relevant Specified Currency or a benchmark security rate, and for a period equal to the relevant reset period, as adjusted for any applicable margin, in each case as may be specified in the relevant Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the relevant Final Terms or determined pursuant to the Conditions.
<b>Zero Coupon Notes:</b>	Zero Coupon Notes may be issued at their principal amount or at a discount to their principal amount and will not bear interest.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest determined separately for each Series as follows: <ul style="list-style-type: none"><li>(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or</li></ul>



- (ii) by reference to a reference rate set out in the applicable Final Terms, subject to Condition 9 (*Benchmark Discontinuation and Benchmark Transition Event*),

in any such case as adjusted for any applicable margin specified in the relevant Final Terms.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

**Benchmark Discontinuation (in respect of Floating Rate Notes and Reset Notes referencing a rate other than SOFR):**

If a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the relevant Final Terms, then the Issuer may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of the relevant Series of Notes and the application of an adjustment spread (which could be positive or negative or zero)). See Condition 9(a) (*Benchmark Discontinuation*).

**Benchmark Transition Event (in respect of Floating Rate Notes and Reset Notes referencing SOFR):**

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates (with consequent amendment to the terms of the relevant Series of Notes, as applicable). See Condition 9(b) (*Benchmark Transition Event*).

**Redemption:**

Unless previously redeemed or purchased and cancelled or substituted, Notes will be redeemed at their Final Redemption Amount, together with accrued and unpaid interest (as specified in the relevant Final Terms) on the Maturity Date.

**Optional Redemption:**

Notes may be redeemed before the Maturity Date at the option of the Issuer (as described in Condition 10(b) (*Redemption at the option of the Issuer*)), to the extent (if at all) specified in the relevant Final Terms, subject to obtaining Supervisory Permission for redemption and complying with certain pre-conditions (see Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes and Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes and Senior Preferred Notes). To the extent (if at all) specified in the relevant Final Terms, Senior Preferred Notes and Senior Non-Preferred Notes may be redeemed before the Maturity Date at the option of the

Noteholders (as described in Condition 10(f) (*Redemption at the option of Noteholders*)).

**Early Redemption:**

Except as described in “*Optional Redemption*” above, early redemption will only be permitted: (a) for tax reasons, as described in Condition 10(c) (*Redemption for Tax Event*); (b) in the case of Tier 2 Capital Notes, for regulatory reasons, as described in Condition 10(d) (*Redemption for Capital Disqualification Event*), subject to the Issuer obtaining prior Supervisory Permission and complying with certain pre-conditions (see Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*)); (c), in the case of Senior Non-Preferred Notes and Senior Preferred Notes (unless otherwise specified in the relevant Final Terms) if the Notes are fully or partially excluded from the Issuer’s minimum requirements for (i) own funds and eligible liabilities and/or (ii) loss absorbing capacity instruments, as described in Condition 10(e) (*Redemption for Loss Absorption Disqualification Event*), subject to the Issuer obtaining prior Supervisory Permission and complying with certain pre-conditions (see Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*)); and (d) where “**Clean-Up Call Option**” is specified to be applicable in the relevant Final Terms, if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a Series of Notes has been redeemed or purchased and subsequently cancelled as described in Condition 10(p) (*Clean-Up Call Option*), subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes and Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes and Senior Preferred Notes.

**Substitution and Variation of Tier 2 Capital Notes:**

Unless otherwise specified in the relevant Final Terms, the Issuer may, upon occurrence of a Tax Event or a Capital Disqualification Event, either substitute all of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities, subject to the Issuer obtaining prior Supervisory Permission and complying with certain pre-conditions (see Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*)). See Condition 10(n) (*Substitution and Variation of Tier 2 Capital Notes*).

**Substitution and Variation of Senior Non-Preferred Notes and Senior Preferred Notes:**

Unless otherwise specified in the relevant Final Terms, the Issuer may, upon occurrence of a Loss Absorption Disqualification Event or a Tax Event, either substitute all of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate,

become, Loss Absorption Compliant Notes, subject to the Issuer obtaining prior Supervisory Permission and complying with certain pre-conditions (see Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*)). See Condition 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*).

**Negative Pledge:**

None.

**Cross Default:**

None.

**Withholding Tax and Additional Amounts:**

All payments of principal, interest and any other amounts in respect of the Notes and the Coupons 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 the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall (a) in the case of each Series of Senior Preferred Notes, unless the relevant Final Terms expressly specifies “Senior Preferred Notes: Gross-up of principal” as “Not Applicable”, in respect of payments of interest (if any) or principal or (b) in the case of all Tier 2 Capital Notes and all Senior Non-Preferred, in respect of payments of interest (if any) only and not principal, pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in Condition 13 (*Taxation*).

Notwithstanding any other provisions of the Conditions or the Fiscal Agency Agreement, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

**Modification:**

The Fiscal Agency Agreement will contain provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of any of the Conditions, subject, where applicable, to Condition 18(c) (*Supervisory Permission*). Such a meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding.

**Governing Law:**

The Fiscal Agency Agreement, the Notes and the Coupons, and all non-contractual obligations arising out of or in connection with them, will be governed by, and shall be construed in accordance with, English law, save that the provisions of Condition 3 (*Status*) relating to the status, ranking and (if applicable) subordination of the Notes and waiver of set-off will be governed by, and shall be construed in accordance with, the laws of Hungary.

**Ratings:**

As at the date of this Base Prospectus, the issuer credit rating assigned to the Issuer by S&P was BBB-, the long-term counterparty risk rating assigned to the Issuer by Moody's was Baa1, the issuer rating assigned to the Issuer by Scope was BBB+ and the issuer credit rating (China national scale) assigned to the Issuer by Lianhe was AAA. S&P, Moody's and Scope are established in the EEA and are certified under the CRA Regulation. As such, S&P, Moody's and Scope are included in the list of credit rating agencies published by ESMA on its website in accordance with the CRA Regulation. Lianhe is authorised by the China Securities Regulatory Commission and is not established in the European Union nor certified under the CRA Regulation.

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) applicable to the Issuer or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be: (a) issued by a credit rating agency established in the EEA and registered under the CRA Regulation; (b) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation; or (c) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the relevant Final Terms.

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.

**Selling Restrictions:**

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the EEA (including Hungary and Italy), the United Kingdom, Japan, Singapore, Uzbekistan, the PRC and Hong Kong. See “*Subscription and Sale*”.

## **RISK FACTORS**

*Prospective investors should consider carefully the risks set forth below and the other information contained in this Base Prospectus prior to making any investment decision with respect to the Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's or the OTP Group's business, operations, financial condition or prospects and the industry in which they operate which, in turn, could have a material adverse effect on the amount of principal and interest which investors will receive in respect of the Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.*

*Prospective investors should note that the risks described below are not the only risks the Issuer and the OTP Group face, many of which relate to events and depend on circumstances that may or may not occur in the future. The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. In addition, many of these factors are correlated and may require changes to the Issuer's and/or the OTP Group's capital requirements, and events described therein could therefore have a compounding adverse effect on the Issuer.*

*Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" shall have the same meanings in this Risk Factors section.*

### **FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFILL ITS OBLIGATIONS UNDER THE NOTES ISSUED UNDER THE PROGRAMME**

#### ***Risks related to the macroeconomic and geopolitical environment***

#### ***The performance of the OTP Group is affected by adverse global political, economic and business conditions in the markets in which it operates***

The profitability of the OTP Group may be adversely affected by a worsening of general political and economic conditions in the markets in which the OTP Group operates, globally or in certain markets such as the EEA generally, and which are outside of the control of the OTP Group.

#### ***The impact of the conflict between Russia and Ukraine on the OTP Group***

OTP Group's operations in Russia and Ukraine have been negatively impacted by the consequences of the military conflict caused by Russia's invasion of Ukraine and international sanctions imposed on Russia's economic and financial system.

Russia began an invasion of Ukraine on 24 February 2022, aimed at key Ukrainian military and civilian assets across the country. The Russian military operation has led to high-intensity fighting resulting in mass casualties and large-scale damage to infrastructure and assets in Ukraine. The OTP Group's ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services. This may cause significant customer detriment, costs to reimburse losses incurred by the OTP Group's customers, and reputational damage.

As at the date of this Base Prospectus, it is still difficult to predict the full extent and overall impact of the military conflict between Russia and Ukraine on the Issuer's operation. Depending on how the military conflict between Russia and Ukraine develops, the impact of this conflict could result in a wide range of possible

scenarios for the OTP Group, and in particular, for the operation and performance of its Ukrainian and Russian subsidiaries. Under the worst possible scenario, the Issuer may lose control of its investments, which under extreme conditions could result in the full write-off of the invested amount. In a worst-case scenario, significant deterioration of the relationship between the EU and Russia may lead to a situation where OTP Group is no longer able to operate its subsidiaries in Russia or in Ukraine.

Russia and Ukraine accounted for 4 per cent. and 3 per cent. of OTP Group's total assets, respectively, as at 31 March 2024. A loss of both businesses would decrease OTP Bank's common equity tier 1 ("CET1") capital ratio by 18 basis points based on data as of 31 March 2024. As of 31 December 2023 and 31 March 2024, OTP Bank's consolidated CET1 ratio based on the prudential scope of consolidation, i.e. in line with CRR, stood at 16.6 per cent and 16.7 per cent., respectively.

For further information on the Ukraine-Russia conflict, see also the Risk Factor headed "*The provisions made by the OTP Group may not be adequate to cover actual losses sustained*".

#### *Risks connected to pandemics*

The economies of the countries in which the OTP Group operates have been negatively affected by the COVID-19 pandemic and might, in the future, be negatively affected by any other outbreak of any contagious disease such as the COVID-19 pandemic. The potential impacts of any contagious disease which may result in a global, regional or other economic recession, are uncertain and difficult to assess. The OTP Group cannot give any assurance that any contagious disease or pandemic will not arise in the future. Any such event, and any response of any government or society to any potential pandemic, may have a material adverse effect on the business, results of operations and financial condition of the Issuer or any other members of the OTP Group.

#### *Risks connected to a volatile economic environment*

The COVID-19 pandemic severely impacted the evolution of the global economy. The supply-chain and logistic relationships were disrupted by periodic lockdowns and social distancing requirements and the supply of several key raw materials dropped significantly, leading to a more volatile economic environment compared to previous years. Raw material and energy prices rose steeply, leading to higher inflation and interest rates in some of the Issuer's operating countries. The Russian invasion of Ukraine and the subsequent implementation of sanctions on Russia have accelerated supply shortages and resulted in higher energy prices and more broad-based inflation. Several major central banks have raised interest rates including the National Bank of Hungary ("MNB"). As a result of these and other factors, global financial markets have experienced significant volatility and disruption in recent years, which have adversely affected the performance and liquidity of many financial institutions and instruments.

This volatile environment, or any similar volatile environment in the future, could cause financial difficulties for the Issuer's customers. The deteriorating credit quality of the Issuer's customers may in particular result in increasing defaults and arrears in monthly payments on loans, higher credit impairments on the loan portfolios of the Issuer, declining mortgage asset values and flat or decreasing loan portfolio levels, all of which could adversely affect the Issuer's ability to service its payment obligations, including those in respect of the Notes. Furthermore, lower demand for, and origination of, new loans could expose the Issuer to the risk of losing customers to competitors with less stringent lending requirements.

The OTP Group's activities and the profitability of its operations are strongly affected by the macroeconomic environment and the domestic and international perception of the economies in which it operates. The macroeconomic situation will both determine the magnitude of lending by OTP and also the demand for any Notes. These may in turn have a negative impact on the OTP Group's profitability and ability to meet its obligations under any Notes issued under the Programme.

## ***Risks related to the business of the Issuer***

### ***The OTP Group is exposed to credit risk of its customers and counterparties***

Credit risk is present and inherent in both the on-balance sheet transactions and off-balance sheet commitments of the OTP Group.

The credit risk faced by the Issuer and other members of the OTP Group arises primarily from the risks of non-payment and default on the part of the Issuer and other OTP Group members' borrowers and other counterparties. Any deterioration or adverse change in the creditworthiness of the Issuer and the OTP Group members' borrowers and other counterparties, or a fall in collateral values, are likely to affect the recoverability and value of the Issuer and other OTP Group members' assets, and could require an increase in provisions appropriated either in respect of individual OTP Group members or at OTP Group level, which in turn could have a negative impact on the financial performance of the Issuer and the OTP Group.

In addition, third parties that owe the Issuer or any member of the OTP Group money, securities or other assets may not perform their obligations due to bankruptcy, shortage in liquidity, downturns in the economy and real estate values, operational failure or any other reasons.

Credit risk tends to be aggravated during periods of economic downturn or stagnation, which are typically characterised by higher rates of insolvencies and defaults. In addition, the credit risk faced by the Issuer and other members of the OTP Group is increased by the fact that part of the OTP Group's business is conducted in markets with generally higher risk, including country risk, such as operations in Russia and Ukraine and, to a lesser extent, Albania, Montenegro, Moldova and Uzbekistan. There is a risk of losses arising from economic difficulties or political unrest and international sanctions in such countries.

Any negative developments in the operating performance, loan-loss levels, write-downs and impairments of the Issuer and the OTP Group could adversely affect their results and may result in capital requirements that could constrain their operations, thereby reducing the Issuer's ability to service payments under the Notes and potentially adversely affecting the trading price of the Notes. The deteriorating credit quality of the Issuer's customers, in particular, may result in increasing defaults and arrears in payments on loans which could adversely affect the Issuer's ability to service payment obligations under the Notes.

### ***The provisions made by the OTP Group may not be adequate to cover actual losses sustained***

The OTP Group, on a consolidated basis, sets aside provisions for loan losses in accordance with IFRS. Such provisions are made, however, based on reasonable and supportable information that is available without undue cost and effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Therefore, there can be no assurance that provisions made by the OTP Group are or will be sufficient to cover potential future losses.

Furthermore, actual credit impairments vary over the business cycle and, due to prevailing market conditions, additional credit impairments may occur at a rate higher than that experienced in the past. Moreover, the uncertainties and unusual market conditions that can arise in the aftermath of a global financial crisis and pandemics may result in models currently used by the OTP Group for credit assessment purposes being inadequate and may have a negative impact on the OTP Group's ability to reliably assess default and credit migration risks. Future provisions for non-performing loans and an increase in the amount of allowances for credit impairments and credit impairments not covered by allowances could have a materially adverse effect on the Issuer and the OTP Group's operating results.

Furthermore, the provisions made by the OTP Group are based on currently available information and different forward looking macroeconomic scenarios and may, therefore, need to be increased as the Ukraine-Russia conflict further evolves, to cover additional losses emerging from the loan portfolio. The crisis may have further



impact on the operations of the OTP Group which cannot currently be predicted or quantified and which may affect forward-looking information with regard to IFRS 9 provisions and, as of the date of this Base Prospectus, the exact impact is not yet quantifiable due to the uncertainty.

***The OTP Group is exposed to risks relating to the value and realisation of its security interests***

The OTP Group's exposure arising from defaults by borrowers under loans can be counterbalanced, *inter alia*, by enforcement action taken to realise assets provided as security in respect of such loans. Therefore, the credit risk of the Issuer and the other OTP Group members may increase when the security it holds cannot be enforced or is liquidated at prices insufficient to recover the full amount due and payable under the relevant loan. The market value at which collateralised assets can be sold, and thus the results of realisation through such enforcement actions, heavily depends on the then prevailing conditions of the market for such collateralised assets (such as, but not limited to, the real estate market) and the legal environment at the relevant time. A decline in the value of security taken by the Issuer or any member of the OTP Group, or the inability to obtain additional security may require the relevant member of the OTP Group (both at the level of the OTP Group's individual members and on a consolidated basis) to reclassify the relevant loans, set aside additional provisions for loan losses and could result in increased reserve and/or capital requirements. As at 31 March 2024, 27 per cent. of the OTP Group's consolidated net loan book related to mortgage loan assets.

In addition, the Issuer and certain members of the OTP Group permit their clients in certain transactions to purchase securities on margin (i.e. to borrow a proportion of the purchase price from the Issuer or the relevant member of the OTP Group and to provide collateral for such credit with a set percentage of the securities purchased). During declines in securities prices, the value of the collateral securing margin purchases may fall significantly below the amount of these clients' indebtedness. The inability of such clients to provide additional collateral may expose the Issuer or the relevant member of the OTP Group to significant losses on these margin transactions.

The ability of the Issuer and the other members of the OTP Group to enforce the security interests they have taken may be dependent on decisions of courts and applicable execution measures in the jurisdictions in which the OTP Group operates. Such ability may be adversely affected in the future by regulatory or governmental measures such as the imposition of further transitional moratoria, quota regimes imposed on evictions and enforcement sales outside of the court processes, such as the restrictions in relation to foreclosure proceedings against mortgaged properties that have been introduced by the Hungarian Government.

Any failure to recover the expected value of the security taken by the Issuer, or other members of the OTP Group, may expose the Issuer and the other members of the OTP Group to losses, which may have a material adverse effect on the Issuer and the other members of the OTP Group's businesses, financial condition and results of operations and ultimately its ability to meet its obligations under the Notes.

***The OTP Group may be adversely affected by the risks associated with the integration of the OTP Group's acquisitions***

The OTP Group's recent acquisitions and the expansion and integration of its acquired businesses may have an impact upon the consolidated financial results of the Issuer. The ongoing integration also requires the Issuer to monitor the risk of these operations and incur continued capital expenditure, which may give rise to execution risk in respect of implementation. There is no assurance as to the future profitability of the Issuer's acquisitions and their continued strategic viability as part of the OTP Group.

The integration of these acquisitions has involved and will continue to involve integration challenges, particularly where management information and accounting systems differ materially from those used elsewhere in the OTP Group. Furthermore, the OTP Group may face unknown actual or potential liabilities arising from any of these acquisitions, which, in turn, may result in unexpected losses in relation to the acquired businesses and may impose further capital requirements on such subsidiaries. Unexpected losses or a failure to

establish clear governance rules within the OTP Group and to align the strategies of the members of the OTP Group with the overall strategy of the OTP Group as a whole, as well as a failure to integrate the businesses of the OTP Group, could result in an inability to implement some or all of the OTP Group's strategic goals or to fully realise expected synergies, all of which could have a material adverse effect on the OTP Group's business, financial condition and results of operations. Integration of the recent acquisitions also assumes higher attention and time spent by the management of the Issuer and the management of affected subsidiaries, which may result in decreased attention to the regular banking business and decreasing profitability.

***The OTP Group is dependent on customer deposits for liquidity***

In managing its liquidity risk, the OTP Group is dependent on external sources of funding through deposits and wholesale markets. The ability of the OTP Group to access these funding sources on favourable economic terms, or at all, in circumstances where the OTP Group's financial condition and/or the economies in which the OTP Group operates substantially deteriorates, is subject to a variety of factors, including a number of factors outside of its control, such as liquidity constraints, general market conditions and the level of confidence in the OTP Group.

As at the date of this Base Prospectus, the OTP Group's principal source of funds is customer deposits, particularly retail deposits. As at 31 December 2023, on a consolidated basis, customer deposits represented 83 per cent. of total liabilities and 74 per cent. of total assets of the OTP Group. As at 31 March 2024, on a consolidated basis, customer deposits represented 82 per cent. of total liabilities and 73 per cent. of total assets of the OTP Group.

The availability of ongoing funding from customer deposits is subject to factors such as depositors' concerns relating to the economy in general, the financial services industry and the OTP Group specifically, and any significant deterioration in economic conditions in the countries in which the OTP Group operates. Any of these factors separately or in combination could lead to a sustained reduction in the OTP Group's ability to access customer deposit funding on appropriate terms in the future.

If there is a material decrease in the OTP Group's customer deposits or a large unexpected outflow of deposits, the OTP Group may not be able to maintain its current levels of funding without disposing of a number of the OTP Group's assets or having to raise additional funding through other sources.

Furthermore, should the OTP Group seek to diversify further its source of funds, for example through the issuance of Notes under this Programme, the OTP Group may be exposed to refinancing liquidity risks such that it is not able to refinance its liabilities on time or is only able to refinance such liabilities at a higher-than-expected cost. Such refinancing risk could have a material adverse effect on the Issuer and the other members of the OTP Group's businesses, financial condition and results of operations and ultimately its ability to meet its obligations under the Notes.

***The OTP Group is exposed to risks associated with movements in interest rates***

The Issuer and certain members of the OTP Group earn interest from loans and other assets, and pay interest to its depositors and other creditors. The Issuer may fund its assets with fixed and/or relatively high interest rates, by liabilities obtained at floating and/or lower interest rates, and vice versa. Interest rate risk may also arise when interest rate fixing periods on assets and liabilities do not coincide. A mismatch of interest-earning assets and interest-bearing liabilities in any given period, which tends to accompany changes in interest rates, may have a material adverse effect on the financial conditions and results of operations of the Issuer and the OTP Group.

Interest rates are highly sensitive to many factors beyond the Issuer and other OTP Group members' control, including monetary policies and domestic and international economic and political conditions. Changes in market interest rates (including changes in the difference between prevailing short-term and long-term rates)

and correlations between changes in interest rates in the reference markets and those in interest margins could affect the interest rates the Issuer and certain members of the OTP Group charge on their interest-earning assets in a different way to the interest rates they pay on their interest-bearing liabilities. This difference could reduce the Issuer and other OTP Group members' net interest income. In particular, as a result of the measures taken by governments in response to pandemics, or economic or energy crises, there may be a significant increase in the level of fiscal deficit and state indebtedness in the countries in which the OTP Group operates which may, in turn, result in the cost of borrowing rising for the Issuer and other members of the OTP Group and consequently lower profitability or losses where the interest expenses of such members of the OTP Group exceed interest income received on their interest-earning assets. If interest rates remain higher than expected, the Issuer may face increased interest expenses which may have a material adverse effect on the financial conditions and results of operations of the Issuer and the OTP Group.

***The OTP Group could be adversely affected by fluctuations in currency exchange rates***

The OTP Group is exposed to foreign exchange risk because the assets and the liabilities of the Issuer and the members of the OTP Group can be denominated in a currency different from those of the liabilities funding such assets. As at 31 December 2023, 22 per cent. of gross loans of the OTP Group and 23 per cent. of deposits of the OTP Group were in foreign currencies. As at 31 March 2024, 22 per cent. of gross loans of the OTP Group and 24 per cent. of deposits of the OTP Group were in foreign currencies. As a result of the 2007/2009 global financial crisis, several countries in which members of the OTP Group operate practically prohibit retail foreign currency borrowing. However, the corporate sector in several countries in which members of the OTP Group operate still maintains a certain degree of foreign exchange rate risk.

In addition, the Issuer and the OTP Group may become subject to governmental interventions and measures in the markets where they operate that aim to alleviate the effects of increased delinquency rates on foreign currency denominated loans granted to borrowers without matching foreign currency income as a result of the significant foreign exchange rate volatility in recent periods.

Foreign exchange rate fluctuations between the HUF and the local currencies of the countries where the OTP Group operates may have an adverse effect on the consolidated balance sheet positions of the OTP Group and, in the longer term, on its consolidated financial results, which are stated in its functional currency, the HUF. The financial statements of the OTP Group's subsidiaries located outside Hungary are stated in their respective local currencies and their financial results are converted into HUF for consolidation purposes.

Furthermore, because some of the OTP Group's consolidated risk-weighted assets, against which the OTP Group is required to hold a minimum level of capital, are denominated in local currencies, any significant depreciation of the currency in which such capital charges are denominated as against these local currencies may have a negative impact on the capital adequacy ratio of the Issuer and the OTP Group.

***The OTP Group is subject to the risk that the value of its assets could be impaired by market risks***

Fluctuations in debt and equity markets or changes in trading parameters influencing market prices (including, *inter alia*, interest rates, credit spreads, bond prices, other securities and commodities prices, derivatives prices, prices of other marketable assets, indirect indicators such as implied volatility of, and correlations between, the foregoing and general financial markets liquidity risks (e.g. the possibility of obtaining requisite funding or selling assets)) may affect the market value and liquidity of the Issuer and the OTP Group's assets and may lead to impairment charge or write-down of goodwill. Changes in interest rate levels, yield curves and spreads may affect the Issuer and certain OTP Group members' net revenue margin.

The investment banking activities, revenues from trading operations (whether for its own account or for the account of its customers), asset-liability management activities and hedging strategies of the OTP Group (or the availability of such hedging strategies) may also be adversely affected by market volatility.

Sustained market downturns may lead to a decline in the volume of capital market transactions that the OTP Group executes for its customers and, therefore, a decrease in the revenues from commissions and spreads earned from such trades. Furthermore, the fair value of financial instruments held by the OTP Group, including bonds (government, corporate and bank bonds), equity investments, cash in various foreign currencies, investments in private equity, hedge, credit and other investment funds, commodities and derivatives are also subject to the volatility of, and correlations between, market prices and trading parameters. To the extent that volatile market conditions persist or recur, the fair value of the OTP Group's bond, derivative and structured credit portfolios, as well as other classes, could fall more than estimated, and therefore cause the OTP Group to record write-downs. Furthermore, these developments may lead to material losses if the Issuer or members of the OTP Group cannot close out deteriorating positions. Monitoring the deterioration in the value of positions taken may, at the same time, be particularly difficult in the case of assets which are not traded on stock exchanges or on organised over-the-counter ("OTC") markets, such as certain derivative contracts between banks, and whose value is calculated by using financial models, rather than on the basis of publicly quoted prices.

Adverse market movements and/or a failure to identify and adequately manage any of the foregoing risks may have a negative impact on the OTP Group's businesses, financial condition and results of operations, and thus on the Issuer's ability to service its respective payment obligations under the Notes.

***The OTP Group is exposed to the risks associated with its approach to handling its non-performing loan portfolio***

Rather than selling its non-performing loans at distressed prices on a large scale, as is more commonly the practice among the OTP Group's competitors, part of the OTP Group's strategy has involved seeking to recover such non-performing loans by handling the process and management of non-performing loans in-house, as the OTP Group believes this can create value for shareholders while also maintaining relationships with its relevant customers. This in-house approach has, however, resulted in higher non-performing loan levels within the OTP Group as compared to the approach of selling non-performing loans to a third-party. The OTP Group may also be unable to maintain its past levels of recoveries on such non-performing loans which may impact its profits.

Please see the section of this Base Prospectus headed "*Description of the OTP Group's Business*" for further details regarding OTP Factoring Ltd. and the OTP Group's non-performing loan portfolio.

***The OTP Group may be unable to raise new capital***

The OTP Group's strategy is based on, among other things, certain financial expectations, including its ability to raise new capital and/or debt. Several factors, including the perceived creditworthiness of the OTP Group (including any credit ratings assigned to the Issuer or any of its debt obligations) as well as adverse macroeconomic conditions, significant or unexpected changes in the regulation of the banking sector in Hungary and the CEE region, and loss of confidence by investors, counterparties and/or customers in the OTP Group, may affect the ability of the OTP Group to access the capital markets and/or the cost and other terms upon which the OTP Group is able to obtain market funding.

***The OTP Group's profitability is subject to its customers' demands to prepay***

The volatility of interest rates and foreign exchange rates will increase demands for prepayment among the Issuer's customers, which could adversely affect the Issuer's profitability.

Prepayment risk means an increasingly significant exposure for the Issuer, especially due to the legislative provisions applicable to mortgage loans, which are granted to consumers. Pursuant to the Hungarian Consumer Credit Act, consumer borrowers are entitled at any time to discharge, in whole or in part, their obligations under their credit agreements, including mortgage-backed loans. Further, the provisions of the Consumer Credit Act impose limitations on the right of credit institutions to recover their losses and costs incurred as a consequence

of a prepayment by consumer borrowers. This in turn requires more stringent asset-liability management, further increasing the cost of funding for the Issuer.

Any legislative measures that may facilitate prepayments and/or early repayments by borrowers or impose further restrictions on the Issuer and the OTP Group's ability to recoup possible losses from such prepayments and/or early repayments, such as an early repayment scheme for certain foreign currency denominated loans, may have an adverse effect on the businesses, financial condition and results of operations of the relevant member of the OTP Group.

***The OTP Group faces risks associated with the implementation of its business strategy***

The OTP Group intends to continue to explore and pursue opportunities to strengthen and grow its business generally. This includes the implementation of its digital transformation strategy.

The success of the OTP Group's business, financial position and results of operations, in general, depends, in part, on the success of new products and services offered to clients, including the shift to digitalisation pursuant to the OTP Group's implementation of its digital transformation strategy. The OTP Group's success is also dependent on its ability to anticipate and leverage new and existing technologies that may have an impact on products and services in the banking industry. Technological changes may further intensify and complicate the competitive landscape and influence client behaviour. If the OTP Group's products and services employ technology that is not as attractive to clients as that employed by its competitors, if it fails to employ technologies desired by clients before its competitors do so, such as digitalisation, or if it fails to execute targeted strategic technology initiatives on time or on budget, its business, financial condition and results of operations could be adversely affected. In addition, if the OTP Group cannot respond in a timely fashion to the changing needs of its clients, it may lose clients, which could in turn materially adversely affect its financial condition and results of operations.

There can be no assurance that the implementation of the OTP Group's strategic initiatives will not be affected as a result of the potential impact of international conflicts, pandemics or economic or energy crises, as further described in "*Factors that may affect the Issuer's ability to fulfil its obligations under the Notes issued under the Programme – The Performance of the OTP Group is affected by adverse global political, economic and business conditions in the markets in which it operates*".

## **RISKS RELATED TO THE OPERATIONAL AND COMPETITIVE ENVIRONMENT**

***The OTP Group is exposed to the failure or malfunctioning of their information technology systems***

The Issuer and the OTP Group's activities is dependent on highly sophisticated information technology ("IT") systems. IT systems are vulnerable to a number of problems, such as computer virus infection, malicious hacking, physical damage to vital IT centres and software or hardware malfunctions. The Issuer cannot provide assurances that such failures or interruptions will not occur or, if they do occur, they will be adequately addressed. The occurrence of any failures or interruptions could result in a loss of customer data and an inability to service the Issuer's customers, which could have a material adverse effect on the Issuer and the OTP Group's reputation, financial condition and results of operations.

In addition, the Issuer and the OTP Group's operations rely on the secure processing, storage and transmission of confidential and other information in their computer systems and networks. Although the Issuer and the OTP Group take protective measures and endeavour to modify them as circumstances warrant, their computer systems, software and networks may be vulnerable to unauthorised access and other events that could have a security impact. Given the high volume of transactions of the Issuer and the OTP Group, certain errors may be repeated or compounded before they are discovered and rectified. If one or more of such events occurs, this could potentially jeopardise the Issuer's, the OTP Group's, their clients', counterparties' or third parties'

confidential and other information processed and stored in, and transmitted through, the Issuer and the OTP Group's computer systems and networks, or otherwise cause interruptions or malfunctions in the Issuer's and the OTP Group's, their clients', counterparties' or third parties' operations, which could result in significant losses or reputational damage.

***The OTP Group is subject to the risk that its risk management controls may not be effective***

The OTP Group has implemented comprehensive risk management strategies and systems aimed at adequately identifying and measuring the risks they face, such as the incidence of loan losses or delinquency, and at mitigating those risks. Although the Issuer and the OTP Group invest substantial time and effort in their risk management strategies and systems, such procedures may nonetheless fail under some circumstances, particularly when confronted with risks that are not identified or anticipated.

Furthermore, the methods and models applied by the OTP Group for risk measurement and control only model reality and cannot, therefore, guarantee with any certainty that each and every risk in every circumstance will be identified, hedged and controlled. Any failure of the risk management system and strategies of the OTP Group may lead to unexpected losses from unidentified or incorrectly evaluated market developments, trends or other circumstances, which in turn may affect the Issuer's ability to fulfil its obligations under the Notes.

***The OTP Group's information systems and networks are vulnerable to privacy or data protection failures and cyber-security risks***

The OTP Group is subject to regulation regarding the processing (including disclosure and use) of personal data. The OTP Group processes significant volumes of personal data relating to customers as part of its business, some of which may also be classified under legislation as sensitive personal data. The OTP Group must therefore comply with strict data protection and privacy laws and regulations.

The OTP Group also faces the risk of a breach in the security of its IT systems, for example from increasingly sophisticated attacks by cybercrime groups with criminal or malicious intent, including attacks designed to overload the OTP Group's systems. These risks are accentuated as the OTP Group increasingly digitalises its products, services, key functions and distribution channels and as cyber-attacks become more sophisticated and prevalent. The OTP Group is subject to the risk that any cyber-attack may result in data breaches and/or a temporary loss of operational availability of the OTP Group's systems to its employees and/or customers which could have a material adverse effect on the OTP Group's business, financial conditions, reputation and operating results.

There is a risk that the OTP Group may not continue to invest sufficiently in its information security controls in response to emerging threats, such as cybercrime and fraud, and to seek to ensure that controls for known threats remain robust. The risks associated with cyber-attacks, where an individual or group seeks to exploit vulnerabilities in IT systems for financial gain or to disrupt services, are a material risk to the OTP Group.

The OTP Group seeks to mitigate such risks, including by ensuring that systems and procedures are in place to ensure compliance with relevant regulations. There can, however, be no assurance that such security measures will be effective.

***The OTP Group is subject to risks associated with human resources***

The Issuer and the OTP Group are exposed to personnel risks, in particular, qualification, fluctuation, availability and motivation risks. The Issuer and the OTP Group's current senior management team includes a number of executives who the Issuer believes contribute significant experience and expertise to their management in the banking sectors in which the Issuer operates. The continued success of the Issuer and the OTP Group's businesses and the Issuer's ability to execute its business strategy will depend, in large part, on the efforts of their senior management. Compensation is a key element of retaining highly qualified employees. At the same time, EU and Hungarian legislation imposes significant restrictions as to the remuneration policies

that may be applied by credit institutions (such as the Issuer and other bank members of the OTP Group) including, *inter alia*, the requirement that remuneration policies be consistent with, and promote, sound and effective risk management, do not encourage risk-taking that exceeds the level of tolerated risk in respect of the relevant credit institution and distinguish between basic fixed remuneration and variable (or performance-based) remuneration. If a substantial portion of the Issuer and the OTP Group's senior management leaves the Issuer or the OTP Group, their business may be materially adversely affected.

***The OTP Group operates in markets where competition is high and this may increase significantly in the future***

The Issuer and other members of the OTP Group are subject to intense competition which is expected to increase further in the future with the implementation of the European single market in the financial services sector. Apart from local competitors, other international banks may enter the banking market in the markets in which OTP Group operates, thus increasing the pressure on profit margins of the Issuer and the OTP Group.

There can be no assurance that the Issuer and the other members of the OTP Group can maintain their competitive position. If the OTP Group is unable to provide competitive products and/or services, it may fail to attract new customers and/or retain existing customers, experience decreases in its interest, fee and other income and/or lose market share, the occurrence of which may have a material adverse effect on the business, financial condition and results of operations of the Issuer and the OTP Group.

## **RISKS RELATED TO THE LEGAL AND REGULATORY ENVIRONMENT**

***The OTP Group is subject to changes to government policy and regulation***

In response to the severe market conditions arising from the 2007/2009 global financial crisis, central banks and governments throughout the world have adopted several measures aimed at increasing liquidity in, and promoting the stability of, the financial markets. In particular, numerous governments in the EU have provided additional capital and funding facilities to financial institutions and are implementing other measures including increased regulatory oversight and administrative restrictions as well as additional capital requirements. In Hungary, for example, special tax obligations were levied by the Hungarian Government on the financial sector in response to the global financial crisis, and these have become a permanent burden on this sector in the past years.

Such measures partially lead to increased government ownership of, and control over, financial institutions, disparate competitive positions and further consolidation in the banking sector. Furthermore, a direct or indirect governmental acquisition of ownership in, or control over, financial institutions may result in interference with the business and commercial operations of the relevant financial institutions, which may include the imposition on such financial institutions (whether in the form of legislative measures, direct orders or guidance) of commercial, business, financial and transactional strategies and policies or the requirement to take up certain activities, which may be based (wholly or partially) on political or fiscal rather than rational, commercial or market-based considerations. No assurance can be given, for example, that the Hungarian Government will not acquire directly or indirectly (whether by contractual arrangements, operation of law, on the open market or otherwise) an ownership interest in, or control over, the Issuer or, if it does so, it will not interfere with the business and operations of the OTP Group.

Although the members of the OTP Group work closely with their regulators and continuously monitor the situation, future changes in regulation, fiscal or other policies can be unpredictable and are beyond the control of the Issuer.

Regulatory risk faced by the OTP Group is further increased by the fact that some operations of the OTP Group are carried out in non-EU countries whose financial and banking laws are not harmonised with the relevant EU

legislation as implemented in the EU member states, which may give rise to significant differences or, in certain circumstances, conflicts between EU financial and banking laws (including their application and interpretation) and the laws of the relevant countries outside the EU. All this, in turn, creates uncertainty and may have a negative impact on the ability of the OTP Group to harmonise, and monitor the implementation of, its compliance policies and/or lead to increased compliance costs.

Separately, the ability of the OTP Group to generate profit from its fund management subsidiary is subject to changes in regulations in the countries where it operates. This generally depends on the aggregate amount of assets under management and the level of management fees that may be charged for fund management by the OTP Group. Any governmental, legislative or regulatory measure that affects the amount of assets under management or imposes restrictions on the level of such fees may have an adverse effect on the profitability of the OTP Group's fund management business.

With regard to the pension fund management business, no assurance can be given that governments or legislative bodies in countries where the OTP Group operates will not adopt measures adversely affecting the profitability of the private pension fund management business.

In response to the COVID-19 pandemic, several countries in which the OTP Group has operations adopted measures granting payment moratoria for existing debtors, with application deadlines extended in several instances. However, as at the date of this Base Prospectus, the application dates of these moratoria have already passed in all countries in which the OTP Group has operations. Credit institutions in Hungary (such as the Issuer) are also subject to special taxes, including a special tax on extraordinary profits. Regulatory and supervisory bodies in countries in which the OTP Group has operations have also adopted other measures and may adopt further measures (including, *inter alia*, tighter exchange control regulations, more stringent foreign exchange related liquidity ratio requirements, bans or restrictions on dividend payments, freezing of enforcement procedures and mortgage repossessions, introduction of interest rate caps on certain customer lending products and the temporary suspension of new lending), aimed at promoting the stability of the financial markets or aiding customers in a distressed situation.

Any of the foregoing may have an adverse effect on the OTP Group's businesses, financial condition and results of operations.

***The OTP Group is exposed to changes in the mandatory deposit guarantee and investor compensation schemes***

With effect from 1 January 2011, the guarantee provided by the National Deposit Insurance Fund (“*Országos Betétbiztosítási Alap*”) (the “**Fund**”) on so-called “registered” (“*névre szóló*”) bank account deposits (as defined in the Hungarian Credit Institutions Act) placed with the domestic credit institutions (being members of the Fund) was extended to an aggregate amount of €100,000 per depositor. This is in line with the requirements of Directive 2014/49/EU of the European Parliament and of the Council on deposit guarantee schemes. Such directive requires, *inter alia*, faster payouts and additional ex-post contributions by credit institutions under mandatory deposit guarantee schemes. On this basis, from 1 January 2021 the deadline for a payout from the Fund was reduced from 15 days to 10 days.

Any future changes in the laws governing the Fund could increase the OTP Group's membership costs or, if they are perceived as adverse by the OTP Group's customers, could expose the Issuer to the risk of losing customers to competitors which could adversely affect the OTP Group's businesses or reputation. For the avoidance of doubt, investors in the Notes should be aware that the Notes are not covered by the Fund.

***Loss absorption at the point of non-viability of the Issuer and resolution***

The establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms is regulated by Directive 2014/59/EU of the European Parliament and of the Council (the



“**BRRD**”). The aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers’ exposure to losses. The BRRD was implemented in Hungary by Act XXXVII of 2014 on the further development of the institutional system strengthening the security of certain participants of the financial intermediation system (the “**Resolution Act**”).

The powers provided to resolution authorities in the Resolution Act include write-down powers to ensure relevant capital instruments fully absorb losses at the point of non-viability of the issuing institution. Accordingly, the Resolution Act sets out that resolution authorities may write down such capital instruments (including the Tier 2 Capital Notes and the Senior Non-Preferred Notes) in full on a permanent basis, or convert them in full into common equity tier 1 instruments, at the point of non-viability of the Issuer or the OTP Group and before other resolution measures are implemented (“**Non-Viability Loss Absorption**”), including the bail-in tool described below. The Resolution Act provides, *inter alia*, that resolution authorities shall exercise the write-down power in relation to Non-Viability Loss Absorption in a way that results in (i) common equity tier 1 instruments being written down first in proportion to the relevant losses and (ii) thereafter, the principal amount of relevant capital instruments (including the Tier 2 Capital Notes and the Senior Non-Preferred Notes) being reduced to zero on a permanent basis.

For the purposes of Non-Viability Loss Absorption, the point of non-viability under the Resolution Act is the point at which (i) the institution or the group is failing or is likely to fail and (ii) having regard to timing and other relevant circumstances, there is no reasonable prospect that any action other than the write-down or conversion of capital instruments, independently or in combination with a resolution action, would prevent the failure of the institution or the group within a reasonable timeframe.

The MNB in its capacity as the resolution authority (the “**Resolution Authority**”) must implement resolution measures, if (i) the Resolution Authority determines that the institution is failing or is likely to fail, (ii) in the view of the Resolution Authority, no other action can prevent the failure of the institution and (iii) in the view of the Resolution Authority, the resolution measures are required by public interest.

Additionally, the Resolution Authority may, as a bail-in tool write down the claims of unsecured creditors of a failing institution and to convert unsecured debt claims (including those of the Noteholders) into equity under the Resolution Act. This bail-in tool provides the Resolution Authority with broad powers, including the power to cancel a bank’s existing shares or severely dilute existing shareholdings, including with respect to any shares issued or conferred upon conversion of capital instruments to common equity tier 1 instruments pursuant to Non-Viability Loss Absorption. The Resolution Act provides that a write-down resulting from the use of the bail-in tool would, in summary, follow the ordinary allocation of losses and ranking in an insolvency of the relevant institution.

In addition to Non-Viability Loss Absorption, the Resolution Act provides the Resolution Authority with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation) the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments (including, in each case, the Notes).

If the Resolution Authority were to exercise such powers in respect of the Issuer, then existing shareholders and/or subordinated debt holders, including holders of the Notes, may experience dilution of, or losses on, their holdings and may not receive any compensation for their losses. In addition, in a resolution situation, financial public support will only be available to the Issuer as a last resort after the resolution authorities have assessed and exploited, to the maximum extent practicable, the resolution tools, including the bail-in tool. Given that the purpose of resolution tools is to minimise any reliance on financial public support, there can be no assurance

that any such financial public support will be forthcoming. However, see also the risk factor titled “*The OTP Group is subject to changes to government policy and regulation*” above.

The Resolution Act, in line with the BRRD, empowers the Resolution Authority to require credit institutions to have sufficient amount and quality own funds, which in case of emergency can be partially or entirely subject to bail-in or conversion measures. The relevant powers of the MNB are specified in Commission Delegated Regulation (EU) 2016/1450 (the “**MREL Regulation**”) supplementing the BRRD with regard to regulatory technical standards specifying the criteria relating to the methodology for setting the minimum requirement for own funds and eligible liabilities (known as “**MREL**”). Further requirements are specified by the policies of the Single Resolution Board and the MNB.

The Issuer intends to apply the proceeds of the Notes, among other things, towards establishing own funds and eligible liabilities which satisfy the requirements of the MREL Regulation. There is no assurance that the MREL Regulation will not be changed or the regulator’s policies will not be tightened in the future which may consequently have an adverse effect on the business, financial condition and results of operations of the Issuer and the OTP Group. Breaching binding MREL requirement due the Issuer’s inability to access capital markets resulting from their temporary or prolonged closure, or to any other reason, may have negative implications on the Issuer, such as request from the Resolution Authority to submit MREL restoration plan or imposed capital distribution penalties.

In addition, the European Commission has adopted reforms to the BRRD in order to, among other things, implement in the EU the Financial Stability Board’s total loss absorbing capacity standard (“**TLAC**”) by adapting the existing regime relating to MREL, i.e. Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC (“**BRRD II**”). BRRD II was published in the Official Journal of the European Union on 7 June 2019, with entry into force 20 days following that publication. BRRD II has been transposed into Hungarian law by way of an amendment to the Resolution Act. In addition, national regulators have until 1 January 2024 at the latest to impose full MREL requirements on firms.

***The OTP Group will be required to maintain a minimum requirement for own funds and eligible liabilities***

To support the effectiveness of bail-in and other resolution tools, the BRRD requires that all institutions must meet the MREL which may be bailed-in, calculated as a percentage of its total risk exposure amount and total exposure measure and set by the relevant resolution authorities. Items eligible for inclusion in MREL will include an institution’s own funds, along with “eligible liabilities”.

The MNB, together with the EU resolution authorities of countries where members of the OTP Group are established (the “**Resolution College**”), has revised the consolidated minimum requirement for own funds and eligible liabilities (“**MREL requirement**”) of the Issuer.

The OTP Group has revised its preferred resolution strategy from Single Point of Entry (“**SPE**”) to Multiple Point of Entry (“**MPE**”), as it better suits the diversity and complexity of its operations. The Resolution College has identified two resolution groups within the OTP Group: (i) the first resolution group consists of the Issuer as resolution entity and the entities in the prudential scope of consolidation of the Issuer excluding Nova KBM d.d. and Ipoteka Bank (“**OTP Bank Resolution Group**”) and (ii) the second resolution group comprises Nova KBM d.d. as a resolution entity and its subsidiaries (“**NKBM Resolution Group**”).

The determination of the MREL requirement has been revised to 18.94 per cent. of the OTP Bank Resolution Group’s total risk exposure amount (“**TREA**” or “**RWA**”) and 5.78 per cent. of the OTP Group’s total exposure measure (“**TEM**”). The consolidated MREL requirement at the level of the OTP Bank Resolution Group is applicable from 1 January 2024. The MREL requirements of the NKBM Resolution Group are determined by

the Bank of Slovenia. As at 31 March 2024, the consolidated MREL ratio in terms of RWA at the OTP Bank Resolution Group level stood at 26.2 per cent.

Pursuant to Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending the Capital Requirements Directive IV as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures (“**CRD V**”), the Issuer has to meet the combined buffer requirement in addition to the RWA based MREL requirement from 1 January 2024 as institutions shall not use CET1 capital, that is maintained to meet the combined buffer requirement, to meet the risk-based component of the MREL requirement. The MREL requirement is to be reviewed at least once a year.

In line with BRRD II, the MNB determined a mandatory intermediate target for the MREL requirement that the OTP Bank Resolution Group has to comply with from 1 January 2022. The intermediate target level for the MREL requirement was determined as 14.45 per cent. of the OTP Bank Resolution Group’s RWA and 5.89 per cent. of the OTP Bank Resolution Group’s TEM. The MNB informed the Issuer that the planned MREL requirement of the OTP Bank Resolution Group for 2023 was determined at 16.69 per cent. of the OTP Bank Resolution Group’s RWA and 5.74 per cent. of the OTP Bank Resolution Group’s TEM with a view to facilitating a gradual build-up of its loss-absorbing and recapitalisation capacity towards the final MREL requirement applicable from 1 January 2024 (as referred to above).

The MNB informed the Issuer that subordination requirements will also be applicable to the Issuer. The minimum level of subordination for the Issuer will be 13.5 per cent. of the OTP Bank Resolution Group’s RWA, 5 per cent. of the OTP Bank Resolution Group’s TEM and 8 per cent. of the OTP Bank Resolution Group’s total liabilities and own funds (“**TLOF**”). Subordination requirements shall be met from 16 December 2024 by using own funds and subordinated eligible liabilities. The Issuer has to meet the combined buffer requirement in addition to the RWA based MREL subordination requirement.

These factors may have an adverse effect on the funding plans and costs of the OTP Group and, as a result, its net interest income.

For further information on MREL requirements applicable to the Issuer please refer to the section entitled “*Financial Performance of the OTP Group – Minimum Requirement for own funds and Eligible Liabilities*”.

#### ***The OTP Group is exposed to litigation risk***

The Issuer and the OTP Group may from time to time be subject to litigation, whether of a substantive or vexatious nature. Such litigation, if not dismissed at an early stage or decided contrary to the best commercial interests of the Issuer or the OTP Group may have an adverse impact on the operations of the Issuer or the OTP Group. Furthermore, such cases may include claims or actions in which the petitioner or plaintiff has not specifically, or not in whole, quantified the penalties or damages sought. In these circumstances, it may, in particular, be difficult to predict the outcome of a dispute and estimate possible losses in a reliable manner and, therefore, to set aside adequate provisions for such possible losses.

#### ***The OTP Group is exposed to the risk of fraud and illegal activities***

The OTP Group is subject to rules and regulations related to money laundering, anti-bribery and terrorism financing. Compliance with anti-money laundering, anti-bribery and anti-terrorist financing rules entails significant cost and effort, including obtaining information from clients and other third parties. Non-compliance with these rules may have serious consequences, including adverse legal and reputational consequences. Although the OTP Group has anti-money laundering, anti-bribery and counter-terrorism financing policies and procedures which aim to ensure compliance with applicable legislation and strive for zero tolerance of any violations, it may not always be successful in identifying all instances of suspicious activity, fraud or human error and, therefore, may not be able to comply at all times with all rules applicable to money laundering, anti-

bribery and terrorism financing as extended to the whole OTP Group and applied to its workers in all circumstances. As a general statement, a violation, or even any suspicion of a violation, of any of these rules may have serious legal and financial consequences, which could have a material adverse effect on the OTP Group's reputation, business, financial condition and results of operations.

***The OTP Group is subject to compliance with economic sanctions programmes***

The OTP Group's operations are subject to various anti-corruption laws and constantly changing economic sanction programmes, including those administered by the United Nations, the UK and the EU, as well as those of the United States Department of Treasury's Office for Foreign Assets Control ("OFAC"). In addition, the OTP Group's Russian operation is also subject to various Russian countersanctions. The anti-corruption laws generally prohibit providing anything of value for the purposes of obtaining or retaining business or securing any improper business advantage. As part of its business, the OTP Group may deal with entities whose employees are considered government officials. In addition, economic sanctions programmes restrict the OTP Group's business dealings with certain sanctioned countries, individuals and entities. In particular, the OTP Group is exposed to risks in relation to the EU's and OFAC's economic sanctions programme against Russia and Ukraine, and certain Russian and Ukrainian citizens and businesses due to its presence in the mentioned countries. The Issuer cannot give any assurance that the current sanctions regimes directed at Russia will not have a material impact on the OTP Group's operations in Russia.

Although the OTP Group has internal policies and procedures and several monitoring measures designed to ensure compliance with applicable anti-corruption laws and sanctions regulations, these policies and procedures cannot provide complete assurance that the OTP Group's employees, directors, officers, clients, partners, agents, service providers or introducers will not take actions in violation of its policies and procedures (or otherwise in violation of the relevant anti-corruption laws and sanctions regulations) for which the Issuer or they may be ultimately held responsible. Litigation or investigations relating to alleged or suspected violations of anti-corruption laws and sanctions regulations could lead to financial penalties being imposed on the OTP Group, limits being placed on the OTP Group's activities, the OTP Group's authorisations and licences being revoked, damage to the OTP Group's reputation and other consequences that could have a material adverse effect on the OTP Group's business, financial condition and results of operations. Further, violations of anti-corruption laws and sanctions regulations could be costly.

**FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME**

***Risks relating to a particular structure of Notes***

A wide range of Notes may be issued under the Programme and some Notes may have features which contain particular risks for potential investors. Set out below is a description of certain risks relating to particular structures of Notes:

***An investor assumes an enhanced risk of loss in the event of the Issuer's insolvency***

The Issuer intends to use the proceeds of any Tier 2 Capital Notes, among other things, as part of its Tier 2 capital and such Notes are intended to qualify as Tier 2 instruments as specified in Article 63 of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms ("CRR"). It cannot be excluded that on the basis of a future law (including any EU regulation substituting the CRR) or as a result of the interpretation of the laws by the MNB such qualification would need to be changed and thus result in reduced regulatory capital levels. Upon the occurrence of a Capital Disqualification Event, the Issuer will have the right to redeem the Notes at the Optional Redemption Amount (Capital Disqualification Event) (see "*Risk Factors – Risks relating to the Notes – The*

*Notes may be subject to early redemption at the option of the Issuer upon the occurrence of certain regulatory events”).*

On 6 November 2006, the Issuer issued EUR 500,000,000 fixed to floating rate perpetual subordinated notes (ISIN: XS0274147296) (the “**2006 Notes**”) (approximately EUR 269,035,000 in principal amount of the 2006 Notes had been repurchased by the Issuer and other members of the OTP Group as of 31 March 2024). On the basis of a ruling of the MNB dated 21 May 2014, the 2006 Notes are for the time being treated as Tier 2 instruments under the CRR. As set out in the Conditions, the Issuer and the Noteholders intend that the rights and claims of the Holders of any Tier 2 Capital Notes against the Issuer in respect of, or arising under, such Notes be in priority to the Issuer’s obligations under the 2006 Notes. However, it cannot be excluded that a liquidator (in the event of the liquidation/involuntary winding-up of the Issuer), or the Hungarian courts, as the case may be, may take the view that the 2006 Notes should be treated as ranking equally with the Tier 2 Capital Notes.

***The obligations of the Issuer in respect of Tier 2 Capital Notes are unsecured and subordinated and the claims of Holders of Senior Non-Preferred Notes also rank after more senior creditors***

The Tier 2 Capital Notes will constitute unsecured and subordinated obligations of the Issuer. On a Winding-Up of the Issuer, all claims in respect of the Tier 2 Capital Notes will rank junior to all Senior Claims. If, on a liquidation of the Issuer, the assets of the Issuer are insufficient to enable the Issuer to repay the claims of more senior-ranking creditors in full, the Holders will lose their entire investment in the Tier 2 Capital Notes. If there are sufficient assets to enable the Issuer to pay the claims of more senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Tier 2 Capital Notes and all other claims that rank *pari passu* with the Tier 2 Capital Notes in full, Holders will lose some (which may be substantially all) of their investment in the Tier 2 Capital Notes.

For the avoidance of doubt, the Holders of Tier 2 Capital Notes shall, in a liquidation of the Issuer, have no claim in respect of the surplus assets (if any) of the Issuer remaining in any liquidation following payment of all amounts due in respect of the liabilities of the Issuer.

Although the Tier 2 Capital Notes may pay a higher rate of interest than securities which are not subordinated, there is a substantial risk that investors in the Tier 2 Capital Notes will lose all or some of the value of their investment should the Issuer become insolvent or subject to any of the resolution tools or the write-down or conversion powers in the Resolution Act.

The claims of Holders of the Senior Non-Preferred Notes will rank after the claims of Holders of Senior Preferred Notes and other unsubordinated creditors of the Issuer but before the claims of Holders of the Tier 2 Capital Notes. The same risks are therefore also applicable to Holders of the Senior Non-Preferred Notes as those set out above.

If there are sufficient assets to enable the Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Notes and all other claims that rank *pari passu* with the relevant Series of Notes, Holders of such Notes will lose some (which may be substantially all) of their investment in such Notes. For the avoidance of doubt, the Holders of the Notes shall, in a liquidation of the Issuer, have no claim in respect of the surplus assets (if any) of the Issuer remaining in any liquidation following payment of all amounts due in respect of the liabilities of the Issuer.

As of 31 December 2024, the Issuer had, on a stand-alone basis, total liabilities (excluding the existing Tier 2 debt securities the amount of which is HUF 520 billion) of HUF 14,734 billion, all of which rank senior to the Tier 2 Capital Notes. Therefore, if the Issuer becomes insolvent or defaults on its obligations, investors investing in the Tier 2 Capital Notes in a worst case scenario could lose their entire investment.

Holders are also subject to the provisions of the Resolution Act relating to, *inter alia*, the write down or conversion of capital instruments and the bail-in of liabilities as described under “*Loss absorption at the point of non-viability of the Issuer and resolution*”.

***Holders may not require the redemption of the Notes prior to their maturity***

Save where the Holders have a put right, the Issuer is under no obligation to redeem Notes at any time prior to their stated Maturity Date and the Holders of such Notes have no right to require the Issuer to redeem or purchase such Notes at any time. Any redemption, purchase substitution or variation of such Notes by the Issuer will be subject always to Supervisory Permission and to compliance with prevailing Regulatory Capital Requirements or, in the case of Senior Non-Preferred Notes and the Senior Preferred Notes, Loss Absorption Regulations, and the Holders may not be able to sell such Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Notes. Accordingly, investors in such Notes should be prepared to hold their Notes for a significant period of time.

***Holders of Tier 2 Capital Notes and Senior Non-Preferred Notes will, and Holders of Senior Preferred Notes may, have limited remedies***

The remedies available to Holders of Tier 2 Capital Notes and Senior Non-Preferred Notes or Senior Preferred Notes where the relevant Final Terms specify that Condition 14(b) (*Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)*) applies, are limited.

Holders may not at any time demand repayment or redemption of such Notes, although in a Winding-Up the Holders will have a claim for an amount equal to the principal amount of the Notes plus any accrued interest.

The sole remedy in the event of any non-payment of principal or interest under such Notes, subject to certain conditions as described in Condition 14 (*Enforcement*), is that a Holder may institute proceedings for the winding-up of the Issuer and/or prove for any payment obligations of the Issuer arising under the Notes in any winding-up or other insolvency proceedings in respect of such non-payment.

The remedies under such Notes are more limited than those typically available to the Issuer’s unsubordinated creditors, including Holders of Senior Preferred Notes where the relevant Final Terms specify that Condition 14(b) (*Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)*) does not apply. For further details regarding the limited remedies of the Holders, see Condition 14 (*Enforcement*).

***The Notes may be subject to early redemption at the option of the Issuer upon the occurrence of certain regulatory events***

Subject to obtaining prior Supervisory Permission and to compliance with prevailing Regulatory Capital Requirements and, in the case of Senior Non-Preferred Notes or Senior Preferred Notes, Loss Absorption Regulations, the Issuer may, at its option, redeem all (but not some only) of the Tier 2 Capital Notes, the Senior Non-Preferred Notes or the Senior Preferred Notes (unless, in the case of the Senior Non-Preferred Notes and the Senior Preferred Notes, “Senior Notes: Loss Absorption Disqualification Event Redemption” is specified to be “Not Applicable” in the relevant Final Terms) at their principal amount plus interest accrued and unpaid from and including the immediately preceding Interest Payment Date up to but excluding the relevant redemption date upon the occurrence of a Capital Disqualification Event or a Loss Absorption Disqualification Event, as applicable, at any time.

An optional redemption feature is likely to limit the market value of such Notes. During any period when the Issuer may elect to redeem the Notes or there is a perception that the Issuer is able to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. Further, during periods when there is an increased likelihood, or perceived increased likelihood, that such Notes will be redeemed early, the market value of the Notes may be adversely affected.

If the Issuer redeems such Notes in any of the circumstances mentioned above, there is a risk that the Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Notes or when prevailing interest rates may be relatively low, in which latter case Holders may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

It is not possible to predict whether the events referred to above will occur and lead to circumstances in which the Issuer may elect to redeem such Notes, and if so whether the Issuer will satisfy the conditions, or elect, to redeem the Notes. The Issuer may be more likely to exercise its option to redeem the Notes if the Issuer's funding costs would be lower than the prevailing interest rate payable in respect of the Notes. If such Notes are so redeemed, there can be no assurance that Holders will be able to reinvest the amounts received upon redemption at a rate that will provide the same rate of return as their investment in the Notes.

#### ***Waiver of set-off***

The Holders waive any right of set-off, netting or counterclaim in relation to the Notes insofar as permitted by applicable law. Therefore, Holders of Notes will not be entitled (subject to applicable law) to set-off, netting or counterclaim the Issuer's obligations under such Notes against obligations owed by them to the Issuer.

#### ***The Notes may be modified or substituted by the Issuer without the consent of the Holders in certain circumstances, subject to certain restrictions***

Unless the relevant substitution and variation provisions are marked "Not Applicable" in the relevant Final Terms, in the event of certain specified events relating to taxation (a "Tax Event") or following the occurrence of a Capital Disqualification Event or a Loss Absorption Disqualification Event, as applicable, the Issuer may (subject to certain conditions) at any time substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or become (as applicable) Qualifying Tier 2 Securities or Loss Absorption Compliant Notes, as applicable, without the consent of the Holders.

Qualifying Tier 2 Securities and Loss Absorption Compliant Notes must have terms not materially less favourable to Holders than the terms of the Notes, as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing. However, there can be no assurance that, due to the particular circumstances of a Holder of Notes, such Qualifying Tier 2 Securities or Loss Absorption Compliant Notes will be as favourable to each investor in all respects or that, if it were entitled to do so, a particular investor would make the same determination as the Issuer as to whether the terms of the Qualifying Tier 2 Securities or Loss Absorption Compliant Notes are not materially less favourable to holders than the terms of the Notes. In addition, the Issuer may make changes to Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*) of the Notes to ensure that Noteholders are bound by the exercise of Bail-in Powers (among other things) even if this is not favourable to them and even if it results in a change to the governing law of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*) (which, on issue of the Notes, is English law). Further, the tax and stamp duty consequences could be different for Holders of Notes once such Notes have been varied or substituted as described above.

#### ***The Issuer may exercise a Clean-Up Call Option to redeem Notes prior to maturity in certain circumstances***

Where the relevant Final Terms specify that a Clean-Up Call Option is applicable, the Issuer may, at its option, but in each case subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes and Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes and Senior Preferred Notes, redeem all (but not some only) of the relevant Notes if the Clean-Up Call Minimum Percentage (or more) of the principal amount outstanding of a

Series of Notes has been redeemed or purchased and subsequently cancelled at their principal amount or the amount specified in the relevant Final Terms together with accrued interest (if any) thereon.

***The value of Fixed Rate Notes may be adversely affected by movements in market interest rates***

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

***The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of Reset Notes***

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Mid-Swap Rate or CMT Rate and the First Margin or Subsequent Margin (as applicable) (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes) such calculation to be made by the Calculation Agent on the relevant Reset Determination Date (each such interest rate being a “**Subsequent Reset Rate of Interest**”). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

***If the Notes include a feature to convert the interest basis from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned***

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest rate may affect the secondary market in, and the market value of, such Notes as the change of interest basis may result in a lower overall interest return for Noteholders. If the Notes are converted from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Notes are converted from a floating rate to a fixed rate, the fixed rate in such circumstances may be lower than then prevailing rates on those Notes and could affect the market value of an investment in the relevant Notes.

***Market disruption***

In certain situations, interest on Notes is determined by reference to market information sources. Such market information sources might become unavailable for various reasons, including suspensions or limitations on trading, events which affect or impair the ability of market participants in general, or early closure of market institutions. These could be caused by, among other things, physical threats to the publishers of the market information sources, market institutions or market participants in general, or unusual trading, or matters such as currency changes.

In respect of a Floating Rate Note, a Fixed/Floating Rate Note or a Reset Note (where the Rate of Interest is to be determined by reference to a screen rate, such as the euro interbank offered rate (“**EURIBOR**”)), if such Reference Rate does not appear on the relevant screen page or if the relevant screen page is not available for any reason, the Issuer will request each of the Reference Banks, appointed by the Issuer, to provide the Issuer with its offered quotation to leading banks for the Reference Rate for the purposes of determining the applicable Rate of Interest. However, there can be no assurance that the Issuer will be able to appoint one or more Reference Banks to provide offered quotations and no Reference Banks have been appointed at the date of this Base Prospectus. Condition 5 (*Reset Note Provisions*) and Condition 6 (*Floating Rate Note Provisions*) set out fallback provisions if fewer than the requisite number of Reference Banks are appointed.



***The regulation and reform of benchmarks may adversely affect the value of Notes linked to or referencing such “benchmarks”***

***Benchmark Reform***

Reference rates and indices, including interest rate benchmarks, which are deemed to be “benchmarks” (including EURIBOR) are subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a benchmark. The Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

***Fallbacks under the Conditions of the Notes***

The Conditions also provide for certain fallback arrangements in the event that a Benchmark Event occurs. The Issuer may, after appointing and consulting with an Independent Adviser, determine a Successor Rate or, failing which, an Alternative Rate to be used in place of the Original Reference Rate. The use of any such Successor Rate or Alternative Rate may result in the Notes performing differently (including paying a lower rate of interest) than they would do if the Original Reference Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Rate is determined, the Conditions provide that the Issuer may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Rate is determined, the Conditions also provide that an Adjustment Spread will be determined to be applied to such Successor Rate or Alternative Rate. Accordingly, while any Adjustment Spread may be expected to be designed to eliminate, to the fullest extent reasonably practicable in the circumstances, or minimise any potential transfer of value between counterparties, the application of the Adjustment Spread to the Notes may not do so and may result in the Notes performing differently (which may include payment of a lower interest rate) than they would do if the Original Reference Rate were to continue to apply. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders. If no positive or negative Adjustment Spread is determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Reset Rate of Interest. Any of the foregoing could have an adverse effect on the value or liquidity of, and return on, the Notes.

If, following the occurrence of a Benchmark Event no Successor Rate or Alternative Rate is determined, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective

application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Reset Notes, the application of the previous Reset Rate for the preceding Reset Period, or for the First Reset Rate of Interest, the application off the Initial Rate of Interest applicable to such Notes on the Interest Commencement Date or a rate based on Condition 5(d) (*Fallback-Mid-Swap Rate*) or Condition 5(e) (*Fallback – CMT Rate*).

However, no Successor Rate, Alternative Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Conditions will be made pursuant to the Conditions if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as Tier 2 Capital or eligible liabilities instruments (as applicable). Such a determination may result in the Notes performing differently than would otherwise have been the case prior to the Benchmark Event and there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of the Original Reference Rate could adversely affect the ability of the Issuer to meet its obligations under the Notes and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes.

***The market continues to develop in relation to near risk-free rates (including overnight rates) which are possible reference rates for the Notes***

Investors should be aware that the market continues to develop in relation to near risk-free rates (“**risk-free rates**”), such as the Secured Overnight Financing Rate (“**SOFR**”) and the euro short-term rate (“**€STR**”), as reference rates in the capital markets for U.S. Dollar and euro bonds, respectively, and their adoption as alternatives to the relevant interbank offered rates. This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

In addition, market participants and relevant working groups have been working together to design alternative reference rates based on risk-free rates, including applying term versions of certain risk-free rates (which seek to measure the market’s forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates. The market or a significant part thereof may over time adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference such risk-free rates issued under this Programme. If the relevant risk-free rates do not prove to be widely used in securities such as the Notes, the trading price of such Notes linked to such risk-free rates may be lower than those of Notes referencing rates that are more widely used. The Issuer may in the future also issue Notes referencing SOFR, SOFR Compounded Index or €STR that differ materially in terms of interest determination when compared with any previous SOFR, SOFR Compounded Index or €STR referenced Notes issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

In particular, investors should be aware that several different methodologies have been used in notes linked to such risk-free rates issued to date and no assurance can be given that any particular methodology, including the compounding formula in the Conditions, will gain widespread market acceptance. In addition, the methodology

for determining any overnight rate index used to determine the Rate of Interest in respect of certain Notes could change during the life of such Notes.

Notes referencing risk-free rates may also have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing such risk-free rates, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Certain administrators of risk-free rates have published hypothetical and actual historical performance data. Hypothetical data inherently includes assumptions, estimates and approximations and actual historical performance data may be limited in the case of certain risk-free rates. Investors should not rely on hypothetical or actual historical performance data as an indicator of the future performance of such risk-free rates.

Investors should consider these matters when making their investment decision with respect to any Notes which reference SOFR, SOFR Compounded Index or €STR.

***Risk-free rates differ from interbank offered rates in a number of material respects***

Risk-free rates may differ from interbank offered rates in a number of material respects, including (without limitation) by being backwards-looking in most cases, calculated on a compounded or weighted average basis, risk-free, overnight rates and, in the case of SOFR, secured, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term, are unsecured and include a risk-element based on interbank lending. As such, investors should be aware that risk-free rates may behave materially differently to interbank offered rates as interest reference rates for the Notes. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began on 3 April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates offered as alternatives to interbank offered rates also have a limited history. For that reason, future performance of such rates may be difficult to predict based on their limited historical performance. The level of such rates during the term of the Notes may bear little or no relation to historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to such rates such as correlations, may change in the future. Investors should not rely on historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

Furthermore, interest on Notes which reference a backwards-looking risk-free rate is only capable of being determined immediately prior to the relevant Interest Payment Date. It may be difficult for investors in Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to Notes linked to interbank offered rates, if Notes referencing backwards-looking SOFR or €STR become due and payable under Condition 14 (*Enforcement*) or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Rate of Interest payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

***Administrators of SOFR or €STR may make changes that could change the value of SOFR, or €STR or discontinue SOFR or €STR respectively***

The Federal Reserve Bank of New York or the European Central Bank (or their successors) as administrators of SOFR (and SOFR Compounded Index) or €STR, respectively, may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such rates and/or indices are calculated, eligibility criteria applicable to the transactions used to calculate such rates and/or indices, or timing related to the publication of SOFR, SOFR Compounded Index or €STR. In addition, an administrator may alter, discontinue or suspend calculation or dissemination of SOFR, SOFR Compounded Index or €STR, in which case a fallback method of determining the interest rate on the Notes will apply in accordance with the Conditions. An administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

***Notes where denominations involve integral multiples***

In relation to any issue of Notes that have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case, a Holder who (as a result of trading such amounts) holds an amount that is less than the minimum Specified Denomination in his 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 minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a Holder who, as a result of trading such amounts, holds an amount that is less than the minimum Specified Denomination in his 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 the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

***The application of the net proceeds of Sustainable Finance Notes as described in “Use of Proceeds” may not meet investor expectations or be suitable for an investor’s investment criteria***

Prospective investors in any Notes where the “Reasons for the Offer” in Part B of the relevant Final Terms are stated to be for “green” or “social” purposes as described in “Use of Proceeds” below (“**Green Notes**” and “**Social Notes**”, respectively, and together, the “**Sustainable Finance Notes**”), should have regard to the information in “Use of Proceeds” regarding the use of the net proceeds of those Sustainable Finance Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Sustainable Finance Notes together with any other investigation such investor deems necessary. In particular no assurance is given by the Issuer, the Arranger or the Dealers that the use of such proceeds for any Eligible Loan Portfolio (as defined in the “Use of Proceeds” section below) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply.

Furthermore, it should be noted that there is currently no clear definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a “green” or “social” or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as “green” or “social” or such other equivalent label nor can any assurance be given that such a clear definition or consensus will develop over time or that any prevailing market consensus will not significantly change.

A basis for the determination of such “green” project definition has been established in the European Union with the publication in the Official Journal of the EU on 22 June 2020 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 (the “**Sustainable Finance Taxonomy Regulation**”) on the establishment of a framework to facilitate sustainable investment (the “**EU Sustainable Finance**

**Taxonomy**”), which is subject to phased implementation. The EU Sustainable Finance Taxonomy is subject to further development by way of the implementation by the European Commission through delegated regulations of technical screening criteria for the environmental objectives set out in the Sustainable Finance Taxonomy Regulation. Until the technical screening criteria for the objectives of the EU Sustainable Finance Taxonomy have been finalised, it is not known whether the Issuer’s Sustainable Finance Framework (as defined below) will satisfy those criteria. The alignment with the EU Sustainable Finance Taxonomy is not certain and no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Loan Portfolio will meet any or all investor expectations regarding such “green” or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Loan Portfolio. In addition, the criteria for what constitutes an Eligible Loan Portfolio may be changed from time to time.

Regulation (EU) 2023/2631 of the European Parliament and of the Council (the “**Green Bond Regulation**”) has been published in the Official Journal of the EU. The Green Bond Regulation will apply from 21 December 2024. The Green Bond Regulation establishes the European Green Bond Standard, which will be a voluntary label for issuers of green use of proceeds bonds (such as certain Sustainable Finance Notes) where the proceeds will be invested in economic activities aligned with the EU Sustainable Finance Taxonomy with a flexibility pocket of 15 per cent. for allocation to areas not yet covered by taxonomy standards. Any Green Notes issued under this programme do not seek to be aligned with such European Green Bond Standard and are intended to comply with the criteria and processes set out in the Issuer’s Sustainable Financing Framework only. It is not clear at this stage the impact which the Green Bond Regulation may have on investor demand for, and pricing of, green use of proceeds bonds (such as certain Sustainable Finance Notes) that do not meet such standard. It could reduce demand and liquidity for Sustainable Finance Notes and their price.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any report, assessment, opinion or certification of any third party (whether or not solicited by the Issuer) which may or may not be made available in connection with the issue of any Sustainable Finance Notes and in particular with any Eligible Loan Portfolio to fulfil any environmental, sustainability and/or other criteria. Any such report, assessment, opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such report, assessment, opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer, the Arranger, the Dealers or any other person to buy, sell or hold any such Sustainable Finance Notes. Any such report, assessment, opinion or certification is only current as of the date it was issued. Prospective investors must determine for themselves the relevance of any such report, assessment, opinion or certification and/or the information contained therein and/or the provider of such report, assessment, opinion or certification for the purpose of any investment in such Sustainable Finance Notes. Currently, the providers of such reports, assessments, opinions and certifications are not subject to any specific oversight or regulatory or other regime.

In the event that any Sustainable Finance Notes are listed or admitted to trading on any dedicated “green”, “environmental”, “social” or “sustainable” or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer, the Arranger, the Dealers or any other person that any such listing or admission to trading will be obtained in respect of any such Sustainable Finance Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Sustainable Finance Notes.

While it is the intention of the Issuer to apply the net proceeds of any Sustainable Finance Notes and obtain and publish the relevant reports, assessments, opinions and certifications in, or substantially in, the manner described in “*Use of Proceeds*”, there can be no assurance that the Issuer will be able to do this. Nor can there be any assurance that the relevant project(s) or use(s) the subject of, or related to, any Eligible Loan Portfolio will be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer.

Any such event or failure to apply the net proceeds of any issue of Sustainable Finance Notes for any Eligible Loan Portfolio or to obtain and publish any such reports, assessments, opinions and certifications, as well as the existence of any potential mismatch between the duration of the Eligible Loan Portfolio and the Sustainable Finance Notes will not (i) constitute an event of default under the relevant Sustainable Finance Notes, or (ii) give rise to any other claim or right of a holder of such Sustainable Finance Notes against the Issuer, or (iii) lead to an obligation of the Issuer to redeem such Notes or be a relevant factor for the Issuer in deciding whether or not to exercise any optional redemption rights in respect of any Notes or (iv) affect the regulatory treatment of such Notes as Tier 2 capital or eligible liabilities for MREL purposes if such Notes are also Tier 2 Capital Notes, Senior Preferred Notes or Senior Non-Preferred Notes, as the case may be.

The Sustainable Finance Notes are issued subject to their applicable terms and conditions including, without limitation, in relation to their status, interest payments, redemption and events of default as described in the “*Terms and Conditions of the Notes*” and the relevant Final Terms, regardless of the issue of such Notes as Sustainable Finance Notes. The Sustainable Finance Notes are further subject to any Bail-in Tool and Non-Viability Loss Absorption that may be imposed in exactly the same manner as for any other Notes (including where such Notes are also Tier 2 Capital Notes, Senior Preferred Notes or Senior Non-Preferred Notes).

Similarly, any Sustainable Finance Notes, as for any other Notes, will be fully subject to the application of CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments and, as such, the proceeds of Sustainable Finance Notes qualifying as own funds or eligible liabilities may be used to cover losses in the balance sheet of the Issuer regardless of their “green” or “social” label.

Further, the performance of the Sustainable Finance Notes will in no circumstances be linked to the performance of any Eligible Loan Portfolio that may be identified by the Issuer and no segregation of assets and liabilities regarding any Sustainable Finance Notes or Eligible Loan Portfolio will occur at any time. Payments of principal and interest on any Sustainable Finance Notes shall not depend on the performance of any Eligible Loan Portfolio nor will holders of any Sustainable Finance Notes have any preferred right against the assets of any Eligible Loan Portfolio.

The withdrawal of any report, assessment, opinion or certification as described above, or any such report, assessment, opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such report, assessment, opinion or certification is reporting, assessing, opining or certifying on, and/or any such Sustainable Finance Notes no longer being listed or admitted to trading on any stock exchange or securities market, as aforesaid, may have a material adverse effect on the value of such Sustainable Finance Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

### **Risks relating to the Notes generally**

Set out below is a brief description of certain risks relating to the Notes generally.

#### ***The Notes are not ‘protected liabilities’ for the purposes of any government compensation scheme***

The Notes are not guaranteed or insured by any government, government agency or compensation scheme of the Hungary or any other jurisdiction. Further, as part of the reforms required by BRRD, amendments were made to relevant legislation in Hungary to establish in the insolvency hierarchy a statutory preference (i) firstly,

for deposits that are insured by the Hungarian depositor protection scheme the National Deposit Insurance Fund (“**insured deposits**”) and (ii) secondly, for all other deposits of individuals and micro, small and medium sized enterprises held in EEA or non-EEA branches of an EEA bank (“**other preferred deposits**”). All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured senior creditors of the Issuer, including the Holders of the Notes. Insured deposits are excluded from the scope of the bail-in tool.

***There is no limit on the amount or type of further bonds or other indebtedness that the Issuer may issue, incur or guarantee***

There is no restriction on the amount of notes, bonds or other liabilities that the Issuer may issue, incur or guarantee and which rank senior to, or *pari passu* with, the Notes. The issue or guaranteeing of any such Notes or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by Holders during a winding-up or administration or resolution of the Issuer and may limit the Issuer’s ability to meet its obligations under the Notes. In addition, the Notes do not contain any restriction on the Issuer issuing securities that may have preferential rights to the Notes or securities with similar or different provisions to those described herein.

***The Issuer may not be liable to pay certain taxes***

All payments of principal, interest and any other amounts in respect of the Notes and the Coupons 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 the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall (a) in the case of each Series of Senior Preferred Notes unless the relevant Final Terms expressly specifies “Senior Preferred Notes: Gross-up of principal” as “Not Applicable”, in respect of payments of interest (if any) or principal or (b) in the case of all Tier 2 Capital Notes and all Senior Non-Preferred, in respect of payments of interest (if any) only and not principal, pay such Additional Amounts as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, subject to certain exceptions as described in Condition 13 (*Taxation*).

Potential investors should be aware that neither the Issuer nor any other person will be liable for or otherwise obliged to pay, and the Noteholders and Couponholders will be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, except as provided for in Condition 13 (*Taxation*).

***Changes in law may adversely affect the rights of Holders***

Changes in law after the date hereof may affect the rights of Holders as well as the market value of the Notes. The Conditions are based on English and Hungarian law in effect as of the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English or Hungarian law or administrative practice after the date of issue of the relevant Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes.

In addition, any change in law or regulation that triggers a Tax Event, a Capital Disqualification Event or a Loss Absorption Disqualification Event would, in the case of certain Notes, entitle the Issuer, at its option (subject to, among other things, obtaining prior Supervisory Permission), to redeem the Notes, in whole but not in part, as provided under Condition 10(c) (*Redemption for Tax Event*), 10(d) (*Redemption for Capital Disqualification Event*) or 10(e) (*Redemption for Loss Absorption Disqualification Event*), as the case may be.

Such legislative and regulatory uncertainty could also affect an investor’s ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact on the Notes that one or more regulatory or legislative changes, including those described above, could have on the Notes.

***Judgments entered against Hungarian entities in the courts of a state which is not subject to the Brussels Regulations, the Lugano Convention or the Hague Convention may not be enforceable in Hungary***

Hungarian courts normally recognise foreign judgments provided that the foreign courts had jurisdiction under the rules set out in Act XXVIII of 2017 on private international law.

However, a judgment entered against a company incorporated in Hungary in the courts of a state which is not, under the terms of: (i) 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 “**2012 Brussels Regulation**”); (ii) Council Regulation (EC) No. 44/2001 of 22 December 2000 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the “**2000 Brussels Regulation**”); (iii) the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters made at Lugano on 30 October 2007 (the “**Lugano Convention**”); or (iv) the Hague Choice of Court Convention of 30 June 2005 (the “**Hague Convention**”) a Member State (as defined in the 2012 Brussels Regulation and the 2000 Brussels Regulation) or a Contracting State (as defined in the Lugano Convention and the Hague Convention), may not be automatically enforceable in Hungary, as a matter of law without a retrial on its merits.

An English court judgment entered against the Issuer in relation to any Notes would be enforceable in accordance with sections 109 and 113 of the Act XXVIII of 2017 on private international law. These provisions set out that a final and binding money judgment of a foreign court would be recognised by Hungarian courts, if the respective contracting parties previously duly agreed to submit their disputes to the jurisdiction of that foreign court. 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.

In addition, judicial enforcement in Hungary is subject to standard exceptions to recognition such that the enforcement of a court judgment of the English courts would be refused if: (i) such judgment conflicts with public policy in Hungary; (ii) the losing party in the relevant case or its authorised representative did not participate in the proceedings because such party did not have proper or timely notice of the proceedings; (iii) the proceedings were commenced in Hungary before they were commenced in the England; (iv) Hungarian courts (or relevant Hungarian authorities) have already determined the matter (*res judicata*); or (v) foreign courts have already determined the matter and such judgment is eligible for recognition in Hungary (irrespective of whether such eligible judgment is actually sought to be enforced in Hungary).

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 Act XXVIII of 2017 on private international 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.

***A downgrade of the credit rating assigned by any credit rating agency to the Issuer or, if applicable, to the Notes could adversely affect the liquidity or market value of the Notes. Credit ratings downgrades***



***could occur as a result of, among other causes, changes in the ratings methodologies used by credit rating agencies***

Tranches of Notes issued under the Programme may be rated by credit rating agencies and may in the future be rated by additional credit rating agencies, although the Issuer is under no obligation to ensure that any Notes issued by them under the Programme are rated by any credit rating agency. Credit ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed in these Risk Factors and other factors that may affect the liquidity or market 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 credit rating agency at any time.

Any rating assigned to the Issuer and/or, if applicable, the Notes may be withdrawn entirely by a credit rating agency, may be suspended or may be lowered, if, in that credit rating agency's judgment, circumstances relating to the basis of the rating so warrant. Ratings may be impacted by a number of factors which can change over time, including the credit rating agency's assessment of: the Issuer's strategy and management's capability; the Issuer's financial condition including in respect of capital, funding and liquidity; competitive and economic conditions in the OTP Group's key markets; the level of political support for the industries in which the OTP Group operates; and legal and regulatory frameworks affecting the Issuer's legal structure, business activities and the rights of its creditors. The credit rating agencies may also revise the ratings methodologies applicable to an issuer within a particular industry or political or economic region. If credit rating agencies perceive there to be adverse changes in the factors affecting an issuer's credit rating, including by virtue of change to applicable ratings methodologies, the credit rating agencies may downgrade, suspend or withdraw the ratings assigned to an issuer and/or its securities. Revisions to ratings methodologies and actions on the Issuer's ratings by the credit rating agencies may occur in the future.

If the Issuer determines to no longer maintain one or more ratings, or if any credit rating agency withdraws, suspends or downgrades the credit ratings of the Issuer or the Notes, or if such a withdrawal, suspension or downgrade is anticipated (or any credit rating agency places the credit ratings of the Issuer or, if applicable, the Notes on "credit watch" status in contemplation of a downgrade, suspension or withdrawal), whether as a result of the factors described above or otherwise, such event could adversely affect the liquidity or market value of the Notes (whether or not the Notes had an assigned rating prior to such event).

Furthermore, as a result of the CRA Regulation, if the status of the rating agency rating the Notes changes, European regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European regulated investors selling the Notes, which may impact the value of the Notes and any secondary market trading thereof.

***Investors to rely on the procedures of the relevant Clearing System for transfer, payment and communication with the Issuer***

Notes issued under the Programme may be represented by one or more Global Notes or Global Certificates which may be deposited with a common depositary for Euroclear, Clearstream, Luxembourg and/or the CMU (each of Euroclear, Clearstream, Luxembourg, and the CMU a "**Clearing System**"). If the Global Notes are NGN or if the Global Certificates are to be held under the NSS, they will be deposited with a common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing System will maintain records of the beneficial interests in the Global Notes or, as the case may be, Global Certificates. While the Notes are represented by one or more Global Notes, or as the case may be, Global Certificates, investors will be able to trade their beneficial interests only through the relevant Clearing System.

While the Notes are represented by one or more Global Notes or, as the case may be, Global Certificates, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary

or, for Global Notes that are NGN and Global Certificates to be held under the NSS, the common safekeeper for Euroclear and Clearstream, Luxembourg. A Holder of a beneficial interest in a Global Note or Global Certificate must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or Global Certificates.

Holders of beneficial interests in the Global Notes or Global Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such Holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

### ***Modification and waivers***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting 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.

### ***A Holder's actual yield on the Notes may be reduced from the stated yield by transaction costs***

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional domestic or foreign parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), Holders must also take into account any follow-up costs (such as custody fees). Prospective investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

### ***Notes issued at a substantial discount or premium***

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

### ***Risks relating to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

### ***There can be no assurance about the development or performance of a secondary trading market for the Notes***

The Notes issued under the Programme represent a new security for which no secondary trading market exists (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 there can be no assurance that one will develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

If a market for the Notes does develop, the trading price of the Notes may be subject to wide fluctuations in response to many factors, including those referred to in this risk factor, as well as stock market fluctuations and general economic conditions, interest rates, currency exchange rates and inflation rates that may adversely affect the market price of the Notes, such volatility may be increased in an illiquid market including in circumstances where a significant proportion of the Notes are held by a limited number of initial investors. Publicly traded bonds from time to time experience significant price and volume fluctuations that may be unrelated to the operating performance of the companies that have issued them, and such volatility may be increased in an illiquid market. If any market in the Notes does develop, it may become severely restricted, or may disappear, if the financial condition of the Issuer deteriorates such that there is an actual or perceived increased likelihood of the Issuer being unable to pay interest on the Notes in full, or, where relevant, of the Notes being subject to loss absorption under an applicable statutory loss absorption regime. In addition, the market price of the Notes may fluctuate significantly in response to a number of factors, some of which are beyond the Issuer's control.

Any or all of such events could result in material fluctuations in the price of Notes which could lead to investors losing some or all of their investment.

The issue price of the Notes might not be indicative of prices that will prevail in the trading market, and there can be no assurance that an investor would be able to sell its Notes at or near the price which it paid for them, or at a price that would provide it with a yield comparable to more conventional investments that have a developed a secondary market.

Moreover, although the Issuer and any subsidiary of the Issuer can (subject to Supervisory Permission and compliance with prevailing Regulatory Capital Requirements or Loss Absorption Regulations, as applicable) purchase Notes at any time, they have no obligation to do so. Purchases made by the Issuer (or on behalf of the Issuer) could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

In addition, Holders should be aware of the prevailing credit market conditions, whereby there is a general lack of liquidity in the secondary market which may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the Notes or the assets of the Issuer. The Issuer cannot predict whether these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instruments similar to the Notes at that time.

Although an application has been made to admit the Notes issued under the Programme to trading on the Market, there can be no assurance that such application will be accepted, that the Notes will be so admitted, or that an active trading market will develop. Even if an active trading market does develop, it may not be liquid and may not continue for the term of the Notes.

***There are exchange rate risks and exchange control risks associated with the Notes***

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified 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 Specified Currency would decrease; (a) the Investor's Currency equivalent yield on the Notes; (b) the Investor's Currency equivalent value of the principal payable on the Notes; and (c) 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, investors may receive less interest or principal than expected, or no interest or principal as measured in the Investor's Currency.

***There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi denominated Notes and the Issuer's ability to source Renminbi outside the PRC to service such Notes***

As a result of the restrictions imposed by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the Peoples's Bank of China ("PBOC") has entered into agreements on the clearing of Renminbi business (the "Settlement Arrangements") with financial institutions (each, a "Renminbi Clearing Bank") in a number of financial centres and cities, including but not limited to Hong Kong, London, Frankfurt and Singapore, has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi-denominated financial assets outside the PRC remains limited. There are restrictions imposed by the PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from the PBOC, although the PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from the PBOC to square open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, where the participating banks cannot source sufficient Renminbi through the above channels, the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi denominated Notes. To the extent the Issuer is required to source Renminbi outside the PRC to service the Renminbi denominated Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

***Investment in the Renminbi denominated Notes is subject to exchange rate risks***

The value of Renminbi against the U.S. dollar and other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as other factors. In August 2015, the PBOC changed the way it calculates the mid-point price of Renminbi against the U.S. dollar, requiring the market-makers who submit for the PBOC's reference rates to consider the previous day's closing spot rate, foreign-exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In May 2017, the PBOC further decided to introduce counter-cyclical factors to offset the market pro-cyclicality, so that the midpoint quotes could adequately reflect China's actual economic performance. However, the volatility in the value of the Renminbi against other currencies still exists. The Issuer will make all payments of interest and principal with respect to the Renminbi denominated Notes in Renminbi unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If an investor measures its investment returns by reference to a currency other than Renminbi, an investment in the Renminbi denominated Notes entails foreign exchange related risks, including possible significant changes in the value of Renminbi relative to the currency by reference to which an investor measures its investment returns. Depreciation of Renminbi against

such currency could cause a decrease in the effective yield of the Renminbi denominated Notes below their stated coupon rates and could result in a loss when the return on the Renminbi denominated Notes is translated into such currency. Accordingly, the value of the investment made by a holder of the Renminbi denominated Notes in that foreign currency will decline.

***Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of the Renminbi denominated Notes***

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving the import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items. However, remittance of Renminbi into and out of the PRC for settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from or completing specific registrations or filing with the relevant authorities on a case-by-case basis and subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC government. Although the Renminbi was added to the Special Drawing Rights basket created by the International Monetary Fund in 2016, and the PBOC and the Ministry of Commerce of the PRC have implemented policies for further improving accessibility to Renminbi to settle cross-border transactions in foreign currencies, there is no assurance that the PRC government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

The Issuer will need to source Renminbi offshore to finance its obligations under the Renminbi denominated Notes, and its ability to do so will be subject to the overall availability of Renminbi outside the PRC.

In addition, holders of beneficial interests in the Renminbi denominated Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

***Investment in the Renminbi denominated Notes is subject to interest rate risks***

The value of Renminbi payments under the Renminbi denominated Notes may be susceptible to interest rate fluctuations occurring within and outside the PRC, including PRC Renminbi repo rates and/or the Shanghai inter-bank offered rate. The PRC government has gradually liberalised its regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. In addition, the interest rate for Renminbi in markets outside the PRC may significantly deviate from the interest rate for Renminbi in the PRC as a result of foreign exchange controls imposed by PRC law and regulations and prevailing market conditions.

The Renminbi denominated Notes will carry a fixed interest rate. Consequently, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. Generally, a rise in interest rates may cause a fall in the prices of the Renminbi denominated Notes, resulting in a capital loss for the Noteholders. If holders of the Renminbi denominated Notes propose to sell their Renminbi denominated Notes before their maturity, they may receive an offer lower than the amount they have invested.

## INFORMATION INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the information set out in the table below as contained in:

1. the audited consolidated financial statements of the Issuer for the year ended 31 December 2023 is available at: [https://www.otpgroup.info/static/sw/file/IFRS\\_konsz\\_e\\_231231.pdf](https://www.otpgroup.info/static/sw/file/IFRS_konsz_e_231231.pdf) (the “**Accounts 2023**”) including the information set out at the following pages in particular:

Consolidated Statement of Financial Position	Page 5
Consolidated Statement of Profit or Loss	Pages 6-7
Consolidated Statement of Comprehensive Income	Page 8
Consolidated Statement of Changes in Equity	Page 9
Consolidated Statement of Cash-Flows	Pages 10-11
Notes to the Consolidated Financial Statements	Pages 12-229

The above mentioned document is an unofficial English translation of the Accounts 2023 that were originally prepared in the Hungarian language.

2. the full independent auditor’s report in respect of the audited consolidated financial statements of the Issuer for the year ended 31 December 2023 is available at ([https://www.otpgroup.info/static/sw/file/240426\\_Audit\\_report\\_konsz\\_e\\_122.pdf](https://www.otpgroup.info/static/sw/file/240426_Audit_report_konsz_e_122.pdf) ) (the “**Independent Auditor’s Report 2023**”).

The Independent Auditor’s Report 2023 is unqualified.

The above mentioned document is an unofficial English translation of the Independent Auditor’s Report 2023 that was originally prepared in the Hungarian language.

3. the audited consolidated financial statements of the Issuer for the year ended 31 December 2022 is available at: [https://www.otpgroup.info/static/sw/file/230428\\_IFRS\\_konsz\\_e\\_062.pdf](https://www.otpgroup.info/static/sw/file/230428_IFRS_konsz_e_062.pdf) (the “**Accounts 2022**”) including the information set out at the following pages in particular:

Consolidated Statement of Financial Position	Page 5
Consolidated Statement of Profit or Loss	Pages 6-7
Consolidated Statement of Comprehensive Income	Page 8
Consolidated Statement of Changes in Equity	Page 9
Consolidated Statement of Cash-Flows	Pages 10-11
Notes to the Consolidated Financial Statements	Pages 12-213

The above mentioned document is an unofficial English translation of the Accounts 2022 that were originally prepared in Hungarian language.

4. the full independent auditor’s report in respect of the audited consolidated financial statements of the Issuer for the year ended 31 December 2022 is available at:

[https://www.otpgroup.info/static/sw/file/OTP\\_Audit\\_report\\_consolidated\\_e\\_060.pdf](https://www.otpgroup.info/static/sw/file/OTP_Audit_report_consolidated_e_060.pdf) (the “**Independent Auditor’s Report 2022**”)

The Independent Auditor’s Report 2022 is unqualified.

The above mentioned document is an unofficial English translation of the Independent Auditor’s Report 2022 that was originally prepared in the Hungarian language.

5. the unaudited interim financial statements of the Issuer for the three months ended on 31 March 2024 is available at: [https://www.otpgroup.info/static/sw/file/OTP\\_20241Q\\_e\\_final.pdf](https://www.otpgroup.info/static/sw/file/OTP_20241Q_e_final.pdf) (the “**1Q 2024 Interim Financial Statements**”), including the information set out at the following pages in particular:

Consolidated Statement of Financial Position (unaudited)	Page 50
Consolidated Statement of Recognised Income (unaudited)	Page 52
Consolidated Statement of Changes in Shareholders’ Equity (unaudited)	Page 53
Consolidated Statement of Cash Flows (unaudited)	Page 55
Notes to the Consolidated Financial Statements (unaudited)	Pages 67 to 74

The Terms and Conditions of the Notes contained in the Base Prospectus dated 31 May 2022 ([https://www.otpgroup.info/static/sw/file/EMTN\\_Base\\_Prospectus\\_20220531.pdf](https://www.otpgroup.info/static/sw/file/EMTN_Base_Prospectus_20220531.pdf)), pages 44 to 95 (inclusive) relating to the Programme (the “**2022 Conditions**”), the Terms and Conditions of the Notes contained in the Base Prospectus dated 2 May 2023 ([https://www.otpgroup.info/static/sw/file/EMTN\\_Base\\_Prospectus\\_20230502.pdf](https://www.otpgroup.info/static/sw/file/EMTN_Base_Prospectus_20230502.pdf)), pages 46 to 107 (inclusive) relating to the Programme (the “**2023 Conditions**” and together with the 2022 Conditions, the Accounts 2023, the Independent Auditor’s Report 2023, the Accounts 2022, the Independent Auditor’s Report 2022 and the 1Q 2024 Interim Financial Statements, the “**Documents Incorporated by Reference**”).

The Documents Incorporated by Reference have been previously published by the Issuer and have been approved by the CSSF or filed with it. Such information in those documents shall be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Those parts of the Documents Incorporated by Reference which are not specifically incorporated by reference in this Base Prospectus are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Base Prospectus. Any documents referred to in the Documents Incorporated by Reference do not form part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## PRESENTATION OF INFORMATION

### Historical financial information

The historical financial information in this Base Prospectus has been prepared in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board and as adopted by the EU (the “IFRS”). The historical financial information presented in this Base Prospectus consists of consolidated audited financial information of the Issuer for the financial years ended 31 December 2022 and 31 December 2023 and the unaudited interim financial statements of the Issuer for the three months ended on 31 March 2024.

### Non-IFRS financial measures

The Issuer presents certain key performance measures that are not defined under IFRS or Hungarian GAAP but that it finds useful in analysing its results and that it believes are widely used by investors to monitor the results of banks generally. Some of these measures are defined by, and calculated in compliance with, applicable banking regulations, but these regulations often provide the Issuer with certain discretion in making its calculations.

These alternative performance measures (“APMs”) may not be indicative of the Issuer’s historical operating results, nor are such measures meant to be predictive of its future results. The Issuer presents these APMs because it considers them an important supplemental measure of its performance and believes that they and similar measures are widely used in the industry in which it operates as a means of evaluating a company’s results. However, not all banks and financial institutions calculate APMs in the same manner or on a consistent basis. As a result, these measures may not be comparable to measures used by other banks and financial institutions under the same or similar names. Accordingly, undue reliance should not be placed on the APMs contained in this Base Prospectus and they should not be considered as a substitute for financial measures computed in accordance with IFRS or Hungarian GAAP.

The APMs include Adjusted profit after tax, Adjusted net interest income, Adjusted net profit from fees and commissions, Adjusted other net non-interest income, Adjusted total income, Adjusted operating expenses, Adjusted provision for impairment on loan and placement losses, Return On Equity (“ROE”), Adjusted ROE, Adjusted Return On Assets, Total revenue margin, Net interest margin (“NIM”), Net fee and commission margin, Other income margin, Cost-to-asset ratio, Cost-to-income ratio, Risk cost rate, Stage 3 ratio, Own coverage of Stage 3 loans, Gross customer loans (adjusted), Net customer loans (adjusted), Net loan-to deposit ratio, Net loans to deposits including retail bonds ratio.

Each of the APMs is described below and reconciliations of these measures to the Issuer’s IFRS financial statements are set out below under the section headed “*Financial Performance of the OTP Group – Alternative Performance Measures*”.

Given the discretion that the Issuer and other banks have in defining these measures and calculating the reported amounts, care should be taken in comparing these various measures with similar measures used by other banks. These measures should not be used as a substitute for evaluating the performance of the Issuer based on its audited balance sheet and results of operations.

Certain measures are included in this Base Prospectus that are not measures presented in accordance with, or defined by, IFRS as adopted by the EU. However, such measures have been prepared on the basis of the Issuer’s unaudited separate and consolidated IFRS financial statements or derived from that.



The Issuer believes that the presentation of these non-IFRS measures enhances an investor's understanding of the OTP Group's financial performance in the periods presented and provides helpful comparisons of financial performance between periods by providing segmented financial information and adjusting for the distorting effect of, *inter alia*, certain, typically non-recurring items, intra-group transactions, acquisitions and foreign exchange rate movements. These adjustments include separating or reclassifying certain financial statement items, including profit and loss statement lines and balance sheet lines. These non-IFRS measures are not presented in accordance with IFRS and the Issuer's use of them may vary from, and not be comparable with, non-IFRS measures used by other companies. These non-IFRS measures should not be considered in isolation or as a substitute for financial information as reported under IFRS.

The management of the Issuer has decided to alter the presentation of certain adjustment items on a consolidated level, effective from the first quarter of 2024. Until the end of 2023, a range of adjustment items were excluded from the profit and loss accounts of the individual business segments when reporting on a consolidated basis ("**Previous Adjustment Methodology**"). Under the Previous Adjustment Methodology, these items, which were adjusted after tax, included dividends and net cash transfers, goodwill/investment impairment charges, the special tax on financial institutions, the expected one-off effect of the interest rate cap for certain loans in Hungary and Serbia, the effect of the winding up of Sberbank Hungary, the effect of acquisitions, the result of the treasury share swap agreement, and impairments on Russian government bonds at OTP Core and DSK Bank.

From 2024, the list of adjustment items that will be excluded on a consolidated basis has been significantly reduced ("**New Adjustment Methodology**"). Under the New Adjustment Methodology, the list of adjustment items includes only goodwill impairment and the direct effects of acquisitions. The latter now encompasses just three elements: badwill, initial risk costs associated with acquisitions, and losses from the sale of subsidiaries. This is a departure from the Previous Adjustment Methodology, where the effects of acquisitions also covered additional items like integration expenses and the amortisation of the customer base value. While impairments on subsidiary investments at OTP Core will still be adjusted at the OTP Core level, they will no longer be adjusted in the consolidated figures. However, the corporate tax impact of these impairments will be included in the corporate tax line for both OTP Core and the consolidated figures.

Under the New Adjustment Methodology, items that were once adjusted are now incorporated into the profit and loss statements of the respective geographical or business segments where they originated. For instance, special banking taxes in Hungary are now reported within the OTP Core and Merkantil Group segments. The Base Prospectus has been updated to include restated figures for the first quarter of 2023, adjusted according to the New Adjustment Methodology to ensure comparability with the data from the first quarter of 2024. These adjustments only pertain to the income statement and the performance indicators derived from it. The balance sheet has not been altered by these updates, since the adjustments made under both the Previous Adjustment Methodology and the New Adjustment Methodology do not impact the balance sheet figures.

### **Non-financial information operating data**

The non-financial operating data included in this Base Prospectus has been extracted without material adjustment from the management records of the Issuer and is unaudited.

### **Rounding**

Percentages and certain amounts in this Base Prospectus, including financial, statistical and operational information, have been rounded. As a result, the figures shown as totals may not be the precise sum of the figures that precede them.

**No incorporation of website information**

Other than in relation to the Documents Incorporated by Reference (see “*Information Incorporated by Reference*”), contents of the Issuer’s or the OTP Group’s website, any other website mentioned in this Base Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Base Prospectus, have not been scrutinised or approved by the CSSF and investors should not rely on such information.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “**necessary information**” means, in relation to any Tranche of Notes, the information 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, the reasons for the issuance and the impact on the Issuer. In relation to the different types of Notes which may be issued under the Programme, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in this Base Prospectus as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus.

In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus, unless the context requires otherwise.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions that, subject to completion in accordance with Part A of the relevant Final Terms, shall be applicable to Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in the terms and conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on Notes in definitive form or Certificates (as the case may be). The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Forms of the Notes - Summary of Provisions Relating to the Notes while in Global Form”.*

This Note is one of a series (each a “**Series**”) issued pursuant to the €5,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by OTP Bank Nyrt. (the “**Issuer**”) on 6 May 2020. A Fiscal Agency Agreement dated 22 May 2024 (the “**Fiscal Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, Citibank, N.A., London Branch as fiscal agent, Citibank Europe plc as registrar and the other agents named in it. The Notes have the benefit of a Deed of Covenant (the “**Deed of Covenant**”) dated 6 May 2020 executed by the Issuer relating to the Notes. The fiscal agent, the CMU lodging and paying agent, the other paying agents, the registrar, any transfer agent and the calculation agent for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**CMU Lodging and Paying Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent and the CMU Lodging and Paying Agent), the “**Registrar**” and the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent**”. “**Agents**” means the Fiscal Agent, the CMU Lodging and Paying Agent, the Registrar, the Transfer Agents and any other agent or agents appointed from time to time with respect to the Notes. The Fiscal Agency Agreement includes the form of the Notes. Copies of the Fiscal Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the Specified Offices of the Fiscal Agent, the Registrar and any Transfer Agents. The Noteholders (as defined below) are deemed to have notice of all the provisions of the Fiscal Agency Agreement applicable to them.

The term “**Notes**” means debt instruments, by whatever name called, issued under the Programme. The Notes may be issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”). All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms. Notes issued under the Programme are issued in Series and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of the relevant final terms (the “**Final Terms**”) which supplements these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail. Certain provisions of these Conditions are summaries of the Fiscal Agency Agreement and are subject to its detailed provisions.

### 1 Interpretation

(a) **Definitions:** In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Amounts**” has the meaning given in Condition 13(a) (*Gross-Up*);

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

**“Adjustment Spread”** has the meaning given in Condition 9(a) (7) (*Definitions*);

**“Alternative Rate”** has the meaning given in Condition 9(a)(7) (*Definitions*);

**“Bail-In Tool”** means the mechanism for effecting the exercise by the Relevant Regulator of the write-down and conversion powers in relation to liabilities of an institution:

- (i) prior to resolution in accordance with Sections 74 to 79 or independent of a resolution in accordance with paragraph 2 of Section 74 (implementing Article 59.1 of the BRRD in Hungary);
- (ii) under resolution in accordance with paragraphs d) to h) of subsection (1) of Section 84; or
- (iii) under resolution in accordance with Sections 57 to 61 and/or Sections 69 to 73,

of the Resolution Act (as amended or replaced from time to time);

**“Benchmark Amendments”** has the meaning given in Condition 9(a)(4) (*Benchmark Amendments*);

**“Benchmark Event”** has the meaning given in Condition 9(a)(7) (*Definitions*);

**“Broken Amount”** means, in respect of any Notes, the amount (if any) that is specified in the relevant Final Terms;

**“Business Day”** means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;
- (ii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong;
- (iii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and
- (iv) in relation to any Notes for which the Reference Rate is specified as SOFR in the relevant Final Terms, any weekday that is a U.S. Government Securities Business Day and is not a legal holiday in New York and each (if any) Additional Business Centre and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed;

**“Business Day Convention”**, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **“Following Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **“Modified Following Business Day Convention”** or **“Modified Business Day Convention”** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

- (iii) **“Preceding Business Day Convention”** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **“FRN Convention”, “Floating Rate Convention” or “Eurodollar Convention”** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**“Calculation Amount”** has the meaning given in the relevant Final Terms;

a **“Capital Disqualification Event”** is deemed to have occurred if there is a change (which has occurred or which the Relevant Regulator considers to be sufficiently certain) in the regulatory classification of the Tier 2 Capital Notes which becomes effective after the Issue Date of the last Tranche of the relevant Series of Tier 2 Capital Notes and that results, or would be likely to result, in some of or the entire principal amount of the Notes being excluded from the Tier 2 Capital of the Issuer or the OTP Group and, for the avoidance of doubt, any amortisation of the Notes pursuant to Article 64 of the CRR as in force as at the Issue Date of the last Tranche of the relevant Series of Tier 2 Capital Notes shall not comprise a Capital Disqualification Event;

**“CMS Rate”** means the Relevant Swap Rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity (expressed as a percentage rate per annum) which appears on the Relevant Screen Page as at (a) the Determination Time specified in the relevant Final Terms or (b) if no Determination Time is specified in the relevant Final Terms, 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question, all as determined by the Calculation Agent;

**“CMS Rate Fixing Centre”** has the meaning given in the relevant Final Terms;

**“CMS Rate Fixing Day”** means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets are open for business in each CMS Rate Fixing Centre specified in the relevant Final Terms;

**“CMT Designated Maturity”** has the meaning given to it in the relevant Final Terms;

**“CMT Rate”** means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate determined by the Calculation Agent, and expressed as a percentage, equal to:

- (i) the yield for United States Treasury Securities at “constant maturity” for the CMT Designated Maturity, as published in the H.15(519) under the caption “treasury constant maturities (nominal)”, as that yield is displayed on the CMT Rate Screen Page on such Reset Determination Date; or
- (ii) if the yield referred to in paragraph (i) above is not published by 4:00 p.m. (New York City time) on the CMT Rate Screen Page on such Reset Determination Date, the yield for the United States Treasury Securities at “constant maturity” for the CMT Designated Maturity as published in the H.15(519) under the caption “treasury constant maturities (nominal)” on such Reset Determination Date; or
- (iii) if the yield referred to in paragraph (ii) above is not published by 4:30 p.m. (New York City time) on such Reset Determination Date, the Reference Bank CMT Rate on such Reset Determination Date;

“**CMT Rate Screen Page**” has the meaning given to it in the relevant Final Terms or any successor service or such other page as may replace that page on that service for the purpose of displaying “treasury constant maturities” as reported in H.15(519);

“**CMU**” means the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority;

“**Code**” has the meaning given in Condition 13(b) (*FATCA*);

“**Coupon Sheet**” means, in respect of a Bearer Note, a coupon sheet relating to such Note;

“**Couponholders**” means the holders of the Coupons (whether or not attached to the relevant Notes);

“**Credit Institutions Act**” means Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises;

“**CRR**” means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation), as amended or replaced from time to time (including pursuant to Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019), and any references in these Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time;

“**Day Count Fraction**” means, in respect of the calculation of an amount for any period of time (the “**Calculation Period**”), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if “**Actual/Actual (ICMA)**” is so specified, means:
  - (A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and
  - (B) where the Calculation Period is longer than one Regular Period, the sum of:
    - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year; and

- (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year;
- (ii) if “**Actual/Actual (ISDA)**” is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (1) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (2) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if “**Actual/365 (Fixed)**” is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if “**Actual/360**” is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if “**30/360**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (vi) if “**30E/360**” or “**Eurobond Basis**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;



“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (vii) if “**30E/360 (ISDA)**” is so specified, means the number of days in the Calculation Period divided by 360, calculated on a formula basis is as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M<sub>2</sub>**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (1) that day is the last day of February or (2) such number would be 31, in which case D<sub>1</sub> will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (1) that day is the last day of February but not the Maturity Date or (2) such number would be 31, in which case D<sub>2</sub> will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from (and including) the first day of the Calculation Period to (but excluding) the last day of the Calculation Period;

“**Designated Maturity**” shall have the meaning specified in the relevant Final Terms;

“**Directors**” means the directors of the Issuer;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**EEA Regulated Market**” means a market as defined by Article 4.1(21) of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments, as amended or any equivalent or successor provision;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Eurozone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and

maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“**euro**” and “**€**” means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended;

“**Extraordinary Resolution**” has the meaning given in the Fiscal Agency Agreement;

“**FATCA Withholding**” has the meaning given in Condition 13(b) (*FATCA*);

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**First Interest Payment Date**” means the date specified in the relevant Final Terms;

“**First Margin**” means the margin specified as such in the relevant Final Terms;

“**First Reset Date**” means the date specified in the relevant Final Terms;

“**First Reset Period**” means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date;

“**First Reset Rate of Interest**” means, in respect of the First Reset Period and subject to Conditions 5(d) (*Fallback – Mid-Swap Rate*) and 5(e) (*Fallback – CMT Rate*) (as applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the First Margin (with such sum converted (if necessary) from a basis equivalent to the Fixed Leg Swap Payment Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the First Reset Period (such calculation to be made by the Calculation Agent));

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Fixed Leg Swap Payment Frequency**” has the meaning given in the relevant Final Terms;

“**Fixed Rate Note**” means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or dates in each year and on redemption or on such other dates as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

“**Floating Rate Note**” means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or 12 months or at such other intervals as may be agreed between the Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

“**Holder**”, in the case of Bearer Notes, has the meaning given in Condition 2(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 2(d) (*Title to Registered Notes*);

“**IA Determination Cut-Off Date**” means the day falling no later than five Business Days prior to the Interest Determination Date or the Reset Determination Date (as applicable);

“**Independent Adviser**” has the meaning given in Condition 9(a)(7) (*Definitions*);

“**Initial Mid-Swap Rate**” has the meaning specified in the relevant Final Terms;

“**Initial Mid-Swap Rate Final Fallback**” has the meaning given in the relevant Final Terms;

“**Initial Rate of Interest**” has the meaning specified in the relevant Final Terms;

**“Interest Amount”** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**“Interest Commencement Date”** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**“Interest Determination Date”** shall mean:

- (i) if the Reference Rate is not CMS Rate, the date specified as such in the relevant Final Terms, or if the Reference Rate is EURIBOR, unless specified otherwise in the relevant Final Terms, the second TARGET Settlement Day prior to the start of each Interest Period; or
- (ii) if the Reference Rate is CMS Rate, the date specified as such in the relevant Final Terms, provided that if any day specified as an Interest Determination Date in the relevant Final Terms is not a CMS Rate Fixing Day, the relevant Interest Determination Date shall be the immediately preceding CMS Rate Fixing Day;

**“Interest Payment Date”** means the First Interest Payment Date and any date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**“Interest Period”** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the first Interest Payment Date or next Interest Payment Date (as the case may be);

**“ISDA Definitions”** means the 2006 ISDA Definitions (as amended and updated as at the Issue Date of the first Tranche of Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**“Issue Date”** has the meaning given in the relevant Final Terms;

**“Last Observable Mid-Swap Rate Final Fallback”** has the meaning given in the relevant Final Terms;

**“Loss Absorption Compliant Notes”** means securities issued directly by the Issuer that:

- (i) (other than in respect of, or in order to ensure, the effectiveness and enforceability of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) have terms not materially less favourable to an investor than the terms of the relevant Series of Notes which have been or are to be substituted or varied (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer) prior to the issue or, as appropriate, variation of the relevant securities and, for the avoidance of doubt, any change to the governing law of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*) shall not be materially less favourable to an investor for these purposes), and, subject thereto, which: (1) contain terms which comply with the then applicable Loss Absorption Regulations in order to be eligible to qualify in full towards the Issuer’s minimum requirements (on an individual or consolidated basis) for own funds and eligible

liabilities and/or loss absorbing capacity instruments; (2) provide for the same Rate of Interest and Interest Payment Dates from time to time applying to the relevant Series of Notes; (3) rank at least *pari passu* with the ranking of the relevant Series of Notes; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the relevant Series of Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid; (6) (other than as envisaged by Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) do not contain terms which provide for interest cancellation or deferral; and (7) (other than as envisaged by Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares;

- (ii) are listed on (aa) the same stock exchange or market as the relevant Series of Notes which have been or are to be substituted or varied, (bb) the Official List and admitted to trading on the Market or (cc) such other internationally recognised stock exchange, which is commonly used for the listing and trading of debt securities in the international bond markets, as selected by the Issuer;
- (iii) where the Series of Notes which have been or are to be substituted or varied had a public rating which had been solicited by or published with the permission of the Issuer from a credit rating agency immediately prior to their substitution or variation, (other than in respect of, or in order to ensure, the effectiveness and enforceability of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) each such credit rating agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Loss Absorption Compliant Notes;

a “**Loss Absorption Disqualification Event**” shall be deemed to have occurred if, as a result of any amendment to, or change in, any Loss Absorption Regulations, or any change in the application or official interpretation of any Loss Absorption Regulations, in any such case becoming effective on or after the Issue Date, the entire principal amount of a Series of Notes or any part thereof, is, or (in the opinion of the Issuer or the Relevant Regulator) is likely to be, excluded from the Issuer’s and/or the OTP Group’s minimum requirements for own funds and eligible liabilities as such minimum requirements are applicable to the Issuer (whether on an individual or consolidated basis) and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that a Loss Absorption Disqualification Event shall not occur where the relevant exclusion is due to (a) the remaining maturity of the Notes being less than any period prescribed by the Loss Absorption Regulations effective with respect to the Issuer and/or the OTP Group on the Issue Date, (b) any limit on the aggregate principal amount of instruments generally or of a particular type which the Issuer and/or the OTP Group is permitted to count towards the minimum requirement for own funds and eligible liabilities pursuant to the Loss Absorption Regulations and/or (c) the Issuer not having a requirement pursuant to the Loss Absorption Regulations to have in issue own funds and eligible liabilities in excess of the Issuer’s and/or the OTP Group’s own funds requirements;

“**Loss Absorption Regulations**” means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of Hungary, the Relevant Regulator and/or of the European Parliament or of the Council of the European Union then in effect in Hungary and applicable to the Issuer and/or the OTP Group (whether on an individual or consolidated basis), including, without limitation to the generality of the foregoing, any applicable delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Relevant Regulator from time to

time (whether such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer and/or the OTP Group);

“**Margin**” has the meaning given in the relevant Final Terms;

“**Market**” means the EEA Regulated Market of the Luxembourg Stock Exchange;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Mid-Market Swap Rate**” means, for any Reset Period, the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Fixed Leg Swap Payment Frequency during the relevant Reset Period (calculated on the day count basis then customary for fixed rate payments in the Specified Currency) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis then customary for floating rate payments in the Specified Currency);

“**Mid-Market Swap Rate Quotation**” means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

“**Mid-Swap Floating Leg Benchmark Rate**” means EURIBOR if the Specified Currency is euro or the Reference Rate as specified in the relevant Final Terms;

“**Mid-Swap Maturity**” has the meaning given in the relevant Final Terms;

“**Mid-Swap Rate**” means, in relation to a Reset Determination Date and subject to Condition 5(d) (*Fallback – Mid-Swap Rate*), either:

- (i) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (ii) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum) of the bid and offered swap rate quotations for swaps in the Specified Currency:
  - (A) with a term equal to the relevant Reset Period; and
  - (B) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date, all as determined by the Calculation Agent;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Noteholder**”, in the case of Bearer Notes, has the meaning given in Condition 2(b) (*Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 2(d) (*Title to Registered Notes*);

“**Official List**” means the official list of the Luxembourg Stock Exchange;

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Amount (Capital Disqualification Event)**” means, in respect of any Tier 2 Capital Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Amount (Loss Absorption Disqualification Event)**” means, in respect of any Senior Non-Preferred Note or, where applicable, Senior Preferred Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Final Terms;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Final Terms;

“**Original Reference Rate**” has the meaning given in Condition 9(a) (7) (*Definitions*);

“**OTP Group**” means the Issuer and each entity (if any) that is part of the prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements) of which the Issuer is part from time to time, if any;

“**Payment Business Day**” means:

- (i) if the currency of payment is euro, any day (other than a Saturday, Sunday or public holiday) which is:
  - (A) a day on which (1) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or (2) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Fiscal Agent has its Specified Office; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
  - (C) if the currency of payment is Renminbi, any day (other than a Saturday, Sunday or public holiday) which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong; or
- (ii) if the currency of payment is not euro or Renminbi, any day (other than a Saturday, Sunday or public holiday) which is:
  - (A) a day on which (1) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies or (2) commercial banks are open for general business (including dealings in foreign currencies) in the city where the Fiscal Agent has its Specified Office; and

- (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“**person**” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“**PRC**” means to the People's Republic of China, excluding Taiwan, Hong Kong and Macau;

“**Principal Financial Centre**” means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer;
- (ii) in relation to Australian dollars, it means Sydney; and
- (iii) in relation to New Zealand Dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Issuer;

“**Put Option Notice**” means a notice which must be delivered to an Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Put Option Receipt**” means a receipt issued by an Agent to a depositing Noteholder upon deposit of a Note with such Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“**Qualifying Tier 2 Securities**” means securities issued directly by the Issuer that:

- (i) (other than in respect of, or in order to ensure, the effectiveness and enforceability of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) have terms not materially less favourable to an investor than the terms of the relevant Series of Tier 2 Capital Notes (as reasonably determined by the Issuer in consultation with an investment bank or financial adviser of international standing (which in either case is independent of the Issuer) prior to the issue or, as appropriate, variation of the relevant securities and, for the avoidance of doubt, any change to the governing law of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*) shall not be materially less favourable to an investor for these purposes), and, subject thereto, which: (1) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 2 Capital; (2) provide for the same Rate of Interest and Interest Payment Dates from time to time applying to the relevant Series of Tier 2 Capital Notes; (3) rank at least *pari passu* with the ranking of the relevant Series of Tier 2 Capital Notes; (4) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the relevant Series of Tier 2 Capital Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption; (5) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been paid; (6) (other than as envisaged by Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) do not contain terms which provide for interest cancellation or deferral; and (7) (other than as envisaged by Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) do not contain terms providing for loss absorption through principal write-down or conversion to ordinary shares; and
- (ii) are listed on (aa) the same stock exchange or market as the relevant Series of Tier 2 Capital Notes, (bb) the Official List and admitted to trading on the Market or (cc) such other internationally

recognised stock exchange, which is commonly used for the listing and trading of debt securities in the international bond markets, as selected by the Issuer; and

- (iii) where the Series of Tier 2 Capital Notes which have been or are to be substituted or varied had a public rating which had been solicited by or published with the permission of the Issuer from a credit rating agency immediately prior to their substitution or variation, (other than in respect of, or in order to ensure, the effectiveness and enforceability of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) each such credit rating agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Qualifying Tier 2 Securities;

**“Ranking Legislation”** means Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings of Hungary, subject to the Credit Institutions Act;

**“Rate of Interest”** means: (i) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms; and (ii) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

**“Redemption Amount”** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Loss Absorption Disqualification Event), the Optional Redemption Amount (Put), the Optional Redemption Amount (Capital Disqualification Event) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**“Reference Banks”** (i) in the case of Notes other than Reset Notes and Floating Rate Notes where the Reference Rate is CMS Rate, has the meaning given in the relevant Final Terms or, if none, five major banks selected by the Issuer in the market that is most closely connected with the Reference Rate, (ii) in the case of Floating Rate Notes where the Reference Rate is CMS Rate, (A) where the Reference Currency is euro, the principal office of five leading swap dealers in the Eurozone inter-bank market, (B) where the Reference Currency is pounds sterling, the principal London office of five leading swap dealers in the London inter-bank market, (C) where the Reference Currency is U.S. dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (D) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case as selected by the Issuer, and (iii) in the case of Reset Notes, has the meaning given in the relevant Final Terms or, if none (1) in the case of the calculation of a Mid-Market Swap Rate, five major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the Issuer or (2) in the case of the calculation of a CMT Rate, five banks which are primary U.S. Treasury securities dealers or market makers in pricing corporate bond issues denominated in U.S. dollars in New York as selected by the Issuer;

**“Reference Bank CMT Rate”** means, if “CMT Rate” is specified in the Final Terms, the Reset United States Treasury Securities Quotations provided by the Reference Banks to the Issuer at or around 4:30 p.m. (New York City time) on the relevant Reset Determination Date and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reference Bank CMT Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the



Reference Bank CMT Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reference Bank CMT Rate will be the rounded quotation provided;

“**Reference Currency**” has the meaning given in the relevant Final Terms;

“**Reference Price**” has the meaning given in the relevant Final Terms;

“**Reference Rate**” shall mean (i) EURIBOR, (ii) SOFR, (iii) €STR, (iv) the CMS Rate or (v) as otherwise specified in the relevant Final Terms, in each case for the relevant currency and for the relevant period as specified in the relevant Final Terms;

“**Regular Period**” means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) one Interest Payment Date to (but excluding) the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from (and including) a Regular Date falling in any year to (but excluding) the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“**Regulatory Capital Requirements**” means, at any time, any requirement contained in the laws, regulations, requirements, guidelines and policies of the Relevant Regulator, Hungary, the European Banking Authority or the European Parliament and/or Council then in effect in Hungary relating to capital adequacy and applicable to the Issuer and/or the OTP Group;

“**Relevant Date**” means: (i) in respect of any payment other than a sum to be paid by the Issuer in a Winding-Up of the Issuer, the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Holders that, upon further surrender of the Certificate or Bearer Note representing such Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such surrender, and (ii) in respect of a sum to be paid by the Issuer in a Winding-Up of the Issuer, the date which is one day prior to the date on which an order is made or a resolution is passed for the Winding-Up;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms;

“**Relevant Jurisdiction**” means Hungary or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal, premium (if any) and/or interest on the Notes;

“**Relevant Nominating Body**” has the meaning given in Condition 9(a)(7) (*Definitions*);

**“Relevant Regulator”** means the National Bank of Hungary (*Magyar Nemzeti Bank*) acting in the context of prudential matters or recovery and resolution matters or such other authority having primary supervisory authority with respect to prudential and/or recovery and resolution matters, concerning the Issuer and/or the OTP Group, as may be relevant in the context and circumstances;

**“Relevant Screen Page”** means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

**“Relevant Swap Rate”** means

- (i) where the Reference Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity of six months;
- (ii) where the Reference Currency is pounds sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating pounds sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to SONIA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to SONIA with a designated maturity of three months;
- (iii) where the Reference Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to SOFR (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency, the mid-market swap rate as determined by the Calculation Agent on a commercial basis as it shall consider appropriate and in accordance with standard market practice;

**“Relevant Time”** has the meaning given in the relevant Final Terms;

**“Renminbi”**, **“RMB”** or **“CNY”** means to the lawful currency of the PRC;

**“Representative Amount”** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**“Reset Date”** means the First Reset Date and each Subsequent Reset Date (as applicable);

**“Reset Determination Date”** means, in respect of a Reset Period, (a) each date specified as such in the Final Terms or, if none is so specified, (b) (i) if the Specified Currency is euro, the day falling two TARGET Settlement Days prior to the first day of such Reset Period, (ii) if the Specified Currency is U.S. dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period or (iii) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

**“Reset Maturity Initial Mid-Swap Rate Final Fallback”** has the meaning given in the relevant Final Terms;

**“Reset Note”** means a Note which bears interest at a rate of interest which is recalculated at specified intervals;

**“Reset Period”** means the First Reset Period or a Subsequent Reset Period, as the case may be;

**“Reset Period Maturity Initial Mid-Swap Rate”** has the meaning given in the relevant Final Terms;

**“Reset Rate”** means (i) if “Mid-Swap Rate” is specified in the relevant Final Terms, the relevant Mid-Swap Rate or (ii) if “CMT Rate” is specified in the Final Terms, the relevant CMT Rate;

**“Reset United States Treasury Securities”** means, on the relevant Reset Determination Date, United States Treasury Securities with an original maturity equal to the CMT Designated Maturity, a remaining term to maturity of no more than one year shorter than the CMT Designated Maturity and in a principal amount equal to an amount that is representative for a single transaction in such United States Treasury Securities in the New York City market. If two or more United States Treasury Securities have remaining terms to maturity of no more than one year shorter than the CMT Designated Maturity, the United States Treasury Security with the longer remaining term to maturity will be used and if two or more United States Treasury Securities have remaining terms to maturity equally close to the duration of the CMT Designated Maturity, the United States Treasury Security with the largest nominal amount outstanding will be used;

**“Reset United States Treasury Securities Quotation”** means, in relation to a Reset Period and the Reset Determination Date in relation to such Reset Period, the rate quoted by a Reference Bank as being a yield-to-maturity based on the secondary market bid price of such Reference Bank for Reset United States Treasury Securities at approximately 4:30 p.m. (New York City time) on such Reset Determination Date;

**“Resolution Act”** means Act XXXVII of 2014 on the improvement of the institutional system strengthening the security of certain participants of the financial intermediary system and any other law or regulation implementing, amending or superseding the provisions of such act or Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms;

**“Senior Claims”** means the aggregate amount of all claims admitted in a Winding-Up of the Issuer in respect of creditors of the Issuer: (a) who are unsubordinated creditors of the Issuer including the claims against the Issuer specified in Section 57(1)(a)-(h) of the Ranking Legislation, thus, for the avoidance of doubt, holders of Senior Preferred Notes and holders of Senior Non-Preferred Notes; and (b) whose claims are or are expressed to be subordinated to the claims of other creditors of the Issuer (other than those whose claims are in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital or Tier 2 Capital or whose claims rank or are expressed to rank *pari passu* with, or junior to, the claims of Holders in respect of the Tier 2

Capital Notes or related Coupons, including debt arising from Tier 2 items and instruments within the meaning of Section 57(2) of the Credit Institutions Act for the purposes of the Ranking Legislation);

**“Senior Non-Preferred Claims”** means the aggregate amount of all claims admitted in a Winding-Up of the Issuer which are claims of creditors in respect of obligations which are secondary non-preferential debt under the Ranking Legislation in accordance with Section 57(1b)(b) of the Credit Institutions Act (including, without limitation, Senior Non-Preferred Notes and claims in respect of the Senior Non-Preferred Notes);

**“Senior Notes”** means the Senior Non-Preferred Notes and the Senior Preferred Notes;

**“Specified Currency”** has the meaning given in the relevant Final Terms;

**“Specified Denomination(s)”** has the meaning given in the relevant Final Terms;

**“Specified Office”** has the meaning given in the Fiscal Agency Agreement;

**“Specified Period”** has the meaning given in the relevant Final Terms;

**“Subsequent Margin”** means the margin(s) specified as such in the relevant Final Terms;

**“Subsequent Reset Date”** means the date or dates specified in the relevant Final Terms;

**“Subsequent Reset Period”** means the period from (and including) the first Subsequent Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

**“Subsequent Reset Rate of Interest”** means, in respect of any Subsequent Reset Period and subject to Conditions 5(d) (*Fallback – Mid-Swap Rate*) and 5(e) (*Fallback – CMT Rate*) (as applicable), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Rate and the relevant Subsequent Margin (with such sum converted (if necessary) from a basis equivalent to the Fixed Leg Swap Payment Frequency to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent));

**“Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback”** has the meaning given in the relevant Final Terms;

**“Subsequent Reset Rate Mid-Swap Rate Final Fallback”** has the meaning given in the relevant Final Terms;

**“Successor Rate”** has the meaning given in Condition 9(a)(7) (*Definitions*);

**“Supervisory Permission”** means, in relation to any action, such supervisory permission (or, as appropriate, waiver) as is required therefor under prevailing Regulatory Capital Requirements (if any) and/or (in the case of Senior Non-Preferred Notes or Senior Preferred Notes) the Loss Absorption Regulations (if any);

**“Talon”** means a talon for further Coupons;

**“T2”** means the real time gross settlement system operated by the Eurosystem, or any successor system;

**“TARGET Settlement Day”** means any day on which T2 is open for the settlement of payments in euro;

**“Tax Event”** is deemed to have occurred if, as a result of a Tax Law Change, the Issuer determines that (a) in making any payments on the Notes, the Issuer has paid or will or would on the next payment date

be required to pay Additional Amounts and the Issuer could not avoid the foregoing by taking measures reasonably available to it or (b) (if Tax Event (Deductibility) is expressly specified to be “Applicable” in the Final Terms) to the extent (prior to such Tax Law Change) the Issuer was entitled to claim a deduction in respect of the Notes in computing its taxation liabilities, it would not be entitled to claim a deduction in respect of its taxation liabilities in the Relevant Tax Jurisdiction in respect of any payment of interest to be made on the next Interest Payment Date or the value of such deduction would be materially reduced;

“**Tax Law Change**” means a change in or amendment to the laws or regulations of a Relevant Jurisdiction, including any treaty to which such Relevant Jurisdiction is a party, or any change in the application of official or generally published interpretation of such laws, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions or which differs from any specific written statements made by a tax authority regarding the anticipated tax treatment of the Notes, which change or amendment (x) (subject to (y)) becomes, or would become, effective on or after the Issue Date of the last Tranche of Notes of the relevant Series or (y) in the case of a change or proposed change in law, if such change is enacted (or, in the case of a proposed change, is expected to be enacted), on or after the Issue Date of the last Tranche of Notes of the relevant Series;

“**Tier 1 Capital**” has the meaning given to it from time to time by the Relevant Regulator or the applicable prudential rules;

“**Tier 2 Capital**” has the meaning given to it from time to time by the Relevant Regulator or the applicable prudential rules;

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities;

“**United States Treasury Securities**” means securities that are direct obligations of the United States Treasury, issued other than on a discount rate basis;

“**Winding-Up**” means the ordering by any competent court for the liquidation (*felszámolás*) of the Issuer in accordance with Act XLIX of 1991 on Bankruptcy and Liquidation Proceedings of Hungary; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) **Interpretation:** In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount (in the case of Senior Preferred Notes unless the relevant Final Terms expressly specifies “Senior Preferred Notes: Gross-up of principal” as “Not Applicable” only) any Additional Amounts in respect of principal which may be payable under Condition 13 (*Taxation*) or any undertakings given in

addition thereto or in substitution therefor or any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

- (v) any reference to interest shall be deemed to include any Additional Amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any undertakings given in addition thereto or in substitution therefor or any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “**outstanding**” shall be construed in accordance with the Fiscal Agency Agreement; and
- (vii) if an expression is stated in Condition 1(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “Not Applicable”, then such expression is not applicable to the Notes.

## **2 Form, Denomination, Title and Transfer**

### **(a) *Bearer Notes***

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

### **(b) *Title to Bearer Notes***

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.

### **(c) *Registered Notes***

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

### **(d) *Title to Registered Notes***

The Registrar will maintain the register in accordance with the provisions of the Fiscal Agency Agreement. A certificate (each, a “**Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.

### **(e) *Ownership***

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no person shall be liable for so treating such Holder.

### **(f) *Transfers of Registered Notes***

Subject to Conditions 2(j) (*Closed periods*) and 2(k) (*Regulations concerning transfers and registration*), a Registered Note may be transferred in whole or in part upon the surrender of the relevant 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 Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the balance of the Registered Notes will be issued to the transferor and in any case a further new Certificate will be issued to the transferee in respect of the part transferred.

(g) ***Exercise of Options or Partial Redemption in Respect of Registered Notes***

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(h) ***Registration and delivery of Certificates***

Within three business days of the surrender of a Certificate in accordance with Condition 2(f) (*Transfers of Registered Notes*), the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Registered 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 Condition 2(h) (*Registration and delivery of Certificates*), “**business day**” means a day on which commercial banks and foreign exchange markets settle payments generally in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(i) ***No charge***

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or 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.

(j) ***Closed periods***

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 days ending on (and including) the due date for redemption of that Note, (ii) during the period of 15 days prior to (and including) any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(d) (*Redemption for Capital Disqualification Event*) or 10(e) (*Redemption for Loss Absorption Disqualification Event*), (iii) after the Notes have been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

(k) ***Regulations concerning transfers and registration***

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Fiscal 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.

(l) ***No exchange***

Registered Notes may not be exchanged for Bearer Notes and Bearer Notes may not be exchanged for Registered Notes.

### **3 Status**

The Notes are either senior preferred Notes (“**Senior Preferred Notes**”), senior non-preferred Notes (“**Senior Non-Preferred Notes**”) or tier 2 capital Notes (“**Tier 2 Capital Notes**”), as specified in the relevant Final Terms.

(a) ***Senior Preferred Notes***

The Senior Preferred Notes (and the Coupons relating thereto, if any) constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer and constitute ordinary non-preferential debt (Hungarian terminology: *rendes fedezetlen követelések*) pursuant to Section 57(1b)(a) of the Credit Institutions Act for the purposes of the Ranking Legislation. The Senior Preferred Notes and any Coupons relating thereto rank *pari passu* without any preference among themselves and, save for such exceptions as may be provided by applicable legislation, at least *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future.

The Issuer and, by virtue of its holding of any Senior Preferred Note or any beneficial interest therein, each Holder of a Senior Preferred Note and each Holder of a Coupon relating to a Senior Preferred Note acknowledge and agree that the Senior Preferred Notes and any such Coupons rank junior to the claims against the Issuer specified in Section 57(1)(a)-(e) of the Ranking Legislation (including, among others, deposits held with the Issuer pursuant to Section 57(1)(a)-(c) of the Credit Institutions Act) and *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Issuer, present or future (other than Senior Non-Preferred Notes and other obligations which rank or are expressed to rank junior to the Senior Preferred Notes, including debt of the Issuer specified in Sections 57(1b)(b) and Section 57(1b)(c) of the Credit Institutions Act for the purposes of the Ranking Legislation, and claims against the Issuer specified in Section 57(1)(g)-(h) of the Ranking Legislation (including claims for default interest and certain claims of affiliated persons and entities against the Issuer as specified in the Ranking Legislation) and other than such deposits, loans or other obligations which are given priority pursuant to applicable statutory provisions), save only where the Ranking Legislation provides otherwise for ordinary non-preferential debt generally, in which case the Senior Preferred Notes and such Coupons will rank as provided in the Ranking Legislation for ordinary non-preferential debt generally.

(b) ***Senior Non-Preferred Notes***

The Senior Non-Preferred Notes (and the Coupons relating thereto, if any) constitute direct, unsecured, unguaranteed and unsubordinated obligations of the Issuer and constitute secondary non-preferential debt (Hungarian terminology: *előresorolt, de nem elsőbbségi fedezetlen követelések*) pursuant to Section 57(1b)(b) of the Credit Institutions Act for the purposes of the Ranking Legislation. Subject to the Ranking Legislation, the Senior Non-Preferred Notes and any Coupons relating thereto rank junior to the claims against the Issuer specified in Section 57(1)(a)-(e) of the Ranking Legislation, junior to the Senior Preferred Notes and any Coupons relating thereto and any other senior preferred debt of the Issuer



specified in Section 57(1b)(a) of the Credit Institutions Act for the purposes of the Ranking Legislation. The Senior Non-Preferred Notes rank *pari passu* without any preference among themselves.

The Issuer and, by virtue of its holding of any Senior Non-Preferred Note or any beneficial interest therein, each Holder of a Senior Non-Preferred Note and each Holder of a Coupon relating to a Senior Non-Preferred Note acknowledge and agree that if a Winding-Up of the Issuer occurs, the rights and claims of the Holders and the Couponholders against the Issuer in respect of, or arising under, each Senior Non-Preferred Note (and the Coupons relating thereto, if any) shall be for (in lieu of any other payment by the Issuer) an amount equal to the principal amount of the relevant Senior Non-Preferred Note or any related Coupon, together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Senior Non-Preferred Note or any related Coupon, including any accrued and unpaid interest thereon and any damages awarded for breach of any obligations in respect of such Senior Non-Preferred Note or any related Coupon, provided however that such rights and claims shall rank:

- (i) junior in right of payment to all claims in respect of the claims against the Issuer specified in Section 57(1)(a)-(e) of the Ranking Legislation, the Senior Preferred Notes and any Coupons relating thereto and ordinary non-preferential debt specified in Section 57(1b)(a) of the Credit Institutions Act for the purposes of the Ranking Legislation) of the Issuer and any other creditors of the Issuer which are given priority pursuant to applicable statutory provisions;
- (ii) *pari passu* with all other Senior Non-Preferred Claims; and
- (iii) in priority to: (A) all claims in respect of other non-preferential debts of the Issuer specified in Section 57(1b)(c) of the Credit Institutions Act for the purposes of the Ranking Legislation; (B) all claims against the Issuer specified in Section 57(1)(g)-(h) of the Ranking Legislation (including claims for default interest and certain claims of affiliated persons and entities against the Issuer as specified in the Ranking Legislation); and (C) all claims in respect of Tier 2 items and instruments within the meaning of Section 57(2) of the Credit Institutions Act for the purposes of the Ranking Legislation (including, without limitation, any Tier 2 Capital Notes),

save only where the Ranking Legislation provides otherwise for claims in respect of secondary non-preferential debt generally, in which case such claims will rank as the Ranking Legislation provides for claims in respect of secondary non-preferential debt generally (whether or not the Senior Non-Preferred Notes and any Coupons relating to them then constitute secondary non-preferential debt of the Issuer for the purposes of the Ranking Legislation).

(c) ***Tier 2 Capital Notes***

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) constitute direct, unsecured, unguaranteed and subordinated obligations of the Issuer and constitute subordinated non-preferential debt arising from Tier 2 instruments (Hungarian terminology: *járolékos tőkeelem*) within the meaning of Section 57(2) of the Credit Institutions Act for the purposes of the Ranking Legislation. Subject to the Ranking Legislation, the Tier 2 Capital Notes and any Coupons relating thereto rank junior to the claims against the Issuer specified in section 57(1)(a)-(h) of the Ranking Legislation, including the Senior Preferred Notes and the Senior Non-Preferred Notes and in each case any Coupons relating thereto. The Tier 2 Capital Notes rank *pari passu* without any preference among themselves.

The Issuer and, by virtue of its holding of any Tier 2 Capital Note or any beneficial interest therein, each Holder of a Tier 2 Capital Note and each Holder of a Coupon relating to a Tier 2 Capital Note acknowledge and agree that if a Winding-Up of the Issuer occurs, the rights and claims of the Holders and the Couponholders against the Issuer in respect of, or arising under, each Tier 2 Capital Note (and the Coupons relating thereto, if any) shall be for (in lieu of any other payment by the Issuer) an amount

equal to the principal amount of the relevant Tier 2 Capital Note or any related Coupon, together with, to the extent not otherwise included within the foregoing, any other amounts attributable to such Tier 2 Capital Note or any related Coupon, including any accrued and unpaid interest thereon and any damages awarded for breach of any obligations in respect of such Tier 2 Capital Note or any related Coupon, provided however that such rights and claims shall be subordinated as provided in this Condition 3(c) (*Tier 2 Capital Notes*) to all Senior Claims but shall rank:

- (i) subject as provided in paragraph (ii) below, at least *pari passu* with the claims of holders of all other subordinated obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 2 Capital and all obligations of the Issuer which rank, or are expressed to rank, *pari passu* therewith; and
- (ii) in priority to (A) the claims of holders of the Issuer's EUR 500,000,000 fixed to floating rate perpetual subordinated notes (ISIN: XS0274147296), (B) obligations of the Issuer which constitute, or would but for any applicable limitation on the amount of such capital constitute, Tier 1 Capital, (C) all obligations which rank, or are expressed to rank, *pari passu* with such obligations described in (A) and (B), (D) the claims of holders of all classes of share capital of the Issuer and (E) any obligations that otherwise rank, or are expressed to rank, junior to the Tier 2 Capital Notes.

(d) ***No set-off, netting or counterclaim***

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation, retention, counter-claim, abatement or other similar right or remedy which it might otherwise have under the laws of any jurisdiction in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Notes and each Holder shall, by virtue of its holding of any Note, be deemed, to the extent permitted under applicable law, to have waived all such rights of set-off, netting compensation, retention, counterclaim, abatement or other similar right or remedy which it might otherwise have under the laws of any jurisdiction. Notwithstanding the preceding sentence, if any of the amounts owing to any Holder by the Issuer in respect of, or arising under or in connection with the Notes is discharged by set-off, netting, counterclaim or such other similar right or remedy, such Holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of a Winding-Up, the relevant insolvency official appointed in respect of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer (or the relevant insolvency official appointed in respect of the Issuer) and accordingly any such discharge shall be deemed not to have taken place.

(e) ***No Security/Guarantee: No Enhancement of Seniority***

The Notes are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

#### **4 Fixed Rate Note Provisions**

(a) ***Application***

This Condition 4 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*) (as applicable). Each Note will cease to bear

interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 4 (*Fixed Rate Note Provisions*) (as well after as before judgment) up to (but excluding) the Relevant Date.

(c) ***Fixed Coupon Amount***

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.

(d) ***Calculation of interest amount***

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose, a “**sub-unit**” means, in the case of any currency other than euro or Renminbi, the lowest amount of such currency that is available as legal tender in the country of such currency, in the case of euro, means one cent and, in the case of Renminbi, means CNY0.01.

## **5 Reset Note Provisions**

(a) ***Application***

This Condition 5 (*Reset Note Provisions*) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Accrual of interest***

The Notes bear interest:

- (i) from (and including) the Interest Commencement Date specified in the relevant Final Terms to (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date to (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Reset Note Provisions*) (as well after as before judgment) up to (but excluding) the Relevant Date.

(c) ***Rate of Interest***

The Rate of Interest applicable for each Reset Period shall, subject to Condition 9(a) (*Benchmark Discontinuation*), be determined by the Calculation Agent at or as soon as practicable after each time at which the Rate of Interest is to be determined on each Reset Determination Date. The Interest Amount payable on the Notes shall be calculated in accordance with the provisions for calculating amounts of interest in Condition 4 (*Fixed Rate Note Provisions*) and, for such purposes, Condition 4 (*Fixed Rate Note Provisions*) shall be construed accordingly.

(d) ***Fallback – Mid-Swap Rate***

Where the Reset Rate is specified as “Mid-Swap Rate” in the relevant Final Terms and if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page, the Issuer shall request each of the Reference Banks to provide the Issuer with its Mid-Market Swap Rate Quotation as at approximately 11.00 a.m. in the Principal Financial Centre of the Specified Currency on the Reset Determination Date in question.

If two or more of the Reference Banks provide the Issuer with Mid-Market Swap Rate Quotations on the Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable) (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent)).

If only one of the Reference Banks provides the Issuer with a Mid-Market Swap Rate Quotation on the Reset Determination Date, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the Reset Period shall be the sum of such Mid-Market Swap Rate Quotation and the First Margin or Subsequent Margin (as applicable) (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent)).

If on any Reset Determination Date none of the Reference Banks provides the Issuer with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this Condition 5(d) (*Fallback – Mid-Swap Rate*):

- (i) in the case of the first Reset Determination Date only, the First Reset Rate of Interest shall be equal to the sum of:
  - (A) if Initial Mid-Swap Rate Final Fallback is specified in the relevant Final Terms as being applicable, (aa) the Initial Mid-Swap Rate and (bb) the First Margin (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent));
  - (B) if Reset Maturity Initial Mid-Swap Rate Final Fallback is specified in the relevant Final Terms as being applicable, (aa) the Reset Period Maturity Initial Mid-Swap Rate and (bb) the First Margin (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent)); or
  - (C) if Last Observable Mid-Swap Rate Final Fallback is specified in the applicable Final Terms as being applicable, (aa) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (bb) the First Margin (with such sum converted (if necessary) to a basis

equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent)),

provided that if the application of paragraph (i)(B) or (i)(C) above could, in the determination of the Issuer, reasonably be expected to prejudice the qualification of the relevant Series of Notes as Tier 2 Capital (in the case of Tier 2 Capital Notes) or as eligible liabilities or loss absorbing capacity instruments (in the case of Senior Non-Preferred Notes or Senior Preferred Notes) for the purposes of the Loss Absorption Regulations, then paragraph (i)(A) above will apply; or

(ii) in the case of any Reset Determination Date, other than the first Reset Determination Date, the Subsequent Reset Rate of Interest shall be equal to the sum of:

(A) if Subsequent Reset Rate Mid-Swap Rate Final Fallback is specified in the relevant Final Terms as being applicable, (aa) the Mid-Swap Rate determined on the last preceding Reset Determination Date and (bb) the Subsequent Margin (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent)); or

(B) if Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback is specified in the relevant Final Terms as being applicable, (aa) the last observable rate for swaps in the Specified Currency with a term equal to the relevant Reset Period which appears on the Relevant Screen Page and (bb) the Subsequent Margin (with such sum converted (if necessary) to a basis equivalent to the frequency with which scheduled interest payments are payable on the relevant Notes (such calculation to be made by the Calculation Agent),

provided that if the application of this paragraph (ii)(B) above, in the determination of the Issuer, could reasonably be expected to prejudice the qualification of the relevant Series of Notes as Tier 2 Capital (in the case of Tier 2 Capital Notes) or as eligible liabilities or loss absorbing capacity instruments (in the case of Senior Non-Preferred Notes or Senior Preferred Notes) for the purposes of the Loss Absorption Regulations, then paragraph (ii)(A) above will apply.

(e) ***Fallback – CMT Rate***

Where the Reset Rate is specified as “CMT Rate” in the relevant Final Terms and where no quotations with respect to the Reference Bank CMT Rate are provided, the Reference Bank CMT Rate shall be determined to be the relevant CMT Rate as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

(f) ***Publication***

The Calculation Agent will cause each Rate of Interest determined by it and any other amount(s) required to be determined by it, together with the relevant payment date(s), to be notified to the Issuer and the Agents as soon as possible after such determination but in any event not later than the fourth Business Day thereafter and the Issuer shall thereafter notify, as soon as possible, each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading and, in accordance with Condition 20 (*Notices*), the Holders.

(g) ***Notifications, etc.***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 (*Reset Note Provisions*) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Agents and all Holders and no liability to the Holders, Couponholders or (subject to the

provisions of the Agency Agreement) the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

## **6 Floating Rate Note Provisions**

### **(a) Application**

This Condition 6 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

### **(b) Accrual of interest**

The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*) (as applicable). Each Note will cease to bear interest from (and including) the due date for redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Floating Rate Note Provisions*) (as well after as before judgment) up to (but excluding) the Relevant Date.

### **(c) Screen Rate Determination – Other than Floating Rate Notes which reference CMS Rate, SOFR or €STR**

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the relevant Final Terms do not specify that the Reference Rate is the CMS Rate, SOFR or €STR, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent, subject to Condition 9(a) (*Benchmark Discontinuation*), on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
  - (A) one rate shall be determined as if the period of time designated in the Reference Rate were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the period of time designated in the Reference Rate were the period of time for which rates are available next longer than the length of the relevant Interest Period,

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the period of time designated in the Reference Rate, then the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate (including, where the Issuer deems appropriate, in consultation with an Independent Advisor);

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of paragraph (i) above, such rate does not appear on that page or, in the case of paragraph (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer will:
  - (A) request each of the Reference Banks to provide to the Issuer a quotation of the Reference Rate as at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period or, in the absence of a preceding Interest Period, the Rate of Interest applicable to the Notes during such Interest Period shall be the Initial Rate of Interest.

(d) ***Screen Rate Determination – Floating Rate Notes which are CMS-Linked Notes***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the relevant Final Terms specify that the Reference Rate is the CMS Rate, the Rate of Interest applicable to the Notes for each Interest Period will be the CMS Rate plus or minus (as indicated in the relevant Final Terms) the Margin, as determined, subject to Condition 9(a) (*Benchmark Discontinuation*) by the Calculation Agent.

If the Relevant Screen Page is not available, the Issuer shall request each of the Reference Banks to provide it with its quotation for the Relevant Swap Rate (expressed as a percentage rate per annum) as at approximately (i) the Determination Time specified in the relevant Final Terms or (ii) if no Determination Time is specified in the relevant Final Terms, 11.00 a.m. (Relevant Financial Centre time) on the Interest Determination Date in question.

If two or more of the Reference Banks provide the Issuer with such quotations as aforesaid, the CMS Rate for such Interest Period shall be the arithmetic mean of the quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date at the Determination Time or 11.00 a.m. (Relevant Financial Centre time) (as applicable) one only or none of the Reference Banks provides the Issuer with such

quotations as aforesaid, the CMS Rate shall be determined by the Issuer, after consultation with an Independent Adviser, on a commercial basis as it shall consider appropriate and in accordance with standard market practice.

(e) **Screen Rate Determination - Floating Rate Notes which reference SOFR or €STR**

- (i) If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, Index Determination is specified in the relevant Final Terms as not applicable and the Reference Rate specified in the relevant Final Terms is SOFR or €STR:
  - (A) where the Calculation Method in respect of the relevant Series of Notes is specified in the relevant Final Terms as being “**Compounded Daily**”, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 9(a) (*Benchmark Discontinuation*) or Condition 9(b) (*Benchmark Transition Event*), as the case may be, and Condition 6(g) (*Floating Rate Note Provisions– Maximum or Minimum Rate of Interest*) and subject as provided below) be the Compounded Daily Reference Rate plus or minus (as indicated in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards; and
  - (B) where the Calculation Method in respect of the relevant Series of Notes is specified in the relevant Final Terms as being “**Weighted Average**”, the Rate of Interest applicable to the Notes for each Interest Period will (subject to Condition 9(a) (*Benchmark Discontinuation*) or Condition 9(b) (*Benchmark Transition Event*), as the case may be, and Condition 6(g) (*Floating Rate Note Provisions– Maximum or Minimum Rate of Interest*) and subject as provided below) be the Weighted Average Reference Rate plus or minus (as indicated in the relevant Final Terms) the Margin, all as determined by the Calculation Agent on the relevant Interest Determination Date and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards.
- (ii) Where “**SOFR**” is specified as the Reference Rate in the relevant Final Terms, subject to Condition 9(b) (*Benchmark Transition Event*), if, in respect of any Local Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the SOFR for the first preceding Local Business Day on which the SOFR was published on the Relevant Screen Page (“r” shall be interpreted accordingly).
- (iii) Where “**€STR**” is specified as the Reference Rate in the relevant Final Terms, subject to Condition 9(a) (*Benchmark Discontinuation*), if, in respect of any Local Business Day, the Calculation Agent determines that the Reference Rate does not appear on the Relevant Screen Page, such Reference Rate shall be the €STR for the first preceding Local Business Day on which the €STR was published on the Relevant Screen Page (“r” shall be interpreted accordingly).
- (iv) In the event that the Rate of Interest for the relevant Interest Period cannot be determined in accordance with the foregoing provisions by the Calculation Agent, subject to Condition 9(a) (*Benchmark Discontinuation*) or Condition 9(b) (*Benchmark Transition Event*), as the case may be, the Rate of Interest for such Interest Period shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the relevant Final Terms) is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the



Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period), (ii) if there is no such preceding Interest Determination Date and the relevant Interest Period is the first Interest Period for the Notes, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period) or (iii) if there is no such preceding Interest Determination Date and the relevant Interest Period is not the first Interest Period for the Notes, the Rate of Interest which applied to the immediately preceding Interest Period.

- (v) If the relevant Series of Notes becomes due and payable in accordance with Condition 14 (*Enforcement*), the last Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Final Terms, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.
- (vi) For the purposes of this Condition 6(e) (*Floating Rate Note Provisions – Screen Rate Determination - Floating Rate Notes which reference SOFR or €STR*):

If “**Payment Delay**” is specified in the relevant Final Terms as being applicable, all references in these Conditions to interest on the Notes being payable on an Interest Payment Date shall be read as reference to interest on the Notes being payable on an Effective Interest Payment Date instead;

“**Applicable Period**” means,

- (A) where “**Lag**”, “**Lock-out**” or “**Payment Delay**” is specified as the Observation Method in the relevant Final Terms, Interest Period; and
- (B) where “**Observation Shift**” is specified as the Observation Method in the relevant Final Terms, Observation Period;

“**Calculation Method**” has the meaning given in the relevant Final Terms;

“**Compounded Daily Reference Rate**” means, with respect to an Interest Period, the rate of return of a daily compound interest investment in the Specified Currency (with the applicable Reference Rate (as indicated in the relevant Final Terms and further provided for below) as the reference rate for the calculation of interest) and will be calculated by the Calculation Agent as at the relevant Interest Determination Date as follows, and the resulting percentage will be rounded, if necessary, to the fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{r_i - p_{LBD} \times n_i}{D} \right) - 1 \right] \times \frac{D}{d}$$

where:

“**D**” is the number specified in the relevant Final Terms;

“**d**” means, for the relevant Applicable Period, the number of calendar days in such Applicable Period;

“**d<sub>o</sub>**” means, for the relevant Applicable Period, the number of Local Business Days in such Applicable Period;

**“Effective Interest Payment Date”** means any date or dates specified as such in the relevant Final Terms;

**“€STR”** means, in respect of any Local Business Day, a reference rate equal to the daily euro short-term rate for such euro Local Business Day as provided by the European Central Bank, as administrator of such rate (or any successor administrator of such rate), on the website of the European Central Bank as at the date of the Base Prospectus at <http://www.ecb.europa.eu>, or any successor website officially designated by the European Central Bank (the **“ECB’s Website”**) in each case, on or before 9:00 a.m., (Central European Time) on the Local Business Day immediately following such Local Business Day;

**“i”** means, for the relevant Applicable Period, a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Local Business Day in chronological order from, and including, the first Local Business Day in such Applicable Period;

**“Local Business Day”** or **“LBD”**, means, (i) where **“SOFR”** is specified as the Reference Rate, any day which is a U.S. Government Securities Business Day and is not a legal holiday in New York and is not a date on which banking institutions in those cities are authorised or required by law or regulation to be closed; and (ii) where **“€STR”** is specified as the Reference Rate, a TARGET Settlement Day;

**“Lock-out Period”** means the period from, and including, the day following the relevant Interest Determination Date to, but excluding, the corresponding Interest Payment Date;

**“n”**, for any Local Business Day **“i”** in the Applicable Period, means the number of calendar days from, and including, such Local Business Day **“i”** up to but excluding the following Local Business Day;

**“New York Federal Reserve’s Website”** means the website of the Federal Reserve Bank of New York as at the date of the Base Prospectus at <http://www.newyorkfed.org>, or any successor website of the Federal Reserve Bank of New York;

**“Observation Method”** shall be as set out in the relevant Final Terms;

**“Observation Period”** means, in respect of the relevant Interest Period, the period from, and including, the date falling **“p”** Local Business Days prior to the first day of such Interest Period (and the first Interest Period shall begin on and include the Interest Commencement Date) and ending on, but excluding, the date which is **“p”** Local Business Days prior to the Interest Payment Date for such Interest Period (or the date falling **“p”** Local Business Days prior to such earlier date, if any, on which the Notes become due and payable);

**“p”** means, for any Interest Period:

- (A) where **“Lag”** is specified as the Observation Method in the relevant Final Terms, the number of Local Business Days included in the Observation Look-back Period specified in the relevant Final Terms (or, if no such number is specified five Local Business Days);
- (B) where **“Lock-out”** is specified as the Observation Method in the relevant Final Terms, zero;
- (C) where **“Observation Shift”** is specified as the Observation Method in the relevant Final Terms, the number of Local Business Days included in the Observation Look-back Period specified in the relevant Final Terms (or, if no such number is specified, five Local Business Days);

“**r**” means:

- (A) where in the relevant Final Terms “**SOFR**” is specified as the Reference Rate and either “**Lag**” or “**Observation Shift**” is specified as the Observation Method, in respect of any Local Business Day, the SOFR in respect of such Local Business Day;
- (B) where in the relevant Final Terms “**€STR**” is specified as the Reference Rate and either “**Lag**” or “**Observation Shift**” is specified as the Observation Method, in respect of any Local Business Day, the €STR in respect of such Local Business Day;
- (C) where in the relevant Final Terms “**SOFR**” is specified as the Reference Rate and “**Lock-out**” is specified as the Observation Method:
  - (i) in respect of any Local Business Day “**i**” that is a Reference Day, the SOFR in respect of the Local Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Local Business Day “**i**” that is not a Reference Day (being a Local Business Day in the Lock-out Period), the SOFR in respect of the Local Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);
- (D) where in the relevant Final Terms “**€STR**” is specified as the Reference Rate and “**Lock-out**” is specified as the Observation Method:
  - (i) in respect of any Local Business Day “**i**” that is a Reference Day, the €STR in respect of the Local Business Day immediately preceding such Reference Day, and
  - (ii) in respect of any Local Business Day “**i**” that is not a Reference Day (being a Local Business Day in the Lock-out Period), the €STR in respect of the Local Business Day immediately preceding the last Reference Day of the relevant Interest Period (such last Reference Day coinciding with the relevant Interest Determination Date);
- (E) where in the relevant Final Terms “**SOFR**” is specified as the Reference Rate and “**Payment Delay**” is specified as the Observation Method, in respect of any Local Business Day, the SOFR in respect of such Local Business Day, **provided however that**, in the case of the last Interest Period, in respect of each Local Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, “**r**” shall be the SOFR in respect of the Rate Cut-off Date; and
- (F) where in the relevant Final Terms “**€STR**” is specified as the Reference Rate and “**Payment Delay**” is specified as the Observation Method, in respect of any Local Business Day, the €STR in respect of such Local Business Day, **provided however that**, in the case of the last Interest Period, in respect of each Local Business Day in the period from (and including) the Rate Cut-off Date to (but excluding) the Maturity Date or the date fixed for redemption, as applicable, “**r**” shall be the €STR in respect of the Rate Cut-off Date;

“**Rate Cut-off Date**” has the meaning given in the relevant Final Terms;

“**Reference Day**” means each Local Business Day in the relevant Interest Period, other than any Local Business Day in the Lock-out Period;

“**r<sub>i-pLBD</sub>**” means the applicable Reference Rate as set out in the definition of “**r**” above for, (i) where, in the relevant Final Terms, “**Lag**” is specified as the Observation Method, the Local Business Day (being a Local Business Day falling in the relevant Observation Period) falling “**p**” Local Business Days prior to the relevant Local Business Day “**i**” or, (ii) otherwise, the relevant Local Business Day “**i**”;

“**SOFR**” means, in respect of any Local Business Day, a reference rate equal to the daily Secured Overnight Financing Rate as provided by the Federal Reserve Bank of New York, as the administrator of such rate (or any successor administrator of such rate) on the New York Federal Reserve’s Website, in each case on or about 5.00 p.m. (New York City Time) (the “**SOFR Determination Time**”) on the Local Business Day immediately following such Local Business Day;

“**U.S. Government Securities Business Day**” means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association (or any successor thereto) recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities; and

“**Weighted Average Reference Rate**” means:

- (A) where “**Lag**” is specified as the Observation Method in the relevant Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Observation Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Observation Period. For these purposes the Reference Rate in effect for any calendar day which is not a Local Business Day shall be deemed to be the Reference Rate in effect for the Local Business Day immediately preceding such calendar day; and
- (B) where “**Lock-out**” is specified as the Observation Method in the relevant Final Terms, the arithmetic mean of the Reference Rate in effect for each calendar day during the relevant Interest Period, calculated by multiplying each relevant Reference Rate by the number of calendar days such rate is in effect, determining the sum of such products and dividing such sum by the number of calendar days in the relevant Interest Period, **provided however that** for any calendar day of such Interest Period falling in the Lock-out Period, the relevant Reference Rate for each day during that Lock-out Period will be deemed to be the Reference Rate in effect for the Reference Day immediately preceding the first day of such Lock-out Period. For these purposes the Reference Rate in effect for any calendar day which is not a Local Business Day shall, subject to the proviso above, be deemed to be the Reference Rate in effect for the Local Business Day immediately preceding such calendar day.

(f) ***Index Determination***

If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and Index Determination is specified in the relevant Final Terms as being applicable, the Rate of Interest applicable to the Notes for each Interest Period will be the compounded daily reference rate for the relevant Interest Period, calculated in accordance with the following formula and rounded to the Relevant Decimal Place, all as determined and calculated by the

Calculation Agent on the relevant Interest Determination Date plus or minus (as indicated in the relevant Final Terms) the Margin:

$$\left( \frac{\text{Compounded Index End}}{\text{Compounded Index Start}} - 1 \right) \times \frac{\text{Numerator}}{d}$$

where:

“**Compounded Index**” means SOFR Compounded Index;

“**Compounded Index End**” means the Compounded Index value on the day falling the Relevant Number of Index Days prior to the Interest Payment Date for such Interest Period, or such other date on which the relevant payment of interest falls due (but which, by its definition or the operation of the relevant provisions, is excluded from such Interest Period);

“**Compounded Index Start**” means the Compounded Index value on the day falling the Relevant Number of Index Days prior to the first day of the relevant Interest Period.

“**d**” is the number of calendar days from (and including) the day on which the relevant Compounded Index Start is determined to (but excluding) the day on which the relevant Compounded Index End is determined;

“**Index Days**” means U.S. Government Securities Business Days;

“**Numerator**” shall, unless otherwise specified in the relevant Final Terms, be 360;

“**Relevant Decimal Place**” shall, unless otherwise specified in the relevant Final Terms, be the seventh decimal place, rounded up or down, if necessary (with 0.00000005 being rounded upwards);

“**Relevant Number**” shall, unless otherwise specified in the relevant Final Terms, be two; and

“**SOFR Compounded Index**” means the compounded daily SOFR rate, as published at 15:00 (New York time) by the Federal Reserve Bank of New York (or a successor administrator of SOFR) on the website of the Federal Reserve Bank of New York, or any successor source.

Provided that a Benchmark Transition Event and its related Benchmark Replacement Date has not occurred in respect of SOFR, if, with respect to any Interest Period, the relevant Compounded Index Start and/or Compounded Index End is not published by the administrator, the Calculation Agent shall calculate the Rate of Interest for that Interest Period in accordance with Condition 6(e) (*Floating Rate Note Provisions – Screen Rate Determination - Floating Rate Notes which reference SOFR or €STR*) as if Index Determination was not specified in the relevant Final Terms as being applicable. For these purposes, (i) the Reference Rate shall be deemed to be SOFR, (ii) the Calculation Method shall be deemed to be Compounded Daily, (iii) the Observation Method shall be deemed to be Observation Shift, (iv) the Observation Look-back Period shall be deemed to be the Relevant Number, and (v) D shall be deemed to be the Numerator. If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred in respect of SOFR, the provision of Condition 9(b) (*Benchmark Transition Event*) shall apply *mutatis mutandis* in respect of this Condition 6(f), as applicable.

(g) **ISDA Determination**

If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “**ISDA Rate**” in relation to any Interest Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that

interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option is as specified in the relevant Final Terms;
- (ii) the Designated Maturity is a period specified in the relevant Final Terms;
- (iii) the relevant Reset Date is as specified in the relevant Final Terms; and
- (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the relevant Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
  - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
  - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period,provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Issuer shall determine such rate at such time and by reference to such sources as it determines appropriate.

The expressions “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**” and “**Reset Date**” in this Condition 6(g) (*ISDA Determination*) have the respective meanings given to them in the ISDA Definitions.

(h) ***Maximum or Minimum Rate of Interest***

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified. Unless otherwise specified in the relevant Final Terms, the Minimum Rate of Interest shall be zero.

(i) ***Calculation of Interest Amount***

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose, a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(j) ***Publication***

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it, together with any relevant payment date(s), to be notified to the Issuer and the Agents and the Issuer shall notify each competent authority and/or stock exchange on which the Notes are for the time being admitted to listing and/or trading as soon as possible after such determination but (in the case of each

Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also be given to the Noteholders by the Issuer in accordance with Condition 20 (*Notices*) as soon as possible after the determination or calculation thereof. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. Any such recalculation will promptly be notified to each competent authority and/or stock exchange on which the Notes are for the time being admitted to listing and/or trading and to the Noteholders in accordance with Condition 20 (*Notices*). If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(k) ***Notifications, etc.***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Floating Rate Note Provisions*) by the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Agents and all Holders and no liability to the Holders, Couponholders or (subject to the provisions of the Agency Agreement) the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

## **7 Zero Coupon Note Provisions**

(a) ***Application***

This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Late payment on Zero Coupon Notes***

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date of the first Tranche of the relevant Series of Notes to (but excluding) 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 (acting on the instructions of the Issuer) 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).

## **8 Fixed/Floating Rate Notes**

(a) ***Application***

This Condition 8 (*Fixed/Floating Rate Notes*) is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

(b) ***Fixed/Floating Rate***

The Issuer may issue Notes (i) that the Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note or (ii) that will automatically change from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note on the date set out in the relevant Final Terms, in either case, as set out in the relevant Final Terms.

## **9 Benchmark Discontinuation and Benchmark Transition Event**

### **(a) Benchmark Discontinuation**

This Condition 9(a) (*Benchmark Discontinuation*) applies to Floating Rate Notes and to Reset Notes which do not reference SOFR.

#### **(1) Independent Adviser**

Notwithstanding the fallback provisions provided for in Conditions 5(d) (*Fallback – Mid-Swap Rate*), 5(e) (*Fallback – CMT Rate*), Condition 6(c) (*Screen Rate Determination – Other than Floating Rate Notes which reference CMS Rate, SOFR or €STR*) or Condition 6(d) (*Screen Rate Determination – Floating Rate Notes which are CMS-Linked Notes*), if a Benchmark Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 9(a)(2) (*Successor Rate or Alternative Rate*)) and, in either case, an Adjustment Spread if any (in accordance with Condition 9(a)(3) (*Adjustment Spread*)) and any Benchmark Amendments (in accordance with Condition 9(a)(4) (*Benchmark Amendments*)).

An Independent Adviser appointed pursuant to this Condition 9(a) (*Benchmark Discontinuation*) shall act in good faith and in a commercially reasonable manner. In the absence of fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Agents, the Noteholders or the Couponholders for any determination made by it pursuant to this Condition 9(a) (*Benchmark Discontinuation*).

If the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine: (x) a Successor Rate or, failing which, an Alternative Rate; and (y) in either case, an Adjustment Spread if any in accordance with this Condition 9(a) (*Benchmark Discontinuation*).

If the Independent Adviser appointed by the Issuer or the Issuer (as applicable) fails to determine a Successor Rate or, failing which, an Alternative Rate and, in either case, an Adjustment Spread in accordance with this Condition 9(a) (*Benchmark Discontinuation*) prior to the relevant Interest Determination Date or the Reset Determination Date (as applicable), the Rate of Interest applicable to the next succeeding Interest Period or (in the case of Notes for which the Reset Note Provisions are applicable) Reset Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this subparagraph shall apply to the relevant next succeeding Interest Period or (in the case of Notes for



which the Reset Note Provisions are applicable) Reset Period only and any subsequent Interest Periods or Reset Periods (as applicable) are subject to the subsequent operation of, and to adjustment as provided in, this Condition 9(a) (Benchmark Discontinuation).

(2) ***Successor Rate or Alternative Rate***

If in accordance with this Condition 9(a) (*Benchmark Discontinuation*) it is determined that:

- (iii) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 9(a) (*Benchmark Discontinuation*)); or
- (iv) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 9(a) (*Benchmark Discontinuation*)).

(3) ***Adjustment Spread***

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be), including for each subsequent determination of a relevant Rate of Interest (or any component part(s) thereof) by reference to such Successor Rate or Alternative Rate (as applicable) subject to the subsequent operation of this Condition 9(a) (*Benchmark Discontinuation*).

If the Independent Adviser or the Issuer (as applicable) is unable to determine the Adjustment Spread (or the formula or methodology for determining such Adjustment Spread), then the fallback provisions described in the final sub-paragraph of Condition 9(a)(1) (*Independent Adviser*) shall apply. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first sub-paragraph of Condition 9(a)(1) (*Independent Adviser*).

(4) ***Benchmark Amendments***

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 9(a) (*Benchmark Discontinuation*) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Fiscal Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “**Benchmark Amendments**”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 9(a)(5) (*Notices, etc.*), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Fiscal Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Fiscal Agent of a certificate signed by two Directors of the Issuer pursuant to Condition 9(a)(5) (*Notices, etc.*), the Fiscal Agent and any other agents party to the Fiscal Agency Agreement shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to

concur with the Issuer and use reasonable endeavours to effect any Benchmark Amendments and the Fiscal Agent shall not be liable to any party for any consequences thereof, provided that the Fiscal Agent shall not be obliged so to concur or use such endeavours if in the opinion of the Fiscal Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or any documents to which it is a party in any way. For the avoidance of doubt, no Noteholder consent shall be required in connection with effecting any Benchmark Amendments or such other changes, including for the execution of any documents, amendments or other steps by the Issuer or the Fiscal Agent (if required or deemed useful by the Issuer or the Fiscal Agent).

In connection with any such variation in accordance with this Condition 9(a)(4) (*Benchmark Amendments*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

Notwithstanding any other provision of this Condition 9(a) (*Benchmark Discontinuation*), no Successor Rate or Alternative Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected either (i) to prejudice the qualification of the Notes as Tier 2 Capital of the Issuer and/or as eligible liabilities for the purposes of the Loss Absorption Regulations or (ii) to result in the Relevant Regulator treating the Interest Payment Date or Reset Date, as the case may be, as the effective maturity date of the Notes, rather than the relevant Maturity Date.

Notwithstanding anything included in the ISDA Definitions, the Base Prospectus, Final Terms, and/or any other transaction document (the “**Transaction Documents**”) for any series of the Notes to the contrary, the Issuer agrees that the Fiscal Agent or Citibank, N.A., London Branch (in its capacity as Calculation Agent, if so appointed) will have no obligation to exercise any discretion (including, but not limited to, determinations of alternative or substitute benchmarks, successor reference rates, screen pages, interest adjustment factors, fractions or spreads, market disruptions, benchmark amendment conforming changes, selection and polling of reference banks), and to the extent the Transaction Documents for any series of Notes requires the Calculation Agent to exercise any such discretions and/or make such determinations, such references shall be construed as the Issuer or its financial adviser or alternate agent appointed by the Issuer exercising such discretions and/or determinations and/or actions and not the Calculation Agent.

**(5) Notices, etc.**

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 9(a) (*Benchmark Discontinuation*) will be notified promptly by the Issuer to the Calculation Agent, the Agents and, in accordance with Condition 20 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Fiscal Agent of the same, the Issuer shall deliver to the Fiscal Agent (to make available at its registered office to the Holders) a certificate signed by two Directors of the Issuer:

- (v) confirming (A) that a Benchmark Event has occurred, (B) the Successor Rate or, as the case may be, the Alternative Rate, (C) the applicable Adjustment Spread and/or (D) the specific terms of the Benchmark Amendments (if any), in each case

as determined in accordance with the provisions of this Condition 9(a) (*Benchmark Discontinuation*); and

- (vi) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Calculation Agent and the Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. For the avoidance of doubt, the Fiscal Agent shall not be liable to the Holders or any other such person for so acting or relying on such certificate, irrespective of whether any such modification is or may be materially prejudicial to the interests of any such person. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Calculation Agent's and the Agents' respective abilities to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent, the Agents and the Noteholders.

**(6) *Survival of Original Reference Rate***

Without prejudice to the obligations of the Issuer under Condition 9(a)(1) (*Independent Adviser*), Condition 9(a)(2) (*Successor Rate or Alternative Rate*), Condition 9(a)(3) (*Adjustment Spread*) and Condition 9(a)(4) (*Benchmark Amendments*), the Original Reference Rate and the fallback provisions provided for in Condition 5(d) (*Fallback – Mid-Swap Rate*), Condition 5(e) (*Fallback – CMT Rate*), Condition 6(c) (*Screen Rate Determination – Other than Floating Rate Notes which reference CMS Rate, SOFR or €STR*) or Condition 6(d) (*Screen Rate Determination – Floating Rate Notes which are CMS-Linked Notes*), as the case may be, will continue to apply unless and until a Benchmark Event has occurred and the Fiscal Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be) and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 9(a)(5) (*Notices, etc.*).

**(7) *Definitions***

As used in this Condition 9(a) (*Benchmark Discontinuation*):

“**Adjustment Spread**” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case, to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)
- (ii) the Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer determines, is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions which reference the Original Reference Rate to produce an industry-accepted replacement rate for the Original Reference Rate; or (if the Independent Adviser determines that no such spread is customarily applied)

- (iii) the Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be) or (if the Independent Adviser or, where applicable, the Issuer determines that no such industry standard is recognised or acknowledged, to be appropriate)
- (iv) the Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer determines, having regard to the objective, so far as is reasonably practicable in the circumstances, has the effect of reducing or eliminating any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

**“Alternative Rate”** means an alternative benchmark or screen rate which the Independent Adviser or, if the Issuer is unable to appoint an Independent Adviser, the Issuer determines in accordance with Condition 9(a)(2) (*Successor Rate or Alternative Rate*) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes and of a duration corresponding to the relevant Interest Period or Reset Period (as applicable);

**“Benchmark Amendments”** has the meaning given to it in Condition 9(a)(4) (*Benchmark Amendments*);

**“Benchmark Event”** means:

- (i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or
- (ii) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (iii) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (iv) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of an underlying market; or
- (vi) it has become unlawful for any Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Original Reference Rate or

the discontinuation of the Original Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of prohibition of use of the Original Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the making of the relevant public statement.

The occurrence of a Benchmark Event shall be determined by the Issuer and promptly notified to the Fiscal Agent, the Calculation Agent and the Paying Agents;

**“Independent Adviser”** means an independent financial institution of international repute or an independent financial adviser with appropriate experience in the international debt capital markets appointed by the Issuer at its own expense under Condition 9(a)(1) (*Independent Adviser*);

**“Original Reference Rate”** means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or, if applicable, any other successor or alternative rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier operation of this Condition 9(a) (*Benchmark Discontinuation*);

**“Relevant Nominating Body”** means, in respect of a benchmark or screen rate (as applicable):

- (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (aa) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (bb) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (cc) a group of the aforementioned central banks or other supervisory authorities or (dd) the Financial Stability Board or any part thereof; and

**“Successor Rate”** means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(b) **Benchmark Transition Event**

Where the relevant Reference Rate or Mid-Swap Floating Leg Benchmark Rate, as the case may be, applicable to the Notes is SOFR, in addition and notwithstanding the provisions above in Condition 5 (*Reset Note Provisions*) or Condition 6 (*Floating Rate Note Provisions*), as applicable, this Condition 9(b) (*Benchmark Transition Event*) shall apply.

- (vii) **Benchmark Replacement:** If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

- (viii) **Benchmark Replacement Conforming Changes:** In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.
- (ix) **Decisions and Determinations:** Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 9(b) (*Benchmark Transition Event*), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, will be made in the sole discretion of the Issuer or its designee, as applicable, and, notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Holders or any other party. Neither the Fiscal Agent nor the Calculation Agent will have any liability for any determination made by or on behalf of Issuer or its designee in connection with a Benchmark Transition Event or a Benchmark Replacement.

In no event shall the Fiscal Agent or Calculation Agent be responsible for determining if a Benchmark Transition Event has occurred or any substitute for SOFR, or for making any adjustments to any alternative benchmark or spread thereon, the business day convention, interest determination dates or any other relevant methodology for calculating any such substitute or successor benchmark. In connection with the foregoing, the Fiscal Agent and the Calculation Agent will be entitled to conclusively rely on any determinations made by Issuer or its designee and will have no liability for such actions taken at the direction of the Issuer or its designee.

Notwithstanding the foregoing provisions in this Condition 9(b) (*Benchmark Transition Event*), no Benchmark Replacement will be adopted if and to the extent that the Issuer determines, in its sole discretion, that such Benchmark Replacement prejudices, or could reasonably be expected to prejudice, after the application of the applicable Benchmark Replacement Adjustment, the Benchmark Replacement Conforming Changes and the further decisions and determinations as described below, the qualification of (i) the Senior Non-Preferred Notes or Senior Preferred Notes as eligible liabilities or loss absorbing capacity instruments or (ii) the Tier 2 Capital Notes as Tier 2 Capital, in each case for the purposes of and in accordance with the Loss Absorption Regulations.

In the event that the Rate of Interest for the relevant Interest Period or Reset Period, as applicable, cannot be determined in accordance with the foregoing provisions by the Issuer or its designee, the Rate of Interest for such Interest Period or Reset Period, as applicable, shall be (i) that determined as at the immediately preceding Interest Determination Date or Reset Determination Date, as applicable, (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest (as specified in the relevant Final Terms) is to be applied to the relevant Interest Period from that which applied to the immediately preceding Interest Period or Reset Period, as applicable, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin relating to that immediately preceding Interest Period or Reset Period, as applicable), or (ii) if there is no such preceding Interest Determination Date and the relevant Interest Period is the first Interest Period for the Notes, the initial Rate of Interest which would have been applicable to such Series of Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period), or (iii) if there is no such preceding Interest Determination Date and the relevant Interest Period is not the first Interest Period for the Notes, the Rate of Interest which applied to the immediately preceding Interest Period, or (iv) if there is no such preceding Reset Determination Date, the Initial Rate of Interest.

For the purposes of this Condition 9(b) (*Benchmark Transition Event*):

“**Benchmark**” means, initially, SOFR; **provided that** if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR or the then-current Benchmark, then “**Benchmark**” means the applicable Benchmark Replacement;

“**Benchmark Replacement**” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (A) the sum of: (a) the alternate rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (b) the Benchmark Replacement Adjustment;
- (B) the sum of: (a) the ISDA Fallback Rate and (b) the Benchmark Replacement Adjustment; or
- (C) the sum of: (a) the alternate rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. Dollar-denominated floating rate notes at such time and (b) the Benchmark Replacement Adjustment;

“**Benchmark Replacement Adjustment**” means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

- (D) the spread adjustment, or method for calculating or determining such spread adjustment (which may be a positive or negative value or zero), that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (E) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (F) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. Dollar-denominated floating rate notes at such time;

“**Benchmark Replacement Conforming Changes**” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decide may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decide that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determine is reasonably necessary);

“**Benchmark Replacement Date**” means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (A) in the case of sub-paragraph (A) or (B) of the definition of “**Benchmark Transition Event**,” the later of (a) the date of the public statement or publication of information referenced therein and

- (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (B) in the case of sub-paragraph (C) of the definition of “**Benchmark Transition Event**,” the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event that gives rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

- (A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);
- (B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, **provided that**, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

“**designee**” means a designee as selected and separately appointed by the Issuer as designee for the Notes in writing;

“**ISDA Fallback Adjustment**” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“**ISDA Fallback Rate**” means the rate that would apply for derivatives transactions referencing the 2006 ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“**Reference Time**” with respect to any determination of the Benchmark means (1) if the Benchmark is SOFR, the SOFR Determination Time, and (2) if the Benchmark is not SOFR, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

“**Relevant Governmental Body**” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and



“**Unadjusted Benchmark Replacement**” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

## **10 Redemption and Purchase**

### **(a) *Scheduled redemption***

Unless previously redeemed, or purchased and cancelled or (pursuant to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*), Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*), Condition 10(n) (*Substitution and Variation of Tier 2 Capital Notes*) or Condition 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*)) substituted, the Notes will be redeemed at their Final Redemption Amount, together with accrued and unpaid interest, on the Maturity Date, subject as provided in Conditions 11 (*Payments – Bearer Notes*) and 12 (*Payments – Registered Notes*) (as applicable). In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Maturity Date falls on a day which is not a Business Day, the Maturity Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Maturity Date shall be brought forward to the immediately preceding Business Day.

### **(b) *Redemption at the option of the Issuer***

Subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes or Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes or Senior Preferred Notes, if the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the Issuer giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 20 (*Notices*), or such other period(s) as may be specified in the relevant Final Terms, which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the applicable amount specified in the relevant Final Terms (together with any accrued but unpaid interest to (but excluding) the relevant Optional Redemption Date (Call)) at the Optional Redemption Amount (Call). In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Optional Redemption Date (Call) falls on a day which is not a Business Day, the Optional Redemption Date (Call) will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Optional Redemption Date (Call) shall be brought forward to the immediately preceding Business Day.

### **(c) *Redemption for Tax Event***

Subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes or Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes or Senior Preferred Notes, if a Tax Event has occurred, the Notes may be redeemed at the option of the Issuer in whole, but not in part, (if the Notes are Floating Rate Notes) on the next Interest Payment Date or (if the Notes are not Floating Rate Notes) at any time at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption, provided that the Issuer provides not less than 30 days’ nor more than 60 days’ prior notice to the Fiscal Agent, the Registrar (if applicable), and the Noteholders in accordance with Condition 20 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Upon the expiry of any such notice as is referred to in this Condition 10(c) (*Redemption for Tax Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(c) (*Redemption for Tax Event*).

(d) ***Redemption for Capital Disqualification Event***

In the case of any Series of Tier 2 Capital Notes only and subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*), if a Capital Disqualification Event has occurred, the Issuer may, at its option, redeem the Tier 2 Capital Notes, in whole but not in part, (if the Notes are Floating Rate Notes) on the next Interest Payment Date or (if the Notes are not Floating Rate Notes) at any time at the relevant Optional Redemption Amount (Capital Disqualification Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, provided that the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Fiscal Agent, the Registrar (if applicable), and the Holders of the Tier 2 Capital Notes in accordance with Condition 20 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Upon the expiry of any such notice as is referred to in this Condition 10(d) (*Redemption for Capital Disqualification Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(d) (*Redemption for Capital Disqualification Event*).

(e) ***Redemption for Loss Absorption Disqualification Event***

This Condition 10(e) (*Redemption for Loss Absorption Disqualification Event*) applies in respect of all Series of Senior Non-Preferred Notes and Senior Preferred Notes except for any Series where "Senior Notes: Loss Absorption Disqualification Event Redemption" is expressly specified to be "Not Applicable" in the relevant Final Terms.

Subject to Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*), if Loss Absorption Disqualification Call is specified in the relevant Final Terms as being applicable and a Loss Absorption Disqualification Event has occurred, the Issuer may, at its option, redeem the Senior Non-Preferred Notes, in whole but not in part, (if the Notes are Floating Rate Notes) on the next Interest Payment Date or (if the Notes are not Floating Rate Notes) at any time at the relevant Optional Redemption Amount (Loss Absorption Disqualification Event), together with any accrued but unpaid interest to (but excluding) the date fixed for redemption, provided that the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Holders of the Notes in accordance with Condition 20 (*Notices*) (such notice being irrevocable) specifying the date fixed for such redemption.

Upon the expiry of any such notice as is referred to in this Condition 10(e) (*Redemption for Loss Absorption Disqualification Event*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(e) (*Redemption for Loss Absorption Disqualification Event*).

(f) ***Redemption at the option of Noteholders***

This Condition 10(f) (*Redemption at the option of Noteholders*) shall not apply to Tier 2 Capital Notes.

If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice (which notice shall be irrevocable) at the relevant Optional Redemption Amount (Put), together with any accrued but unpaid interest to (but excluding) such date. In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Optional Redemption Date (Put) falls on a day which is not a Business Day, the Optional Redemption Date (Put) will be the next

succeeding Business Day unless it would thereby fall in the next calendar month in which event the Optional Redemption Date (Put) shall be brought forward to the immediately preceding Business Day.

In order to exercise the option contained in this Condition 10(f) (*Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 days nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) such Note, together with any unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Agent. The relevant Agent or the Registrar (as the case may be) with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(f) (*Redemption at the option of Noteholders*), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Agent or Registrar (as the case may be) shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by an Agent or the Registrar (as the case may be) in accordance with this Condition 10(f) (*Redemption at the option of Noteholders*), the depositor of such Note and not such Agent or the Registrar (as the case may be) shall be deemed to be the Holder of such Note for all purposes.

The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Condition 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(e) (*Redemption for Loss Absorption Disqualification Event*) or 10(g) (*Partial redemption*), and any exercise of the first-mentioned option in such circumstances shall have no effect.

(g) ***Partial redemption***

If the Notes are to be redeemed in part only on any date in accordance with Condition 10(b) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place and in such manner as the Issuer considers appropriate, subject to compliance with applicable law, the rules of each competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading and the notice to Noteholders referred to in Condition 10(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then any such redemption must relate to Notes of an aggregate principal amount at least equal to the Minimum Redemption Amount and no greater than the Maximum Redemption Amount (as applicable).

(h) ***No other redemption***

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in Conditions 10(a) (*Scheduled redemption*) to 10(g) (*Partial redemption*).

(i) ***Early redemption of Zero Coupon Notes***

Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

- (A) the Reference Price; and
- (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date of the first Tranche of the relevant Series of Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the relevant Final Terms for the purposes of this Condition 10(i) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

(j) **Purchase**

Subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes or Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes or Senior Preferred Notes and notwithstanding Condition 3 (*Status*), the Issuer or any of its subsidiaries may purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise, provided that all unmatured Coupons are purchased therewith.

(k) **Cancellation**

All Notes which are redeemed pursuant to this Condition 10 (*Redemption and Purchase*) will be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may, subject to obtaining any Supervisory Permission therefor, be held, reissued, resold or, at the option of the Issuer or any such subsidiary, cancelled.

(l) **Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes**

This Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) applies to Tier 2 Capital Notes only.

Notwithstanding any other provision in this Condition 10 (*Redemption and Purchase*), any redemption, purchase, substitution or variation of the Tier 2 Capital Notes (and giving of notice thereof to the Holders if required) pursuant to Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(d) (*Redemption for Capital Disqualification Event*), 10(j) (*Purchase*) or 10(n) (*Substitution and Variation of Tier 2 Capital Notes*) shall be subject to:

- (i) the Issuer obtaining prior Supervisory Permission therefor;
- (ii) in the case of any redemption or purchase prior to the Maturity Date, if and to the extent then required under prevailing Regulatory Capital Requirements, either: (A) the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) save in the case of paragraph (iii)(C) below, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the own funds and eligible liabilities of the Issuer would, following such redemption or purchase, exceed its minimum requirements (including any applicable buffer requirements) by a margin that the Relevant Regulator considers necessary at such time; and

- (iii) in the case of any redemption or purchase prior to the fifth anniversary of the Issue Date of the last Tranche of the relevant Series of Notes, if and to the extent then required under prevailing Regulatory Capital Requirements:
  - (A) in the case of redemption upon a Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Issue Date of the last Tranche of the relevant Series of Notes; or
  - (B) in the case of redemption upon the occurrence of a Capital Disqualification Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the relevant change (or pending change which the Relevant Regulator considers to be sufficiently certain) in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date of the last tranche of Notes of the relevant Series; or
  - (C) in the case of a purchase pursuant to Condition 10(j) (*Purchase*), the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the Issuer has (or will have), before or at the same time as such purchase, replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Relevant Regulator having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances; or
  - (D) in the case of a purchase pursuant to Condition 10(j) (*Purchase*), the Notes being purchased for market-making purposes in accordance with the Regulatory Capital Requirements.

Notwithstanding the above conditions, if, at the time of any redemption, purchase, substitution or variation, the prevailing Regulatory Capital Requirements (including any such Regulatory Capital Requirements which are imposed in order for the Notes to be eligible to qualify as Tier 2 Capital) permit the repayment, purchase, substitution or variation only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Any refusal by the Relevant Regulator to give its Supervisory Permission as contemplated above shall not constitute a default for any purpose.

Prior to the publication of any notice of substitution, variation or redemption pursuant to Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(d) (*Redemption for Capital Disqualification Event*), 10(j) (*Purchase*) and 10(n) (*Substitution and Variation of Tier 2 Capital Notes*), the Issuer shall deliver to the Fiscal Agent to make available at its registered office to the Holders (i) a certificate signed by two Directors stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the terms of the relevant Qualifying Tier 2 Securities comply with the definition thereof in Condition 1 (*Interpretation*) and (ii) in the case of a redemption pursuant to Condition 10(c) (*Redemption for Tax Event*) only, an opinion from a nationally recognised law firm or other tax adviser in the Relevant Jurisdiction experienced in such matters to the effect that the relevant requirement or circumstance referred to in the definition of “Tax Event” applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it).

The Fiscal Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this provision are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

(m) ***Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes***

This Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) applies to Senior Non-Preferred Notes and Senior Preferred Notes only.

If and to the extent then required under the prevailing Loss Absorption Regulations, the Issuer may only exercise a right to redeem, purchase, substitute or vary Senior Non-Preferred Notes or Senior Preferred Notes pursuant to Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(e) (*Redemption for Loss Absorption Disqualification Event*), 10(j) (*Purchase*) and 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) if:

- (i) the Issuer has obtained prior Supervisory Permission therefor;
- (ii) in the case of redemption upon a Tax Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material and was not reasonably foreseeable as at the Issue Date of the last Tranche of the relevant Series of Notes; and
- (iii) in the case of redemption upon the occurrence of a Loss Absorption Disqualification Event, the Issuer has demonstrated to the satisfaction of the Relevant Regulator that the relevant change (or pending change which the Relevant Regulator considers to be sufficiently certain) in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date of the last tranche of Notes of the relevant Series.

Notwithstanding the above conditions, if, at the time of any redemption, purchase, substitution or variation, the prevailing Regulatory Capital Requirements or Loss Absorption Regulations (including any requirements which are imposed in order for the Notes to be eligible to qualify as eligible liabilities instruments) permit the repayment, substitution, variation or purchase only after compliance with one or more alternative or additional pre-conditions to those set out above in this Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*), the Issuer shall comply with such other and/or, as appropriate, additional pre-condition(s).

Any refusal by the Relevant Regulator to give its Supervisory Permission as contemplated above shall not constitute a default for any purpose.

Prior to the publication of any notice of substitution, variation or redemption pursuant to Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(e) (*Redemption for Loss Absorption Disqualification Event*), 10(j) (*Purchase*) and 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*), the Issuer shall deliver to the Fiscal Agent to make available at its registered office to the Holders (i) a certificate signed by two Directors stating that the relevant requirement or circumstance giving rise to the right to redeem, substitute or, as appropriate, vary is satisfied and, in the case of a substitution or variation, that the terms of the relevant Loss Absorption Compliant Notes comply with the definition thereof in Condition 1 (*Interpretation*) and (ii) in the case of a redemption pursuant to Condition 10(c) (*Redemption for Tax Event*) only, an opinion from a nationally recognised law firm or other tax adviser in the Relevant Jurisdiction experienced in

such matters to the effect that the relevant requirement or circumstance referred to the definition of “Tax Event” applies (but, for the avoidance of doubt, such opinion shall not be required to comment on the ability of the Issuer to avoid such circumstance by taking measures reasonably available to it).

The Fiscal Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this provision are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

(n) ***Substitution and Variation of Tier 2 Capital Notes***

This Condition 10(n) (*Substitution and Variation of Tier 2 Capital Notes*) applies to each Series of Tier 2 Capital Notes unless “Tier 2 Capital Notes: Substitution and Variation” is expressly specified to be “Not Applicable” in the relevant Final Terms.

If a Tax Event or a Capital Disqualification Event has occurred, then the Issuer may, subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) and having given not less than 30 nor more than 60 days’ notice to the Holders in accordance with Condition 20 (*Notices*), the Registrar and the Fiscal Agent (which notice shall be irrevocable and shall specify the date for substitution or, as the case may be, variation of the Notes) but without any requirement for the consent or approval of the Holders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes so that they remain or, as appropriate, become, Qualifying Tier 2 Securities, and the Fiscal Agent shall (subject to the following provisions of this Condition 10(n) (*Substitution and Variation of Tier 2 Capital Notes*) and subject to the receipt by it of the certificates of the Directors referred to in Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*)) on its own behalf and as agent of the Issuer agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute the Notes in accordance with this Condition 10(n) (*Substitution and Variation of Tier 2 Capital Notes*), as the case may be. The Fiscal Agent shall at the request and expense of the Issuer use its reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Qualifying Tier 2 Securities, provided that the Fiscal Agent shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Qualifying Tier 2 Securities or the participation in or assistance with such substitution or variation would impose, in the Fiscal Agent’s opinion, more onerous obligations upon it or reduce its rights or protections. If, notwithstanding the above, the Fiscal Agent does not participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in Condition 10(c) (*Redemption for Tax Event*) or 10(d) (*Redemption for Capital Disqualification Event*).

In connection with any substitution or variation in accordance with this Condition 10(n) (*Substitution and Variation of Tier 2 Capital Notes*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

The Fiscal Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this provision are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

(o) ***Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes***

This Condition 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) applies to each Series of Senior Non-Preferred Notes and Senior Preferred Notes unless “Senior Notes: Substitution and Variation” is expressly specified to be “Not Applicable” in the relevant Final Terms.

If a Loss Absorption Disqualification Event or a Tax Event has occurred, then the Issuer may, subject to Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) and having given not less than 30 nor more than 60 days’ notice to the Holders in accordance with Condition 20 (*Notices*), the Registrar and the Fiscal Agent (which notice shall be irrevocable and shall specify the date for substitution or, as the case may be, variation of the Notes) but without any requirement for the consent or approval of the Holders, at any time either substitute all (but not some only) of the Notes for, or vary the terms of the Notes (including, without limitation, the governing law of Condition 23(d) (*Acknowledgement of Statutory Loss Absorption Powers*)) so that they remain or, as appropriate, become, Loss Absorption Compliant Notes, and the Fiscal Agent shall (subject to the following provisions of this Condition 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) and subject to the receipt by it of the certificates of the Directors referred to in Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*)) on its own behalf and as agent of the Issuer agree to such substitution or variation. Upon the expiry of such notice, the Issuer shall either vary the terms of or substitute the Notes in accordance with this Condition 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*), as the case may be. The Fiscal Agent shall at the request and expense of the Issuer use its reasonable endeavours to assist the Issuer in the substitution of the Notes for, or the variation of the terms of the Notes so that they remain, or as appropriate, become, Loss Absorption Compliant Notes, provided that the Fiscal Agent shall not be obliged to participate in, or assist with, any such substitution or variation if the terms of the proposed alternative Loss Absorption Compliant Notes or the participation in or assistance with such substitution or variation would impose, in the Fiscal Agent’s opinion, more onerous obligations upon it or reduce its rights or protections. If, notwithstanding the above, the Fiscal Agent does not participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided in Condition 10(c) (*Redemption for Tax Event*) or 10(e) (*Redemption for Loss Absorption Disqualification Event*).

In connection with any substitution or variation in accordance with this Condition 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

The Fiscal Agent is not responsible, nor shall it incur any liability, for monitoring or ascertaining as to whether any certifications required by this provision are provided, nor shall it be required to review, check or analyse any certifications produced nor shall it be responsible for the contents of any such certifications or incur any liability in the event the content of such certifications are inaccurate or incorrect.

(p) ***Clean-Up Call Option***

If Clean-Up Call Option is specified as being applicable in the relevant Final Terms and the Clean-up Call Minimum Percentage (or more) of the principal amount outstanding of the Notes originally issued have been redeemed or purchased and subsequently cancelled in accordance with this Condition 10 (*Redemption and Purchase*), the Issuer may, at its option, but subject to Condition 10(l) (*Pre-condition to Redemption, Purchase, Substitution or Variation of the Tier 2 Capital Notes*) in the case of Tier 2 Capital Notes and Condition 10(m) (*Pre-condition to Redemption, Purchase, Substitution or Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) in the case of Senior Non-Preferred Notes and Senior Preferred Notes, give notice to (i) the Fiscal Agent, (ii) the Registrar (if applicable) and (iii)



the Holders in accordance with Condition 20 (*Notices*) (which notice shall be irrevocable) that all (but not some only) of the outstanding Notes comprising the relevant Series shall be redeemed:

- (i) in the case of all Notes other than Floating Rate Notes, at any time within the period of not less than 15 nor more than 60 days from the date of such notice; or
- (ii) in the case of Floating Rate Notes, (1) on any Interest Payment Date falling within the period of not less than 15 nor more than 60 days from the date of such notice or (2) if there is no Interest Payment Date falling within (1) above, on the first Interest Payment Date to occur after the expiry of 60 days from the date of such notice,

in each case, at their principal amount or at such other amount as may be specified in the relevant Final Terms as the Clean-Up Call Option Amount together (in each case) with accrued interest (if any) thereon. Upon the expiry of such notice, the Issuer shall redeem the Notes.

For the purposes of this 10(p) (*Clean-Up Call Option*), any further notes, bonds or debentures issued pursuant to Condition 19 (*Further Issues*) which are consolidated and form a single series with the Notes of any Series outstanding at that time will be deemed to be originally issued.

For the purposes of these Conditions, “**Clean-Up Call Minimum Percentage**” means 75 per cent., unless otherwise specified in the relevant Final Terms.

## **11 Payments – Bearer Notes**

This Condition 11 (*Payments – Bearer Notes*) is only applicable to Bearer Notes.

### **(a) Principal**

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Agent outside the United States (i) in the case of a currency other than Renminbi, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

*Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for distribution by them, on the order of the holder of the Bearer Notes, to the person(s) to whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Fiscal Agency Agreement) at the relevant time, and payment made in accordance therewith shall discharge the obligations of the Issuer in respect of that payment.*

### **(b) Interest**

Payments of interest shall, subject to Condition 11(h) (*Payments other than in respect of matured Coupons*), be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Agent outside the United States (i) in the case of a currency other than Renminbi, in the manner described in Condition 11(a) (*Principal*) and (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

### **(c) Payments in New York City**

Payments of principal or interest may be made at the Specified Office of an Agent in New York City if:  
(i) the Issuer has appointed Agents outside the United States with the reasonable expectation that such

Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due; (ii) payment of the full amount of such interest at the offices of all such Agents is illegal or effectively precluded by exchange controls or other similar restrictions; and (iii) payment is permitted by applicable United States law.

(d) ***Payments subject to fiscal laws***

Save as provided in Condition 13 (*Taxation*), payments in respect of the Bearer Notes will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents are or agree to be subject and the Issuer or any of its Agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, and no commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(e) ***Deductions for unmatured Coupons***

If the relevant Final Terms specify that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented for payment without all unmatured Coupons relating thereto:

- (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment; or
- (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the “**Relevant Coupons**”) being equal to the amount of principal due for payment; provided, however, that where this Condition 11(e)(ii)(A) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 11(a) (*Principal*) against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(f) ***Unmatured Coupons void***

If the relevant Final Terms specify that the Reset Note Provisions are applicable or that the Floating Rate Note Provisions are applicable, on the due date for redemption of any Note or early redemption in whole of such Note pursuant to Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for Tax Event*), 10(d) (*Redemption for Capital Disqualification Event*), 10(e) (*Redemption for Loss Absorption Disqualification Event*), 10(f) (*Redemption at the option of Noteholders*) or 14

(*Enforcement*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(g) ***Payments on business days***

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(h) ***Payments other than in respect of matured Coupons***

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Agent outside the United States (or in New York City if permitted by Condition 11(c) (*Payments in New York City*)).

(i) ***Partial payments***

If an Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Agent will endorse thereon a statement indicating the amount and date of such payment.

(j) ***Exchange of Talons***

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

## **12 Payments – Registered Notes**

This Condition 12 (*Payments – Registered Notes*) is only applicable to Registered Notes.

(a) ***Principal***

Payments of principal shall be made by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Agent.

(b) ***Interest***

Payments of interest shall be made (i) in the case of a currency other than Renminbi, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with a bank in the Principal Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificates at the Specified Office of any Agent and (ii) in the case of Renminbi, by transfer to the registered account of the Noteholder.

In this Condition 12(b), “**registered account**” means the Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

*Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the CMU for their distribution, on the order of the holder of the Registered Notes, to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules at the relevant time, and payment made in accordance therewith shall discharge the obligations of the Issuer in respect of that payment.*

(c) ***Payments subject to fiscal laws***

Save as provided in Condition 13 (*Taxation*), payments in respect of the Registered Notes will be subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer or its Agents are or agree to be subject, and the Issuer or any of its agents will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, and 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 an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated: (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of an Agent; and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) ***Partial payments***

If an Agent makes a partial payment in respect of any Registered 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 Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Certificate.

(f) ***Record date***

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the 15<sup>th</sup> business day before the due date for such payment (the "**Record Date**").

## **13 Taxation**

(a) ***Gross-up***

All payments of principal, interest and any other amounts in respect of the Notes and the Coupons 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 the Relevant Jurisdiction, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall (a) in the case of each Series of Senior Preferred Notes, unless the relevant Final Terms expressly specifies "Senior Preferred Notes: Gross-up of principal" as "Not Applicable", in respect of payments of interest (if any) or principal or (b) in the case of all Tier 2 Capital Notes and all Senior Non-Preferred, in respect of payments of interest (if any) only and not principal, pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders 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 with respect to any Note or Coupon:

- (i) held by or on behalf of a Holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than a mere holding of such Note or Coupon; or
- (ii) in respect of which the Note or Certificate is presented for payment more than 30 days after the Relevant Date except to the extent that the Holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the last day of such period of 30 days.

References in these Conditions to interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions or any undertakings given in addition thereto or in substitution therefor.

(b) **FATCA**

Notwithstanding any other provisions of these Conditions or the Fiscal Agency Agreement, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”), or otherwise imposed pursuant to Sections 1471 to 1474 of the Code (or any regulations thereunder or official interpretations thereof) or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a “**FATCA Withholding**”). Neither the Issuer nor any other person will be required to pay any Additional Amounts in respect of FATCA Withholding.

## 14 Enforcement

(a) **Senior Preferred Notes (Unrestricted Default)**

The provisions of this Condition 14(a) (*Senior Preferred Notes (Unrestricted Default)*) shall have effect in relation to any Series of Senior Preferred Notes where the relevant Final Terms expressly specify that Condition 14(b) (*Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)*) is “Not Applicable”.

If any of the following events occurs and is continuing, then the Issuer shall be deemed to be in default under the Notes and whereupon they shall become immediately due and payable at their principal amount, together with any accrued but unpaid interest without further action or formality:

- (i) *Non-payment*: any principal or interest on the Notes has not been paid within seven days (in the case of principal) and within 14 days (in the case of interest) from the due date for payment; or
- (ii) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other obligations under these Conditions and that breach has not been remedied within 30 days of receipt of a written notice from a Holder to the Issuer and the Fiscal Agent requiring the same to be remedied; or
- (iii) *Winding-up*: a Winding-Up of the Issuer.

A Holder may, at any time at its discretion and without notice, institute such proceedings or take such steps or actions as it may think fit against the Issuer to enforce the terms of these Conditions.

(b) **Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)**

The provisions of this Condition 14(b) (*Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)*) shall have effect in relation to (i) any Series of Senior Preferred Notes where the relevant Final Terms expressly specify that Condition 14(b) (*Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)*) is “Applicable”, and (ii) each Series of Tier 2 Capital Notes and Senior Non-Preferred Notes.

- (i) If the Issuer does not make payment in respect of the Notes (in the case of payment of principal) for a period of seven days or more or (in the case of any interest payment) for a period of 14 days or more, in each case after the date on which such payment is due, the Issuer shall be deemed to be in default under the Notes and a Holder, in its discretion, may institute proceedings for the winding-up of the Issuer.

In the event of a Winding-Up of the Issuer (whether or not instituted by one or more Holders pursuant to the foregoing), a Holder may prove and/or claim in such Winding-Up of the Issuer, such claim being as contemplated in Condition 3 (*Status*).

- (ii) Without prejudice to Condition 14(b)(i), a Holder may at its discretion and without notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Notes (other than any payment obligation of the Issuer under or arising from the Notes, including, without limitation, payment of any principal or interest in respect of the Notes, including any damages awarded for breach of any obligations) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums, in cash or otherwise, sooner than the same would otherwise have been payable by it pursuant to these Conditions. Nothing in this Condition 14(b)(ii) shall, however, prevent a Holder from instituting proceedings for the winding-up of the Issuer and/or proving and/or claiming in any Winding-Up of the Issuer in respect of any payment obligations of the Issuer arising from the Notes (including any damages awarded for breach of any obligations) in the circumstances provided in Conditions 3 (*Status*) and 14(b)(i).

(c) **No further remedies**

No remedy against the Issuer, other than as referred to in this Condition 14 (*Enforcement*), shall be available to the Holders, whether for the recovery of amounts owing in respect of the Notes or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes.

## **15 Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within 10 years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest in respect of Registered Notes shall become void unless the relevant Certificates are surrendered for payment within 10 years of the appropriate Relevant Date.

## **16 Replacement of Notes and Coupons**

If any Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes or Coupons, or the Registrar, in the case of Registered Notes (and if the Notes are admitted to listing and/or trading by any competent authority and/or stock exchange which requires the appointment of an Agent in any particular place, the Agent having its Specified Office in the place required by the competent authority and/or stock exchange), subject to all applicable laws and competent authority and/or 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 Notes, Certificates or Coupons or Talons must be surrendered before replacements will be issued.

## **17 Agents**

The initial Fiscal Agent, the CMU Lodging and Paying Agent, the Registrar, the Calculation Agent and the Transfer Agents and their initial Specified Offices are listed below. They act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, the CMU Lodging and Paying Agent, the Registrar, the Calculation Agent and the Transfer Agents and to appoint replacement agents or other Transfer Agents, provided that it will:

- (a) at all times maintain a Fiscal Agent, a Registrar and a Transfer Agent;
- (b) a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU;
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and
- (d) if and for so long as the Notes are admitted to listing and/or trading by any competent authority and/or stock exchange which requires the appointment of an Agent in any particular place, the Issuer shall maintain an Agent having its Specified Office in the place required by such competent authority and/or stock exchange.

Notice of any such termination or appointment and of any change in the Specified Offices of the Fiscal Agent, the Registrar, the Calculation Agent and the Transfer Agents will be given to the Holders in accordance with Condition 20 (*Notices*). If any of the Calculation Agent, Registrar or the Fiscal Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Fiscal Agency Agreement (as the case may be), the Issuer shall appoint an independent financial institution to act as such in its place. All calculations and determinations made by the Calculation Agent, the Registrar or the Fiscal Agent in relation to the Notes and the Coupons shall (save in the case of manifest error) be final and binding on the Issuer, the Calculation Agent, the Registrar, the Fiscal Agent and the Holders. All calculations and determinations made by the Calculation Agent pursuant to these Conditions will be made in consultation with the Issuer.

## **18 Meetings of Noteholders; Modification and Waiver; Substitution**

### **(a) *Meetings of Noteholders***

The Fiscal Agency Agreement contains provisions for convening meetings of Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Fiscal Agency Agreement) of a modification of any of these Conditions, subject, where applicable, to Condition 18(c) (*Supervisory Permission*). Such a meeting (which need not be a physical meeting and instead may be by way of conference call, including by use of a videoconference platform) may be convened by the Issuer or by Holders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding.

The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Holders whatever the principal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain of these Conditions (including, *inter alia*, the provisions regarding status and subordination referred to in Condition 3 (*Status*), the terms concerning currency and due dates for payment of principal or interest payments in respect of the Notes and reducing or cancelling the principal

amount of, or interest on, any Notes or varying the method of calculating the Rate of Interest) the quorum will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in principal amount of the Notes for the time being outstanding. The agreement or approval of the Holders shall not be required in the case of (i) the implementation of any Benchmark Amendments described in Condition 9(a)(4) (*Benchmark Amendments*) and (ii) any variation of these Conditions and/or the Fiscal Agency Agreement required to be made in the circumstances described in Conditions 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) and 10(n) (*Substitution and Variation of Tier 2 Capital Notes*) in connection with the variation of the terms of the Notes so that they become alternative Qualifying Tier 2 Securities or Loss Absorption Compliant Notes, as the case may be, and to which the Fiscal Agent has agreed pursuant to the relevant provisions of Conditions 10(o) (*Substitution and Variation of Senior Non-Preferred Notes or Senior Preferred Notes*) or 10(n) (*Substitution and Variation of Tier 2 Capital Notes*), as the case may be.

An Extraordinary Resolution passed at any meeting of Holders will be binding on all Noteholders and Couponholders, whether or not they are present at the meeting.

The Fiscal Agency Agreement provides that (i) a resolution passed, at a meeting duly convened and held, by a majority of at least 75 per cent. of the votes cast, (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes for the time being outstanding or (iii) if applicable, consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Fiscal Agent) by or on behalf of the holder(s) of not less than 75 per cent. in principal amount of the Notes for the time being outstanding, shall, in each case be effective as an Extraordinary Resolution of the Holders. Any resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

The consent or approval of the Holders shall not be required in the case of amendments to the Conditions or the Fiscal Agency Agreement pursuant to and in accordance with Condition 9(a)(4) (*Benchmark Amendments*).

(b) ***Modification and waiver***

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Fiscal Agency Agreement (excluding, for the avoidance of doubt, the Conditions) if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

No modification to these Conditions or any other provisions of the Fiscal Agency Agreement shall become effective unless (if and to the extent required at the relevant time by the Relevant Regulator) the Issuer shall have given at least 30 days' prior written notice thereof to, and received Supervisory Permission therefor from, the Relevant Regulator (or such other period of notice as the Relevant Regulator may from time to time require or accept and, in any event, provided that there is a requirement to give such notice and obtain such Supervisory Permission).

Any such modification, authorisation, waiver or determination shall be binding on the Holders and such modification shall be notified to the Holders as soon as practicable.

(c) ***Supervisory Permission***

No modification to these Conditions shall become effective unless (if and to the extent required at the relevant time by the Relevant Regulator) the Issuer shall have given at least 30 days' prior written notice thereof to, and received Supervisory Permission therefor from, the Relevant Regulator (or such other



period of notice as the Relevant Regulator may from time to time require or accept and, in any event, provided that there is a requirement to give such notice and obtain such Supervisory Permission).

(d) ***Notices***

Any such modification, waiver, authorisation or substitution shall be binding on all Holders and shall be notified to the Holders in accordance with Condition 20 (*Notices*) as soon as practicable thereafter.

## **19 Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders, but subject to any Supervisory Permission required, create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single Series with the outstanding securities of any Series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition 19 (*Further Issues*) and forming a single Series with the Notes.

## **20 Notices**

(a) ***Bearer Notes***

Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) ***Registered Notes***

Notices to the Holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the first weekday (being a day other than a Saturday or Sunday) after the date of mailing.

(c) ***Notices given by Holders***

Notices to be given by any Holder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Fiscal Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes).

(d) ***All Notices***

The Issuer shall also ensure that all notices are duly published (if such publication is required) in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being listed and/or admitted to trading.

## **21 Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one-thousandth of a percentage point (with 0.0005 per cent. being rounded up to 0.001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be

rounded downwards to the next lower whole Japanese Yen amount and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## **22 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of any Note by virtue of the Contracts (Rights of Third Parties) Act 1999.

## **23 Governing Law and Jurisdiction, etc.**

### **(a) *Governing law***

The Fiscal Agency Agreement, the Notes and the Coupons, and all non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law, save that the provisions of Condition 3 (*Status*) relating to the status, ranking and (if applicable) subordination of the Notes and waiver of set-off are governed by, and shall be construed in accordance with, the laws of Hungary.

### **(b) *Jurisdiction***

The courts of England are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection the Fiscal Agency Agreement, the Notes or the Coupons and, accordingly, any legal action or proceedings arising out of or in connection with them (including any legal action or proceedings relating to non-contractual obligations arising out of or in connection with them) (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England in respect of any such Proceedings. Nothing in this Condition 23 (*Governing Law and Jurisdiction etc.*) shall prevent the Holders from bringing Proceedings in any 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) to the extent permitted by applicable law.

### **(c) *Service of Process***

The Issuer irrevocably appoints Law Debenture Corporate Services Limited at 8th Floor, 100 Bishopsgate, London, EC2N 4AG as its agent in England to receive service of process in any Proceedings in England. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Holders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.

### **(d) *Acknowledgement of Statutory Loss Absorption Powers***

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements, or understanding between the Issuer and the Holders, each Holder acknowledges and accepts that a liability arising under the Notes may be subject to the exercise of the Bail-In Tool by the Relevant Regulator, and acknowledges, accepts, consents and agrees to be bound by:

- (i) the effect of the exercise of the Bail-In Tool (or any analogous powers) by the Relevant Regulator in relation to any liability of the Issuer to the Noteholders under the Notes, that (without limitation) may include and result in any of the following, or some combination thereof:
  - (A) the reduction of all, or a portion, of the liabilities arising under the Notes or outstanding amounts due thereon;
  - (B) the conversion of all, or a portion, of the liabilities arising under the Notes into shares, other securities or other obligations of the Issuer or another person (and the issue to or

conferral on the Noteholders of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Notes;

- (C) the cancellation of the liabilities arising under the Notes; and
  - (D) the amendment or alteration of any interest, if applicable, thereon, the maturity or the dates on which any payments are due, including by suspending payment for a temporary period; and
- (ii) the variation of the Conditions, as deemed necessary by the Relevant Regulator (including, without limitation, the governing law and jurisdiction), to give effect to the exercise of the Bail-In Tool by the Relevant Regulator.

No repayment nor a payment of amounts otherwise due on the Notes will become due and payable or be paid after the exercise of the Bail-in Tool by the Relevant Regulator if and to the extent such amounts have been reduced, converted, cancelled, suspended (for so long as such suspension or moratorium is outstanding), amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of the amounts otherwise due on the Notes, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Bail-in Tool by the Relevant Regulator with respect to the Issuer, the suspension of payments under the Notes for a temporary period by the Relevant Regulator nor the exercise of the Bail-in Tool by the Relevant Regulator with respect to the Notes will be a default or an event of default for any purpose.

Upon the exercise of the Bail-in Tool by the Relevant Regulator with respect to any Notes, the Issuer shall promptly give notice to the Holders in accordance with Condition 20 (*Notices*), the Registrar and the Fiscal Agent. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 23 (*Governing Law and Jurisdiction, etc.*) shall not affect the validity and enforceability of the use of the Bail-in Tool.

## 24 Renminbi Currency Fallback

If Renminbi Currency Fallback is specified as “Applicable” in the relevant Final Terms, notwithstanding any other provision in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy any payment due under the Notes or the Coupons in Renminbi, the Issuer shall, on giving not less than five and not more than 30 days’ irrevocable notice to the Noteholders prior to the due date for the relevant payment, settle such payment in the Relevant Currency on the due date at the Relevant Currency Equivalent of the relevant Renminbi denominated amount.

In such event, payment of the Relevant Currency Equivalent of the relevant amounts due under the Notes or the Coupons shall be made in accordance with Condition 11 or 12, as applicable.

In this Condition 24:

“**Governmental Authority**” means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets of Hong Kong (including the Hong Kong Monetary Authority);

“**Illiquidity**” means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain a sufficient amount of Renminbi in order to satisfy in full its obligation to make any payment due under the Notes or the Coupons;

**“Inconvertibility”** means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes or the Coupons in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted on or after the date on which agreement is reached to issue the most recently issued Tranche of the applicable Series of Notes and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

**“Non-transferability”** means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted on or after the date on which agreement is reached to issue the most recently issued Tranche of the applicable Series of Notes and it is impossible for the Issuer due to an event beyond its control, to comply with such law, rule or regulation);

**“Rate Calculation Business Day”** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and the principal financial centre of the Relevant Currency;

**“Rate Calculation Date”** means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Conditions;

**“Relevant Currency”** means United States dollars;

**“Relevant Currency Equivalent”** means the Renminbi amount converted into the Relevant Currency using the Spot Rate for the relevant Rate Calculation Date; and

**“Spot Rate”**, for a Rate Calculation Date, means the spot rate between Renminbi and the Relevant Currency as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on such date in good faith and in a reasonable commercial manner; and if a spot rate is not readily available, the Calculation Agent may determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the People's Republic of China domestic foreign exchange market.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 24 by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.

## FORM OF FINAL TERMS

*The Final Terms in respect of each Tranche of Notes will be in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Final Terms but denotes directions for completing the Final Terms.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

**[PROHIBITION OF SALES TO UK RETAIL INVESTORS]** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (“**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (“**EUWA**”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “**FSMA**”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA (“**UK MiFIR**”). Consequently, no key information document required by [the PRIIPs Regulation][Regulation (EU) No 1286/2014] as it forms part of UK domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

**MiFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer[’s/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**”)/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/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/s’] target market assessment) and determining appropriate distribution channels.

**[UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET]** – Solely for the purposes of [the/each] manufacturer[’s/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 only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in [Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the [European Union (Withdrawal) Act 2018]/[EUWA] (“**UK MiFIR**”)][UK MiFIR]; 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**”)/distributor] should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as modified or amended from time to time (the “SFA”) – [To insert notice if classification of the Notes is not “prescribed capital markets products”, pursuant to Section 309B of the SFA or 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)]**<sup>1</sup>

**Final Terms dated [●] 20[●]**

**OTP BANK NYRT.**

**Legal Entity Identifier (LEI): 529900W3MOO00A18X956**

**Issue of [Currency][Aggregate Principal Amount of Tranche] [Title of Notes]**

**under the €5,000,000,000 Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the base prospectus dated 22 May 2024 [and the supplement to the base prospectus dated [date]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. [The Base Prospectus and these Final Terms have been published on the website of the Luxembourg Stock Exchange (www.luxse.com).]

*The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date.*

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the “**Conditions**”) set forth in the base prospectus dated [31 May 2022]/[2 May 2023] (the “[**2022 Base Prospectus / 2023 Base Prospectus**”]) which are incorporated by reference in the base prospectus dated 22 May 2024 (the “**Base Prospectus**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”) and must be read in conjunction with the Base Prospectus and the [2022 Base Prospectus / 2023 Base Prospectus] which constitute a base prospectus for the purposes of the Prospectus Regulation.

Full information on the Issuer and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus, save in respect of the Conditions which are extracted

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<sup>1</sup> Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offers, pursuant to s.309B of the SFA.

from the base prospectus dated [31 May 2022 / 2 May 2023]. [The Base Prospectus and these Final Terms have been published on the website of the Luxembourg Stock Exchange (www.luxse.com).]

1. Issuer: OTP Bank Nyrt.

#### DESCRIPTION OF THE NOTES

2. (i) Series Number: [•]  
(ii) Tranche Number: [•]  
[(iii) [Date on which the Notes become fungible: [Not Applicable]/[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [•]/[the Issue Date]/[exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph [25] below [which is expected to occur on or about [•]].]
3. Specified Currency or Currencies: [•]
4. Aggregate Principal Amount  
[(i)] [Series]: [•]  
[(ii) Tranche: [•]]
5. Issue Price: [•] per cent. of the Aggregate Principal Amount [plus accrued interest from [•]]
6. (i) Specified Denominations: [•] [and integral multiples of [•] in excess thereof up to (and including) [•]. [No Notes in definitive form will be issued with a denomination above [•]].]  
(ii) Calculation Amount: [•]
7. (i) Issue Date: [•]  
(ii) Interest Commencement Date: [•]/[Issue Date]/[Not Applicable]
8. Maturity Date: [•]
9. Interest Basis: [[•] per cent. Fixed Rate]<sup>2</sup>  
[Reset Notes]  
[Floating Rate [[•] Month] [[•]/[EURIBOR/SOFR/€STR] +/- [•] per cent.]]  
[Floating Rate: SOFR Compounded Index]  
[Floating Rate: CMS Linked Interest][Zero Coupon]  
(see paragraph [14]/[15]/[16]/[17] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[•]/[100]] per cent. of their principal amount.
11. Change of Interest or Redemption/Payment Basis: [•]/[Not Applicable]

<sup>2</sup> Specify the Interest Payment Date falling in or nearest to the relevant month and year for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification.

12. Put/Call Options: [Investor Put]  
[Issuer Call]  
(see paragraph [18]/[21] below)  
[Not Applicable]
- Clean-Up Call Option: [Applicable – Condition 10(p) (*Clean-Up Call Option*) will apply/Not Applicable]  
[The Clean-Up Call Minimum Percentage will be [75/specify other] per cent. of the principal amount outstanding of the Notes originally issued.  
The Clean-Up Call Option Amount will be in the amount of [•] per Calculation Amount]
13. [(i)] Status of the Notes: [Senior Preferred Notes]/[Senior Non-Preferred Notes]/[Tier 2 Capital Notes]
- [(ii)] Senior Preferred Notes Restricted Default: Condition 14(b) (*Tier 2 Capital Notes, Senior Preferred Notes and Senior Non-Preferred Notes (Restricted Default)*): [Applicable]/[Not Applicable]
- [(iii)] Senior Preferred Notes: Gross-up of principal: [Applicable]/[Not Applicable]
- [(iv)] [Date Board approval for issuance of Notes obtained: [•]]

#### PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable]/[Not Applicable]/[Applicable from [•] to [•] [if so elected by the Issuer on or before [•]]]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[•] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [•]/[and [•]] in each year [adjusted in accordance with *[specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]*]<sup>3</sup> [, up to and including [•]/[the Maturity Date], commencing on [•]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling on [•]/[Not Applicable]
- (v) Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]

<sup>3</sup> For Renminbi denominated Fixed Rate Notes where Interest Payment Dates are subject to modification.



		[Actual/360]
		[30E/360]
		[Eurobond Basis]
		[30E/360(ISDA)]
(vi)	Business Day Convention:	[Following Business Day Convention] [Modified Following Business Day Convention] [Modified Business Day Convention] <sup>4</sup> [Preceding Business Day Convention] [No Adjustment] [Not Applicable]
15.	<b>Reset Note Provisions</b>	[Applicable]/[Not Applicable]
(i)	Initial Rate of Interest:	[•] per cent. per annum [payable [annually]/[semi-annually]/[quarterly]/[•] in arrear on each Interest Payment Date]
(ii)	Reset Rate:	[Mid-Swap Rate]/ [CMT Rate]
(iii)	First Margin:	[+/-][•] per cent. per annum
(iv)	Subsequent Margin:	[[+/-][•] per cent. per annum]/[Not Applicable] <sup>5</sup>
(v)	Interest Payment Date(s):	[•] [and [•]] in each year up to (and including) the Maturity Date, commencing on [•]
(vi)	Fixed Coupon Amount in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[•] per Calculation Amount]/[Not Applicable]
(vii)	Broken Amount(s):	[[•] per Calculation Amount payable on the Interest Payment Date falling [in]/[on] [•]]/[Not Applicable]
(viii)	First Reset Date:	[•]
(ix)	Subsequent Reset Date(s):	[•] [and [•]]/[Not Applicable]
(x)	Fixed Leg Swap Payment Frequency:	[•]
(xi)	CMT Designated Maturity:	[[•]]/[Not Applicable]
(xii)	Relevant Screen Page:	[•]
(xiii)	CMT Rate Screen Page:	[•]
(xiv)	Mid-Swap Rate:	[Single Mid-Swap Rate]/[Mean Mid-Swap Rate]
(xv)	Mid-Swap Maturity:	[•]

<sup>4</sup> Select “Modified Business Day Convention” if the Specified Currency is Renminbi.

<sup>5</sup> For Notes which are intended to count as MREL, the Subsequent Margin shall be equal to the First Margin.

(xvi)	Initial Mid-Swap Rate Final Fallback:	[Applicable]/[Not Applicable]
-	Initial Mid-Swap Rate:	[•] per cent.
(xvii)	Reset Maturity Initial Mid-Swap Rate Final Fallback:	[Applicable]/[Not Applicable]
-	Reset Period Maturity Initial Mid-Swap Rate:	[•] per cent.
(xviii)	Last Observable Mid- Swap Rate Final Fallback:	[Applicable]/[Not Applicable]
(xix)	Subsequent Reset Rate Mid-Swap Rate Final Fallback:	[Applicable]/[Not Applicable]
(xx)	Subsequent Reset Rate Last Observable Mid- Swap Rate Final Fallback:	[Applicable]/[Not Applicable]
(xxi)	Reference Rate:	[EURIBOR]/[SOFR]/[€STR]/[CMS Rate]
(xxii)	Reference Banks:	[•]
(xxiii)	Day Count Fraction:	[30/360] [Actual/Actual (ICMA)] [Actual/Actual (ISDA)] [Actual/365 (Fixed)] [Actual/360] [30E/360] [Eurobond Basis] [30E/360(ISDA)]
(xxiv)	Reset Determination Date(s):	[•]/[The provisions of the Conditions apply]
(xxv)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent):	[[•] shall be the Calculation Agent]
16.	<b>Floating Rate Note Provisions</b>	[Applicable]/[Not Applicable]/[Applicable from [•] to [•] [if so elected by the Issuer on or before [•]]]
(i)	Specified Period(s):	[•]
(ii)	Interest Payment Dates:	[•] [and [•]] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to adjustment, as the Business Day Convention in (iv) below is specified to be Not Applicable]

- (iii) First Interest Payment Date: [•]
- (iv) Effective Interest Payment Date: [The date falling [•] Local Business Days following each Interest Payment Date, provided that the Effective Interest Payment Date with respect to the last Interest Period will be the Maturity Date or, if the Issuer elects to redeem the Notes before the Maturity Date, the date fixed for redemption (*include for Payment Delay only*)]/[Not Applicable]
- (v) Business Day Convention: [Following Business Day Convention]  
[Modified Following Business Day Convention]  
[Modified Business Day Convention]  
[Preceding Business Day Convention]  
[FRN Convention]  
[Floating Rate Convention]  
[Eurodollar Convention]  
[No Adjustment]  
[Not Applicable]
- (vi) Additional Business Centre(s): [Not Applicable]/[•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Fiscal Agent): [[•] shall be the Calculation Agent]
- (ix) Screen Rate Determination: [Applicable]/[Not Applicable]
- Index Determination: [Applicable]/[Not Applicable]
- Insert only if Index Determination is not applicable*
- Reference Rate: [*currency*] [[•] month] [EURIBOR]/[SOFR/€STR/Index Determination (SOFR)/CMS Rate]
  - Reference Bank(s): [•]
  - Interest Determination Date(s): [•]/[The date falling [•] [Local] Business Days prior to the first day of each Interest Period]/ [First day of each Interest Period]/[The [[•] *first, second, third etc.*] [Local] Business Day immediately preceding the Interest Payment Date for each Interest Period (or immediately preceding such earlier date, if any, on which the Notes are due and payable).][*provide details*]/[The Interest Payment Date at the end of each Interest Period; provided that the Interest

Determination Date with respect to the last Interest Period prior to the Maturity Date or the date fixed for redemption will be the Rate Cut-off Date - *Include this wording for Payment Delay only*]]<sup>6</sup>

- Relevant Screen Page: [•]/[New York Federal Reserve's Website]/[ECB's Website]/[Not Applicable]
- Relevant Time: [[•] in the Relevant Financial Centre]/[as per the Conditions]/[Not Applicable]<sup>7</sup>
- Relevant Financial Centre: [London]/[Brussels]/[New York City]/[•]
- Calculation Method: [Weighted Average/Compounded Daily/Not Applicable]
- Observation Method: [Lag/Lock-out/Observation Shift/Payment Delay/Not Applicable]
- Observation Look-back Period: [[•]/five Local Business Days]/[Not Applicable]<sup>8</sup>
- D: [365/360/[•]/Not Applicable]]
- Rate Cut-off Date: [The date falling [•] Local Business Days prior to the Maturity Date or the date fixed for redemption, as applicable - *used for Payment Delay only*]<sup>9</sup>/[Not Applicable]
- Reference Currency: [•]/[Not Applicable]<sup>10</sup>
- Designated Maturity: [•]/[Not Applicable]<sup>11</sup>
- Determination Time: [[•] [a.m.]/[p.m.] ([•] time)]/[Not Applicable]<sup>12</sup>
- CMS Rate Fixing Centre(s): [•]/[Not Applicable]<sup>13</sup>

*Insert only if Index Determination is applicable*

- SOFR Compounded Index: [Applicable/Not Applicable]
- Relevant Decimal Place: [•]/[As per the Conditions]
- Relevant Number: [•]/[As per the Conditions]<sup>14</sup>

<sup>6</sup> To be at least 5 Business Days before the relevant Interest Payment Date where the Reference Rate is SOFR or €STR, without the prior agreement of the Fiscal Agent.

<sup>7</sup> Select "Not Applicable" for SOFR or €STR.

<sup>8</sup> The Observation Look-back Period should be at least as many Local Business Days before the Interest Payment Date as the Interest Determination Date. "Observation Look-back Period" is only applicable where "Lag" or "Observation Shift" is selected as the Observation Method; otherwise, select "Not Applicable".

<sup>9</sup> The Rate Cut-off Date should be at least 5 Business Days before the Maturity Date or the date fixed for redemption, unless otherwise agreed with the Fiscal Agent.

<sup>10</sup> Select "Not Applicable" for SOFR or €STR.

<sup>11</sup> Select "Not Applicable" for SOFR or €STR.

<sup>12</sup> Select "Not Applicable" for SOFR or €STR.

<sup>13</sup> Select "Not Applicable" for SOFR or €STR.

<sup>14</sup> This number should be 5 (or greater), unless otherwise agreed with the Fiscal Agent.

- Numerator: [•]/[As per the Conditions]
- (x) ISDA Determination: [Applicable]/[Not Applicable]
- Floating Rate Option: [•]
- Reset Date: [•]
- ISDA Definitions: 2006
- (xi) • Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first]/[last] Interest Period shall be calculated using Linear Interpolation]
- (xii) • Margin(s): [+/-][•] per cent. per annum
- (xiii) • Minimum Rate of Interest: [•] per cent. per annum
- (xiv) • Maximum Rate of Interest: [•] per cent. per annum
- (xv) • Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30E/360]  
[Eurobond Basis]  
[30E/360(ISDA)]

17. **Zero Coupon Note Provisions** [Applicable]/[Not Applicable]

- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]

- (iii) Day Count Fraction in relation to early Redemption Amounts: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30E/360]  
[Eurobond Basis]  
[30E/360(ISDA)]

**PROVISIONS RELATING TO REDEMPTION, SUBSTITUTION AND VARIATION**

18. **Call Option** [Applicable]/[Not Applicable]

- (i) Optional Redemption Date(s) (Call): [•]/[Any date from (and including) [•] to (but excluding) [•]]

- (ii) Optional Redemption Amount (Call): [[•] per Calculation Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period from (and including) [•] to (but excluding) [•]] [and [[•] per Calculation Amount] [in the case of the Optional Redemption Date(s) falling [on [•]]/[in the period from (and including) [•] to (but excluding) the Maturity Date]]
- (iii) Series redeemable in part: [Yes: [•] per cent. of the Aggregate Principal Amount of the Notes may be redeemed on [each]/[the] Optional Redemption Date (Call)]/[No]
- (iv) If redeemable in part:
- Minimum Redemption Amount: [•]/[Not Applicable]
  - Maximum Redemption Amount: [•]/[Not Applicable]
- (v) Notice period: Minimum period: [[•] days]/[as per the Conditions]  
Maximum period: [[•] days]/[as per the Conditions]
19. **Senior Non-Preferred Notes and Senior Preferred Notes**
- (i) Senior Notes: Loss Absorption Disqualification Event Redemption: [Applicable]/[Not Applicable]
- (ii) Optional Redemption Amount (Loss Absorption Disqualification Event): [•] per Calculation Amount
- (iii) Senior Notes: Substitution and Variation: [Applicable]/[Not Applicable]
- (iv) Senior Notes: Tax Event (Deductibility): [Applicable]/[Not Applicable]
20. **Tier 2 Capital Notes**
- (i) Optional Redemption Amount (Capital Disqualification Event): [•] per Calculation Amount
- (ii) Tier 2 Capital Notes: Substitution and Variation: [Applicable]/[Not Applicable]
- (iii) Tier 2 Capital Notes: Tax Event (Deductibility): [Applicable]/[Not Applicable]
21. **Put Option** [Applicable]/[Not Applicable]

- (i) Optional Redemption Date(s) (Put): [•]
- (ii) Optional Redemption Amount (Put): [•] per Calculation Amount
- (iii) Notice period: Minimum period: [[•] days]/[as per the Conditions]  
Maximum period: [[•] days]/[as per the Conditions]
- 22. Early Redemption Amount (Tax): [•] per Calculation Amount
- 23. Final Redemption Amount: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•] per Calculation Amount
- 24. Redemption Amount for Zero Coupon Notes: [•]/[As per Condition 10(i) (*Early redemption of Zero Coupon Notes*)]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25. Form of Notes: **Bearer Notes:**  
[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note]  
[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances described in the Permanent Global Note]  
**Registered Notes:**  
[Global Certificate exchangeable for Individual Certificates in the limited circumstances described in the Global Certificate]  
[Global Certificate [(U.S.\$[•]/€[•] principal amount)] registered in the name of a nominee for [a common depositary for Euroclear, Clearstream, Luxembourg and/or the CMU]/[a common safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the New Safekeeping Structure (NSS))]/[Individual Certificates]
- 26. New Global Note: [Yes]/[No]/[Not Applicable]
- 27. New Safekeeping Structure: [Yes]/[No]/[Not Applicable]
- 28. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable]/[•]
- 29. Talons for future Coupons to be attached to Definitive Notes: [Yes]/[No]
- 30. Renminbi Currency Fallback: [Applicable] / [Not Applicable]

#### THIRD PARTY INFORMATION

[[Relevant third party information] has been extracted from [specify source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [specify source], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

**SIGNED** on behalf of  
**OTP BANK NYRT.:**

By: .....  
Duly authorised

By: .....  
Duly authorised



## PART B – OTHER INFORMATION

### 1. Listing

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [●].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from [●].]
- (ii) Estimate of total expenses related to admission to trading: [●]

### 2. Ratings

- Ratings: The Notes to be issued [have not been rated]/ [have been rated:]  
[S&P Ratings Europe Limited (“S&P”): [●]]  
[Moody’s Investors Service Cyprus Ltd (“Moody’s”): [●]]  
[Scope Ratings GmbH (“Scope”): [●]]  
[China Lianhe Credit Rating Co., Ltd. (“Lianhe”): [●]]  
The issuer credit rating assigned to the Issuer by S&P is [●], the long-term counterparty risk rating assigned to the Issuer by Moody’s is [●], the issuer rating assigned to the Issuer by Scope Ratings was [●] and the issuer credit rating (China national scale) assigned to the Issuer by Lianhe was [●].  
[To include brief description of the meaning given to the relevant rating by the assigning rating agency]  
[S&P, Moody’s and Scope are established in the European Economic Area (the “EEA”) and are registered under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”). As such, S&P, Moody’s and Scope are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. Lianhe is authorised by the China Securities Regulatory Commission and is not established in the European Union nor certified under the CRA Regulation.]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]

[Save for any fees payable to the [Managers]/[Dealers] [and as disclosed in “Description of the OTP Group’s Business – Framework Agreements with Development Banks” in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]

### 4. REASONS FOR THE OFFER AND ESTIMATED NET PROCEEDS

- (i) Reasons for the offer: [The Notes are [Green/Social/Sustainable Finance] Notes as described, and as this term is defined, in the Base Prospectus and the proceeds from the issue of the Notes

are intended to be used for [“green”/and/“social”] purposes as described in the “*Use of Proceeds*” section of the Base Prospectus.][The net proceeds of the issue of the Notes are intended to be used by the Issuer to finance and/or refinance, in part or in full, new and/or existing *[description of relevant projects/activity to be inserted]*.] *[see “Use of Proceeds” in the Base Prospectus – if reasons for the offer are different from general corporate purposes and there is a particular identified use of proceeds, this will need to be stated here]*

(ii) Estimated net proceeds: [●]

## 5. Fixed Rate Notes only – YIELD

Indication of yield:

[●] / [Not Applicable]

[The indicative yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]/[The indicative yield is calculated at the Issue Date on the basis of an assumed Issue Price of [100] per cent. It is not an indication of an individual investor’s actual or future yield.]

## 6. OPERATIONAL INFORMATION

(i) ISIN: [●]

(ii) Common Code: [●]

(iii) CMU Instrument Number: [●]

(iv) Any clearing system(s) other than Euroclear, Clearstream, Luxembourg and the CMU Service and the relevant identification number(s): [Not Applicable]/[●]

(v) Delivery: Delivery [against]/[free of] payment

(vi) Names and addresses of additional Agent(s) (if any): [●]

(vii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,] *[include this text for Registered Notes which are to be held under the NSS]*[and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]  
[No. While the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with one of the ICSDs]

as common safekeeper [[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper.]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

## 7. DISTRIBUTION

- (i) U.S. Selling Restrictions: [Reg. S Compliance Category [1]/[2];[TEFRA C]/[TEFRA D]/[TEFRA not applicable]
- (ii) Prohibition of Sales to EEA Retail Investors: [Applicable]/[Not Applicable]  
[If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no “key information document” will be prepared, “Applicable” should be specified]
- (iii) Prohibition of Sales to UK Retail Investors: [Applicable]/[Not Applicable]  
[If the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the Notes may constitute “packaged” products and no “key information document” will be prepared, “Applicable” should be specified]
- (iv) Prohibition of Sales to Belgian Consumers: [Applicable/Not Applicable]
- (v) Singapore Sales to Institutional Investors and Accredited Investors only: [Applicable/Not Applicable]
- (vi) Method of distribution: [Syndicated]/[Non-syndicated]
- (vii) If syndicated: [Not Applicable]/[•]
  - Names of Managers: [Not Applicable]/[•]
  - Stabilisation Manager(s) (if any): [Not Applicable]/[•]
- (viii) If non-syndicated, name and address of Dealer: [Not Applicable]/[•]

## 8. BENCHMARK REGULATION

[[specify benchmark] is provided by [administrator legal name]. As at the date hereof, [administrator legal name] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011, as amended.

[As far as the Issuer is aware, as at the date hereof, [•] does not fall within the scope of Regulation (EU) 2016/1011, as amended.]/[Not Applicable]

[If the References Rate is EURIBOR, select the below option]

[EURIBOR is provided by European Money Markets Institute. As at the date hereof, European Money Markets Institute appears in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011, as amended.]

*[If the References Rate is CMS Rate, select the below option]*

[CMS Rate is provided by ICE Benchmark Administration Limited (“**IBA**”). As at the date hereof, IBA is not included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011, as amended. As far as the Issuer is aware, the transitional provisions in Article 51 of the Regulation (EU) 2016/1011, as amended, apply, such that the IBA is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)]

*[If the Reset Rate is CMT Rate, select the below option]*

[CMT Rate is provided by the Board of Governors of the Federal Reserve System. As at the date hereof, the Board of Governors of the Federal Reserve System is not included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of Regulation (EU) 2016/1011, as amended. As far as the Issuer is aware, the transitional provisions in Article 2 of the Regulation (EU) 2016/1011, as amended, apply, such that the Board of Governors of the Federal Reserve System is not currently required to obtain authorisation/registration.]

## FORMS OF THE NOTES

### Bearer Notes

Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note, without interest coupons, or a Permanent Global Note, without interest coupons, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of Notes with a depositary or a common depositary for Euroclear, Clearstream, Luxembourg and/or the CMU and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the Issue Date of the relevant Tranche of Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006, the ECB announced that Notes in NGN form are 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**”), provided that certain other criteria are fulfilled. At the same time, the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg from 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or a successor provision) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or a successor provision) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

### Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the Issue Date of the relevant Tranche of Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery (free of charge to the bearer) of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (a) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (b) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership, within seven days of the bearer requesting such exchange.

The CMU may require that any such exchange for a permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Issue Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

### **Permanent Global Note exchangeable for Definitive Notes**

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:

- (a) Euroclear, Clearstream, Luxembourg, the CMU or any other relevant clearing system 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 the applicable provisions of Condition 14 (*Enforcement*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to (or to the order of) the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent (or, in the case of Notes lodged with the CMU, the CMU Lodging and Paying Agent) within 30 days of the bearer requesting such exchange.

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, the Permanent Global Note shall only be exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

### **Terms and Conditions applicable to the Bearer Notes**

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “—*Summary of Provisions relating to the Notes while in Global Form*” below.

### **Legend concerning United States persons**

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

*“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”*

### **Registered Notes**

Each Tranche of Registered Notes will be represented by either:

- (a) Individual Certificates; or
- (b) one or more Global Certificates,

in each case as specified in the relevant Final Terms. A Certificate will be issued to each holder of Registered Notes in respect of its registered holding.

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 Euroclear and/or Clearstream, Luxembourg had designed in cooperation with market participants and that Notes to be held under the NSS would be in compliance with the “*Standards for the use of EU securities settlement systems in ESCB credit operations*” of 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 from 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 NSS is used.

Each Note represented by a Global Certificate will either be: (a) in the case of a Certificate which is not to be held under the NSS, registered in the name of a common depositary (or its nominee) for Euroclear, Clearstream, Luxembourg, the CMU and/or any other relevant clearing system and the relevant Global Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Certificate to be held under the NSS, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

If the relevant Final Terms specifies the form of Notes as being “Individual Certificates”, then the Notes will at all times be represented by Individual Certificates issued to each Noteholder in respect of their respective holdings.

#### **Global Certificate exchangeable for Individual Certificates**

If the relevant Final Terms specifies the form of Notes as being “Global Certificate exchangeable for Individual Certificates”, then the Notes will initially be represented by one or more Global Certificates each of which will be exchangeable in whole, but not in part, for Individual Certificates if the relevant Final Terms specifies “in the limited circumstances described in the Global Certificate”, then:

- (a) in the case of any Global Certificate, if Euroclear, Clearstream, Luxembourg, the CMU or any other relevant clearing system 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) in any case, if any of the circumstances described in the applicable provisions of Condition 14 (*Enforcement*) occurs.

Whenever a Global Certificate is to be exchanged for Individual Certificates, each person having an interest in a Global Certificate must provide the relevant Registrar (through the relevant clearing system) with such information as the Issuer and the relevant Registrar may require to complete and deliver Individual Certificates (including the name and address of each person in which the Notes represented by the Individual Certificates are to be registered and the principal amount of each such person’s holding).

Whenever a Global Certificate is to be exchanged for Individual Certificates, the Issuer shall procure that Individual 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 to the relevant Registrar of such information as is required to complete and deliver such Individual Certificates against the surrender of the Global Certificate at the specified office of the relevant Registrar.

Such exchange will be effected in accordance with the provisions of the Fiscal Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled to the Fiscal Agency Agreement and, in

particular, shall be effected without charge to any holder, but against such indemnity as the relevant 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.

### **Terms and Conditions applicable to the Registered Notes**

The terms and conditions applicable to any Individual Certificate will be endorsed on that Individual Certificate and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “—*Summary of Provisions relating to the Notes while in Global Form*” below.

### **Summary of Provisions relating to the Notes while in Global Form**

#### **Clearing System Accountholders**

In relation to any Tranche of Notes represented by a Global Note, references in the Conditions to “**Noteholder**” or “**Holder**” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary, common depositary, sub-custodian or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by one or more Global Certificates, references in the Conditions to “**Noteholder**” or “**Holder**” are references to the person in whose name the relevant Global Certificate is for the time being registered in the Register which is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or sub-custodian or common depositary or common safekeeper or a nominee for that depositary or common depositary or sub-custodian or common safekeeper, as the case may be.

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, the CMU and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Certificate (each an “Accountholder”) must look solely to Euroclear, Clearstream, Luxembourg, the CMU 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 Note or Global Certificate and in relation to all other rights arising under such Global Note or Global Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note or Global Certificate will be determined by the respective rules and procedures of Euroclear, Clearstream, Luxembourg, the CMU and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or 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 such Global Note or Global Certificate.

If a Global Note or a Global Certificate is lodged with a sub-custodian for, or registered with, the CMU, the person(s) to whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in accordance with the CMU Rules shall be the only person(s) entitled (or, in the case of Registered Notes, directed or deemed by the CMU as entitled) to receive payments in respect of Notes represented by such Global Note or Global Certificate; and the Issuer will be discharged by payment to, or to the order of, such person(s) to whose account(s) interests in such Global Note or Global Certificate are credited as being held in the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Certificate



must look solely to the CMU for its share of each payment so made by the Issuer in respect of such Global Note or Global Certificate.

### **Transfers of Interests in Global Notes and Global Certificates**

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

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Certificate representing such interest.

### **Conditions applicable to Global Notes**

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

*Payments:* All payments in respect of the Global Note or Global Certificate which, according to the Conditions, require presentation and/or surrender of a Note, Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or 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 Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

All payments of interest in respect of a Series of Notes represented by a Global Note or Global Certificate shall be calculated in respect of the total aggregate amount of the Notes represented by the relevant Global Note or Global Certificate.

In respect of a Global Note or Global Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note or Global Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note or Global Certificate shall be required for such purpose. For the purposes of this paragraph, “**Clearing System Business Day**” means a day on which the CMU is operating and open for business.

*Payment Business Day:* In the case of a Global Note or a Global Certificate, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre specified in the Final Terms; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

*Payment Record Date:* Each payment in respect of a Global Certificate will be made to the person, being 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 Monday to Friday inclusive except 25 December and 1 January.

*Exercise of put option:* In order to exercise the option contained in Condition 10(f) (*Redemption at the option of Noteholders*), the bearer of a Permanent Global Note or the holder of a Global Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Registrar specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

*Partial exercise of call option:* In connection with an exercise of the option contained in Condition 10(g) (*Partial redemption*) in relation to some only of the Notes, the Permanent Global Note or Global Certificate may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear, Clearstream, Luxembourg and/or the CMU (to be reflected in the records of Euroclear, Clearstream, Luxembourg and/or the CMU as either a pool factor or a reduction in principal amount, at their discretion).

*Notices:* Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Global Note or a Global Certificate and the Global Note, or the Global Certificate is deposited with a depositary or a common depositary for (i) Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system (except as provided in (ii) below) or a common safekeeper, notices to Noteholders 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 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or (ii) the CMU, notices to Noteholders may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

### **Eurosystem Eligibility**

If the Global Notes or Global Certificates are stated in the relevant Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), on or prior to the original issue date of the Tranche, the Global Notes or Global Certificates will be delivered to a common safekeeper and the relevant Final Terms will set out whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem (“**Eurosystem eligible collateral**”).

Depositing the Global Notes or the Global Certificates intended to be held as Eurosystem eligible collateral with a common safekeeper does not necessarily mean that the Notes will be recognised as Eurosystem eligible collateral either upon issue, or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that the Eurosystem eligibility criteria have been met. In the case of Notes issued in NGN form or to be held under the NSS (as the case may be) which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future so that such Notes are capable of meeting the eligibility criteria, such Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper.

## USE OF PROCEEDS

The net proceeds from the issue of the Notes will be used by the Issuer for its general corporate purposes, including as specified in Part B of the relevant Final Terms. The Issuer may acquire Notes in any offering of Notes from time to time for subsequent sale by the Issuer in an amount that may be material in respect of the relevant Series of Notes, as further specified in the relevant Final Terms. Accordingly, the proceeds of such Notes will not be realised by the Issuer until the time of such subsequent sale. No assurance can be given by the Issuer whether and when it may sell any such Notes and realise any such proceeds.

In addition, where the Notes are stated to be “Green” or “Social” Notes in “Reasons for the Offer” in Part B of the relevant Final Terms and it is stated that the proceeds from the issue of the Notes are intended to be used for “green” or “social” purposes as described in this “Use of Proceeds” section (“**Green Notes**” or “**Social Notes**”, respectively, and together, the “**Sustainable Finance Notes**”), it is the intention of the Issuer that the net proceeds from each such issue of Sustainable Finance Notes will be used as so described. If specified otherwise in the relevant Final Terms, the net proceeds from the issue of the relevant Notes will be used as so specified.

For any Sustainable Finance Notes, an amount equivalent to the net proceeds of such Sustainable Finance Notes is intended to be used to finance and/or refinance a portfolio of loans, credits and investments (such loans, credits and investments, an “**Eligible Loan Portfolio**”) satisfying the Eligibility Criteria (as defined below and as further described in the Issuer’s Sustainable Finance Framework).

The proceeds of any Sustainable Finance Notes will not be used to finance loans linked to fossil fuel energy generation, nuclear energy generation, weapons and defence, mining, gambling or tobacco.

“**Eligibility Criteria**” means the criteria set out in the Issuer’s Sustainable Finance Framework relating to the categories of green buildings, renewable energy, clean transportation and employment generation, and programmes designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance, that may be financed by loans, credits and investments in order for such loans, credits and investments to be included in an Eligible Loan Portfolio.

“**Sustainable Finance Framework**” means the Sustainable Finance Framework (March 2024) of the Issuer published on its website ([https://www.otpgroup.info/static/sw/file/Sustainable\\_Finance\\_Framework\\_ENG.pdf](https://www.otpgroup.info/static/sw/file/Sustainable_Finance_Framework_ENG.pdf)), including as amended, supplemented, restated or otherwise updated on such website from time to time, relating to the issuance of Sustainable Finance Instruments.

The proceeds from the issuance of Sustainable Finance Notes will be managed by the Issuer using a portfolio approach. The Issuer intends to allocate these proceeds to an Eligible Loan Portfolio, selected in accordance with the use of proceeds criteria and evaluation and selection process described in the Sustainable Finance Framework. The Issuer will endeavour, over time, to achieve a level of allocation for the Eligible Loan Portfolio that matches or exceeds the balance of net proceeds from its outstanding Sustainable Finance Notes.

Unallocated net proceeds from any Sustainable Finance Notes will be held in the OTP Group’s liquid asset portfolio, in cash or other short term liquid instruments, at the OTP Group’s sole discretion.

The Issuer has obtained an independent second-party opinion from ISS ESG to confirm the validity of its Sustainable Finance Framework. This independent second-party opinion is published on the Issuer’s website at: [https://www.otpbank.hu/static/portal/sw/file/Sustainable\\_finance\\_framework\\_SPO\\_ENG.pdf](https://www.otpbank.hu/static/portal/sw/file/Sustainable_finance_framework_SPO_ENG.pdf).

The Issuer intends to request on an annual basis, starting one year after the issuance of any Sustainable Finance Notes and until the maturity (or full allocation) of such Sustainable Finance Notes, a limited assurance report of the allocation of the proceeds of such Sustainable Finance Notes to the relevant Eligible Loan Portfolio, which will be provided by its external auditor (or any subsequent external auditor).

In addition, the Issuer intends, within one year from the date of issue of any Sustainable Finance Notes and annually thereafter until the proceeds of such Sustainable Finance Notes have been fully allocated, to prepare an allocation report and an impact report in respect of that issue.

Neither the Sustainable Finance Framework, nor any of the above reports, opinions or contents of any of the above websites are incorporated in or form part of this Base Prospectus.

Prospective investors in any Sustainable Finance Notes should also refer to *“Risk Factors – Risks relating to the Notes – Risks relating to a particular structure of Notes – The application of net proceeds of Sustainable Finance Notes as described in “Use of Proceeds” may not meet investor expectations or be suitable for an investor’s investment criteria”*.

## DESCRIPTION OF THE OTP GROUP'S BUSINESS

### Introduction

The Issuer is both an operating company and the parent company of its corporate group. The OTP Group provides universal banking service, including through several domestic and foreign subsidiaries. In Hungary, traditional banking operations are performed by the Issuer while specialised services, including car leasing, mortgage lending and investment funds, are offered by the Issuer's subsidiaries. In addition to operating in Hungary, the OTP Group currently operates, through its banking subsidiaries, in the following countries: Albania, Bulgaria, Croatia, Montenegro, Moldova, Romania, Russia, Serbia, Slovenia, Ukraine and Uzbekistan. After the completion of a divestment in November 2020, the OTP Group has no more banking operations in Slovakia. On 9 February 2024, the Issuer signed a binding agreement to sell its stake in OTP Bank Romania. This transaction signifies the Issuer's complete withdrawal from the Romanian market. The financial closure of the transaction is expected to take place in 2024, subject to the necessary regulatory approvals.

The Issuer currently has two representative offices (with non-banking activities, with the sole aim of representing and promoting the Issuer in the given country), one is located in Beijing, China, and the other one is located in Eschborn, Germany.

As at 31 March 2024, the OTP Group provided financial services through 1,428 branches, agent networks and electronic channels. The OTP Group's total assets were HUF 41,482 billion (EUR 104.8 billion) as at 31 March 2024, out of which more than 36 per cent. was in Hungary. The next four largest foreign operations comprised 46 per cent. of the OTP Group's total assets (Bulgaria 16 per cent., Slovenia 14 per cent., Croatia 8 per cent. and Serbia 7 per cent.). Based on publicly available information on central bank and bank association websites<sup>15</sup>, the Issuer's management believes the Issuer to be the market leader in terms of lending in Hungary, Bulgaria, Montenegro, Serbia and Slovenia.

### History

The predecessor of the Issuer, the National Savings Bank (*Országos Takarékpénztár*), was established in 1949 as a nationwide, state-owned banking entity providing retail services in relation to bank accounts, savings accounts and loans. Its activities and the scope of its authorisation have gradually widened. It was initially authorised to enter into real estate transactions. Thereafter, its role was extended to provide domestic foreign currency accounts and foreign exchange services as well as banking services for Hungarian municipalities. In 1989, the National Savings Bank started operating as a universal commercial bank. In addition to continuing its previous retail and municipal activities, the National Savings Bank became authorised to offer services in respect of corporate loan accounts and deposits and to provide commercial loans and banking services for corresponding banking and export-import transactions.

In 1990, the National Savings Bank became a public company with a share capital of HUF 23 billion. Its name was changed to National Savings and Commercial Bank (OTP Bank Rt.). Subsequently, its non-banking activities were separated from it, along with their supporting organisational units. The state lottery was reorganised into a separate state-owned company and OTP Real Estate Ltd. was established as a subsidiary of the Issuer.

The Issuer's privatisation began in 1995. As a result of three public offerings accompanied by the listing of the Issuer's shares on the Budapest Stock Exchange, the state's ownership in the Issuer decreased to a single voting preference (golden) share. The law on abolishing the voting preference share of the state came into effect on 21

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<sup>15</sup>Information available (for example) in *The National Bank of Hungary – 'Golden Book'* and similar publications and data available on central bank websites for Serbia, Montenegro, Bulgaria and Slovenia.

April 2007. Currently, the Issuer's ownership structure is dispersed with its shares mostly held by institutional (financial) and private investors.

After the completion of its privatisation, the Issuer started its international expansion, targeting countries in the CEE region, which were considered to offer economic growth potential similar to that of its domestic market.

The Issuer has completed several acquisitions during the period 2002 to 2007, becoming one of the key players in the CEE region. By the end of 2006, the Issuer operated in nine countries. During the period of 2014 to 2016, the OTP Group completed three further acquisitions to enhance its presence in markets where it was already present. Between December 2016 and February 2023, the OTP Group completed ten further acquisitions, including commencing operations in Albania, Moldova, Slovenia and Uzbekistan. Please see "*Business Overview – History of 2016-2023 acquisitions*" below.

The corporate name of the Issuer is OTP Bank Nyrt. The Issuer's corporate name in English is "OTP Bank Plc". The Issuer has its registered seat at Nádor utca 16., 1051 Budapest, Hungary, its telephone number is: +36 1 473 5000. It was founded on 31 December 1990 for an indefinite period of time and was registered with the Metropolitan Court of Budapest on 28 November 1991 as a company limited by shares (in Hungarian: *részvénytársaság*) under the registration number of Cg 01-10-041585. The Issuer's Legal Entity Identifier (LEI) is 529900W3MOO00A18X956. The Issuer operates under Hungarian law, in particular, under Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (the "**Credit Institutions Act**"), Act CXX of 2001 on the capital markets (the "**Capital Markets Act**") and Act CXXXVIII of 2007 on investment firms and commodity service providers and on the rules of their activities (the "**Investment Firms Act**").

## Shareholder Structure

The Issuer's registered capital is HUF 28,000,001,000, divided into 280,000,010 dematerialised ordinary shares with a nominal value of HUF 100 each. The ordinary shares of the Issuer all have the same nominal value and bestow the same rights in respect of the Issuer. Ordinary shares of the Issuer are listed in Category "*Equities Prime*" on the Budapest Stock Exchange.

## Ownership structure of the Issuer as at 31 March 2024 and 31 December 2023

Description of owner	Total equity					
	31 March 2024			31 December 2023		
	%	% <sup>(1)</sup>	Qty	%	% <sup>(1)</sup>	Qty
Domestic institution/company.....	31.66	31.83	88,649,288	31.40	31.46	87,914,205
Foreign institution/company.....	54.43	54.71	152,396,823	54.43	54.54	152,405,042
Domestic individual .....	12.55	12.62	35,151,172	12.93	12.96	36,217,730
Foreign individual .....	0.31	0.31	857,834	0.48	0.48	1,349,320
Employees, senior officers .....	0.46	0.46	1,290,515	0.48	0.48	1,338,715
Treasury shares <sup>(2)</sup> .....	0.52	0.00	1,452,570	0.20	0.00	572,746

Total equity						
Description of owner	31 March 2024			31 December 2023		
	%	% <sup>(1)</sup>	Qty	%	% <sup>(1)</sup>	Qty
Government held owner .....	0.05	0.05	139,036	0.05	0.05	139,036
International Development Institutions.....	0.01	0.01	18,981	0.01	0.01	28,603
Other <sup>(3)</sup> .....	0.02	0.02	43,791	0.01	0.01	34,613
TOTAL.....	100.00	100.00	280,000,010	100.00	100.00	280,000,010

Notes:

(1) Voting rights in the General Meeting of the Issuer for participation in decision-making.

(2) Treasury shares do not include the OTP shares held by OTP Bank Employee Stock Ownership Plan Organisation (“ESOP”). Pursuant to Act V of 2013 on the Civil Code, OTP shares held by the ESOP are not classified as treasury shares, but the ESOP must be consolidated in accordance with IFRS 10 Consolidated Financial Statements standard. On 31 December 2023, ESOP owned 12,095,524 OTP shares and on 31 March 2024, ESOP owned 12,088,012 shares.

(3) Non-identified shareholders according to the shareholders’ registry.

Source: OTP Bank Plc. – Integrated Annual Report 2023, Budapest, 8 March 2024 and Summary of the first quarter 2024 results, Budapest, 10 May 2024

### To the extent known by the Issuer, direct and/or indirect shareholders of the Issuer with over/around 5 per cent. stake as at 31 March 2024 and 31 December 2023

Name	31 March 2024			31 December 2023			
	Number of shares	Ownership <sup>(1)</sup>	Voting rights <sup>(1)(2)</sup>	Number of shares	Ownership <sup>(1)</sup>	Voting rights <sup>(1)(2)</sup>	
MOL (Hungarian Oil and Gas Company Plc.).....	24,000,000	8.57%	8.62	24,000,000	8.57 %	8.59	%
Groupama Group .....	14,258,355	5.09%	5.12	14,256,813	5.09 %	5.10	%
Groupama Gan Vie SA.....	14,140,000	5.05%	5.08	14,140,000	5.05 %	5.06	%
Groupama Biztosító Ltd. ....	118,355	0.04%	0.04	116,813	0.04 %	0.04	%

Notes:

(1) Rounded to two decimals.

(2) Voting rights in the General Meeting of the Issuer for participation in decision-making.

Source: OTP Bank Plc. - Integrated Annual Report 2023, Budapest, 8 March 2024 and Summary of the first quarter 2024 results , Budapest, 10 May 2024

### Detailed information on the major shareholders of the Issuer as at 31 December 2023

### ***MOL (Hungarian Oil and Gas Company Plc.)***

MOL is one of the largest oil and gas companies in the CEE region and is headquartered in Budapest, Hungary. MOL is primarily engaged in the exploration and production of crude oil and natural gas, the refining of crude oil, wholesale and retail sales of refined petroleum products and the production and sale of petrochemicals. In addition, the MOL Group is involved in gas infrastructure services.

On 16 April 2009, the Issuer and MOL concluded a three-year share swap transaction, under which the Issuer has exchanged 24,000,000 ordinary shares in the Issuer for 5,010,501 “A series” MOL shares, which now equals 40,084,008 MOL shares after the 8-for-1 share split in September 2017. As a result of the transaction, MOL became a shareholder in the Issuer with 8.57 per cent. holding of ordinary shares. MOL has no representation on either the Issuer’s Board of Directors (the “**Board of Directors**”) or the Issuer’s Supervisory Board (the “**Supervisory Board**”).

As part of the transaction, both parties were granted call and put options to initiate the gross physical settlement of shares back to the respective issuer at any time on or before 11 July 2012. There is no compulsory settlement of shares at the maturity of the swap agreement. The swap agreement contains additional settlement provisions in case of certain movements in relative share prices of the parties subject to net cash or net share settlement, as set out in the swap agreement. In July 2012, 2017 and 2022, the maturity of the transaction was increased by five years on each occasion and, therefore, the amended final maturity of the swap agreement is 11 July 2027. Until such date, either party may initiate cash or physical settlement of the transaction, as set out in the swap agreement.

At the time of the transaction, due to the loss of control over the exchanged shares in the Issuer, the shares in the Issuer were derecognised from the balance sheet of the Issuer. At the same time, the written put option over the shares in the Issuer were accounted as a deduction from equity in the amount of HUF 55.5 billion, which was equal to the carrying value of the exchanged shares in the Issuer at the time of derecognition. The received MOL shares are not recognised in the balance sheet of the Issuer. In addition, the net present value of the transaction is accounted for in the balance sheet among Derivative financial instruments, which represented HUF 3,700 million as at 31 December 2023.

### ***Groupama Group***

In February 2008, an agreement was made between the Issuer and the Groupama Group, with respect to the purchase by Groupama Group of a 100 per cent. shareholding in OTP Garancia Insurance. This transaction boosted the OTP Group’s profit and strengthened its capital position with a one-off revenue item of HUF 121.4 billion. As a part of the transaction, the Issuer and Groupama Group concluded a long-term cooperation agreement with each other regarding the cross-selling of financial and insurance products. In addition to this, Groupama Group appeared as a strategic owner among the shareholders of the Issuer with its significant 8 per cent. share and appointed one member to the Supervisory Board. In 2017, Groupama Group decreased its shareholding in the Issuer as part of its strategy to diversify its assets. Following the sale of shares representing approximately 3 per cent. of the Issuer’s share capital, Groupama Group remained a significant shareholder of the Issuer and maintained its representation on the Supervisory Board.

## **Business Overview**

### **Strategy**

The OTP Group’s strategic objective is to meet the needs and expectations of its customers, investors, and employees at the highest possible level, and to set a positive example from an environmental, social and corporate governance perspective even at an international level.



The pillars of the OTP Group's strategy are stability, sustainability, profitability, growth and innovation:

### ***Stability***

The OTP Group strives to preserve its safe capital and liquidity positions, to be able at all times to provide the conditions for stable operations and growth. Since its Initial Public Offering in 1995, the Issuer has never raised equity, never received any state support, and has always comfortably relied on its organic capital generation capability. In addition, having dominant market positions in several countries it operates in, the OTP Group enjoys relatively strong deposit collection positions. Despite management focus on allocating liquidity for lending, the net loan-to-deposit ratio indicates that there is potential for further leverage in the consolidated balance sheet of the Issuer. The trust of customers provides a strong source of competitive funding. Since the 2007/2009 global financial crisis, one of the key considerations of the OTP Group's business expansion is that all subsidiaries should rely as much as reasonably possible on their own deposit generation.

The Issuer's management believes that an important lesson from the global financial crisis is that most of the OTP Group's business should be local currency based to avoid significant currency mismatches. In recent years, the Issuer has only tapped the covered bond markets for the sake of meeting local regulatory threshold requirements and not as a result of pressure on liquidity.

Throughout all of its operations, the OTP Group promotes transparency, prudence and full compliance with European and local regulations.

### ***Sustainability***

The OTP Group is committed to ensuring sustainability in its socio-economic role and in serving its customers, as well as in its own operations. Accordingly, the OTP Group aims to be the regional leader in financing a fair and gradual transition to a low-carbon economy and building a sustainable future through responsible solutions.

As part of its social activities, the OTP Group makes a positive impact through its financial awareness raising and donation programmes, and extensive civil society partnerships. As a responsible employer, the OTP Group has designed complex programmes for employee well-being.

### ***Profitability***

The profitability of operations is a key pre-condition for continued growth and stability. In 2023, the OTP Group reached an all time high profit with an outstanding ROE exceeding 27 per cent. The profit contribution of foreign subsidiaries has shown a trend of continued growth over the last several years and reached 64 per cent. in 2023. In addition, all foreign subsidiaries of the OTP Group were profitable in 2023, except for Ipoteka Bank in Uzbekistan and most of the subsidiaries have an outstanding ROE close to or exceeding 20 per cent., which shows resilient underlying profitability.

### ***Growth***

The OTP Group believes in the future of the CEE region and is committed to actively contributing to its progress. Through offering its products and services, the OTP Group actively contributes to the growth of the CEE region. The OTP Group aims to increase its share in all existing markets through organic growth and occasionally by acquisitions in new markets. The commitment of the OTP Group in the region has been demonstrated by its acquisition activity in recent years. Since 2016, the OTP Group has concluded 11 acquisitions, of which 6 acquisitions have been in 4 new markets. As a result of these acquisitions the subsidiaries of the OTP Group became the market leader in five countries in terms of customer loans (Hungary, Bulgaria, Slovenia, Serbia and Montenegro).

Between 2016 and 2023 the FX adjusted net customer loans of the OTP Group grew more than three times, 42 per cent. of the growth came from acquisitions, while 58 per cent. of the growth came from organic growth.

The Issuer's latest acquisition in Uzbekistan is the first venture of the OTP Group outside Europe. The OTP Group believes that Uzbekistan has potential for economic growth given its young and fast growing population and low penetration of banking products. Ipoteka Bank is the first privatisation in the Uzbek market providing a unique opportunity for the OTP Group, similar to Hungary and Bulgaria 20 to 30 years ago.

### ***Innovation***

The OTP Group will continue to make efforts to develop convenient and modern services that are easier and faster to access and meet the challenges of the digital age and the expectations of its customers.

The OTP Group aims to design and operate the most user-friendly and reliable digital platforms. To achieve its goal, the OTP Group is investing significant resources to understand customer expectations and to adopt customer services to meet those expectations.

### ***Simple and reliable solutions***

The prerequisite for growth of the OTP Group's digital channels is that all current and future customers should be able to easily and reliably access the OTP Group's systems. Growth in digital channel use is also supported by customer education and modular pricing. The OTP Group develops its applications through many iterative steps to test whether those apps are easy to use and stable. The OTP Group upgrades its technological stacks in order to create and run fast, fault-tolerant and flexible IT platforms. All key performance indicators of the Issuer are focusing on the clients and their experience with its products and platforms.

### ***Personalised content***

Remote authentication and authorisation solutions will ensure cost-efficient operations for the OTP Group and a seamless process for customers. With data integration, services become personalised and digital channels are adjusted to customers' expectations. For a tailor-made customer user interface experience and online content is adjusted by machine learning-driven advanced analytical models. Constant functional expansion is a key element of the OTP Group's digital services strategy. The OTP Group focuses on providing customers with financial control through dashboards and portfolio view and a "Bank in the pocket" experience through constantly launching new end-to-end digital services.

The Issuer sees personalisation as a must-have feature of the digital environment, since the amount of available data has increased radically and thanks to increasingly advanced analytical tools the ability to collect, process and analyse data has also increased significantly. As an example, the recently launched new Spend Monitor feature enables users to automatically organise their expenses into pre-set budget categories and add individual categories that match their own life events. All data is managed as a cooperative effort between the clients and the machine learning algorithm strengthening the overall well-being of the users based on the comfort provided by the Issuer's solutions.

### ***Managed customer service***

By creating interoperability between the channels, the Issuer aims to optimise and integrate the customer journey. The omni-channel operation ensures higher customer satisfaction and cost-effectiveness. Real-time analytical tools can help the Issuer optimise online journeys based on testing and immediate customer feedback. Highly innovative tools such as chatbot banking – not only service and product innovations, but also channel innovations – are part of the development process.

In order to achieve the OTP Group's strategic goals, the following new digital products and services are being developed.

### *Online channels*

The new internet bank and mobile bank applications were launched in 2020. These two platforms provide the highest level of digital accessibility for customers. The purpose of the developments is to increase the number of customers using the channel and increase product usage and cross-selling. During the COVID-19 pandemic, digital activity of OTP Group clients increased significantly, which was supported by online campaigns, customer education in branches and continuous development of OTP Group's digital services.

### *Development of non-banking applications*

In 2022, the Issuer has acquired and integrated a complex online health appointment booking company called FoglaljOrvost which provides a comprehensive reservation tool for patients and user-friendly practice management platform for doctors, which also has further development potential. The platform assists in finding the right fit for every individual need, and also in building an overall community of trust between patients and healthcare providers. This company offers services for both customers and clinics, so it operates not only on the business-to-business market but also on the business-to-customer side. In 2023, the OTP Group launched Fizz.hu which is an online marketplace and webshop operated by OTP Ecosystem Ltd.

Additionally, the Simple by OTP app aims to combine the functionality of an urban lifestyle app, with numerous useful features – parking and highway toll payment, public transport tickets, movie and entertainment ticket sales, etc. – with payment app functionality. Simple also provides both Android and Apple Pay functionality for its users (the Issuer was the first to introduce Apple Pay on the Hungarian market via its mobile banking app and Simple apps).

The OTP Group continues to place an emphasis on the implementation of social sustainability projects, as well as building synergies among its different non-banking applications. All these new non-banking applications contributed to the operation of the OTP Group taking it on a new growth path and achieving an 80 per cent. increase in its main indicators and sales even in the challenging healthcare market. In addition, several other areas were identified, in which concept development projects were launched, with emphasis on the implementation of social sustainability projects.

### *Branch digitalisation*

Contracts and transaction slips are signed on an electronic signature pad by both the customer and the branch officer. The document is created and stored only in electronic format, while customers can access their signed documents via the internet. With the introduction of electronic signature pads, more and more products are converted to be based on digitalised contracts. At the end of a multi-annual process, the Issuer has renewed its branch and customer service front-end system.

With the use of cash-in automatic-teller-machines (“ATMs”), customers can deposit cash into their HUF accounts held with the Issuer through ATMs. The amount deposited through these ATMs is instantly available in the customers' accounts. Customers have free access to these accounts for bank card purchases or cash withdrawals and can make transfers and/or term deposits.

A service named ‘Remote Expert from Home’ was launched in 2021, which allows client to avail of consultation video calls from their home at a pre-arranged time.

### *Integrated channel management*

The Issuer is committed to an omni-channel user experience and omni-channel is a main focus of the sales process development strategy as well. Omni-channel application is available for current account and personal loan products. Customers can start the application via online channels (e.g. website, internet banking) and finish the process via online/offline channels. Using this end-to-end process, customers can decide whether to start

and finish applications via online channels or start applications online and finish them in a branch. In 2021, the Issuer launched a new online service called Selfie current account opening, in which future clients can open a new retail account at any time in a few minutes without the help of a branch officer from their home using the Issuer's mobile application.

To support the organisational transformation required to maintain the pace of digital development, the Issuer launched an Agile Transformation Program in 2019, shifting a substantial part of its Hungarian workforce to an agile organisational structure.

#### *Automation*

The Issuer aims to fully digitalise its business processes to be able to provide fast, error-free and cost-efficient processes to its clients. Automisation not only achieves that but also lets the Issuer's employees focus on high value-added tasks and innovation instead of manual administration. By the end of 2023, due to the further expansion of process automation, 50 business processes which are mainly related to the Issuer's back-office activities have been automated. For these processes, the Issuer managed to achieve a 90 per cent. automation rate, which means that in 9 out of 10 cases, the relevant processes are completed digitally. Since the start of automation, the Issuer has digitally processed more than 3.5 million cases.

The Issuer managed to extend its activities to several subsidiaries - in 4Q 2023, the Ukrainian subsidiary further expanded Blue Prism-based robotics process automation pilots with the support of the Issuer's competence center. In 2023, the tools of process automation have evolved beyond just automation, now encompassing low-code/no-code technologies and business process management as integral components of its toolkit.

#### *A new methodology of innovation design in practice*

In 2023, the Issuer's Innovation Management team launched an internal innovation consulting method tailored to specific business areas. A record number of submissions were received from employees of the OTP Group in the sustainability related competition. The challenge was to discover innovative solutions that would assist in lowering the Issuer's carbon footprint and could be easily implemented into everyday practices. At the end of the competition, four projects were chosen to be put into action, targeting the provision of more eco-friendly meal options, the energy efficiency of the OTP Group's office buildings, and the digitisation of processes that were traditionally paper-based. The competition's popularity led to launching a sustainability idea box which is open since 2024.

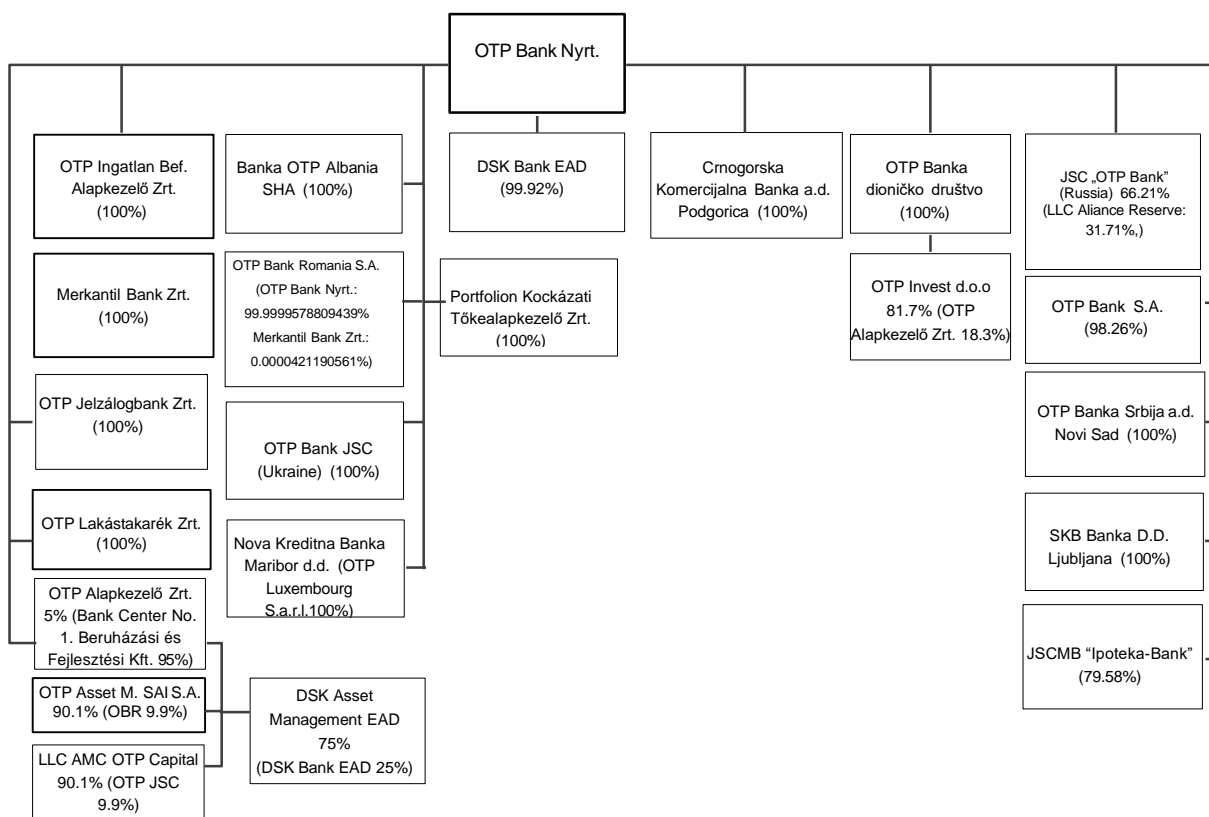
## Ratings

As at the date of this Base Prospectus, the following credit ratings have been assigned to the Issuer by S&P, Moody's, Scope and Lianhe with the cooperation of the Issuer in the rating process:

Rating agency	Rating classes	Rating	
		Long term	Short term
Moody's	Foreign Currency Deposit	Baa1	P-2
	Local Currency Deposit	Baa1	P-2
	Counterparty Risk Rating (Local and Foreign Currency)	Baa1	P-2
	Senior preferred debt	Baa3	-
	Subordinated Foreign Currency Debt	Ba2	-
	Junior subordinated Foreign Currency Debt	Ba3 (hyb)	-
S&P	Foreign and Local Currency Counterparty Credit Rating	BBB-	A-3
	Foreign and Local Currency Resolution Counterparty Rating	BBB-	A-3
	Senior preferred debt	BBB-	-
	Subordinated debt	BB	-
Scope	Issuer rating	BBB+	-
	Preferred senior unsecured debt	BBB+	-
	Non-preferred senior unsecured debt	BBB	-
	Tier 2 debt	BB+	-
Lianhe	Issuer Credit Rating (China national scale)	AAA	-

## Group structure of the OTP Group

The following diagram illustrates the credit institution and investment firm members of the OTP Group as at 31 March 2024:



As at 31 March 2024, the OTP Group consisted of the Issuer and 114 fully consolidated subsidiaries and associates and the total number of customers served by the OTP Group was more than 17 million.

Operating segments are divided by the Issuer’s management into business and geographical segments. The OTP Group’s operating segments are as follows: core operations in Hungary (“**OTP Core**”), Bulgaria (“**DSK Group**” or “**DSK**”), Russia (“**OTP Bank Russia**”), Croatia (“**OBH**”), Ukraine (“**OTP Bank Ukraine**”), Romania (“**OTP Bank Romania**” or “**OBR**”), Serbia (“**OBSr**”), Montenegro (“**CKB**” or “**CKB Group**”), Albania (“**OTP Bank Albania**” or “**OBA**”), Moldova (“**OTP Bank Moldova**”), Slovenia (“**OTP Bank Slovenia**”), Uzbekistan (“**Ipoteka Bank**”), the Hungarian leasing operation (“**Merkantil**”), Asset Management in Hungary (“**OTP Fund Management**”) and foreign asset management subsidiaries (“**Foreign Asset Management Companies**”), Other Hungarian subsidiaries, Other Foreign subsidiaries and Corporate Centre. Since 1Q 2023, the segmentation of the Hungarian operation has changed: OTP Core segment no longer excludes Corporate Centre which was previously carved out.

## Diversification of the OTP Group’s business

The OTP Group has traditionally been a commercial bank with a strong retail focus and the largest share of its business carried out in Hungary. In 1Q 2024, approximately 26 per cent. of the consolidated adjusted profit after tax was generated in Hungary, compared to 62 per cent. in 2016.

The following table sets out the consolidated profit after tax breakdown by segment for the three months ended on 31 March 2023 and 31 March 2024, as well as the year ended on 31 December 2022 and 31 December 2023, respectively:

	31 March 2023	31 March 2024	Change	31 December 2022	31 December 2023 <sup>1</sup>	Change
	(HUF million)		(%)	(HUF million)		(%)
<b>Consolidated profit after tax</b> .....	194,762	239,962	23	347,081	990,459	185
<b>Adjustments (total)</b> .....	88,535	0	(100)	(245,466)	(18,123)	(93)
<b>Consolidated adjusted profit after tax for the period</b> .....	106,227	239,962	126	592,547	1,008,583	70
Banks total .....	94,380	227,996	142	538,685	946,279	76
OTP Core (Hungary) .....	(32,046)	49,652	(255)	256,200	302,935	18
DSK Group (Bulgaria) .....	35,285	43,490	23	119,885	201,992	68
OTP Bank Slovenia .....	19,019	26,280	38	23,860	128,730	440
OBH (Croatia) .....	12,585	18,548	47	42,801	53,959	26
OTP Bank Serbia .....	15,838	20,385	29	36,873	68,026	84
OTP Bank Albania .....	3,146	4,995	59	10,175	15,032	48
CKB Group (Montenegro) .....	4,223	5,343	27	9,791	21,814	123
Ipoteka Bank (Uzbekistan) .....	-	11,133	-	-	(21,857)	-
OTP Bank Russia .....	17,959	29,366	64	42,548	95,665	125
OTP Bank Ukraine .....	12,620	16,140	28	(15,922)	45,184	(384)
OTP Bank Romania .....	1,254	143	(89)	3,071	20,099	554
OTP Bank Moldova .....	4,497	2,520	(44)	9,403	14,700	56
Leasing .....	1,924	1,601	(17)	10,971	10,267	(6)
Merkantil Group (Hungary) .....	1,924	1,601	(17)	10,971	10,267	(6)
Asset Management .....	2,530	6,089	141	9,621	19,861	106
OTP Fund Management (Hungary) .....	2,439	6,038	148	9,357	19,673	110
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria) .....	92	51	(44)	263	188	(29)
Other Hungarian Subsidiaries .....	7,435	4,699	(37)	27,645	30,570	11
Other Foreign Subsidiaries .....	(138)	(188)	36	(141)	986	(797)
Eliminations .....	95	(235)	(346)	5,767	620	(89)
Adjusted profit after tax of Hungarian operation .....	(20,072)	61,626	(407)	303,873	365,979	20

Adjusted profit after tax of Foreign operation.....	126,299	178,336	41	288,674	642,604	123
Share of Hungarian contribution to the adjusted profit after tax, %.....	(19)	26	45	51	36	(15 pps)
Share of Foreign contribution to the adjusted profit after tax, % .	(119)	74	(45)	49	64	15 pps

Note:

- (1) According to the New Adjustment Methodology, Consolidated profit after tax is HUF 990,459 million, Adjustments (total) are HUF 85,507 million, Consolidated adjusted profit after tax for the period is HUF 904,952 million, Banks total is HUF 848,803 million, OTP Core (Hungary) is HUF 233,871 million, DSK Group (Bulgaria) is HUF 198,182 million, OTP Bank Slovenia is HUF 112,342 million, OBH (Croatia) is HUF 53,333 million, OTP Bank Serbia is HUF 58,211 million, OTP Bank Albania is HUF 11,603 million, CKB Group (Montenegro) is HUF 21,358 million, Ipoteka Bank (Uzbekistan) is -HUF 15,442 million, OTP Bank Russia is HUF 95,674 million, OTP Bank Ukraine is HUF 44,908 million, OTP Bank Romania is HUF 20,120 million, OTP Bank Moldova is HUF 14,624 million, Leasing is HUF 6,647 million, Merkantil Group (Hungary) is HUF 6,647 million, Asset Management is HUF 19,861 million, OTP Fund Management (Hungary) is HUF 19,673 million, Foreign Asset Management Companies (Ukraine, Romania, Bulgaria) are HUF 188 million, Other Hungarian Subsidiaries are HUF 35,972 million, Other Foreign Subsidiaries are HUF 986 million, Eliminations are -HUF 7,317 million, Adjusted profit after tax of Hungarian operation is HUF 298,679 million, Adjusted profit after tax of Foreign operation is HUF 606,274 million, the Share of Hungarian contribution to the adjusted profit after tax is 33 per cent. and Share of Foreign contribution to the adjusted profit after tax is 67 per cent.

**The following table sets out the ROE and Cost-to-Income ratio breakdown by segment for the three months ended on 31 March 2023 and 31 March 2024, respectively:**

	ROE <sup>1</sup>		Cost-to-Income ratio	
	31 March 2023	31 March 2024	31 March 2023	31 March 2024
OTP Core (Hungary) .....	(7%)	8%	58%	52%
DSK Group (Bulgaria).....	19%	19%	45%	41%
OTP Bank Slovenia .....	20%	15%	46%	45%
OBH (Croatia) .....	13%	18%	50%	48%
OTP Bank Serbia .....	18%	21%	40%	37%
OTP Bank Albania.....	21%	24%	53%	42%
CKB Group (Montenegro).....	18%	19%	43%	39%
Ipoteka Bank (Uzbekistan).....	-	29%	-	32%
OTP Bank Russia.....	24%	40%	42%	30%
OTP Bank Ukraine.....	41%	38%	26%	30%
OTP Bank Romania.....	3%	0%	78%	80%
OTP Bank Moldova .....	33%	15%	36%	53%

Note:

- (1) Without adjustment items.

**The following table sets out the contribution of Hungarian and foreign operations to the adjusted profit after tax for 2003 and for the period between 2016 and 1Q 2024:**



	2003	2016	2017	2018	2019	2020	2021	2022	2023	1Q 2024
Share of Hungarian contribution to the adjusted profit after tax, % .....	7	62	65	62	54	59	49	51	36	26
Share of Foreign contribution to the adjusted profit after tax, % .....	93	38	35	38	46	41	51	49	64	74

Note:

- (1) According to the New Adjustment Methodology, the Share of Hungarian contribution to the adjusted profit after tax is 33 per cent. and Share of Foreign contribution to the adjusted profit after tax is 67 per cent.

**The following table sets out the total assets and the adjusted profit after tax evolution of the OTP Group in 2003 and the period between 2016 and 1Q 2024:**

	2003	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>	1Q 2024
Total assets (EUR billion).....	13	36	43	45	61	64	75	82	103	105
Adjusted profit after tax (EUR billion) .....	0.3	0.6	0.9	1.0	1.3	0.9	1.4	1.5	2.4	0.6

In terms of total assets, five out of the six largest operations (OTP Core (Hungary), DSK Group (Bulgaria), OTP Bank Slovenia, OBH (Croatia) and OBR (Romania)), representing around 79 per cent. of the OTP Group's consolidated total assets, are in EU countries.

**The following table sets out the consolidated total assets breakdown by country as at 31 March 2023, 31 March 2024, 31 December 2022 and 31 December 2023, respectively:**

	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
Hungary .....	39%	36%	(3)	42%	35%	(7)
Bulgaria .....	16%	16%	0	18%	16%	(2)
Slovenia .....	15%	14%	(1)	5%	15%	10
Croatia .....	8%	8%	0	10%	8%	(2)
Serbia .....	7%	7%	0	8%	7%	(1)
Albania .....	2%	2%	0	2%	2%	0
Montenegro.....	2%	2%	0	2%	2%	0
Uzbekistan .....	-	3%	-	-	3%	-
Russia .....	3%	4%	1	3%	4%	1
Ukraine .....	3%	3%	0	3%	3%	0
Romania.....	4%	4%	0	5%	4%	(1)
Moldova.....	1%	1%	0	1%	1%	0

The loan portfolio of the OTP Group is diversified in terms of geographies and products. The majority of loans are within Hungary. However, due to the recent acquisitions, the portfolio has further diversified, with the share of Hungary within net loans decreasing from 47 per cent. as of the end of 2016 to 31 per cent. as of 31 March 2024, and the share of net loans in the Eurozone and in countries participating in the exchange rate mechanism

of the EU<sup>16</sup> increasing from 6 per cent. as of the end of 2016 to 42 per cent. as of 31 March 2024. The OTP Group's total combined exposure to Russia and Ukraine, as of 31 March 2024, represented 4 per cent. of the OTP Group's net loan portfolio compared to 10 per cent. as of the end of 2016. In terms of products, approximately 54 per cent. of HUF 22,321 billion (EUR 56 billion) net loans on a group-wide basis were to retail and micro and small sized enterprise ("MSE") customers.

**The following table sets out the consolidated net loans breakdown by country and by product as at 31 March 2023, 31 March 2024, 31 December 2022 and 31 December 2023, respectively:**

By countries	31 March 2023	31 March 2024	Y/Y	31 March 2024 (HUF billion)	31 December 2022	31 December 2023	Y/Y	31 December 2023 (HUF billion)
			pps				pps	
Hungary.....	34%	31%	(3)	7,020	36%	32%	(4)	6,906 <sup>(1)</sup>
Bulgaria.....	17%	19%	2	4,212	18%	18%	0	3,941
Slovenia.....	14%	13%	(1)	2,885	6%	13%	7	2,763
Croatia.....	10%	11%	1	2,358	12%	10%	(2)	2,214
Serbia .....	9%	9%	0	1,979	11%	9%	(2)	1,913
Romania .....	5%	5%	0	1,089	6%	5%	(1)	1,081
Uzbekistan.....	-	4%	-	896	-	4%	-	865
Russia.....	3%	3%	0	644	3%	3%	0	588
Montenegro .....	2%	2%	0	464	2%	2%	0	435
Albania.....	2%	2%	0	371	2%	2%	0	350
Ukraine.....	2%	1%	(1)	316	2%	1%	(1)	309
Moldova .....	1%	1%	0	147	1%	1%	0	143

By products	31 March 2023	31 March 2024	Y/Y	31 December 2022	31 December 2023	Y/Y
			pps			pps
Mortgage.....	26%	27%	1	26%	27%	1
Consumer.....	21%	23%	2	22%	22%	0
MSE.....	5%	4%	(1)	4%	5%	1
Corporate .....	41%	39%	(2)	41%	39%	(2)
Leasing.....	6%	6%	0	7%	6%	(1)

Note:

(2) Including OTP Core and Merkantil (Hungarian leasing).

**The following table sets out the net loans breakdown of the main segments and by product as at 31 March 2023, 31 March 2024, 31 December 2022 and 31 December 2023, respectively:**

OTP Core + Merkantil	31 March 2023	31 March 2024	Y/Y	31 December 2022	31 December 2023	Y/Y
			pps			pps
Mortgage	25%	26%	1	26%	25%	(1)

<sup>16</sup> The EU Exchange Rate Mechanism (ERM II) was established on 1 January 1999 as a successor mechanism to ensure that exchange rate fluctuations between the euro and other EU currencies do not disrupt economic stability within the single market.

<b>OTP Core + Merkantil</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Consumer	19%	22%	3	19%	22%	3
MSE	8%	7%	(1)	8%	8%	0
Corporate	42%	39%	(3)	42%	39%	(3)
Leasing	6%	6%	0	6%	6%	0
<b>DSK Group (Bulgaria)</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Mortgage	28%	30%	2	29%	29%	0
Consumer	26%	26%	0	27%	25%	(2)
MSE	3%	2%	(1)	3%	2%	(1)
Corporate	35%	34%	(1)	33%	35%	2
Leasing	8%	8%	0	8%	8%	0
<b>OTP Bank Slovenia</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Mortgage	32%	32%	0	36%	32%	(4)
Consumer	13%	15%	2	9%	15%	6
MSE	9%	2%	(7)	2%	2%	0
Corporate	40%	44%	4	38%	45%	7
Leasing	6%	7%	1	16%	7%	(9)
<b>OBH (Croatia)</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Mortgage	27%	29%	2	27%	29%	2
Consumer	20%	21%	1	20%	21%	1
MSE	3%	4%	1	3%	3%	0
Corporate	43%	38%	(5)	43%	39%	(4)
Leasing	7%	8%	1	7%	8%	1
<b>OTP Bank Serbia</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Mortgage	22%	22%	0	22%	22%	0
Consumer	22%	23%	1	21%	22%	1
MSE	3%	3%	0	3%	3%	0
Corporate	48%	48%	0	49%	49%	0
Leasing	5%	5%	0	5%	5%	0

	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
<b>OTP Bank Albania</b>						
Mortgage	29%	34%	5	29%	33%	4
Consumer	8%	7%	(1)	9%	7%	(2)
MSE	8%	7%	(1)	8%	8%	0
Corporate	54%	51%	(3)	54%	51%	(3)
Leasing	1%	2%	1	1%	2%	1
	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
<b>CKB Group (Montenegro)</b>						
Mortgage	23%	24%	1	23%	24%	1
Consumer	22%	24%	2	22%	24%	2
MSE	1%	1%	0	1%	1%	0
Corporate	54%	50%	(4)	54%	51%	(3)
Leasing	0%	0%	0	0%	0%	0
	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
<b>Ipoteka Bank (Uzbekistan)</b>						
Mortgage	-	40%	-	-	38%	-
Consumer	-	26%	-	-	24%	-
MSE	-	7%	-	-	20%	-
Corporate	-	28%	-	-	18%	-
Leasing	-	0%	-	-	0%	-
	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
<b>OTP Bank Russia</b>						
Mortgage	0%	0%	0	0%	0%	0
Consumer	96%	98%	2	94%	97%	3
MSE	0%	0%	0	0%	0%	0
Corporate	4%	2%	(2)	6%	3%	(3)
Leasing	0%	0%	0	0%	0%	0
	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
<b>OTP Bank Ukraine</b>						
Mortgage	1%	1%	0	1%	1%	0
Consumer	9%	8%	(1)	10%	8%	(2)
MSE	0%	0%	0	0%	0%	0
Corporate	58%	61%	3	59%	61%	2

Leasing	32%	30%	(2)	31%	30%	(1)
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	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
<b>OTP Bank Romania</b>						
Mortgage	38%	36%	(2)	39%	35%	(4)
Consumer	7%	8%	1	8%	8%	0
MSE	2%	2%	0	2%	2%	0
Corporate	47%	49%	2	46%	49%	3
Leasing	6%	6%	0	5%	6%	1

	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
<b>OTP Bank Moldova</b>						
Mortgage	26%	25%	(1)	26%	26%	0
Consumer	15%	14%	(1)	16%	14%	(2)
MSE	7%	6%	(1)	7%	7%	0
Corporate	50%	51%	1	47%	50%	3
Leasing	3%	3%	0	3%	3%	0

The OTP Group's main source of funding is customer deposits (HUF 30,433 billion; EUR 77 billion), representing more than 82 per cent. of total liabilities (73 per cent. of total assets) as at 31 March 2024. A high degree of diversification characterises the deposit base, with retail customers accounting for close to 55 per cent. of the total deposits as at 31 March 2024.

**The following table sets out the consolidated customer deposits breakdown by country and by product as at 31 March 2023, 31 March 2024, 31 December 2022 and 31 December 2023, respectively:**

<b>By countries</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 March 2024 (HUF billion)</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>	<b>31 December 2023 (HUF billion)</b>
Hungary .....	40%	37%	(3)	11,252	45%	37%	(8)	10,785 <sup>1</sup>
Bulgaria .....	18%	18%	0	5,425	19%	18%	(1)	5,166
Slovenia .....	16%	15%	(1)	4,575	6%	16%	10	4,583
Croatia .....	8%	8%	0	2,380	9%	8%	(1)	2,385
Serbia .....	6%	6%	0	1,954	6%	6%	0	1,868
Romania .....	3%	4%	1	1,118	4%	4%	0	1,100
Russia .....	2%	4%	2	1,286	2%	4%	2	1,101
Ukraine .....	3%	3%	0	764	3%	3%	0	737
Albania .....	2%	2%	0	571	2%	2%	0	548
Montenegro .....	2%	2%	0	505	2%	2%	0	520

	31 March 2023	31 March 2024	Y/Y pps	31 March 2024	31 December 2022	31 December 2023	Y/Y pps	31 December 2023
<b>By countries</b>								
Moldova .....	1%	1%	0	318	1%	1%	0	332
Uzbekistan .....	-	1%	-	318	-	1%	-	327

	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
<b>By products</b>						
Retail sight .....	38%	37%	(1)	34%	37%	3
Retail term .....	19%	18%	(1)	21%	18%	(3)
MSE .....	11%	10%	(1)	11%	11%	0
Corporate .....	32%	35%	3	35%	34%	(1)

Note:

(1) Including OTP Core and Merkantil Group (Hungarian leasing).

**The following table sets out the customer deposits breakdown of the main segments and by product as at 31 March 2023, 31 March 2024, 31 December 2022 and 31 December 2023, respectively:**

<b>OTP Core + Merkantil</b>	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
Retail sight .....	34%	34%	0	33%	34%	1
Retail term .....	12%	10%	(2)	11%	10%	(1)
MSE .....	12%	12%	0	13%	13%	0
Corporate .....	43%	44%	1	42%	43%	1
<b>DSK Group (Bulgaria)</b>	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
Retail sight .....	37%	40%	3	37%	39%	2
Retail term .....	36%	36%	0	36%	36%	0
MSE .....	9%	9%	0	9%	9%	0
Corporate .....	19%	15%	(4)	18%	16%	(2)
<b>OTP Bank Slovenia</b>	31 March 2023	31 March 2024	Y/Y pps	31 December 2022	31 December 2023	Y/Y pps
Retail sight .....	60%	60%	0	34%	59%	25
Retail term .....	9%	9%	0	25%	9%	(16)
MSE .....	16%	10%	(6)	13%	10%	(3)
Corporate .....	15%	20%	5	28%	22%	(6)

<b>OBH (Croatia)</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	55%	51%	(4)	53%	51%	(2)
Retail term .....	14%	14%	0	13%	13%	0
MSE.....	8%	9%	1	8%	9%	1
Corporate .....	22%	27%	5	25%	27%	2
<b>OTP Bank Serbia</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	23%	21%	(2)	24%	21%	(3)
Retail term .....	23%	24%	1	23%	22%	(1)
MSE.....	8%	8%	0	8%	8%	0
Corporate .....	46%	48%	2	44%	50%	6
<b>OTP Bank Albania</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	26%	25%	(1)	26%	25%	(1)
Retail term .....	55%	54%	(1)	53%	54%	1
MSE.....	7%	7%	0	7%	7%	0
Corporate .....	13%	14%	1	13%	14%	1
<b>CKB Group (Montenegro)</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	27%	31%	4	26%	30%	4
Retail term .....	20%	20%	0	19%	18%	(1)
MSE.....	11%	14%	3	10%	15%	5
Corporate .....	42%	35%	(7)	45%	37%	(8)
<b>Ipoteka Bank (Uzbekistan)</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	-	13%	-	-	16%	-
Retail term .....	-	20%	-	-	19%	-
MSE.....	-	14%	-	-	37%	-
Corporate .....	-	52%	-	-	27%	-

<b>OTP Bank Russia</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	20%	10%	(10)	25%	12%	(13)
Retail term .....	19%	12%	(7)	21%	14%	(7)
MSE.....	12%	11%	(1)	13%	11%	(2)
Corporate .....	50%	67%	17	41%	63%	22
<b>OTP Bank Ukraine</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	16%	15%	(1)	18%	15%	(3)
Retail term .....	15%	16%	1	14%	16%	2
MSE.....	7%	5%	(2)	7%	6%	(1)
Corporate .....	62%	64%	2	61%	63%	2
<b>OTP Bank Romania</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	11%	10%	(1)	11%	10%	(1)
Retail term .....	43%	45%	2	39%	42%	3
MSE.....	9%	9%	0	9%	9%	0
Corporate .....	38%	36%	(2)	41%	40%	(1)
<b>OTP Bank Moldova</b>	<b>31 March 2023</b>	<b>31 March 2024</b>	<b>Y/Y pps</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>Y/Y pps</b>
Retail sight.....	23%	25%	2	26%	21%	(5)
Retail term .....	33%	26%	(7)	29%	29%	0
MSE.....	11%	11%	0	12%	11%	(1)
Corporate .....	34%	38%	4	33%	38%	5

**The following table sets out the performing (Stage 1 + Stage 2) loan volume changes adjusted for FX-effect for the period between 31 December 2023 and 31 March 2024:**

	OTP Group	OTP Core <sup>(2)</sup>	DSK Group	OTP Bank Slovenia	OBH	OTP Bank Serbia	Ipoteka Bank	OTP Bank Ukraine	CKB Group	OTP Bank Albania	OTP Bank Modova	OTP Bank Russia	OTP Bank Romania a
Nominal change (HUF billion) .....	303 <sup>(3)</sup>	49	137	31	69	(1)	(14)	(4)	14	7	(2)	40	(29)
Total.....	1% <sup>(3)</sup>	1%	3%	1%	3%	0%	(2%)	(1%)	3%	2%	(1%)	6%	(3%)
Consumer.....	4% <sup>(3)</sup>	1%	4%	3%	5%	3%	9%	1%	6%	2%	2%	7%	(3%)
Mortgage.....	3% <sup>(3)</sup>	2%	6%	0%	3%	2%	4%		2%	4%	(3%)		(2%)
Corporate(1).....	(1%) <sup>(3)</sup>	0%	1%	1%	1%	(2%)	(16%)	(2%)	3%	0%	0%	(11%)	(3%)
Leasing.....	3%	2%	3%	4%	8%	1%		1%		0%	(10%)		(6%)



Notes:

- (1) Loans to MSE and corporate clients.
- (2) Changes of leasing volumes of Merkantil in Leasing row.
- (3) If adjusted to exclude OTP Bank Romania, the nominal change is HUF 332 billion, the change in total volumes is 2 per cent., the change in consumer volumes is 4 per cent., the change in mortgage volumes is 3 per cent., the change in corporate volumes is -1 per cent. and the change in leasing volumes is 3 per cent.

(4)

**The following table sets out the deposit volume changes adjusted for FX-effect for the period between 31 December 2023 and 31 March 2024:**

	OTP Group	OTP Core	DSK Group	OTP Bank Slovenia	OTP Bank OBH	OTP Bank Serbia	Ipoteka Bank	OTP Bank Ukraine	CKB Group	OTP Bank Albania	OTP Bank Moldova	OTP Bank Russia	OTP Bank Romania
Nominal change (HUF billion)	246	320	77	(164)	88	23	(23)	0	(34)	3	(29)	150	(20)
Total	1%	3%	1%	(3%)	(4%)	1%	(7%)	0%	(6%)	1%	(8%)	13%	(2%)
Retail	1%	3% <sup>(2)</sup>	2%	(1%)	(3%)	5%	(11%)	(1%)	(2%)	0%	(8%)	(4%)	4%
Corporate <sup>(1)</sup>	0%	3%	(2%)	(8%)	(5%)	(2%)	(4%)	1%	(10%)	1%	(8%)	19%	(8%)
Deposits – Net loans gap (HUF billion)	8,112	4,813	1,213	1,689	22	(24)	(577)	447	41	200	171	642	29

Note:

- (1) Including MSE, medium and large sized enterprises (“MLE”) and municipality deposits.
- (2) Including retail bonds.

(3)

**The following table sets out the evolution of consolidated net loans to deposits including retail bonds ratio in 2008 and for the period between 2016 and 1Q 2024:**

	2008	2016	2017	2018	2019	2020	2021	2022	2023	1Q 2024
Consolidated net loans to deposits including retail bonds ratio.....	127%	67%	68%	72%	79%	76%	75%	74%	72%	73%

The consolidated outstanding wholesale debt of the OTP Group has declined significantly since the 2007/2009 global financial crisis. In 2008, the total share of wholesale funding within total assets was 25 per cent., of which close to EUR 7.3 billion equivalent was senior and covered debt, whereas the amount of consolidated subordinated debt was close to EUR 1.6 billion equivalent. The OTP Group issued debt securities before 2008 primarily to finance its acquisitions and also borrowed pursuant to syndicated loans from time-to-time. The liquidity generated by the OTP Group was used to finance its operations and to pay back its maturing wholesale obligations without issuing new debt. Since 2016, the volume of mortgage bonds has increased primarily in order to comply with the Mortgage Funding Adequacy Ratio requirement introduced by the MNB in 2016. The volume of senior bonds further increased in 2023 with the aim to comply with the binding MREL requirement as of 1 January 2024.

**The following table sets out the maturity profile of the OTP Group’s consolidated wholesale debt, in EUR million, as at 31 March 2024:**

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029-2041</b>	<b>Perpetual</b>
Subordinated debt (EUR million) .....	-	16	-	-	-	1,198	231
Bilateral loans (EUR million) .....	37	59	116	98	112	183	-
Senior bonds (EUR million) .....	255	796	1,350	1,289	-	598	-
Mortgage bonds (EUR million) .....	593	57	-	194	-	437	-

As at the date of this Base Prospectus, the management of the OTP Group considers that the OTP Group has a robust maturity profile with a relatively low amount of outstanding debt (close to EUR 7.6 billion in total as at 31 March 2024) and a favorable debt structure. In 1Q 2024, the wholesale funding constituted 7 percent of the total assets, a decrease from the 25 percent ratio observed in 2008.

## Distribution channels

As at 31 March 2024, the OTP Group provided financial services through 1,428 branches, agent networks and various electronic channels. As at 31 March 2024, 5,566 ATMs and 245,657 point-of-sales terminals were in operation group-wide.

The following table sets out the number of branches and number of employees (in full-time equivalents) in the major segments as at 31 March 2023, 31 March 2024, 31 December 2022 and 31 December 2023, respectively:

	31 March 2023		31 March 2024		31 December 2022			31 December 2023	
	Branches	Headcount (closing)	Branches	Headcount (closing)	Branches	Headcount (closing)		Branches	Headcount (closing)
OTP Core (Hungary) .....	355	11,013	340	11,202	352	10,985		342	11,257
DSK Group (Bulgaria) .....	305	5,031	299	5,164	305	5,358		302	5,104
P Bank Slovenia .....	114	2,338	111	2,384	49	875		114	2,355
OBH (Croatia) .....	111	2,312	105	2,411	111	2,294		107	2,400
OTP Bank Serbia .....	155	2,627	155	2,656	155	2,632		156	2,676
OTP Bank Albania .....	54	724	50	699	58	730		50	719
CKB Group (Montenegro) .....	31	498	28	498	33	497		28	503
Ipoteka Bank (Uzbekistan) .....	-	-	39	4,496	-	-	-	39	4,444
OTP Bank Russia (without employed agents) .....	108	4,477	82	4,619	108	4,471		82	4,587
OTP Bank Ukraine (without employed agents) .....	71	2,111	71	2,096	71	2,134		71	2,074
OTP Bank Romania .....	97	1,816	95	1,750	97	1,826		95	1,780
OTP Bank Moldova .....	53	891	53	862	53	896		53	867
Other Hungarian and foreign subsidiaries .....	-	630	-	644	-	619		-	640
<b>OTP Group (without employed agents) .....</b>	-	34,468	-	39,482	-	33,318		-	39,407
OTP Bank Russia – employed agents .....	-	2,334	-	1,867	-	2,431		-	2,018
OTP Bank Ukraine – employed agents .....	-	163	-	104	-	227		-	123
<b>OTP Group (aggregated) .....</b>	1,454	36,965	1,428	41,453	1,392	35,976		1,439	41,547

## Description of the main segments of the OTP Group

The following table sets out the total assets by main segments as at 31 March 2024 and December 2023, respectively (data are in HUF billion):

Segment	31 March 2024	31 December 2023
OTP Core (Hungary) .....	20,058	18,459
DSK Group (Bulgaria).....	6,827	6,457
OTP Bank Slovenia .....	5,794	5,893
OBH (Croatia) .....	3,349	3,278
OTP Bank Serbia .....	2,997	2,875
OTP Bank Albania.....	709	670
CKB Group (Montenegro).....	665	664
Ipoteka Bank (Uzbekistan) .....	1,250	1,187
OTP Bank Russia.....	1,736	1,471
OTP Bank Ukraine .....	1,087	1,037
OTP Bank Romania.....	1,645	1,600
OTP Bank Moldova.....	420	428
OTP Fund Management.....	46	39
Leasing subsidiaries.....	952	931
Foreign Asset Management Companies, Eliminations and others.....	(6,056)	(5,380 )

### ***OTP Core (Hungary)***

In terms of balance sheet totals, the Issuer is the largest bank in Hungary<sup>17</sup> and provides a full-scale service through its branch network, digital channels and network of sales agents. The core activities of the OTP Group in Hungary are performed by the Issuer and certain of its domestic affiliated entities (together “**OTP Core**”). OTP Core is an economic unit for measuring the results of core business activities of the OTP Group in Hungary. The financial information of OTP Core is calculated from the partially consolidated IFRS financial statements of certain companies<sup>18</sup> engaged in the OTP Group’s operations in Hungary. The consolidated results of these companies were segmented into OTP Core and Corporate Centre. The Corporate Centre is a virtual entity. Since 1Q 2023 the segmentation of the Hungarian operation has changed and the Corporate Centre is no longer carved out of the OTP Core segment as previously.

Through these OTP Group members, OTP Core provides retail and corporate lending, account management, payment card, savings and investment services. Within its retail lending business line, OTP Core offers residential and mortgage loans as well as consumer loans. The corporate business offers products and services to fulfil transactional, investment and credit needs of large corporate, MSE and municipal clients. Insurance requirements of OTP Core clients are supplied by sales of insurance products via strategic collaboration with the French insurance Groupama Group, after it acquired OTP Garancia Insurance in 2008.

The Issuer’s management believes that its Hungarian market share in total assets was 29 per cent., in retail lending 34 per cent., in retail deposits 39 per cent., in corporate loans 19 per cent., and in corporate deposits 23 per cent., each as at 31 March 2024.

<sup>17</sup> Source: *The National Bank of Hungary – ‘Golden Book’ – Individual data of supervised institutions – 2022.*

<sup>18</sup> These companies include OTP Bank Hungary Plc., OTP Mortgage Bank Ltd., OTP Building Society Ltd., OTP Factoring Ltd., OTP Financial Point Ltd., and companies providing intragroup financing, OTP Bank Employee Stock Ownership Plan Organisation, OTP Card Factory Ltd., OTP Facility Management Llc., MONICOMP Ltd., OTP Mobile Service Llc. OTP Ingatlanpont Llc. and OTP Home Solutions. OTP Ecosystem Ltd. (previous name: OTP eBIZ Ltd.) was eliminated from 1Q 2023

### ***Asset management***

OTP Fund Management, established in 1993, is a member of the OTP Group. OTP Fund Management has subsidiaries in Romania, Bulgaria, Croatia, Serbia and Ukraine. Based on the data provided by the Association of Hungarian Investment Fund and Asset Management Companies (“**BAMOSZ**”) the Issuer’s management believes that OTP Fund Management is the market leading securities fund management company in Hungary, with approximately HUF 4,009 billion assets under management as at 31 December 2023. It is managing more than 60 investment funds and 20 institutional portfolios. The Issuer’s management believes that the market share by assets under management of OTP Fund Management in the Hungarian securities fund market was 32 per cent. as at 31 March 2024.

While OTP Fund Management manages typical asset categories like money market funds, bond funds, balanced funds, equity funds, absolute return funds and capital protected funds, OTP Real Estate Investment Funds Management Ltd. (which is 100 per cent. owned by the Issuer) specialises in direct and non-direct real estate investment funds. The objective of the company is to offer real estate market linked special collective investment products that provide a return on investment. As at 31 December 2023, it manages funds with gross value of HUF 769 billion (EUR 1.97 billion).

In 2023, the assets under management of BAMOSZ members (without real estate and venture capital funds) increased by 61.6 per cent., year-on-year and by 31 December 2023 had reached HUF 10,826 billion. The total inflow was HUF 3,006 billion, mostly to bond, capital protected and derivative funds. The inflow to OTP Fund Management’s products was HUF 1,305 billion, the rest of the market booked an inflow of HUF 1,700 billion.

### ***Leasing***

The OTP Group’s leasing business incorporates Merkantil in Hungary (with around 24.8 per cent. market share as at December 2023 as determined by the Issuer’s management) as well as its subsidiaries in Croatia, Bulgaria, Romania, Serbia and Ukraine. Merkantil’s total assets comprised approximately HUF 842 billion as at 31 December 2023. The main products of Merkantil are: (1) financing of passenger cars and light commercial vehicles to retail customers, individual entrepreneurs, companies and other organisations, sold primarily through intermediaries and also through direct banking sales channels; (2) vehicle fleet financing and operation to individual entrepreneurs, companies and other organisations, sold primarily through intermediaries and also through direct banking sales channels; (3) financing of equipment, including agricultural machinery, truck financing, IT financing to individual entrepreneurs, companies and other organisations.

### ***Foreign subsidiaries***

The Issuer started its regional acquisitions in Slovakia (IRB) in 2002, followed by Bulgaria (DSK Group) in 2003, Romania (RoBank) in 2004, and Croatia (Novabanka) in 2005. In 2006, the Issuer made acquisitions in Serbia (Niska banka, Zepter banka Kulska banka), in Ukraine (Raiffeisen Bank Ukraine), in Russia (Investsberbank Group) and in Montenegro (CKB Bank). In 2007, OTP Bank Russia signed an agreement on the acquisition of Donskoy Narodny Bank. The total assets of the OTP Group increased significantly during this period and exceeded EUR 35 billion in 2008. The 2007/2009 global financial crisis put a temporary break on acquisitions and acquisition activity resumed again in 2014. Throughout the global financial crisis, the total assets of the OTP Group remained between EUR 32 billion and EUR 36 billion. The OTP Group purchased a smaller entity in Croatia (Banco Popolare Croatia) in 2014 and in Romania (Millennium Bank) in 2015. In 2016, the Issuer acquired the retail lending and savings and the corporate businesses of AXA Bank. The employees of AXA Bank were all transferred to the Issuer by 1 November 2016 within the framework of an employer’s succession. The migrated loan portfolio consisted of almost 100 per cent. of mortgage loans and the total volume was approximately HUF 177 billion.

A further wave of acquisitions commenced in 2016 as some banks decided to divest their non-core holdings in the CEE region (please see “*History of 2016-2023 acquisitions*” below). This new expansionary phase contributed to an increase in the total assets of the OTP Group from EUR 34 billion in 2015 to EUR 105 billion by 31 March 2024.

The Issuer’s management believes that the Bulgarian operation was the largest bank in terms of net loans in the local banking market and the second largest in terms of total assets as well as deposits in the local banking market as at 31 March 2024. The Issuer’s management believes that CKB was the market leader in terms of total assets and net loans in Montenegro as at 31 March 2024. The Issuer’s management believes that the OTP Group’s Croatian operation was the fourth largest lender in the local banking market as at 31 March 2024. The Issuer’s management believes that the market share of the OTP Group’s Serbian operation was the second largest in terms of total assets, and the largest in terms of net loans in the local banking market as at 31 March 2024.

The Issuer’s management believes that its Slovenian banking operation ranked second in the local banking market by total assets and first by net loans as at 31 March 2024. The Issuer’s management believes that its market share in Ukraine was more than 3 per cent. in terms of total assets as at 1 April 2024 and it was the eleventh largest bank in terms of total assets in the Ukrainian banking market. The Issuer’s management believes that OTP Group’s Russian operation was the thirtieth largest bank in terms of gross loans in Russia as at 31 March 2024.

The Issuer’s management believes that OTP Bank Moldova was the fourth largest bank in Moldova in terms of total assets as at 31 March 2024. The Issuer’s management believes that the Albanian operation was the fifth largest bank in terms of total assets, and the fourth largest in terms of net loans in the Albanian banking market as at 31 March 2024. The Issuer’s management believes that the local market share of the OTP Group’s Uzbek operation was the fifth largest in terms of total assets as at 31 March 2024.

### ***History of 2016-2023 acquisitions***

Since 21 December 2016, the Issuer has announced ten acquisitions in the CEE region, whereby the Issuer or its relevant local subsidiary agreed to the acquisition of the target entity and, in some cases, certain other exposures. In general, these acquisitions were undertaken to strengthen the OTP Group’s market positions and potentially achieve benefits from synergies in the countries where it is already present and also to build presence in new regional markets (Albania, Moldova and Slovenia).

On 31 May 2021, the OTP Group signed a share sale and purchase agreement for the purchase of 100 per cent. of the shares of Nova KBM d.d. and its subsidiaries, which are 80 per cent. owned by funds managed by affiliates of Apollo Global Management, Inc. and 20 per cent. by The European Bank for Reconstruction and Development (the “**EBRD**”). On 8 September 2022, the European Central Bank gave its approval for the purchase. On 31 January 2023, the Slovenian competition authority approved the acquisition by the Issuer of 100 per cent. of the shares of Nova KBM d.d. The related share transfer and the settlement of the purchase price took place in February 2023, and the newly acquired bank contributed 11 months of earnings to the consolidated profit after tax in 2023.

On 29 September 2021, the Issuer signed a non-binding Memorandum of Agreement regarding the potential acquisition of a majority stake in Ipoteka Bank and its subsidiaries with the Ministry of Finance of the Republic of Uzbekistan. Ipoteka Bank was the fifth largest bank in Uzbekistan with a total asset-based market share of 8.5 per cent. as of 30 September 2022. On 3 October 2022, the involved parties reiterated their commitment to the acquisition of Ipoteka Bank by the OTP Group through the signing of a Memorandum of Understanding. On 12 December 2022, the parties signed a sale and purchase agreement in relation to the acquisition by the Issuer of Ipoteka Bank. According to the terms of the agreement, the Issuer will purchase 100 per cent. of the

shares held by the Ministry of Finance of the Republic of Uzbekistan (which constitutes nearly 97 per cent. of the total shareholding) in two steps: (i) 75 per cent. of the shares will be acquired initially and (ii) the remaining 25 per cent. of the shares will be acquired three years following the financial closure of the first leg of the transaction. The International Finance Corporation (“IFC”) has been providing financing and transformation support to Ipoteka Bank for several years. The IFC has confirmed its commitment to continue such cooperation with the Issuer, as the new majority shareholder of Ipoteka Bank. On 13 June 2023, the first step of the acquisition was completed. Consequently, the Issuer became the majority shareholder of Ipoteka Bank by acquiring a 73.71 per cent. shareholding, and became indirect shareholder of Ipoteka Bank’s wholly-owned subsidiaries. The newly acquired bank contributed 6 months of earnings to the consolidated profit after tax in 2023. The Issuer announced in February 2024, that the registered capital of Ipoteka Bank was increased to UZS 3,834,217,638,941 from UZS 2,989,584,338,941. As a consequence of the capital increase, the ownership ratio of the Issuer increased to 79.58 per cent.

On 6 December 2021, the Issuer signed an acquisition agreement with Alpha International Holdings Single Member S.A. on purchasing 100 per cent. of the shares of Alpha Bank SH.A., the Albanian subsidiary of the Greek Alpha Bank S.A. The purchase price has been agreed at EUR 55 million. On 18 July 2022, the financial settlement of the transaction was completed.

**The following table sets out details of such acquisitions:**

No.	Country of acquisition	Acquisition target	Share acquired in target bank <sup>(2)</sup>	Seller banking group	Date of acquisition agreement	Date of financial closing	Gross loans net of provisions in HUF billion <sup>(1)</sup>	Book value <sup>(2)</sup>
1	Croatia	Splitska banka d.d.	100%	Société Générale	20/12/2016	02/05/2017	631	496
2	Serbia	Vojvodjanska banka a.d., NBG Leasing d.o.o. and certain other exposures	100%	National Bank of Greece	04/08/2017	01/12/2017	266	174
3	Bulgaria	Société Générale Expressbank AD	99.74%	Société Générale	01/08/2018	15/01/2019	774	421
4	Albania	Banka Société Générale Albania SH. A.	100%	Société Générale	01/08/2018	29/03/2019	124	58
5	Serbia	Société Générale Banka Srbija a.d.	100%	Société Générale	20/12/2018	24/09/2019	716	381
6	Moldova	Mobiasbanca – Groupe Société Générale S.A.	98.26%	Société Générale	06/02/2019	25/07/2019	102	86
7	Montenegro	Société Générale banka Montenegro a.d.	100%	Société Générale	28/02/2019	16/07/2019	126	66
8	Slovenia	SKB Banka and its subsidiaries	99.73%	Société Générale	02/05/2019	13/12/2019	827	356
9	Slovenia	Nova Kreditna banka Maribor and its subsidiaries	100%	Apollo Global Management, EBRD	31/05/2021	06/02/2023	2,068	993
10	Albania	Alpha Bank SH.A.	100%	Alpha International Holdings Single Member S.A.	03/12/2021	18/07/2022	99	73
11	Uzbekistan	Ipoteka Bank	79.58%	Uzbek State	12/12/2022	13/06/2023	981	506

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Note:

- (1) Gross loans net of provisions in HUF billion are calculated from publicly available individual bank data as of November 2018 in case of Splitska banka d.d., March 2019 in case of Vojvodjanska banka a.d., Société Générale Expressbank AD and Banka Société Générale Albania SH. A. and September 2019 in case of Société Générale Banka Srbija a.d., Mobiasbanca, Société Générale banka Montenegro a.d., December 2019 in case of SKB Banka, December 2020 in case of Alpha Bank SH.A., December 2022 in case of Nova Kreditna banka and March 2023 in case of Ipoteka Bank using the then prevailing local currency to HUF exchange rate.
- (2) Book value in EUR billion is calculated from publicly available individual bank data as of December 2016 in case of Splitska banka d.d., September 2017 in case of Vojvodjanska banka a.d., December 2018 in case of Société Générale Expressbank AD, Banka Société Générale Albania SH. A., Société Générale Banka Srbija a.d., Mobiasbanca, Société Générale banka Montenegro a.d. and SKB Banka, December 2020 in case of Alpha Bank SH.A. , December 2022 in case of Nova Kreditna banka and March 2023 in case of Ipoteka Bank, using the then prevailing local currency to EUR exchange rate.

The Issuer has made a strategic decision to divest its Romanian operations due to the management's assessment that the scale of operations was not optimal. On 9 February 2024, the Issuer concluded a share sale and purchase agreement to sell its directly and indirectly owned 100 per cent. shareholding in OTP Bank Romania S.A. to Banca Transilvania S.A. The OTP Group is also selling its 100 per cent. shareholdings in its other Romanian subsidiaries, OTP Leasing Romania IFN S.A. and OTP Asset Management S.A.I. S.A. to Banca Transilvania under the transaction. The selling price is EUR 347.5 million which is less than the recognised net asset value of the Romanian subsidiaries to be sold in the consolidated accounts, accordingly the transaction affected negatively the consolidated after tax profit of the OTP Group by HUF 59.5 billion, which has already been booked in 4Q 2023. As a result of the transaction, at the time of the closing the consolidated capital adequacy ratio is expected to improve by 52 basis points. The financial closing of the transaction is expected to take place in 2024 subject to the necessary regulatory approvals.



## **Framework agreements with Development Banks**

From time to time the Issuer enters into framework agreements with multilateral development banks (each a “**Development Bank**”) pursuant to which each Development Bank may acquire Notes in any offering of Notes from time to time in an amount that may be material in respect of the relevant Series of Notes. Subject to the relevant Development Bank acquiring Notes in any such offering, the Issuer may also undertake to comply with certain environmental and/or social compliance and/or corporate governance policies and requirements of such Development Bank.

## **Governmental, legal and arbitration proceedings**

As of the date of this Base Prospectus, neither the Issuer nor any other member of the OTP Group is involved in any governmental, legal or arbitration proceedings which may have a significant effect on the financial position, operations or profitability of the Issuer or the OTP Group. However, the OTP Group may be a party to legal proceedings in the future. There can be no assurance that the OTP Group will not be subject to fines, damages or other penalties which could have a material adverse effect on the OTP Group’s business and financial position.

## **Recent developments**

### ***Dividends in respect of the 2019, 2020, 2021, 2022 and 2023 financial years***

Following the successful performance of the OTP Group in 2019, the Board of Directors initially planned for the Issuer to pay dividends to its shareholders with respect to the 2019 financial year. However, following an executive circular sent by the MNB, proposing measures to mitigate the negative effects on the financial intermediary system caused by COVID-19, the Board of Directors proposed to the Annual General Meeting (“**AGM**”) that no dividend shall be paid to the shareholders in respect of the 2019 financial year.

In its circular of 8 January 2021, the MNB instructed Hungarian credit institutions to refrain from paying dividends or making irrevocable commitments to pay dividends until 30 September 2021 in respect of the financial years ended 31 December 2019 and 2020 or at the expense of earnings made in earlier years, and also to refrain from share buybacks crediting investors until 30 September 2021 (share buybacks under a remuneration policy are not part of such limitation).

On 13 April 2022, the AGM of the Issuer determined that the net profit for 2021 is to be allocated (i) to increase the general reserve by HUF 12,534 million, (ii) to pay dividend amounting to HUF 120,248 million from the net profit for the period, out of which the amount the dividend corresponding to 2019 and 2020 is HUF 119,248 million and the dividend corresponding to for 2021 is HUF 1,000 million. As such, the dividend per share is HUF 425.89 for 2019 and 2020, and HUF 3.57 for 2021 (in total, HUF 429.46, compared to the face value of shares it is 429.46 per cent.).

On 28 April 2023, the AGM of the Issuer determined that HUF 5,969 million from the net profit for 2022 and HUF 78,031 from the profit reserve are allocated to pay dividends to shareholders for the year 2022. As such, the dividend per share is HUF 300 for 2022 (which amounts to 300 per cent. of the face value of the shares in the Issuer).

On 12 February 2024, the Issuer received an individual authorisation from MNB allowing it to buyback its own shares in the total amount of HUF 60 billion until 31 December 2024. The full amount of the share buybacks will be deducted immediately from the own funds of the Issuer.

On 26 April 2024, the AGM of the Issuer determined that the net profit for 2023 is to be allocated (i) to increase the general reserve by HUF 65,499 million, and (ii) to pay dividends amounting to HUF 150,000

million from the net profit for 2023. As such, the dividend per share is HUF 535.71 (which amounts to 535,71 per cent. of the face value of the shares in the Issuer).

### ***Environmental, Social and Governance (“ESG”)***

Corporate responsibility has been an important factor for OTP Group for 15 years but starting from 2020 its sustainability efforts increased significantly. In the first half of 2021, the mapping of ESG business opportunities and the formulation of OTP Group's ESG-related strategic ambitions began and its ESG strategy has been formulated – as one of the leading banks in the CEE region, the OTP Group's mission in the ESG space is to be the regional leader in financing a fair and gradual transition to a low-carbon economy and building a sustainable future through our responsible solutions. As one of the leading banks in the CEE region, the OTP Group is mainstreaming ESG in a challenging environment by managing the varying maturity of local markets, raising the relatively low ESG awareness of its customers, responding to rapidly changing regulatory changes that are not necessarily harmonised across the OTP Group's countries, and managing the different expectations of its investors.

In 2021, a dedicated organisational framework has been set up to ensure representation of ESG management responsibility in breadth and depth, the ESG Committee is responsible for formulating and executing on the ESG Strategy, directly reporting to the management body. The Issuer's management has also set key performance indicators to measure strategic goals. ESG compliance and other sustainability efforts set by the ESG strategy are constantly on the agenda, and the Issuer is constantly developing tools and processes that bring it closer to its ESG goals. The OTP Group provides transparency on its results via the publication of its sustainability report.

A notable milestone in 2022 was the completion of the Green Loan Framework, which has been approved by the MNB as first of its kind in Hungary and was the first milestone tool which enables the OTP Group to fulfil its role of financing the green transition. In 2023, the Green Loan Framework has been expanded to include new economic activities related to climate change mitigation and adaptation, taking into account the composition of the OTP Group's portfolio and business opportunities, and now covering 51 economic activities in 6 macro sectors. The geographic scope of the Green Loan Framework has also been extended and was successfully rolled out to the members of the OTP Group (excluding Russia, Moldova, Ukraine and Uzbekistan).

In alignment with the broader corporate responsibility strategy of the OTP Group, a Sustainable Finance Framework has been established in 2022 with the aim to issue Sustainable Finance Instruments to finance and refinance projects which enable the transition to a low carbon and climate resilient economy, and/or provide positive societal impact and to mitigate social problems. In July 2022, the Issuer issued its first series of green bonds, which was the first Hungarian green bond issued in the international debt markets. The subsidiaries of the OTP Group have also prepared their local green strategies and set green loan targets. Since then, the growth of the green loan portfolio has begun at the subsidiary banks, significantly contributing to the successful green bond issuance of the Issuer.

During 2023, both the Issuer and its subsidiaries have broadened their ESG activities in both business development and risk management. The OTP Group's green loan portfolio has been steadily growing, the balance sheet green exposure at OTP Group level was more than HUF 656 billion at the end of 2023. The OTP Group is on track to reaching its target of HUF 1,500 billion green exposure by 2025. Besides integrating the business aspects of ESG, the Issuer is continuously adapting its risk and investment management practices to meet the requirements of climate and environmentally conscious banking, taking into account the requirements of Hungarian and international regulators.

### ***Temporary cap on floating interest rates applicable to consumer mortgage loans***

On 24 December 2021, the Hungarian Government introduced a temporary cap on floating interest rates applicable to consumer mortgage loans – between 1 January 2022 and 30 June 2022, floating interest rates applicable to consumer mortgage loans cannot be set higher than the actual floating interest rate which was applicable in the context of the respective mortgage loan on 27 October 2021. In addition, lenders are not entitled to increase principal and interest amounts payable under consumer mortgage loans with any interest amounts which become due and are not paid during the above temporary period.

According to Decree 49/2022 (II. 18.) issued by the Hungarian Government on 18 February 2022: between 1 January 2022 and 30 June 2022 in the case of financial lease contracts on housing purpose with a reference interest rate, the reference interest rate shall be set so, that it can not be higher than the reference interest rate specified in the contract on 27 October 2021. The modification loss related to the interest rate cap for variable rate mortgage loans announced on 22 December 2021 was recognised in the Issuer's 2022 financial accounts. The extension of the interest rate cap to housing purposes financial leasing contracts did not have a significant negative effect.

On 16 June 2022, the Prime Minister of Hungary announced that the Hungarian Government will maintain the temporary cap on floating interest rates applicable to consumer mortgage loans (on financial lease contracts on housing purpose also) until 31 December 2022. This amendment was introduced by Government Decree No. 215/2022 on 17 June 2022, and entered into force on 18 June 2022.

On 14 October 2022, the Hungarian Government decided to maintain the temporary cap on floating interest rates applicable to consumer mortgage loans (as well as on financial lease contracts for housing purposes) until 30 June 2023. This amendment was introduced by Government Decree No. 390/2022 on 14 October 2022 and entered into force on 15 October 2022. From 1 November 2022, the application of this temporary cap was also extended to non-state subsidised mortgage loan contracts with an interest rate fixed for up to five years.

According to Decree 415/2022 (X. 26.) issued by the Hungarian Government on 26 October 2022, the temporary cap on floating interest rates was extended to HUF denominated, non-state subsidised credit-, loan- and financial lease agreements of MSEs. Following 15 November 2022, interest rates were frozen retroactively at their level on 28 June 2022. The cap is effective until 30 June 2023, similar to the existing cap on consumer mortgage rates. This Decree entered into force on 27 October 2022.

According to the Government Decree 522/2023 (XI.30.), the temporary cap on floating interest rates applicable to consumer mortgage loans remains in force until 30 June 2024. The temporary cap on floating interest rates to HUF denominated, non-state subsidised credit-, loan- and financial lease agreements of MSEs was in effect until 1 April 2024.

### ***Russia-Ukraine crisis***

The military conflict between Russia and Ukraine escalated in the second half of February 2022. As of the date of this Base Prospectus, it is difficult to quantify the full effect of the Ukraine-Russia conflict on the Ukrainian and the Russian operations of OTP Group as there are a wide range of possible scenarios which may eventuate. Under the worst possible scenario, the Issuer may lose control of its investments, which under extreme conditions could result in the full write-off of the invested amount.

In the case of Ukraine and Russia, the OTP Group applies a “*going concern*” approach. However, in Russia the OTP Group is still considering all strategic options, although a Russian presidential decree in October 2022 prohibited the sale of shares of 45 banks, including OTP Bank Russia, without presidential approval. The Issuer's management is continuously monitoring the situation of the Ukrainian-Russian conflict in order to be able to take the necessary steps to moderate the business risk.

In the second half of 2023, the Russian Central Bank gave its consent on two occasions for the Russian subsidiary of the OTP Group to distribute dividends in the total amount of approximately HUF 50 billion equivalent. In 2024 the Russian operation of the Group is expected to make further dividend payments towards the Issuer; RUB 9.45 billion of dividends has been approved as of the date of this Base Prospectus.

If the Russian subsidiary of the OTP Group was deconsolidated and the outstanding gross intragroup exposures were written off, the negative effect on the consolidated CET1 ratio would be 5 basis points, whereas in case of the Ukrainian operation the negative effect would be 11 basis points based on data as of 31 March 2024.

***Termination of the state of emergency related to the COVID-19 pandemic and introduction of the state of emergency related to the Russia-Ukraine crisis***

On 24 May 2022 the Hungarian Government terminated the state of emergency related to the COVID-19 pandemic, effective as 1 June 2022.

On the same day, the Hungarian Parliament amended the 51st Article of the Fundamental Law of Hungary about the state of emergency. The amendment now allows a state of emergency to be proclaimed not only in the event of a natural or an industrial disaster, but also in the event of an armed conflict, a state of war or a humanitarian disaster in a country neighbouring Hungary. In view of this amendment and the Ukrainian-Russian war, the Government has declared a state of emergency, effective as of 25 May 2022.

During the state of emergency, the Hungarian Government governs Hungary by decrees which as a general rule remains in effect for 15 days. After that period, each decree may be extended by the Parliament on an individual basis. These decrees of the government will expire at the latest at the end of the state of emergency. However, without prejudice to the above, even in the state of emergency the constitutional check over the Hungarian Government must be ensured by the Parliament and the Constitutional Court. The activity of the Constitutional Court cannot be suspended even in the state of emergency and it must constantly monitor the constitutionality of the government's actions. Also, the Parliament is entitled to challenge the maintenance of the state of emergency. If the Hungarian Government proposes that the maintenance of the state of emergency is no longer necessary it can decide for its termination.

On 8 June 2022, the Hungarian Parliament adopted Act VI of 2022 on resolving the consequences of the armed conflict and the humanitarian catastrophe in a neighbouring country of Hungary ("**Emergency Decree**"). According to the Emergency Decree (as amended by various Government decrees on the extension of the state of emergency), all the Hungarian Government decrees promulgated since the declaration of the state of emergency on 25 May 2022 will remain in force until 19 November 2024, or until the state of emergency is further extended by the Hungarian Government. In case the Hungarian Government finds that the maintenance of the state of emergency is no longer necessary, it can decide for its termination, and in such case all the decrees adopted by the Hungarian Government during the state of emergency will immediately expire.

***Windfall tax on extra profits in the banking sector***

On 24 May 2022, the Hungarian Government announced a special tax on extraordinary profits in the banking and other sectors (the "**Windfall Tax**"). The Windfall Tax will be levied with respect to financial years 2022, 2023 and 2024 on a temporary basis and is expected to result in additional annual taxes on the Hungarian banking sector of around HUF 250 billion in total.

On 4 June 2022, the Government Decree No. 197/2022 on extra profit taxes (the "**Windfall Tax Decree**") was published. According to the Windfall Tax Decree, the base of the Windfall Tax for the banking sector is to be determined on the basis of the net sales revenue as reflected in the annual report of the relevant financial institution for the year preceding the relevant tax year. The rate of the Windfall Tax is 10 per cent. in 2022 and 8 per cent. in 2023. The Windfall Tax must be assessed and declared by 10 October 2022, and 50 per cent. of the 2022 tax liability is also due by that date. According to the Issuer's interpretation, the relevant taxpayers for

these purposes are financial institutions domiciled in Hungary, and Hungarian branches of financial institutions domiciled in other EEA countries.

In line with the above, the Hungarian group members of the OTP Group paid HUF 68 billion in 2022 after corporate tax, which was recorded in 2Q 2022 in a lump sum and was presented in the adjusted income statement under adjustment items. The total amount of Windfall Tax payable in 2023 is calculated to be HUF 69 billion.

In addition to the above, the Windfall Tax Decree also introduced new rules for the payment of the Payment Transaction Duty. HUF 50 billion is expected to be collected from the Hungarian financial sector by the extension of the scope of the Payment Transaction Duty to include securities transactions.

According to the Windfall Tax Decree, banks and investment firms must pay a Payment Transaction Duty after the purchase, for the benefit of a customer or on an own account basis, of a financial instrument with an ISIN code issued by KELER Zrt., the Hungarian central securities depository company. The rate of the Payment Transaction Duty for these purposes is 0.3 per cent of the base amount (i.e. the purchase price of the financial instrument credited to the securities account), but not more than HUF 10,000 per purchase. In the case of purchase in a foreign currency, the exchange rate must be converted into HUF at the exchange rate published by the National Bank of Hungary on the settlement date. In addition, the Windfall Tax Decree further extends the scope of the Payment Transaction Duty by making it applicable to payment services providers, credit and money lending, currency exchange and currency exchange intermediation services in Hungary as cross-border services.

The Windfall Tax Decree was amended by the Hungarian Government on 24 April 2023. The amended legislation changed the calculation of the tax base, as well as the tax rate for 2H 2023. Accordingly, for that period the tax base (taking into account various factors that can impact it) will be 50 per cent. of the profit before tax, while the tax rate will be 13 per cent. for the part of the tax base not exceeding HUF 10 billion, and 30 per cent. above this threshold. As a result, the annual Windfall Tax burden of the OTP Group for the year 2023 was changed to HUF 41 billion.

The Government Decree No. 206/2023 (V.31.) published on 31 May 2023 outlined the details of the Windfall Tax payable by credit institutions in 2024. The basis of the tax is the 2022 profit before tax (adjusted for several items). The tax rate is 13 per cent. for the part of the tax base that does not exceed HUF 20 billion, and 30 per cent. for the amount above HUF 20 billion. According to the decree, if the average amount of Hungarian government bonds owned by the financial institution increases over a certain period, the Windfall Tax payable by the credit institution will be reduced. The reduction cannot be more than 10 per cent. of the increase in government bond holdings and cannot exceed 50 per cent. of the Windfall Tax payment obligation calculated without the reduction.

The gross amount of the Windfall Tax for the year 2024 will be HUF 13 billion. In the case of the Hungarian Group members of the OTP Group, it can be reduced to HUF 6.5 billion subject to the increase in government bond holdings. As for timing, the HUF 13 billion gross annual tax obligation was recognised in one sum in January 2024, whereas the pro-rated part of the reduction will be booked on a monthly basis, evenly split through 2024.

#### ***New policies regarding government securities***

The Hungarian Government promulgated three different decrees in order to increase purchases of government securities.

According to Government Decree No. 205/2023. (V. 31), the Hungarian Government introduced a 13 per cent. social contribution tax in addition to a 15 per cent. interest tax. The new tax must be paid on interest generated after 1 July 2023 and also on the exchange rate gain of newly purchased securities. The social contribution tax

applies to bank deposits, other public investment certificates and bonds, but not to real estate fund investment certificates and government securities.

Pursuant to Government Decree No. 208/2023. (V. 31.), the Hungarian Government imposed a new allocation setting the weight of Hungarian government securities in the portfolios of bond funds, equity funds and mixed funds to at least 60 per cent. However, according to the new rules, from 1 August 2023 a maximum of 5 per cent. of the assets of these securities funds can be invested in debt securities other than HUF denominated government securities.

According to Government decree No. 209/2023. (V. 31.), between 1 October 2023 and 31 December 2023, all credit institutions must send a warning notice to their customers showing how much their customers would have gained if they had put their money in Hungarian government securities as opposed to bank deposits. In the warning notice, the credit institution calculates and presents in a clear tabular form the return that could have been achieved in the specified reference period (between 1 October 2022 and 1 October 2023) for HUF 100,000, HUF 500,000 or HUF 1,000,000.

#### ***Consumer finance joint venture company in China***

On 2 June 2022, the Issuer executed transaction agreements with its partners to establish a consumer finance joint venture company (the “JV”) as a greenfield investment in China with a 15 per cent. shareholding by the Issuer. On 14 April 2022, the National Bank of Hungary as the competent Hungarian authority, granted preliminary authorisation for the establishment of the JV. Given that the necessary condition precedents were not fulfilled by the relevant contractual deadlines, the Issuer announced in February 2024 that the Issuer’s management had decided to terminate the JV project in China.

## FINANCIAL PERFORMANCE OF THE OTP GROUP

### OTP Bank Plc. Consolidated Statement of Financial Position as at 31 December 2023 and 31 December 2022, respectively

	31 December 2023	31 December 2022
	<i>(in HUF million)</i>	
Cash, amounts due from banks and balances with the National Banks.....	7,125,049	4,221,392
Placements with other banks.....	1,566,998	1,351,082
Repo receivables.....	223,884	41,009
Financial assets at fair value through profit or loss.....	288,885	436,387
Securities at fair value through other comprehensive income.....	1,601,461	1,739,603
Securities at amortised cost.....	5,249,272	4,891,938
Loans at amortised cost.....	17,676,533	16,094,458
Loans mandatorily at fair value through profit or loss.....	1,400,485	1,247,414
Finance lease receivables.....	1,289,712	1,298,752
Associates and other investments.....	96,110	73,849
Property and equipment.....	523,124	464,469
Intangible assets and goodwill.....	291,358	237,031
Right-of-use assets.....	74,698	58,937
Investment properties.....	53,381	47,452
Derivative financial assets designated as hedge accounting.....	41,967	48,247
Deferred tax assets.....	55,691	75,421
Current income tax receivables.....	7,773	5,650
Other assets.....	509,430	471,119
Assets classified as held for sale.....	1,533,333	-
<b>TOTAL ASSETS</b> .....	<b><u>39,609,144</u></b>	<b><u>32,804,210</u></b>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks.....	1,940,862	1,463,158
Repo liabilities.....	126,237	217,369
Financial liabilities designated at fair value through profit or loss....	70,707	54,191
Deposits from customers.....	28,332,431	25,188,805
Liabilities from issued securities.....	2,095,548	870,682
Derivative financial liabilities held for trading.....	140,488	385,747
Derivative financial liabilities designated as hedge accounting.....	63,899	27,949
Leasing liabilities.....	76,313	63,778
Deferred tax liabilities.....	28,663	40,094
Current income tax payable.....	69,948	28,866

	31 December 2023	31 December 2022
Provisions .....	121,119	131,621
Other liabilities .....	745,820	707,654
Subordinated bonds and loans .....	562,396	301,984
Liabilities directly associated with assets classified as held for sale .	1,139,920	-
<b>TOTAL LIABILITIES.....</b>	<b>35,514,351</b>	<b>29,481,898</b>
Share capital .....	28,000	28,000
Retained earnings and reserves .....	4,179,322	3,395,215
Treasury shares.....	(120,489)	(106,862)
<b>Total equity attributable to the parent.....</b>	<b>4,086,833</b>	<b>3,316,353</b>
Total equity attributable to non-controlling interest.....	<b>7,960</b>	<b>5,959</b>
<b>TOTAL SHAREHOLDERS' EQUITY .....</b>	<b>4,094,793</b>	<b>3,322,312</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY .....</b>	<b>39,609,144</b>	<b>32,804,210</b>

Source: OTP Bank Plc. – Audited Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and Independent Auditor's Report as at, and for the year ended, 31 December 2023.

## OTP Bank Plc. Consolidated Statement of Profit or loss for the year ended 31 December 2023 and 31 December 2022, respectively

	31 December 2023	31 December 2022
(in HUF million)		
<b>CONTINUING OPERATIONS</b>		
Interest income calculated using the effective interest method...	2,314,677	1,425,859
Income similar to interest income .....	633,587	475,547
<b>Interest income and income similar to interest income.....</b>	<b><u>2,948,264</u></b>	<b><u>1,901,406</u></b>
<b>Interest expense .....</b>	<b><u>(1,561,558)</u></b>	<b><u>(874,538)</u></b>
<b>NET INTEREST INCOME .....</b>	<b><u>1,386,706</u></b>	<b><u>1,026,868</u></b>
Loss allowance on loans, placements, amounts due from banks and on repo receivables .....	(109,223)	(145,159)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss.....	(91)	13,346
Release of loss allowance / (Loss allowance) on securities at fair value through other comprehensive income and on securities at amortised cost .....	8,831	(60,761)
Release of provision / (Provision) for commitments and guarantees given.....	19,870	(5,917)
Release of impairment / (Impairment) of assets subject to operating lease and of investment properties .....	1,332	(1,204)
<b>Risk cost total.....</b>	<b><u>(79,281)</u></b>	<b><u>(199,695)</u></b>



	31 December 2023	31 December 2022
<b>NET INTEREST INCOME AFTER RISK COST .....</b>	<b><u>1,307,425</u></b>	<b><u>827,173</u></b>
<b>Loss from derecognition of financial assets at amortized cost .....</b>	<b>(17,182)</b>	<b>(1,573)</b>
<b>Modification loss.....</b>	<b>(38,141)</b>	<b>(39,997)</b>
Income from fees and commissions.....	861,309	716,866
Expense from fees and commissions .....	(169,316)	(132,375)
<b>Net profit from fees and commissions .....</b>	<b><u>691,993</u></b>	<b><u>584,491</u></b>
Foreign exchange results, net .....	13,827	(16,302)
Gain / (Loss) on securities, net .....	7,283	(4,505)
Fair value adjustment on financial instruments measured at fair value through profit or loss.....	94,613	(4,044)
Net results on derivative instruments and hedge relationships....	(12,760)	16,360
Profit from associates .....	14,766	14,618
Goodwill impairment .....	-	(67,715)
Other operating income .....	324,266	124,930
Other operating expense .....	(110,570)	(125,742)
<b>Net operating income / (expense).....</b>	<b><u>331,425</u></b>	<b><u>(62,400)</u></b>
Personnel expenses .....	(478,696)	(377,728)
Depreciation and amortisation .....	(111,996)	(101,125)
Other general expenses.....	(483,645)	(451,163)
Other administrative expenses.....	(1,074,337)	(930,016)
<b>PROFIT BEFORE INCOME TAX.....</b>	<b><u>1,201,183</u></b>	<b><u>377,678</u></b>
Income tax expense .....	(189,478)	(58,600)
<b>PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS.....</b>	<b><u>1,011,705</u></b>	<b><u>319,078</u></b>
<b>DISCONTINUED OPERATIONS .....</b>		
Gains from disposal of subsidiary classified as held for sale .....	-	11,444
Net (Loss) / Gain from discontinued operations .....	(21,246)	16,559
<b>PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION .....</b>	<b><u>990,459</u></b>	<b><u>347,081</u></b>

*Source: OTP Bank Plc. Audited Consolidated Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union and Independent Auditor's Report for the year ended 31 December 2023*

## Additional information on the OTP Group's performance in the period between 2003 and 1Q 2024

	2003- 2008 average	2009- 2013 average	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>3</sup>	1Q 2024
ROE.....	29.4%	8.4%	(7.4%)	5.1%	15.4%	18.5%	18.7%	20.3%	10.9%	17.0%	11.0%	27.2%	22.7%
Adjusted ROE .....	29.0%	11.6%	8.5%	9.6%	15.4%	18.7%	19.1%	20.6%	13.0%	18.5%	18.8%	27.7%	22.7%
Total Revenue Margin..	8.60%	8.17%	7.74%	6.98%	6.79%	6.71%	6.33%	6.28%	5.37%	5.21%	5.31%	5.99%	5.91%
Net Interest Margin.....	6.02%	6.28%	5.96%	5.12%	4.82%	4.56%	4.30%	4.12%	3.61%	3.51%	3.51%	3.93%	4.30%
Net fee and commission Margin.....	1.50%	1.47%	1.59%	1.55%	1.62%	1.75%	1.58%	1.65%	1.34%	1.29%	1.27%	1.29%	1.20%
Other Income Margin ...	1.08%	0.41%	0.19%	0.31%	0.35%	0.41%	0.44%	0.52%	0.41%	0.41%	0.53%	0.77%	0.41%
Operating costs / Average assets .....	4.47%	3.80%	3.85%	3.66%	3.70%	3.68%	3.57%	3.31%	2.90%	2.59%	2.53%	2.59%	2.60%
Cost-to-Income ratio.....	51.9%	46.5%	49.8%	52.0%	54.4%	54.9%	56.3%	52.7%	54.1%	49.7%	47.6%	43.3%	44.1%
Credit Risk Cost Rate ...	0.90%	3.37%	3.68%	3.18%	1.14%	0.43%	0.23%	0.28%	1.15%	0.30%	0.73%	0.16%	(0.17%)
CET1 capital ratio <sup>(2)</sup> .....	9.1%	13.4%	14.0%	13.6%	15.6%	15.4%	16.5%	14.4%	15.4%	17.8%	16.4%	16.6%	16.7%

### Note:

- (1) For 2019 the originally published 13.9% CET1 ratio assumed a dividend payment of HUF 69.44 billion. However, on 30 April 2020 the Board of Directors – acting on behalf of the AGM in accordance with legal authorisation – in line with a recommendation by the NBH - decided to put the total profit made in 2019 into general reserves and retained earnings. As a result, the 2019 CET1 ratio changed to 14.4%, incorporating the dividend amount not being paid out.
- (2) CET1 ratio based on IFRS financials, under the accounting scope of consolidation until 2013; from 2014, consolidated CET1 ratio is calculated based on the prudential scope of consolidation according to CRR.
- (3) (According to the New Adjustment Methodology, ROE is 27.2 per cent., Adjusted ROE is 24.9 per cent., Total Revenue Margin is 6.04 per cent., Net Interest Margin is 3.93 per cent., Net Fee and commission Margin is 1.29 per cent., Other Income Margin is 0.82 per cent., Operating costs / Average assets is 2.64 per cent., Cost-to-Income ratio is 43.6 per cent., Credit Risk Cost Rate is 0.34 per cent. and CET1 capital ratio is 16.6 per cent.

## Additional information on the OTP Group's performance in 2023 and in the first three months of 2024

The Issuer's management has changed the scope of adjustment items presented on a consolidated basis in this Base Prospectus from 1Q 2024. See "*Presentation of Information - Non-IFRS financial measures*".

### OTP Group consolidated

	3 Months ended on 31 March 2023 (in HUF million)	3 Months ended on 31 March 2024	FX- adjusted w/o Nova KBM d.d. and Ipoteka Year-on- Year Change %	Year ended on 31 December 2022 (in HUF million)	Year ended on 31 December 2023 <sup>1</sup>	FX- adjusted w/o Nova KBM d.d. and Ipoteka Year-on- Year Change %	4Q 2022 (in HUF million)	4Q 2023	FX- adjusted w/o Noca KBM d.d. and Ipoteka Year-on- Year Change %
<b>Main components of the Statement of recognised income</b>									
Profit after tax for the year .....	194,762	239,962	9	347,081	990,459	203	115,184	132,581	17
Adjustments (total) .....	88,535	0		(245,466)	(18,123)	(113)	(38,237)	(97,406)	166

Adjusted profit after tax for the year									
.....	106,227	239,962	131	592,547	1,008,583	66	153,421	229,987	57
Adjusted profit before tax									
.....	230,348	341,231	42	690,022	1,222,328	73	181,381	304,790	76
Operating profit									
.....	239,196	334,330	30	868,487	1,260,850	37	223,157	340,341	50
Adjusted total income									
.....	467,167	597,615	20	1,656,571	2,224,584	28	451,147	622,196	33
Adjusted net interest income									
.....	310,767	435,345	30	1,093,579	1,459,694	25	296,499	425,043	36
Adjusted net profit from fees and commissions									
.....	103,220	121,161	14	397,118	478,146	15	109,527	132,066	18
Adjusted other net non-interest income									
.....	53,180	41,109	(26)	165,874	286,745	77	45,121	65,086	56
Adjusted operating expenses									
.....	(227,972)	(263,286)	9	(788,084)	(963,734)	17	(227,990)	(281,855)	18
Total risk costs									
.....	(8,848)	6,902		(178,465)	(38,521)	(113)	(41,777)	(35,551)	(82)
Adjusted corporate income tax									
.....	(124,121)	(101,270)	(23)	(97,475)	(213,746)	116	(27,960)	(74,803)	179

	31 March 2023	31 March 2024	Change	31 December 2022	31 December 2023	Change
						%
					(in HUF million)	

**Main components of balance sheet, closing balances<sup>(1)</sup>**

Total assets.....	36,175,001	41,481,987	15	32,804,210	39,609,144	21
Total customer loans (net, FX adjusted).....	20,344,688	22,320,541	10	17,929,314	21,447,380	20
Total customer deposits (FX adjusted).....	28,099,931	30,432,829	8	24,320,092	29,428,284	21
Subordinated bonds and loans.....	551,492	591,181	7	301,984	562,396	86
Liabilities from issued securities.....	1,098,612	2,207,077	101	870,682	2,095,548	141
Total shareholders' equity.....	3,378,194	4,438,980	31	3,322,312	4,094,793	23

**Note:**

For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base period.

(1) According to the New Adjustment Methodology, Profit after tax for the year is HUF 990,459 million, Adjustments (total) are HUF 85,507 million, Adjusted profit after tax for the year is HUF 904,952 million, Adjusted profit before tax is HUF 1,179,224 million, Operating profit is HUF 1,265,909 million, Adjusted total income is HUF 2,245,706 million, Adjusted net interest income is HUF 1,461,850 million, Adjusted net profit from fees and commissions is HUF 478,119 million, Adjusted other net non-interest income is HUF 305,737 million, Adjusted operating expenses are -HUF 979,797 million, Total risk costs are -HUF 86,685 million, Adjusted corporate income tax is -HUF 274,272 million

	31 March 2023	31 March 2024	Change <i>pps</i>	31 December 2022	31 December 2023	Change <i>pps</i>
<b>Indicators</b>						
ROE	24.0%	22.7%	(1.3)	11.0%	27.2%	16.2
Adjusted ROE	13.1%	22.7%	9.6	18.8%	27.7%	8.9
Adjusted ROA	1.2%	2.4%	1.2	1.9%	2.7%	0.8
Total revenue margin	5.49%	5.91%	0.42	5.31%	5.99%	0.68
Net interest margin	3.65%	4.30%	0.65	3.51%	3.93%	0.42
Cost-to-asset ratio	2.68%	2.60%	(0.08)	2.53%	2.59%	0.06
Cost-to-income ratio	48.8%	44.1%	(4.7)	47.6%	43.3%	(4.3)
Risk cost rate	0.12%	(0.17%)	(0.29)	0.73%	0.16%	(0.57)
Net loan/(deposit+retail bond) ratio (FX adjusted)	72%	73%	1	74%	72%	(2)

As of 31 December 2023, the consolidated profit after tax of OTP Group increased to HUF 990.5 billion (EUR 2.6 billion), an increase of almost threefold year-on-year and as a result the annual ROE improved to 27.2 per cent. (+16.2 percentage points year-on-year).

As at 31 December 2023, the balance of adjustment items stands at negative HUF 18 billion, which reflects an improvement from the previous year's negative balance of HUF 245 billion. Certain financial burdens that were heavily influenced by the conflict between Russia and Ukraine, such as goodwill impairment and the devaluation of Russian government bonds, have either ceased to apply altogether or significantly decreased. Additionally, the amount of special taxes levied in Hungary has seen a reduction by approximately one-third compared to the previous year. However, the adverse effects of interest rate limits remained, with Serbia joining Hungary in implementing such policies. The most significant beneficial financial impact came from the badwill booked in relation to the acquisitions in Slovenia and Uzbekistan. For the year 2023, the OTP Group's adjusted profit after tax increased significantly to HUF 1,009 billion, marking a 70 per cent. increase from the previous year. The adjusted ROE for 2023 also increased to 27.7 per cent., up by 9 percentage points from the year before.

**The following table sets out the adjustment items for the year ended 31 December 2022 and 31 December 2023**

	<b>31 December 2022</b>	<b>31 December 2023</b>
	<i>(in HUF billion)</i>	
<b>Adjustments (total) .....</b>	<b>(245.5)</b>	<b>(18.1)</b>
Effect of acquisitions .....	(15.6)	64.9
Special tax on financial institutions .....	(91.4)	(62.6)
Interest rate cap extension.....	(36.6)	(32.9)
Effect of the Russia-Ukraine war (1) .....	(94.0)	(2.8)
Others .....	2.5	15.2

Note:

(1) Goodwill impairment, tax shield of impairment on subsidiary investments, and impairment recognised on the Russian bonds held by OTP Core and DSK Bank.

The earnings from operations in Ukraine and Russia were significantly affected by fluctuations in the cross-currency rates: HUF strengthened by 16 per cent. against the UAH and by 26 per cent. against the RUB on a year-over-year basis.

With the exception of Ipoteka Bank, all OTP Group members were profitable in 2023 and most of the subsidiaries demonstrated material profit improvement year-on-year. The Bulgarian operation's adjusted earnings exceeded HUF 200 billion, while the pro forma Slovenian operation posted a profit after tax close to HUF 130 billion; the combined profit incorporated only 11 months net earnings contribution from Nova KBM d.d. In the second half of 2023, Ipoteka Bank reported a loss of HUF 22 billion, primarily attributed to substantial credit risk expenses. On 6 December 2023, a new bill was introduced in Ukraine which increased the corporate income tax rate for banks from 18 per cent. to 50 per cent. retroactively for the full year 2023 and set the tax rate at 25 per cent. from 2024. The corporate income tax rate remained unchanged in case of leasing companies. In case of the Ukrainian operation of the OTP Group, approximately HUF 23 billion extra corporate income tax was recorded in 4Q 2023, for the full year 2023 as a result of the tax increase.

The OTP Group's overall performance was significantly influenced by a substantial 45 per cent. year-on-year increase in operating profit. Additionally, there was a notable decrease in total risk costs, which fell by 78 per cent. compared to the previous year. The OTP Group's total income increased by 34 per cent. on a year-on-year basis, with net interest income contributing a significant 33 per cent. increase, whereas net fees and commissions grew by 20 per cent. year-on-year. Other non-interest income increased by 73 per cent. Adjusted for the two acquisitions in 2023, the FX-adjusted operating income grew by 37 per cent., total income by 28 per cent., net interest income by 25 per cent. and net fees and commissions by 15 per cent., respectively.

The consolidated annual NIM improved by 42 basis points year-on-year reaching 3.93 per cent. Apart from the Hungarian, Ukrainian and Moldovan markets, there was trend of interest rate increases that had a positive impact on both net interest incomes and net interest margins. In 2023, the Bulgarian, Slovenian, Serbian, Croatian, Montenegrin, Albanian and Ukrainian NIMs improved on a year-on-year basis, while other markets witnessed a decline in their NIMs, with the extent of the decrease varying across these markets. In Hungary, the year-on-year 13 basis points decline was induced by the changes in the mandatory reserve requirement and the

balance sheet structure: as a result of acquisitions, on the assets side the weight of non-interest-bearing subsidiary investments increased, while on the liability side the portion of MREL-eligible bonds grew at the expense of household deposits.

The amount of the annual operating expenses increased by 22 per cent. year-on-year, with high but declining inflation having a negative impact on all cost items. The consolidated cost-to-income ratio improved further and reached 43.3 per cent. (-4.3 percentage points year-on-year). Without acquisitions, the FX-adjusted operating expenses increased by 17 per cent. year-on-year.

The amount of consolidated total risk costs amounted to -HUF 38.5 billion, less than a quarter of the balance booked in 2022; without the impact of acquisitions the total risk cost showed a positive balance of HUF 20 billion. Within the total risk cost, provisions for impairment on loan losses amounted to -HUF 35 billion (2022: -HUF 135 billion). The annual risk cost rate moderated to 16 basis points (-56 basis points year-on-year), the bulk of which was related to impairments in Uzbekistan.

The quality of the consolidated credit portfolio remained stable with the major credit quality indicators shaping favourably. The Stage 3 ratio under IFRS 9 comprised 4.3 per cent. of gross loans at the end of 4Q 2023, underpinning a 0.6 percentage point year-on-year decrease. The own coverage ratio of Stage 3 exposures was close to 61 per cent. at the end of 2023.

Ipoteka Bank has faced challenges with non-performing loans, primarily in the sectors of agriculture, with specific issues in fisheries, greenhouse operations, and hydroponic systems, as well as in the cotton and textile industries. These sectors contributed to the need for a badwill adjustment. The underlying causes of the badwill adjustment and the rise in non-performing loans predate Ipoteka Bank's acquisition by the OTP Group, although their effects materialised only following the acquisition. The Risk Division of Ipoteka Bank, including the unit responsible for corporate clients has been reorganised during the summer of 2023. In addition, the realignment of the activities of Ipoteka Bank in connection with loan restructurings, delinquent exposures and debt collection is in progress and the centralisation of the branch activities is also a priority for the OTP Group. The reorganisation efforts at Ipoteka Bank are being closely monitored and given significant importance by the management of the OTP Group, both on a local and at the Issuer level.

The FX-adjusted consolidated performing (Stage 1+2) loan volumes got close to HUF 21,500 billion by the end of 2023. In 2023, the loan portfolio grew by 6 per cent. year-on-year organically (FX-adjusted). As for individual members of the OTP Group, the Russian, Bulgarian and Croatian operations demonstrated the largest FX-adjusted volume expansion with 26 per cent., 20 per cent. and 8 per cent. year-on-year growth. The biggest decrease was suffered by the Ukrainian subsidiary (-22 per cent. year-on-year). FX-adjusted deposits on a consolidated level got close to HUF 29,500 billion by the end of 2023. The consolidated net loan/(deposit + retail bond) ratio moderated to 72 per cent.

In the first three months of 2024, the OTP Group posted HUF 240 billion (EUR 0.6 billion) profit after tax, the ROE reached 22.7 per cent. (12.9 per cent. in 4Q 2023). The impact of fluctuations in exchange rates on the OTP Group's earnings and balance sheet components was relatively muted in comparison to earlier periods. In particular the closing rate of HUF against major currencies within the OTP Group depreciated by 3 to 3.5 per cent. quarter-on-quarter, while the average HUF rate was stable.

The quarterly profit after tax was impacted by an aggregate adjustment of HUF 57 billion, attributable to various charges and taxes that, while relevant to the entire fiscal year, were recognised all at once in the first quarter. In particular:

- in Hungary there was a HUF 29 billion special tax on financial institutions, HUF 10 billion windfall tax, HUF 2 billion card related transactional fees and HUF 1 billion contribution into the compensation fund; and

- in Bulgaria there was a HUF 11 billion deposit insurance fee, in Slovenia there was a HUF 3 billion deposit insurance fee and in Romania there was a HUF 1 billion deposit insurance fee.

In case these items were accounted for on pro rata basis, the profit after tax for the first quarter would have amounted to HUF 283 billion and the ROE for the same period would have reached 26.7 percent.

The overall performance of OTP Group in the first three months of 2024 was influenced mainly by the positive balance of total risk costs (2023 4Q: -HUF 47.6 billion, 2024 1Q: +HUF 6.9 billion) and to a lesser extent by the marginal decline of the operating profit (-1 per cent. quarter-on-quarter). The year-on-year comparison of the quarterly results was distorted by the fact that in 1Q 2023 Nova KBM d.d., had only a 2-month profit contribution.

Total income decreased by 4 per cent. quarter-on-quarter (+28 per cent. year-on-year). Within total income net interest income improved by around HUF 10 billion (+2 per cent. quarter-on-quarter and +40 per cent. year-on-year). At a group level, several subsidiaries enjoyed a net interest income (“NII”) increase quarter-on-quarter, such as Bulgaria, Russia, Uzbekistan, Montenegro, Albania, Serbia and Moldavia. The NII moderately declined in Hungary, Romania and Ukraine. Apart from the 250 basis points rate cut in Hungary, Moldova was the other jurisdiction where the central bank lowered rates in 1Q 2023 (-100 basis points in total). The NII moderation of HUF 1 billion at OTP Core was explained by this reduction in the base rate: in 4Q HUF 13 billion stemmed from one-off and technical items improving the quarterly NII. The consolidated NIM (4.3 per cent.) improved by 3 basis points (4.27 per cent. in 4Q 2023) quarter-on-quarter and surged by 65 basis points year-on-year. The net fee and commission income declined by 8 per cent. quarter-on-quarter (+17 per cent. year-on-year), which on the one hand was due to the effect on OTP Fund Management’s success fee or the reduction in the base rate, but also by moderate 1Q business activity, seasonality and the calendar effect.

Other non-interest income decreased by 39 per cent. quarter-on-quarter (-23 per cent. year-on-year). Quarterly operating expenses moderated by 8 per cent. quarter-on-quarter from the seasonally high 4Q 2023 (+15 per cent. year-on-year), despite in a few countries annual regulatory charges being booked in 1Q 2023 and inflation putting pressure on personnel expenses. The consolidated cost-to-income ratio improved by 1.9 per cent. (46.0 per cent. in 4Q 2023) quarter-on-quarter to 44.1 per cent. (-4.7 percentage points year-on-year).

In 1Q 2024, the amount of consolidated total risk costs comprised HUF 7 billion. Within total risks costs, the provisions for impairment on loan losses amounted to HUF 9 billion (risk cost rate improved from the 68 basis points level in 4Q 2023 to -17 basis points in 1Q 2024). Significant reserves were established in Uzbekistan, Russia, and Romania, while there was a considerable reduction in these reserves at the central operations of OTP Core, as well as in Croatia and Ukraine. This reduction was primarily due to the revision of forward-looking macroeconomic parameters under IFRS 9. Specifically, for Ipoteka Bank in Uzbekistan, the risk-related costs decreased by two-thirds quarter-on-quarter.

As a result of all the above developments, in 1Q 2024 all the members of the OTP Group posted profits, with the profit after tax contribution of the OTP Group’s foreign subsidiaries reaching 74 per cent. According to the Previous Adjustment Methodology, the non-Hungarian profit contribution would have been only 64 per cent., as a result of removing the Hungarian special tax on financial institutions and the windfall tax from the adjustment items and increasing (mostly) OTP Core’s tax burden from 1Q 2024 onwards.

The FX-adjusted consolidated performing (Stage 1+2) loan volumes increased by HUF 303 billion or 1 per cent. quarter-on-quarter and exceeded HUF 22,300 billion. Volume growth above the OTP Group’s average was achieved in Bulgaria, Croatia, Montenegro (in each case +3 per cent. quarter-on-quarter) and Russia (+6 per cent. quarter-on-quarter), whereas in Uzbekistan and Ukraine performing loan volumes decreased by 2 per cent. and 1 per cent., respectively.

As for the major segments, in 1Q the FX-adjusted performing consumer loan book grew by 4 per cent. on a quarter-on-quarter basis and the mortgage portfolio grew by 3 per cent.. The corporate loan book remained largely unchanged, while the SME exposure dropped by 9 per cent. quarter-on-quarter. In Hungary the pace of mortgage loan extensions in the first three months of 2024 exceeded the consumer loan book's dynamics.

FX-adjusted deposits had a similar pace of growth: increasing by 1 per cent. quarter-on-quarter and the total volume exceeded HUF 30,400 billion. Notable reductions in deposits were observed in Slovenia, Croatia, Montenegro, and Uzbekistan. In contrast, Hungary experienced a 3 percent increase in deposits on a quarter-on-quarter basis. Meanwhile, in Russia, FX-adjusted deposits increased by 13 percent on a quarter-on-quarter basis in Russia.

The consolidated net loan/(deposit+retail bond) ratio slightly increased quarter-on-quarter and reached 73 per cent. The quality of the consolidated credit portfolio remained stable with the major credit quality indicators shaping favourably. The Stage 3 ratio under IFRS 9 comprised 4.3 per cent. of gross loans at the end of 1Q 2024, underpinning a moderate quarter-on-quarter decrease. As for the members of the OTP Group, the Stage 3 ratio was still the highest in Ukraine (21.2 per cent.), Russia (12.1 per cent.) and Uzbekistan (13.3 per cent.). However, in 1Q the Ukrainian and Russian ratio declined quarter-on-quarter but grew in Uzbekistan by 1.4 percentage points. The own coverage ratio of Stage 3 exposures did not change on a quarter-on-quarter basis and was 61 per cent. at the end of 1Q 2024.



## Alternative Performance Measures

The Issuer considers each metric set out below to constitute an alternative performance measure (“APM”) as described in the European Securities and Markets Authority Guidelines on Alternative Performance Measures (the “ESMA Guidelines”) published on 5 October 2015 by the European Securities and Markets Authority and which came into force on 3 July 2016. An APM should not be considered in isolation from, or as substitute for any analysis of, financial information presented in compliance with Financial Reporting Standards 102 (FRS 102).

All figures in the tables below are rounded and presented in HUF million. For FX adjustment, the closing cross currency rates for the current period were used to calculate the HUF equivalent of loan and deposit volumes in the base periods.

The definition of average balance sheet items: calendar day-weighted average of the average balance sheet items in periods comprising the given period, where periods comprising the given period are defined as quarters (and within that months) in case of 1H, 9M and FY periods, and months in case of quarters. Furthermore, the average of the average balance sheet items is computed as the arithmetic average of closing balance sheet items for the previous period and the current period.

The Issuer’s management has changed the scope of adjustment items presented on a consolidated basis in this Base Prospectus from 1Q 2024. See “*Presentation of Information - Non-IFRS financial measures*”.

### *Adjusted profit after tax*

<b>Definition:</b>	Profit after tax as per the financial statements modified by adjustments determined by management.
<b>Explanation:</b>	Provides additional information on profits for the period on an adjusted basis, in order to enable better comparability of profits of prior periods.
<b>Reconciliation table:</b>	

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Profit after tax for the year .....	194,762	239,962	347,081	990,459
(-) Adjustments (total, after corporate income tax).....	88,535	-	(245,466)	(18,123)
Dividends and net cash transfers (after tax) .....	-	-	1,927	(1,911)
Goodwill/investment impairment charges (after tax) .....	-	-	(59,254)	(3,919)
Special tax on financial institutions and one-time payment compensating the underperformance of the financial transaction tax (after corporate income tax) .....	-	-	(91,353)	(62,551)
Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia (after corporate income tax).....	-	-	(2,473)	0
Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary (after tax) .....	-	-	(36,585)	(32,898)
Effect of the winding up of Sberbank Hungary (after tax) .....	-	-	(10,389)	10,389
Effect of acquisitions (after tax).....	88,535	-	(15,594)	64,886
Result of the treasury share swap agreement (after tax) .....	-	-	3,028	10,680

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Impairments on Russian government bonds at OTP Core and DSK Bank booked in 2022 (after tax) .....	-	-	(34,775)	(2,799)
Adjusted profit after tax for the year .....	106,227	239,962	592,547	1,008,583

### *Adjusted net interest income*

**Definition:** Net interest income before loss allowance on loans and placements as per the financial statements modified by adjustments determined by management.

**Explanation:** Provides additional information on net interest income for the period on an adjusted basis, in order to enable better comparability of net interest income of prior periods.

#### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Net interest income .....	310,098	417,493	1,026,868	1,386,706
(+) Presentation of the revaluation result of intra-group swaps on the net interest income line realised at the Romanian operations .....	-	-	2,034	0
(-) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB .....	-	-	5,335	0
(-) Effect of acquisitions on net interest income .....	-	-	(3,179)	(1,867)
(-) Reclassification due to the introduction of IFRS16.....	(669)	(923)	(2,386)	(2,970)
(+) Presentation of the contribution from discontinued operation and assets held for sale to net interest income on the adjusted P&L lines.....	-	16,928	64,446	68,151
Adjusted net interest income .....	310,767	435,345	1,093,579	1,459,694

### *Adjusted net profit from fees and commissions*

**Definition:** Net profit from fees and commissions as per the financial statements modified by adjustments determined by management.

**Explanation:** Provides additional information on net profit from fees and commissions for the period on an adjusted basis, in order to enable better comparability of net profit from fees and commissions of prior periods.

#### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Net profit from fees and commissions.....	149,915	177,775	584,491	691,993
(+) Financial Transaction Tax.....	(25,899)	(25,634)	(89,751)	(98,472)
(-) Effect of acquisitions net profit from fees and commissions.....	-	-	(2)	220

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
(+) Presentation of the contribution from discontinued operation and assets held for sale to net profit from fees and commissions on the adjusted P&L lines .....	-	1,672	15,870	5,537
(-) Structural shift of income from currency exchange from net fees to the FX result .....	20,796	32,651	113,494	120,693
Adjusted net profit from fees and commissions.....	103,220	121,161	397,118	478,146

### ***Adjusted other net non-interest income***

**Definition:** Sum of foreign exchange gains (net), gain/loss on securities (net), and other non-interest income (net) as per the financial statements modified by adjustments determined by management.

**Explanation:** Provides additional information on other non-interest income of the period on an adjusted basis, in order to enable better comparability of other non-interest income of prior periods.

### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Foreign exchange result .....	30,109	(2,776)	(16,302)	13,827
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realised at the Romanian operations .....	-	-	7,818	0
(-) Effect of acquisitions .....	-	-	(4)	(191)
(+) Presentation of the contribution from discontinued operation and assets held for sale to the foreign exchange result on the adjusted P&L lines .....	0	(2,072)	1,313	(11,397)
(+) Structural shift of income from currency exchange from net fees to the FX result .....	20,796	32,651	113,494	120,693
(Loss) / Gain/loss on securities, net.....	7,317	(483)	(4,505)	7,283
(-) Effect of acquisitions .....	-	-	(556)	(1,125)
(+) Presentation of the contribution from discontinued operation and assets held for sale to the securities gain/loss on the adjusted P&L lines .....	0	57	17	194
(-) Revaluation result of the treasury share swap agreement.....	-	-	(10,002)	(3,868)
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net) .....	(7,761)	(1,930)	(4,636)	(18,716)
(+) Shifting of the Gains and losses on non-trading securities mandatorily at fair value through profit or loss line from the Net other non-interest income to the Gains or losses from securities line .....	1,668	2,116	145	8,240
Gains and losses on real estate transactions.....	899	2,346	5,232	7,195
Result of discontinued operation and gains from disposal of subsidiaries classified as held for sale .....	0	3,676	28,003	(21,246)
(-) Effect of acquisitions .....	0	0	0	(55,913)
(+) Other non-interest income.....	141,373	24,851	118,329	315,155

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
(+) Net results on derivative instruments and hedge relationships .....	(28,673)	1,113	16,360	(12,760)
(+) Net insurance result .....	334	380	1,369	1,915
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortised cost .....	6,225	(4,987)	(4,044)	94,613
(+) Profit from associates .....	598	1,650		
(-) Shifting of the <i>Gains and losses on non-trading securities mandatorily at fair value through profit or loss line</i> from the <i>Net other non-interest income</i> to the <i>Gains or losses from securities line</i> .....	1,668	2,116	145	8,240
(-) Received cash transfers.....	-	-	447	531
(+) Other non-interest expenses .....	(18,046)	(12,872)	(72,969)	(54,490)
(+) Change in shareholders' equity of companies consolidated with equity method, and the change in the net asset value of the private equity funds managed by PortfoLion .....	-	-	840	2,738
(-) Effect of acquisitions .....	99,470	0	3,268	191,783
(-) Presentation of the revaluation result of intra-group swaps on the net interest income line realised at the Romanian operations .....	-	-	(5,783)	0
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania .....	-	-	(591)	0
(-) Netting of refunds related to legal cases (accounted for on the Net other non-interest result line) with the release of provisions created earlier for these cases (accounted for on the Other provisions line) from 1Q 2017 at OTP Bank Romania.....	-	-	(275)	0
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line .....	0	96	(21,994)	(13,697)
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result) .....	-	-	(5)	0
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line .....	(427)	(543)	(1,846)	(2,119)
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result) .....	(94)	(49)	(492)	191
(-) Expected one-off effect of the interest rate cap for certain loans in Hungary.....	-	-	(2,022)	0
(-) Effect of the winding up of Sberbank Hungary (recovery leg) .....	-	-	0	11,416
Adjusted other net non-interest income without one-offs .....	53,180	41,109	165,874	286,745

### ***Adjusted total income***

**Definition:** Sum of adjusted net interest income, adjusted net profit from fees and commissions and adjusted other net non-interest income without one-offs.

**Explanation:** Provides additional information of total income on an adjusted basis, in order to enable better comparability of total income of prior periods.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted net interest income .....	310,767	435,345	1,093,579	1,459,694
Adjusted net profit from fees and commissions.....	103,220	121,161	397,118	478,146
Adjusted other net non-interest income without one-offs .....	53,180	41,109	165,874	286,745
Adjusted total income .....	467,167	597,615	1,656,571	2,224,584

### *Adjusted operating expenses*

**Definition:** Other administrative expenses as per the financial statements modified by adjustments determined by management.

**Explanation:** Provides additional information of other administrative expenses on an adjusted basis, in order to enable better comparability of other administrative expenses of prior periods.

### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Depreciation and amortisation.....	(29,113)	(30,076)	(168,840)	(111,996)
(-) Goodwill impairment charges.....	-	-	(67,715)	0
(-) Effect of acquisitions .....	-	-	(4,917)	(4,900)
(-) Reclassification due to the introduction of IFRS16.....	(4,657)	(4,058)	(18,008)	(15,575)
(+) Presentation of the contribution from discontinued operation and assets held for sale to Depreciation and amortisation on the adjusted P&L lines .....	0	(814)	(6,463)	(4,040)
Personnel expenses.....	(108,236)	(122,944)	(377,728)	(478,696)
(-) Effect of acquisitions .....	-	-	(1,259)	(1,307)
(+) Presentation of the contribution from discontinued operation and assets held for sale to Personnel expenses on the adjusted P&L lines .....	0	(7,465)	(24,835)	(26,571)
(-) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line .			(5,000)	0
Other general expenses.....	(197,080)	(152,972)	(451,163)	(483,645)
(+) Other costs and expenses .....	(1,340)	(2,275)	(17,279)	(10,143)
(+) Other non-interest expenses .....	(32,303)	(26,663)	(90,678)	(69,850)
(-) Paid cash transfers .....	-	-	(17,709)	(15,360)
(+) Film subsidies and cash transfers to public benefit organisations .....	-	-	(17,519)	(15,067)
(-) Other non-interest expenses.....	(18,046)	(12,872)	(72,969)	(54,490)
(-) Special tax on financial institutions (recognised as other administrative expenses) .....	(84,684)	(34,094)	(96,808)	(68,630)
(-) Tax deductible transfers (offset against corporate taxes) .....	(12,058)	(12,092)	(14,479)	(73)
(-) Financial Transaction Tax .....	(25,899)	(25,634)	(89,751)	(98,472)

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
(-) Effect of acquisitions .....	-	-	(4,654)	(6,803)
(+) Reclassification due to the introduction of IFRS16.....	(5,326)	(4,981)	(20,395)	(18,545)
(+) Presentation of the contribution from discontinued operation and assets held for sale to Other general expenses on the adjusted P&L lines .....	0	(5,411)	(13,835)	(17,284)
(-) Shifting of the costs of mediated services at Merkantil Bérlét Ltd. to the net other non-interest result line .....	(427)	(543)	(1,846)	(2,119)
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line .....	(345)	(254)	(882)	(1,252)
(-) Effect of the winding up of Sberbank Hungary (contribution to the Deposit Protection Fund) .....	-	-	(11,416)	0
(+) Shifting of the support granted to the Special Employee Partial Ownership Plan Organizations booked within the Personnel expenses to the Other non-interest expenses line .	-	-	(5,000)	0
(-) One-time structural reclassification between Corporate income tax and Other non-interest expenses in 4Q 2023.....	0	(1,276)	0	(5,624)
Adjusted operating expenses .....	(227,972)	(263,286)	(788,084)	(963,734)

### ***Adjusted provision for impairment on loan and placement losses***

**Definition:** Loss allowance on loans and placements as per the financial statements modified by adjustments determined by management.

**Explanation:** Provides additional information of loss allowance on loans and placements on an adjusted basis, in order to enable better comparability of loss allowance on loans and placements of prior periods.

### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Provision for impairment on loan and placement losses.....	(17,300)	10,372	(145,159)	(109,223)
(+) Modification gains or losses .....	298	(25)	(39,997)	(38,141)
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss .....	76	2,318	13,346	(91)
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost.....	(1,499)	715	(60,761)	8,831
(+) Provision for commitments and guarantees given.....	(2,997)	600	(5,917)	19,870
(+) Impairment of assets subject to operating lease and of investment properties.....	4	7	(1,204)	1,333
(-) One-off impact of the CHF mortgage loan conversion programme and regulatory changes related to mortgage loans in Romania.....	-	-	138	0
(+) Netting of interest revenues on DPD90+ loans with the related provision (booked on the Provision for loan losses line) at OTP Core and CKB .....	-	-	5,335	0
(-) Effect of acquisitions .....	(11,813)	0	(3,493)	(51,873)

OTP Group				
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
(-) Structural correction between Provision for loan losses and Other provisions.....	(1,495)	722	(61,965)	10,164
(+) Presentation of the contribution from discontinued operation and assets held for sale to Provision for impairment on loan and placement losses on the adjusted P&L lines .....	0	(2,384)	(10,750)	2,758
(-) Expected one-off negative effect of the debt repayment moratorium in Hungary and Serbia ...	-	-	(4,816)	0
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses) .....	1,412	(1,798)	3,473	1,343
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022.....	(887)	(398)	(261)	79
(-) Expected one-off effect of the extension of the interest rate cap for certain retail loans in Hungary.....	-	-	(36,005)	(36,909)
Adjusted provision for impairment on loan and placement losses.....	(5,811)	9,480	(135,231)	(34,781)

### ***Return On Equity ("ROE")***

**Definition:** Profit after tax for the given period (annualised for periods less than one year) divided by average total equity.

**Explanation:** Provides additional information on financial performance and profitability of the bank, compared to its average total equity.

**Reconciliation table:**

OTP Group				
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Profit after tax for the year .....	194,762	239,962	347,081	990,459
Average total equity .....	3,296,749	4,254,339	3,160,119	3,639,782
ROE .....	24.0%	22.7%	11.0%	27.2%

### ***Adjusted ROE***

**Definition:** Adjusted profit after tax for the given period (annualised for periods less than one year) divided by average total equity.

**Explanation:** Provides additional information on financial performance and profitability of the OTP Group, compared to its average total equity.

**Reconciliation table:**

OTP Group				
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted profit after tax for the year .....	106,227	239,962	592,547	1,008,583

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Average total equity .....	3,296,749	4,254,339	3,160,119	3,639,782
Adjusted ROE .....	13.1%	22.7%	18.8%	27.7%

### *Adjusted Return On Assets*

**Definition:** Adjusted profit after tax for the given period (annualised for periods less than one year) divided by average total assets.

**Explanation:** Provides additional information on financial performance and profitability of the OTP Group, compared to its average total assets.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted profit after tax for the year .....	106,227	239,962	592,547	1,008,583
Average total assets.....	34,535,419	40,680,371	31,190,137	37,167,776
Adjusted ROA.....	1.25%	2.37%	1.90%	2.71%

### *Total revenue margin*

**Definition:** Adjusted total income for the given period (annualised for periods less than one year) divided by average total assets.

**Explanation:** Provides additional information on net revenue generation of assets and liabilities of the OTP Group.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted total income .....	467,167	597,615	1,656,571	2,224,584
Average total assets.....	34,535,419	40,680,371	31,190,137	37,167,776
Total revenue margin .....	5.49%	5.91%	5.31%	5.99%

### *Net interest margin*

**Definition:** Adjusted net interest income for the given period (annualised for periods less than one year) divided by average total assets.

**Explanation:** Provides additional information on net interest generation of assets and liabilities of the OTP Group.

**Reconciliation table:**



	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted net interest income .....	310,767	435,345	1,093,579	1,459,694
Average total assets.....	34,535,419	40,680,371	31,190,137	37,167,776
Net interest margin.....	3.65%	4.30%	3.51%	3.93%

### *Net fee and commission margin*

**Definition:** Adjusted net fee and commission income for the given period (annualised for periods less than one year) divided by average total assets.

**Explanation:** Provides additional information on net fee and commission generation of assets and liabilities of the OTP Group.

#### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted net profit from fees and commissions.....	103,220	121,161	397,118	478,146
Average total assets.....	34,535,419	40,680,371	31,190,137	37,167,776
Net fee and commission margin .....	1.21%	1.20%	1.27%	1.29%

### *Other income margin*

**Definition:** Adjusted other net non-interest income for the given period (annualised for periods less than one year) divided by average total assets.

**Explanation:** Provides additional information on non-interest income generation of assets and liabilities of the OTP Group.

#### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted other net non-interest income without one-offs .....	53,180	41,109	165,874	286,745
Average total assets.....	34,535,419	40,680,371	31,190,137	37,167,776
Other income margin.....	0.62%	0.41%	0.53%	0.77%

### *Cost-to-asset ratio*

**Definition:** Adjusted operating expenses for the given period (annualised for periods less than one year) divided by average total assets.

**Explanation:** Provides additional information on operating efficiency of the OTP Group.

#### **Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted operating expenses .....	(227,972)	(263,286)	(788,084 )	(963,734 )
Average total assets.....	34,535,419	40,680,371	31,190,137	37,167,776
Cost-to-asset ratio .....	2.68%	2.60%	2.53%	2.59%

### *Cost-to-income ratio*

**Definition:** Adjusted operating expenses divided by Adjusted total income.  
**Explanation:** Provides additional information on operating efficiency of the OTP Group.  
**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted operating expenses .....	(227,972)	(263,286)	(788,084 )	(963,734 )
Adjusted total income .....	467,167	597,615	1,656,571	2,224,584
Cost-to-income ratio.....	48.8%	44.1%	47.6%	43.3%

### *Risk cost rate*

**Definition:** Negative value of adjusted provision for impairment on loan and placement losses for the given period (annualised for periods less than one year) divided by average gross loans.  
**Explanation:** Provides additional information on level of loss allowances compared to the size of the portfolio.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Adjusted provision for impairment on loan and placement losses .....	(5,811)	9,480	(135,231)	(34,781)
Average gross loans .....	20,113,639	22,914,578	18,639,433	21,377,408
Risk cost rate.....	0.12%	(0.17%)	0.73%	0.16%

### *Stage 3 ratio*

**Definition:** Stage 3 loans gross amount under IFRS 9 divided by total gross loans less accrued interest receivables related to Stage 3 loans.  
**Explanation:** Provides additional information on the loan portfolio quality.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Stage 3 loans gross amount .....	977,504	994,189	969,169	969,881
Gross customer loans (adjusted) .....	20,850,594	23,348,380	19,643,558	22,466,415
Stage 3 ratio .....	4.7%	4.3%	4.9%	4.3%

***Own coverage of Stage 3 loans***

**Definition:** Negative value of loss allowance on Stage 3 loans divided by Stage 3 loans gross amount.

**Explanation:** Provides additional information on the loan portfolio and its provisioning.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Loss allowance on Stage 3 loans .....	(604,505)	(606,158)	(591,656)	(589,949)
Stage 3 loans gross amount .....	977,504	994,189	969,169	969,881
Own coverage of Stage 3 loans .....	61.8%	61.0%	61.0%	60.8%

***Gross customer loans (adjusted)***

**Definition:** Gross customer loans including finance lease receivables and accrued interest receivables related to loans less accrued interest receivables related to Stage 3 loans

**Explanation:** Provides additional information on the loan portfolio.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Gross customer loans (incl. loans at amortized cost and loans mandatorily at fair value through profit or loss) (incl. accrued interest receivables related to loans) .....	20,850,594	22,200,463	19,690,287	21,329,908
(-) Accrued interest receivables related to Stage 3 loans .....	-	-	46,730	-
(+) Allocation of Assets classified as held for sale among balance sheet lines .....	0	1,147,918	0	1,136,507
Gross customer loans (adjusted) .....	20,850,594	23,348,380	19,643,558	22,466,415

### *Net customer loans (adjusted)*

**Definition:** Gross customer loans including finance lease receivables and accrued interest receivables related to loans less allowance for loan losses

**Explanation:** Provides additional information on the proportion of loans and deposits.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Gross customer loans (adjusted).....	20,850,594	23,348,380	19,643,558	22,466,415
(+) Allowances for loan losses (incl. impairment of finance lease receivables) .....	(1,002,933)	(1,019,035)	(1,002,933)	(1,019,035)
Net customer loans (adjusted) .....	19,847,661	22,329,345	18,640,624	21,447,380

### *Net loan-to-deposit ratio*

**Definition:** Gross customer loans less allowance for loan losses divided by total customer deposits without accrued interest liabilities on deposits from customers.

**Explanation:** Provides additional information on the proportion of loans and deposits.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Net customer loans (adjusted) .....	19,847,661	22,329,345	18,640,624	21,447,380
Deposits from customers (adjusted) .....	27,390,195	30,432,829	25,188,805	29,428,284
Net loan-to-deposit ratio.....	76%	77%	74%	73%

### *Net loans to deposits including retail bonds ratio*

**Definition:** Gross customer loans less allowance for loan losses divided by the sum of total customer deposits without accrued interest liabilities on deposits from customers and retail bonds.

**Explanation:** Provides additional information on the proportion of loans and deposits.

**Reconciliation table:**

	OTP Group			
	31 March 2023	31 March 2024	31 December 2022	31 December 2023
Net customer loans (adjusted) .....	19,847,661	22,329,345	18,640,624	21,447,380
Deposits from customers (adjusted) .....	27,390,195	30,432,829	25,188,805	29,428,284
Retail bonds .....	98,959	163,696	35,766	201,131
Net loans to deposit including retail bonds ratio .....	73%	73%	74%	72%

## Capital management

The primary objective of the capital management of the OTP Group is to ensure prudent operations, to comply with the requirements of the regulator and to maximise shareholder value, accompanied by an optimal financing structure. The capital management of the members of the OTP Group includes the management and evaluation of shareholders' equity available for hedging risks, other types of funds to be recorded in the equity and all material risks to be covered by the capital.

The basis of the capital management of the OTP Group members in the short term is the continuous monitoring of their objective capital positions and strategic business planning, which includes monitoring of their capital position. The OTP Group members maintain capital adequacy as required by their respective regulatory bodies and any planned risk-taking is carried out on the basis of ensuring and developing their profitability. If the planned risk level of an OTP Group member exceeds its core and the previously raised supplementary capital, it ensures the prudent operation by occasional measures. The Issuer also effects capital management through its dividend policy, and transactions performed with treasury shares.

The OTP Group uses the standard method for determining regulatory capital requirements with respect to credit risk and market risk, and in parallel to that, the base indicator method, and the Advanced Measurement Approach ("AMA") in case of operational risk.

### Regulatory capital and capital ratios

Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (the "CRD IV") and CRR transpose the global standards on banking regulations into the EU legal framework. The OTP Group complied with its regulatory capital requirements based on these EU and national standards throughout 2022 and 2023.

For international comparison purposes, the OTP Group calculated its regulatory capital based on IFRS data as adopted by the EU, and its consolidated capital adequacy ratio based on this in accordance with the regulations of Basel III.

The following table sets out the consolidated capital adequacy related ratios and figures based on the prudential scope of consolidation, i.e. in line with CRR.

Calculation based on prudential scope of consolidation	2021	2022	2023	1Q 2024
Capital adequacy ratio (%).....	19.4%	17.8%	18.9%	19.0%
Tier 1 ratio (%) .....	17.8%	16.4%	16.6%	16.7%
CET1 ratio (%).....	17.8%	16.4%	16.6%	16.7%
<i>(in HUF billion)</i>				
Own funds.....	3,267	3,671	4,475	4,713
Tier 1 capital .....	3,002	3,383	3,946	4,153
Common Equity Tier 1 capital.....	3,002	3,383	3,946	4,153
Additional Tier 1 capital .....	0	0	0	0
Tier 2 .....	265	288	530	560

Calculation based on prudential scope of consolidation	2021	2022	2023	1Q 2024
Consolidated Risk Weighted Assets.....	16,831	20,608	23,700	24,828
Consolidated Risk Weighted Assets/Total Assets	61%	63%	60%	60%

In 2023, the Common Equity Tier 1 (“**CET1**”) ratio on an IFRS basis increased year-on-year, mainly due to the inclusion of the eligible profit (+295 basis points impact) and fair value changes of the other comprehensive income portfolio (+31 basis points impact), which was partly offset by the acquisition effect of Nova KBM d.d. and Ipoteka Bank (-127 basis points impact), regulatory changes (-76 basis points impact), the organic growth effect in RWA (-27 basis points impact), FX movements (-56 basis points impact in total, with a combined effect of +33 basis points FX impact on RWA and -89 basis points impact on CET1 capital), the effect of the OBR sale (-24 basis points impact) and other effects (+7 basis points impact).

In 1Q 2024, the **CET1** ratio based on IFRS financials increased quarter-on-quarter, mainly due to the inclusion of the eligible profit (+85 basis points impact) and FX movements (3 basis points impact in total, as a combined effect of -41 basis points FX impact on RWA and 44 basis points impact on CET1 capital), partly offset by regulatory changes (-23 basis points impact), organic growth effect in RWA (-21 basis points impact), treasury shares buyback (-24 basis points) and other effects (-12 basis points impact).

At the end of 1Q 2024, the capital adequacy ratio of the OTP Group under CRR was 19.0 per cent., while the CET1 ratio was 16.7 per cent., both of which include eligible profit. The capital adequacy ratio exceeded the regulatory requirement by 4.4 percentage points at the end of 1Q 2024.

The Issuer was subject to the 2023 EU-wide stress test conducted by the European Banking Authority, in cooperation with the MNB, the ECB, and the European Systemic Risk Board (“**ESRB**”). The adverse stress test scenario was set by the ECB and the ESRB and covers a three-year time horizon (2023-2025). The stress test was carried out applying a static balance sheet assumption as of December 2022, and therefore does not take into account future business strategies and management actions. It is not a forecast of the Issuer’s profits. According to the stress test results the fully loaded consolidated CET1 ratio of the Issuer would change to 20.18 per cent. under the baseline scenario and to 14.48 per cent. under the adverse scenario by 2025, compared to 15.24 per cent. as at the end of 2022 as applied in the stress test. The Issuer’s calculated fully loaded CET1 ratio at the end of 2025 under the adverse scenario was the 13th largest among the participating banks, while the decrease of the Issuer’s fully loaded CET1 ratio over the three-year period under the adverse scenario (-77 basis points) was the fourth smallest among the participating banks.

## Capital requirements

Following the group-wide Supervisory Review and Evaluation Process (“**SREP**”) – including a multilateral procedure involving the European Central Bank, National Bank of Romania, National Bank of Slovenia and National Bank of Croatia – the MNB imposed the below additional capital requirements for the OTP Group, on a consolidated level:

0.9 percentage points in case of the OTP Group’s CET1 capital, accordingly the minimum requirement for the consolidated CET1 ratio of the OTP Group is 5.4 per cent. (without regulatory capital buffers);

1.2 percentage points in case of the OTP Group’s Tier 1 capital, accordingly the minimum requirement for the consolidated Tier 1 ratio of the OTP Group is 7.20 per cent. (without regulatory capital buffers); and

1.60 percentage points in case of the OTP Group’s Total SREP Capital Requirement, accordingly the minimum requirement for the consolidated capital adequacy ratio of the OTP Group is 9.60 per cent. (without regulatory capital buffers).

These minimum requirements for own funds and its different elements enter into force on 1 January 2024 and remain effective until the next SREP.

The MNB has set the rate of the Pillar 2 guidance (“**P2G**”) at 0.5 per cent. from 1 January 2024. The P2G is a bank-specific recommendation that indicates the level of capital that the MNB expects the Issuer to maintain in addition to its binding capital requirements with the aim to ensure that potential losses resulting from adverse scenarios can be absorbed.

Since the OTP Group does not have any AT1 capital instruments at the date of this Base Prospectus, the Tier 1 capital minimum requirement level applies to CET1 as well. Pillar 2 requirements can be met proportionally with CET1, Tier 1 and Tier 2 capital, so the Pillar 2 requirement is composed of minimum 56 per cent. CET1, minimum 75 per cent. Tier 1 and maximum 25 per cent. Tier 2. The SREP rate (the sum of Pillar 1 and Pillar 2 requirements divided by the Pillar 1 requirement) on the OTP Group is calculated to be 120 per cent. from 1 January 2024.

The overall capital requirement for 4Q 2023 also included the 4.0 per cent. combined capital buffer requirement (“**CBR**”) which was met by CET1. The CBR in 1Q 2024 increased to 5.0 per cent. due to the increase of the other systemically important institutions buffer in Hungary. As at the date of this Base Prospectus, in Hungary the capital conservation buffer (“**CCB**”) is 2.5 per cent., the systemic risk buffer is 0 per cent., and the countercyclical buffer (“**CCyB**”) is 0 per cent. The CCyB rate applicable to exposures in Hungary is expected to be set at 0.5 per cent. from 1 July 2024. The other systemically important institutions (“**O-SII**”) buffer was 1.0 per cent. at year end 2023 and was set at 2 per cent. in 2024 for the Issuer. The MNB will modify the amount of the final buffer rates if material future changes in the systemic importance of the Issuer necessitate adjustments during the annual revisions.

The CCyB requirement on a consolidated basis was 0.5 per cent. in 4Q 2023, due to 2.0 per cent. CCyB in Bulgaria, 1.0 per cent. in Romania, 1.0 per cent. in Croatia and 0.5 per cent. in Slovenia. During 2024, the consolidated institution specific CCyB requirements are expected to increase further on the back of the increase to 0.5 per cent. in Hungary from 1 July 2024 and the increase to 1.5 per cent. in Croatia from 30 June 2024. The CCyB requirement on a consolidated level is expected to be 0.7 per cent. and the CBR is expected to be 5.2 per cent. as at 31 December 2024.

In line with CRR II, the OTP Group considers 3 per cent. to be its minimum level of leverage ratio.

### **Minimum Requirement for own funds and Eligible Liabilities**

The Resolution College has revised the MREL requirement of the Issuer. The consolidated MREL requirement of the Issuer at the level of the OTP Bank Resolution Group (as defined above) has to be met by 1 January 2024. The MREL requirement is determined at 18.94 per cent. of the OTP Bank Resolution Group’s RWA and 5.78 per cent. of the OTP Bank Resolution Group’s TEM. Pursuant to CRD V, the Issuer has to meet the combined buffer requirement in addition to the RWA-based MREL requirement from 1 January 2024 as institutions shall not use CET1 capital that is maintained to meet the combined buffer requirement, to meet the risk-based component of the MREL requirement. The MREL requirement is to be reviewed at least once a year by the Resolution College.

The MNB informed the Issuer that subordination requirements will also be applicable to the Issuer. The minimum level of subordination for the Issuer will be 13.5 per cent. of the OTP Bank Resolution Group’s RWA, 5 per cent. of the OTP Bank Resolution Group’s TEM and 8 per cent. of the OTP Bank Resolution Group’s TLOF. Subordination requirements shall be met from 16 December 2024 by using own funds and subordinated eligible liabilities. The Issuer has to meet the combined buffer requirement in addition to the RWA based MREL subordination requirement.

As at 31 December 2023 and 31 March 2024, the consolidated MREL ratio in terms of RWA at the OTP Bank Resolution Group level stood at 25.1 per cent. and 26.2 per cent., respectively.

In 2023, the SPE strategy formerly determined for OTP Group as the preferred resolution strategy has been altered (due to the acquisition of the Slovenian Nova KBM Bank) and the MPE approach has been adopted as the most suitable resolution strategy. Two resolution groups within OTP Group were identified:

- OTP Resolution Group: covers the OTP Group without NKBM group and Ipoteka group with OTP Bank as resolution entity.
- NKBM Resolution Group: covers the Nova KBM perimeter of consolidation (including its subsidiary Aleja d.o.o) with NKBM as resolution entity.

The preferred resolution tool for the OTP Resolution Group remained open-bank bail-in at the level of OTP Bank that serves as the point of entry for the use of the bail-in tool.



## FINANCIAL RISK MANAGEMENT

The Risk Strategy of the OTP Group (2023-2025) defines the risk related vision, mission and values of the OTP Group and sets out the main principles of risk management for all major risk types (credit, country and counterparty, operational, market, liquidity, interest rate risk in the banking book (IRRBB) and capital risks). The Risk Strategy also includes initiatives related to the improvement of the risk management framework in the forthcoming years. The Risk Appetite Statement constitutes part of the Risk Strategy which defines the risk tolerance and risk assumption principles for all major risk categories.

The updated Risk Appetite Statement and Risk Strategy were approved by the Board of Directors on 14 December 2023 and 20 February 2024, respectively, and they are both revised annually.

OTP Factoring Ltd. was established in 1998 in Hungary. The Issuer's management believes that OTP Factoring Ltd. is one of the largest debt management companies in Hungary. The OTP Group's collection strategy (2023-2025) was approved by the Issuer's Management Committee (the "**Management Committee**") in 2023.

The main focus of the collection strategy is to maximise the efficiency of the debt management activity of the OTP Group and to provide digital (where possible) solutions adapted to the customer's life circumstances in order to prevent them from default. Debt management is operated as a professional Center of Excellence by an organisation independent of business and risk units at the level of the entire OTP Group. In this way, the organisational separation of good and bad loans within the bank is achieved, taking into consideration the local size of the operation.

Rather than selling non-performing assets at distressed prices on a large scale, the OTP Group decided to manage non-performing clients itself which, in the long term, has created value to the OTP Group. Especially in recent years this approach has resulted in potentially higher non-performing loan levels as compared to its competitors who have taken the approach of selling non-performing loans on a large scale. Though primary objective of the OTP Group is to reduce the non-performing portfolio (mostly with recovery but also with cleaning the "low-hope" portfolio via write-off or debt sale) and keep the non-performing loan ratio stable. Nevertheless, the OTP Group believes that investing in in-house or intra-group collection capabilities results in value creation for its shareholders.

### **Credit risk**

The OTP Group has a credit risk exposure in the event that a counterparty is unable to pay amounts in full when due. The OTP Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or banks of borrowers, and to geographical areas and loan types. Such risks are monitored on a periodic basis and subject to an annual or more frequent review. The exposure to any particular borrower, including banks and brokers, is further restricted by limits in relation to on-balance sheet and off-balance sheet exposures and by daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and principal repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is managed by obtaining collateral, corporate and personal guarantees.

### **Credit risk classification**

Before the introduction of IFRS 9 in 1 January 2018, the OTP Group classified risk into days-past-due ("**DPD**") categories. The OTP Group presented the non-performing loan portfolio as loans where there was an overdue payment of more than 90 days. When determining the impairment, other information available to the OTP Group was also taken into consideration beyond just the delay of payment. When the OTP Group determined the results of the respective year, foreseeable risks and expected losses were also considered. Impairments and

provisions were accounted for notwithstanding whether the result recognised in the respective year was a gain or loss. When calculating the impairment of the loans, the OTP Group applied the requirement of IFRS and the principles defined in the impairment policy of the OTP Group.

According to the requirements of the IFRS 9 standard (effective for annual periods beginning on or after 1 January 2018), the OTP Group currently classifies the financial assets measured at their amortised cost, at fair value through other comprehensive income and loan commitments and financial guarantees into the following stages:

- Stage 1 – performing assets without significant increase in credit risk since initial recognition;
- Stage 2 – performing financial assets with significant increase in credit risk since initial recognition but not credit-impaired;
- Stage 3 – non-performing, credit-impaired assets; and
- POCI – purchased or originated credit impaired.

In the case of trade receivables, the OTP Group applies the simplified approach and calculates only the lifetime expected credit loss. The simplified approach is the following:

- for the past 3 years the average annual balance of receivables under the simplified approach is calculated,
- the written-off receivables under the simplified approach are determined in the past 3 years,
- historical losses are adjusted to reflect information about current conditions and reasonable forecasts of future economic conditions,
- the loss allowance ratio will be the sum of the written-off amounts divided by the sum of the average balances,
- the loss allowance is multiplied by the end-of-year balance and it will be the actual loss allowance on these receivables,
- loss allowance should be recalculated annually.

The OTP Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. This might occur if the financial asset has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The OTP Group considers sovereign exposures as having low credit risk.

Stage 1: financial assets for which the events and conditions specified in respect of Stage 2 and Stage 3 do not exist on the reporting date.

A client or loan must be qualified as in default if one or both of the following conditions occur:

- The client delays payment for more than 90 days. This is considered a hard trigger.
- There is reasonable probability that the client will not satisfy all of its payment obligations. This condition is examined on the basis of probability criteria of default.

Default qualification is applicable to those exposures (on-balance and off-balance) that originate credit risk (so originated from loan commitments, risk-taking contracts).

A financial instrument shows significant increase in credit risk, and is allocated to Stage 2, if in respect of it any of the following triggers exist on the reporting date, without fulfilling any of the conditions for the allocation to the non-performing stage (Stage 3):

- the payment delay exceeds 30 days;
- it has been classified as performing forborne;
- based on an individual decision, its currency suffered a significant “shock” since the disbursement of the loan;
- the transaction/client rating exceeds a predefined value or falls into a determined range, or compared to the historic value it deteriorates to a predefined degree;
- in the case of retail mortgage loans, the loan-to-value ratio exceeds a predefined rate;
- default on another loan of the retail customer, if no cross-default exists;
- monitoring classification of corporate and municipal clients above different thresholds defined at OTP Group level:
  - financial difficulties at the debtor (capital adequacy, liquidity, deterioration of the instrument quality);
  - significant decrease of the liquidity or the activity on the active market of the financial instrument can be observed;
  - the rating of the customer reflects high risk but is better than a default rating;
  - a significant decrease in the value of the recovery from which the debtor would disburse the loan; and
  - clients under liquidation.

A financial asset is non-performing and it is allocated to Stage 3 when any of the following conditions exists on the reporting date:

- defaulted (based on the OTP Group level default definition);
- it is classified as non-performing forborne (based on the OTP Group level forborne definition);
- the monitoring classification of corporate and municipal customers above different thresholds defined at OTP Group level (including but not limited to):
  - breaches of contracts;
  - significant financial difficulties of the debtor (such as capital adequacy, liquidity, deterioration of the instrument quality);
  - bankruptcy, liquidation, debt settlement processes against the debtor;
  - forced strike-off is commenced against the debtor;
  - termination of a loan contract by the Issuer;
  - occurrence of a fraud event; and
  - termination of the active market of the financial asset.

If the exposure is no longer considered as credit impaired, the OTP Group will allocate the exposure to Stage 2.

When loss allowance is calculated in respect of exposures categorised into stages the following process is followed by stages:

- Stage 1 (performing): loss allowance at an amount equal to 12-month expected credit loss is recognised;
- Stage 2 (significant increase in credit risk): loss allowance at an amount equal to lifetime expected credit loss is recognised; and
- Stage 3 (non-performing): loss allowance at an amount equal to lifetime expected credit loss is recognised.

For lifetime expected credit losses, an entity must estimate the risk of a default occurring on the financial asset during its expected life. 12-month expected credit losses are a portion of the lifetime expected credit losses and represent the lifetime cash shortfalls that will result if a default occurs in the 12 months after the reporting date (or a shorter period if the expected life of a financial instrument is less than 12 months), weighted by the probability of that default occurring.

An entity must measure expected credit losses of a financial asset in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date regarding past events, current conditions and forecasts of future economic conditions.

**The following table sets out the main risk indicators of the OTP Group:**

	2023	1Q 2024
Risk cost rate (Provision for impairment on loan and placement losses (adjusted) /Average gross customer loans) .....	0.16 %	(0.17 %)
Consolidated Stage 1 loans under IFRS 9/gross customer loans (%) .....	82.7 %	83.1 %
Consolidated Stage 2 loans under IFRS 9/gross customer loans (%) .....	13.0 %	12.7 %
Own coverage of consolidated Stage 1 + Stage 2 loans under IFRS 9 (%) .....	2.0 %	1,9 %
Own coverage of consolidated Stage 1 + Stage 2 loans without OBRu, OBU and Ipoteka under IFRS 9 (%) .....	1.6 %	1,5 %
Consolidated Stage 3 loans under IFRS 9/gross customer loans (%) .....	4.3 %	4.3 %
Consolidated Stage 3 loans under IFRS 9/gross customer loans without OBRu, OBU and Ipoteka under IFRS 9 (%) .....	3.3 %	3,2 %
Own coverage of consolidated Stage 3 loans under IFRS 9 (%) .....	60.8 %	61.0 %
Own coverage of consolidated Stage 3 loans without OBRu, OBU and Ipoteka under IFRS 9 (%) .....	57.6 %	58,3 %

## Asset liability management

### *Liquidity position*

The primary objective of the OTP Group in terms of asset-liability management is to ensure that the OTP Group's liquidity is maintained at a safe level. Refinancing sources of the European Central Bank are still available to the OTP Group (the ECB repo eligible security portfolio at OTP Group level exceeded EUR 5.5 billion).

Total liquidity reserves of the OTP Group remained steadily and substantially above the required level. As of 31 December 2023, the gross liquidity buffer was around EUR 9.8 billion equivalent. The level of these buffers

is significantly higher than the maturing debt within one year and the reserves required to manage possible liquidity shocks.

As of 31 December 2023, the OTP Group consolidated liquidity coverage ratio (“**LCR**”) was 246 per cent. (compared to 172 per cent. as of 31 December 2022) while net stable funding ratio (“**NSFR**”) compliance has remained comfortable at 153 per cent. as of 31 December 2023. As of 31 March 2024, the OTP Group consolidated LCR was 243 per cent. while NSFR compliance has remained comfortable at 159 per cent.

**The following table sets out the key liquidity risk indicators and their limits as of the end of 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 1Q 2024:**

	Requirement	2017	2018	2019	2020	2021	2022	2023	1Q 2024
Net stable funding ratio .....	at least 100%	145%	144%	125%	139%	139%	137%	153%	159%
Liquidity coverage ratio .....	at least 100%	208%	207%	169%	214%	180%	172%	246%	243%
Net loan to deposit ratio .....	—	68%	72%	79%	76%	75%	74%	72%	73%

### ***Interest rate risk***

Due to the liabilities on the Issuer’s balance sheet, which respond to yield changes only to a moderate extent, the Issuer has an interest-rate risk exposure resulting from its business operations. The Issuer considers the reduction and closing of this exposure as a strategic matter.

In 2022, the Hungarian Government implemented an interest rate cap that, along with additional regulations and governmental actions taken in 2023, has significantly altered the composition of the Issuer's balance sheet. These changes have led to a reduction in the holdings of Hungarian Forint (HUF) denominated assets with variable interest rates. Consequently, the HUF interest rate risk profile of the Issuer has been nearly neutralised as of the end of December 2023. However, with the impending due dates of the long-term HUF liquid asset holdings and the accumulation of operational profits, it is anticipated that the volume of variable interest assets will begin to rise over time. Due to the surplus of variable interest rate assets compared to variable interest rate liabilities the net interest income of the EUR (and BGN) denominated portfolio correlates with the rise in money market interest rates: the loans get repriced typically in 3-6 months, the interest rate swaps (“**IRS**”) in 6 months, and other liquid assets within 1-3 months. On the deposit side the repricing is not automatic, its extent and speed depends on the level of interest rates and the liquidity position of the Issuer. The rise in interest rates did not lead to a notable adjustment in deposit pricing. As a result, with higher nominal yields, the OTP Group shifted its strategy for managing liquid assets in the latter half of 2023 by extending the maturity of these assets. Additionally, the OTP Group has initiated swap agreements by which it receives fixed interest rates, as a strategic move to protect the OTP Group’s net interest income against the possibility of a decline in Euro-denominated yields.

### **Market risk exposure of the OTP Group**

The consolidated capital requirement of the trading book positions, the counterparty risk exposure and the foreign exchange risk exposure represented HUF 47.7 billion in total.

The OTP Group is an active participant in the international foreign exchange and derivative markets. Open foreign exchange positions of group members are restricted to individual and global net open position limits (overnight and intraday), and to stop-loss limits. The open positions of the OTP Group outside Hungary, except for the Bulgarian DSK (the EUR/BGN exposure of DSK under the current exchange rate regime does not represent real risk), were negligible in comparison with either the balance sheet total or the regulatory capital. Therefore, the group-level foreign exchange risk exposure was concentrated at the Issuer.

To reduce the impact of fluctuations in foreign exchange rates on its overall equity, the Issuer has initiated a short position in euros in the open foreign exchange market. The gains or losses from this position are directly adjusted against the Issuer's equity.

### **Operational risk management**

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal risk. In many respects, operational risks are very diverse and different from conventional banking risks. Effective operational risk management requires participation and commitment of the entire organisation, and support from management is crucial in order to mobilise and involve the employees who are responsible for operational risk. As a result of strong management support, the OTP Group has a well-designed and trained internal expert network. The OTP Group places great importance on the training of this internal expert network.

The most important fundamental principles which the OTP Group follows with respect to operational risk management are summarised below:

- in order for operational risks to be adequately managed, a standardised, easily understood, and robust framework system must be put in place at OTP Group level, covering the definition of operational risks and the methods of identification, measurement, monitoring, management and mitigation of such operational risks;
- the operational risk management system must cover all risks inherent in the activities of the OTP Group, an operational risk toolset must be developed and updated according to changes and internal and external expectations;
- the review of this framework needs to be established and conducted;
- strong support of people within the OTP Group dealing with operational risk management;
- the Issuer's management body and the Operational Risk Committee must be informed on a regular basis of the prevailing operational risk exposure of the OTP Group and any potential and incurred losses arising from operational risks;
- the OTP Group strives for a high level of risk-awareness and must articulate its operational risk appetite;
- the OTP Group must have guidelines, processes and procedures to mitigate operational risks, both for the Issuer and for the subsidiaries as well; and
- independent operational risk management activities must be fully integrated into the OTP Group's risk management activities and its general management information system.

Due to the changing operational environment, including technological developments, and the ever increasing need to meet the challenges of the digital era, there are increased operational risks and reputational risks. The OTP Group maintains a comprehensive cyber-security programme with the necessary defence systems and solutions and the subsidiaries of the OTP Group may also implement additional defence systems and solutions, if deemed necessary. The OTP Group is a prime target in terms of phishing attacks and partially DOS/DDOS attacks. The members of the OTP Group have the necessary capability to deal with these threats by contracting with relevant third-party providers and utilising IT solutions, and organising periodical trainings for our employees and publishing awareness information on our website, while also complying with the regulations of the EU and Hungarian authorities.

The relevant department of the Issuer annually conducts a phishing campaign to raise awareness. In order to comply with regulatory recommendations, the OTP Group has created a role-based cyber security awareness

training, which is also available to the subsidiaries. The OTP Group has also introduced group-wide security solutions which enables faster deployment within the subsidiaries and more seamless daily operations. Knowledge sharing is also important and therefore a rotation programme has been initiated within the OTP Group, during which employees of the Issuer's subsidiaries will be able to visit the Issuer's relevant departments to have an insight into how processes work at the Issuer level. This option will also be available for the Issuer's employees. In 2022 OTP Group has signed a contract with Bluevoyant, a cybersecurity company which assists in assessing the security risks of its suppliers and enhances its brand protection capabilities. Additionally, it also gave its subsidiaries the option to use this service for their own suppliers from 2023 to boost the OTP Group's resilience. With the entry into force of the EU's DORA regulation, the OTP Group has initiated a tender process to be able to meet the requirements of this regulation. At the end of 2023, the OTP Group has contracted a supplier for a group wide penetration test that covers all the foreign subsidiaries of OTP Group. This test is still in progress at the date of this Base Prospectus.

The OTP Group has a major focus on money-laundering prevention and compliance with sanction regimes in order to manage reputational, legal and financial risks stemming from compliance failure. The top priority for the OTP Group has been building strong internal controls, policies and systems, and a sound risk culture.

The OTP Group's insurance coverage is also used to manage operational risk. Members of the OTP Group have the following insurance cover:

- property damage insurance;
- liability insurance; and
- motor insurance,

in the form of local policies concluded individually by each member of the OTP Group, except for the liability insurance of the directors and officers which is covered by a group level insurance policy.

As most insurance is managed locally, a group-level insurance framework has not been implemented. Members of the OTP Group are allowed to purchase additional local insurance cover. Insurance policies are renewed regularly. There is no current plan to terminate any of the existing insurance coverage. Current insurance policies are believed by the Issuer's management to be appropriate based on prevailing regulations and management decisions. There is no indication that insurance will not be available to the OTP Group on commercially reasonable terms.

To comply with Regulation (EU) 2016/679 (the “**General Data Protection Regulation**” or “**GDPR**”), the Issuer aims to establish the same privacy standards throughout the OTP Group in Hungary and in other EU member states as well. The Issuer follows and takes into account the guidelines and opinions of the competent data protection authorities in order to comply with privacy requirements. All documents such as general terms and conditions and privacy notices and procedures are in line with the GDPR and the applicable national laws. A register of data protection activities was established and is kept up-to-date. Personal data breaches are recorded and classified concerning the risk they have to the rights of data subjects. A register of employees responsible for GDPR compliance ensures that from the planning phase of a new service or product, the principles of data protection and privacy requirements are taken into account. Employees of the OTP Group receive privacy training on a yearly basis to increase awareness of the OTP Group's responsibilities under the GDPR.

### **Compliance policies (Sanctions and sensitive transactions)**

The OTP Group applies a sanctions compliance policy aiming to ensure compliance with all applicable economic, financial and trade sanctions laws, regulations and embargo provisions imposed by the European Union, the United Nations Security Council, the competent authority of the United Kingdom and the

government of the United States of America. The OTP Group ensures compliance with sanctions and restrictive measures by taking local laws into consideration, and each member of the OTP Group considers the national sanctions laws applicable to it.

The OTP Group has a Sanctions Compliance Policy and has implemented sanctions procedures that define the minimum standards for the Issuer and its subsidiaries. These are designed to ensure that the members of the OTP Group comply with the obligations applicable to them and the principles set out in the OTP Group's Sanctions Compliance Policy. The OTP Group's members follow, among others, the standards and procedures listed below:

- *Screening of customers and transactions*: Screening of customers and transactions against at least, but not limited to, the sanction lists of the European Union, the United Nations, the United Kingdom and the United States of America or in case of a particular member of the OTP Group, the national list of persons subject to asset freezes.
- *Prohibiting or restricting business activities*: Prohibiting or restricting (i) business activities, (ii) the provision of financial and investment products or services, or (iii) the facilitation of transactions that may violate the applicable sanctions laws and regulations. The additional purpose of these prohibitions is to prevent any involvement in transactions and business conducts that could be aimed at circumventing or avoiding directly or indirectly the applicable sanctions.

Restrictions may prohibit, among other things, business activity with sanctioned individuals or entities, or any activity directly or indirectly involving countries or territories subject to comprehensive sanctions (including Cuba, Iran, North Korea, and Syria, non-government-controlled areas of Ukraine: the Crimea, Donetsk, Kherson, Luhansk and Zaporizhzhia provinces (also considering possible changes over time)).

- *Risk appetite*: the Issuer and its subsidiaries concerned may in their sole discretion refuse to provide financial and investment products or services or facilitate transactions even if they are permitted by applicable sanctions laws and regulations but the activity would not be in line with the OTP Group's Sanctions Compliance Policy or risk appetite.

The OTP Group applies appropriate internal rules for the assessment of all relevant client and transaction concerned, whereby compliance with applicable sanctions laws and its Sanctions Compliance Policy may result in delays to the processing of customer transactions.

In addition, the correspondent banks involved in any transaction also have the right to suspend the transaction if it is contrary to their own policy or if their screening system indicates that it may violate sanctions. The Issuer and its subsidiaries concerned act only as intermediaries between the client and the correspondent bank and have no influence on the outcome of the investigations carried out by correspondent banking partners.

### **Anti-Corruption policy**

OTP Group is committed to combatting corruption, and declared zero tolerance towards all forms of bribery and gaining of unfair advantages. The provisions of OTP Group's Anti-Corruption Policy have been formulated in accordance with applicable Hungarian, European Union and international legislation and the Anti-Corruption Guidance of the Wolfsberg Group.<sup>19</sup>

In the course of and in connection with the OTP Group's activities, all staff members and any other contractual partners of the OTP Group members are strictly prohibited from performing any act of corruption and from participating or being involved in corruption. A violation of the prohibition on corruption would give rise to consequences under labour, civil and criminal law. The OTP Group ensures full implementation of all applicable

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<sup>19</sup> The Wolfsberg Group – Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance (2017)



Hungarian, European Union and international anti-corruption regulations, and requires all of its staff members and contractual partners to comply with such regulations.

The Anti-Corruption Policy defines the principles of the OTP Group's anti-corruption activity and identifies the areas particularly exposed to the risk of corruption. The scope of the Anti-Corruption Policy extends to all staff members and contractual partners of the OTP Group members and to any other persons participating in the performance of their activities.

In order to enforce zero tolerance towards corruption, the OTP Group applies the following procedural and operational principles:

- in order to avoid the concentration of decision-making powers in one person's hands, members of the OTP Group strictly define staff members' roles and responsibilities by adequately and officially specifying the responsibilities and clearly designating decision-making levels;
- the OTP Group members formulate officially devised procedures for the performance of specific activities by individual staff members, and require the application thereof;
- in accordance with and to the extent permitted by legal provisions, the OTP Group members monitor the activity and transactions of individual staff members; and
- in all cases where required by relevant policies, the OTP Group members expects all staff members to make their decisions on the basis of pre-defined criteria.

All OTP Group members are required to adopt the anti-corruption rules and to implement and consistently adhere to the relevant procedures.

The principles and provisions of the Anti-corruption policy cover all members of the OTP Group, spanning the full spectrum of their operation from the formulation of internal regulatory documents through the contracts to be concluded with partners to the actions of individual staff members, and are applicable to all activities of the members of the OTP Group.

In order to minimise the risk of corruption, group members shall endeavour to use an anticorruption clause in the relevant agreements with contractors and in their governing documents.

The provisions set out in the Anti-corruption policy are to be applied in conjunction with the provisions of the group-level Code of Ethics and the Partner Code of Ethics.

### **Anti-money laundering ("AML") and counter-terrorism financing activities**

The employees of the Issuer in areas having direct contact with clients and in other areas exposed to AML risks are required to take definite steps toward the prevention and combating of money laundering and terrorist financing and to obtain exhaustive information on their clients by applying the "Know Your Customer" principle. In the course of their work, employees are required to proceed in full compliance with the provisions of the Act on the Prevention and Combating of Money Laundering and Terrorist Financing, the Act on the Implementation of Financial and Property Restrictive Measures Prescribed by the European Union and the UN Security Council, as well as the implementing decrees of such Acts, the Criminal Code, the recommendations of the MNB, the FATF and the Basel Committee on Banking Supervision, the relevant regulations of the European Union and the Issuer's internal regulatory documents.

### **Basic principles of the Code of Ethics and the Partner Code of Ethics**

The Issuer enforces a Code of Ethics and a Partner Code of Ethics regarding ethical business operations, which is implemented by certain OTP Group members including, among others, the foreign subsidiary banks.

To monitor compliance with the rules of ethics and observance of the requirements of ethical operations, the Issuer has set up an Ethics Committee; a body that reviews the Issuer's operations on a regular basis from the

perspective of compliance with the basic principles and the adoption of the expected forms of conduct as defined in the Code of Ethics and in the Partner Code of Ethics.

Violations of the Code of Ethics and the Partner Code of Ethics can be reported either in person, by telephone or e-mail. The Issuer also does the utmost to protect employees who report infringements against discrimination and unfair treatment by prohibiting retaliatory measures or the application of negative consequences against any person who reports, in good faith, actual or suspected breaches of the values and principles of the Code of Ethics and the Partner Code of Ethics.

The Issuer attaches particular importance to making sure that its employees familiarise themselves with and develop awareness of the norms of ethics. The Issuer provides an e-learning programme for every employee, and reviews and monitors compliance with those norms on a regular basis.

The guidelines and requirements set forth in the Code of Ethics and in the Partner Code of Ethics specify obligations for the Issuer's executive officers, employees and agents. "Agents" include representatives, experts, intermediaries, consultants, agents per se, subcontractors and suppliers, along with enterprises and natural persons in other legal relationships with the Issuer under the civil law. The provisions set forth in the Code of Ethics and in the Partner Code of Ethics must be observed and complied with during the entire period of the employment or contractual relationships – both during and outside working hours.

As an ethical and compliant institution, the Issuer and its management are fully committed to ensuring observance of all relevant legislation, including anti-corruption statutes. The Issuer and its management have adopted the principle of zero tolerance towards corruption and bribery, taking a definite stance against all forms of corruption and giving full support to the fight against corruption.

The Code of Ethics and the Partner Code of Ethics has also provisions on, among other things, anti-corruption including prohibited manipulation, rules on the acceptance of gifts, refusing payments facilitating business procedures, sponsorship, and donation.

The detailed procedural rules are set out in the administrative directive on the framework for reporting unethical conduct defining the rules concerning the operation of the whistleblowing system which complies with the statutory requirements and also facilitates whistleblowing on the potential violation of the values specified in the Code of Ethics and in the Partner Code of Ethics as well as the rules pertaining to the procedure related to such whistleblowing reports.

The Issuer places importance on compliance with ESG requirements. Based on these principles, the Code of Ethics and the Partner Code of Ethics have been supplemented to (i) emphasise group-level regulation; (ii) focus the attention of suppliers on implementing the provisions of the Code of Ethics; (iii) make donations transparent; (iv) declare the respect for human rights; and (v) implement rules about customer protection and proper customer information.

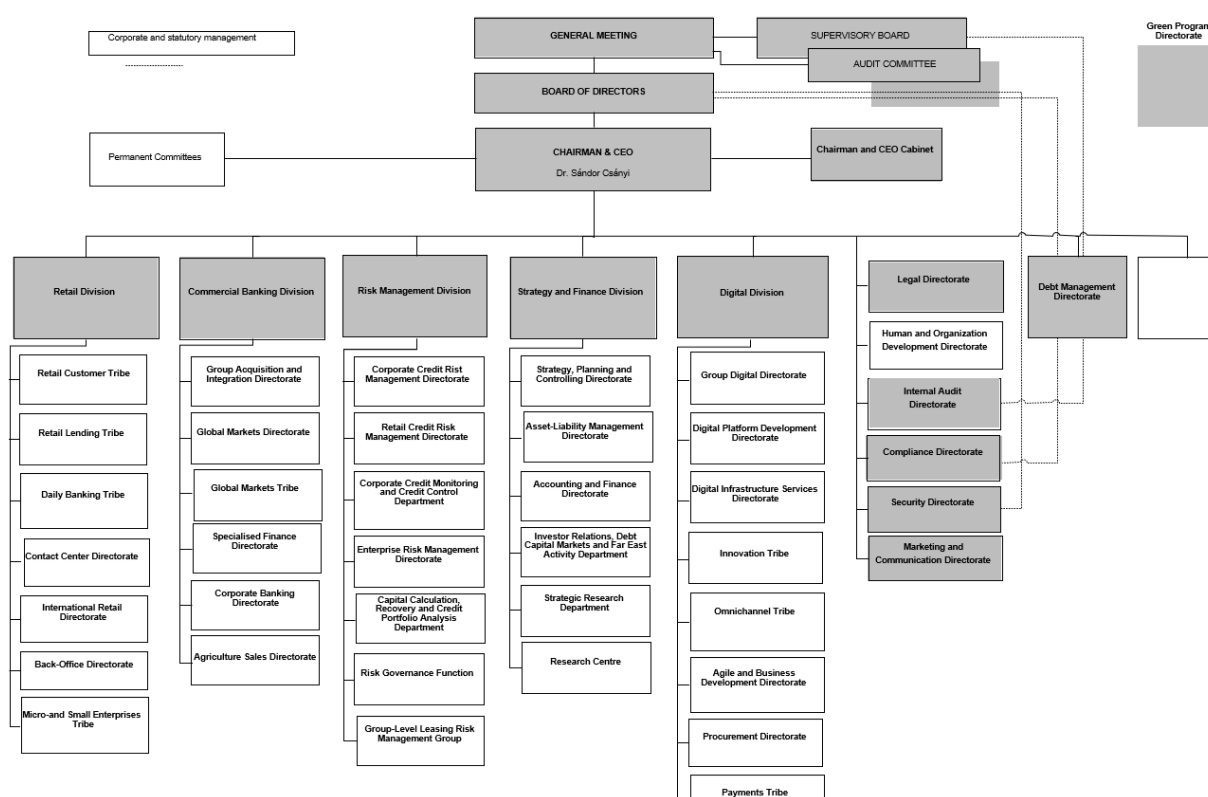
## ORGANISATION STRUCTURE AND MANAGEMENT

### Organisational structure of the Issuer

The Issuer's operations are divided between the Issuer's headquarters in Budapest and its branches throughout Hungary.

The Issuer is composed of two core operational divisions, four functional divisions and two directorates. All divisions are headed by a Deputy Chief Executive Officer. The core operational divisions are the Retail Division and the Commercial Banking Division. The Retail Division is responsible for retail services such as savings and current account services and consumer loans. The Commercial Banking Division is responsible for the corporate, MSE, municipal, international, securities, treasury and structured finance business lines.

The following diagram illustrates the internal organisational structure of the OTP Group as at 1 April 2024:



The dotted line represents the governance line through the various management bodies and, where applicable, is based on regulatory requirements.

The Issuer believes that it is in compliance with the provisions of all applicable statutory regulations, orders of the supervisory authority and the regulations of the Budapest Stock Exchange. The structure and operating conditions of the Issuer are contained in its Articles of Association, which are approved by the General Meeting of Shareholders. There have been no recent changes in the management of the Issuer.

### Board of Directors

The Board of Directors is an executive body elected by the General Meeting of the Issuer. The Board of Directors shall be entitled and obliged to make all decisions which are not within the competence of the General

Meeting, the Supervisory Board or the Audit Committee as defined by law, the Articles of Association, or a resolution of the General Meeting.

The liability of the Board of Directors extends to the operation of the entire the Issuer, as part of which the Board's main tasks include the approval of the Issuer's strategy, annual report, major organisational restructurings and policies, as well as making other significant company law-related decisions. In its objectives and activities, particular emphasis is placed on increasing shareholder value, profitability and efficiency, and on managing risks and complying fully with external requirements – in other words on ensuring the most effective enforcement of business, ethical and internal control policies.

The scope of its authority is defined in the effective statutory provisions, the Issuer's Articles of Association, General Meeting resolutions, and the Organisational and Operational Regulations. Its rules of procedure include the legal status and composition of the Board of Directors, as well as the regulations applicable to its operation and decision making.

All the obligations and prohibitions specified for executive officers under Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises (Credit Institutions Act) apply to the members of the Board of Directors.

The Board of Directors has an executive role in the governance of the Issuer, and this is reflected in its members' remuneration, an important element of which is the share-based honorarium, which serves to harmonise the interests of the board with those of the shareholders.

It oversees the Issuer's operative management through the Chairman and CEO. The Chairman and CEO is authorised to decide in all matters that do not, pursuant to the Articles of Association, fall within the scope of authority of the General Meeting or the Board of Directors. The employer's rights related to the executive officers of the Issuer are in general exercised by the Board of Directors as a corporate body, with the proviso that in the case of the deputy CEOs, employer's rights are exercised through the Chairman and CEO, and the prior notification of the Board of Directors is required for their appointment and for the withdrawal of their appointment.

In view of the fact that the Board of Directors also has an important role to play in overseeing the work of the management, it is of substantive importance that the principle of a majority of external (non-executive) members be implemented in respect of the Board of Directors (4 executive members, 7 non-executive members). The makeup of the Board of Directors ensures that professional expertise, experience, and a degree of impartiality that goes beyond the above-mentioned independence requirement, are brought to bear in equal measure in the decision-making processes.

#### **Executive members and their principal activities outside the OTP Group are:**

##### **Dr. Sándor Csányi, Chairman and CEO**

He graduated from the College of Finance and Accounting in 1974 with a bachelor's degree in business administration and in 1980 from the Karl Marx University of Economic Sciences (now: Corvinus University) with a masters in economics and finance, where he also obtained his doctorate in finance between 1981-1983. He is a chartered auditor – certified in 1982 at the Ministry of Finance. After graduation he worked at the Revenue Directorate and then at the Secretariat (Bank Supervision Section) of the Ministry of Finance. Between 1983 and 1986, he was a departmental head at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he worked as a senior head of department at Hungarian Credit Bank (MHB). He was Deputy CEO of K&H Bank from 1989 to 1992. He has been Chairman and CEO of the Issuer since 1992. He is Vice Chairman of the Board of Directors of MOL Plc. and Co-Chairman of the Chinese-Hungarian Business Council. Owner of Bonitás 2002 Zrt. which is the holding company overlooking his investments in agriculture, food industry, real estate and asset management comprising of over 240 directly or indirectly owned companies. In 2022, he

founded Unity Asset Management Foundation, which acts as his family office, by contributing 100% of the shares of Bonitás 2002 Zrt. and Hungerit Zrt. as well as HUF 700 million in cash.

He is one of the largest investors in agriculture and food industry in the CEE region through Bonafarm Group and KITE generating aggregated annual revenue of EUR 2 billion with over 9,000 employees and with 40,000 hectares cultivated land in total. Bonafarm Group is vertically integrated whereby agriculture companies produce the raw materials for food processors. He has significant investments in venture capital real estate (the Bonitás Venture Capital and Real Estate Fund) with EUR 20 million funds under management and asset management (CSAM in Singapore). The size of venture capital fund is EUR 20 million and the average VC investment is between EUR 900.000 and EUR 2 million, while the size of the real estate fund is EUR 70 million.

He has been President of the Hungarian Football Federation (MLSZ) since 2010. He has been a member of the UEFA Finance Committee and a member of the FIFA Council since 2017, and Vice President of the FIFA Council since 2018.

He has been the owner of Pick Szeged Handball Club since 2011. He has been the Honorary Vice President of the International Judo Federation since 2008.

He has been the Vice President of the Board of Trustees of the International Children's Safety Service since 1995, and Chairman of the Board of Trustees of the Prima Primissima Foundation since 2003. In 2005, he established the Csányi Foundation for Children with his own funds. Since 2009, he has been a member of the Board of Trustees of the Media Union for Social Awareness Formation Foundations. Since 2020, he has been the Chairman of the Board of Trustees of the Pro Sopron University Foundation. In 2021, he became the Chairman of the Board of Trustees of the Hungarian University of Agriculture and Life Sciences (MATE) Foundation.

As of 31 December 2023 he held 12.000 ordinary OTP shares (while the total number of OTP shares held directly and indirectly by him was 4.712.949).

#### **Péter Csányi, Deputy CEO, Digital Division**

He graduated from City University London in 2006 with a bachelor's degree in economics, then in 2007 with a master's degree in finance from the IE Business School in Madrid. In 2015, he received the Master of Business Administration (MBA) diploma from Kellogg School of Management in the USA. He began his career in 2006 at Merrill Lynch's London office as an intern where he was working on corporate finance projects for financial institutions. From 2007 to 2011, he worked at Deutsche Bank's London office, first as an analyst and later as an associate in the field of corporate finance (for Central and Eastern European corporate customers). From 2011-2016, he worked for McKinsey & Company Inc. as a senior consultant mostly working on banking related projects.

He joined the Issuer in 2016 as Managing Director of the Digital Sales and Development Directorate. After the agile transformation at the Issuer, he became responsible for the management of the Omnichannel Tribe from 2019. In addition, since January 2021, he has been the head of the Daily Banking Tribe. He was appointed as Deputy CEO of the Issuer from March 2021 and is the head of the IT Division (as of 1 May 2021, the "Digital Division"). From 2020, he has been Chairman of the Supervisory Board of OTP banka d.d. in Croatia. He is also a member of the OTP Mobil Kft. Supervisory Board and Board of Directors of PortfoLion Ltd. He is also the head of the Digitization Working Group of the Hungarian Banking Association. He is member of the Mastercard European Advisory Board. He has been a member of the Board of Directors since 16 April 2021 and the vice president responsible for digital transformation of IVSZ IT Association of Hungary.

As of 31 December 2023, he held 25,939 ordinary OTP shares.

**László Wolf, Deputy CEO, Commercial Banking Division**

He graduated from the Karl Marx University of Economic Sciences (now: Corvinus University) in 1983. After graduation, he worked at the Bank Relations Department of the National Bank of Hungary for 8 years, and then he was head of Treasury at BNP-KH-Dresdner Bank between 1991 and 1993.

From April 1993 he was managing director of the Issuer's Treasury Directorate, and since 1994 he has been head of the Commercial Banking Division and Deputy CEO of the Issuer. Since 2003 he has been a member of DSK Group's Supervisory Board. Since 13 June 2023 he has been the Chairman of the Supervisory Board of Ipoteka Bank.

He has been a member of the Issuer's Board of Directors since 15 April 2016.

As of 31 December 2023, he held 544,502 ordinary OTP shares.

**Non-executive members:****Tamás György Erdei, Deputy Chairman**

He graduated in 1978 with a degree from the College of Finance and Accounting. He began his professional career at the Issuer, in a variety of administrative roles (his last position was branch manager), before going on to work at the Ministry of Finance in the area of bank supervision.

Since 1983 he has been employed by the Hungarian Foreign Trade Bank, where he gradually worked his way up through the ranks. In 1985 he became managing director, in 1990 he was appointed Deputy CEO, then in 1994 he was made CEO, and from 1997 until the end of March 2012 he was chairman and CEO. Between 1997 and 2008, and between 2009 and 2011, he was the elected president of the Hungarian Banking Association. He is the chairman of the Supervisory Board of the International Children's Safety Service.

He has been a member of the Issuer's Board of Directors since 27 April 2012. He has been the chairman of the Issuer's Risk Assumption and Risk Management Committee, and he was a member of the Nomination Committee between 2014 and 2020. He has been the Deputy Chairman of the Board of Directors since April 2019 and the Deputy Chairman of the Work-out Committee since October 2019. He has been Chairman of the Board of Directors at OTP Factoring Ltd. between since December 2019.

As of 31 December 2023, he held 53,885 ordinary OTP shares.

**Gabriella Balogh**

She graduated as organising chemical engineer from the University of Veszprém in 1993 and as marketing economist from the University of Economics, Budapest in 1997. She worked as a marketing associate between 1993 and 1998, as director of the Marketing Department from 1998 to 2005 and as managing director of the Marketing and Sales Directorate between 2005 and 2008 at the Issuer. She has been managing director of GoodStep Consulting Kft. since 2008. She fulfilled group management tasks as a member of the Board of Directors at the Central European Media and Publishing Company between 2010 and 2017. She has been co-owner and member of the Board of Directors of Net Media Plc. since 2016. She is Presidium member and Chairwoman of the Marketing and Media Board of the Hungarian Football Association. She is the Chairwoman of the Supervisory Board of Művészetek Palotája Ltd. Since 2023 she has been the Member of the Board of Directors of Richter Gedeon Plc.

She has been a member of the Issuer's Board of Directors since 16 April 2021.

As of 31 December 2023, she held 17,793 ordinary OTP shares.

**Mihály Baumstark**

He graduated with a degree in agricultural business administration at Gödöllő University of Agriculture (1973), and obtained a Master's degree in economics at the Karl Marx University of Economic Science (now: Corvinus University) in 1981. He was employed by the Ministry of Agriculture and Food Industry between 1978 and 1989. When he left the Ministry he was Deputy head of the Investment Policy Department. After this he was managing director of Hubertus Bt., and from 1999 to 2011 he was Deputy CEO and then Chairman and CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He is currently retired. He was a member of the Issuer's Supervisory Board from 1992 to 1999, and has been a non-executive member of the Issuer's Board of Directors since 1999. He has been Chairman of the Issuer's Ethics Committee since 2010, as well as a member of its Remuneration Committee since 2011. He was the member of the Nomination Committee between 2014 and 2020.

As of 31 December 2023, he held 59,200 ordinary OTP shares.

**Dr. István Gresa**

He graduated from the College of Finance and Accountancy in 1974 and received a degree in economics from the Karl Marx University of Economic Sciences (now: Corvinus University) in 1980. He earned a PhD from the University of Economic Sciences in 1983. He has been working in the banking sector since 1989. Between 1989 and 1993 he was branch manager of Budapest Bank's Zalaegerszeg branch.

From 1993 he was director of the Issuer's Zala County Directorate, and from 1998 he served as the managing director of the Issuer's West Transdanubian Region. From 1 March 2006 until 14 April 2016 – when he retired – he was Deputy CEO of the Issuer, Head of Credit Approval and Risk Management Division. He was Chairman of the Board of Directors at OTP Factoring Ltd. between 2006 and 2017. He has been a member of the Issuer's Board of Directors since 27 April 2012.

As of 31 December 2023, he held 192,458 ordinary OTP shares.

**Antal György Kovács**

He graduated from the Karl Marx University of Economic Sciences (now: Corvinus University) with a degree in economics. He began his professional career in 1990 at the Nagyatád branch of K&H Bank, where he worked as a branch manager between 1993 and 1995. He has been working at the OTP Group since 1995, first as a county director of the Issuer, and from 1998, as the executive director of the Issuer's South Transdanubian Region. From 1 July 2007 to 31 December 2022. Mr. Kovács was the head of Retail Division as the Issuer's Deputy CEO. He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute. Between April 2007 and April 2012, he was Chairman of the Supervisory Board of OTP banka Hrvatska d.d. He has been Chairman of the Supervisory Board of OTP Bank Romania SA since 12 December 2012. He has been Chairman of the Board of Directors of OTP Mortgage Bank Ltd. and OTP Building Society Ltd. since 24 April 2014. He was a member of the Issuer's Supervisory Board from 2004 to 14 April 2016. Between 15 April 2016 and 27 April 2023 he was a member of the Issuer's Board of Directors, on 28 April 2023 the General Meeting of the Issuer elected him as non-executive member of the Issuer's Board of Directors.

As of 31 December 2023, he held 126,584 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 130,884).

**György Nagy**

He graduated from the Department of International Foreign Economics of University of International Relations (Moscow) in 1989. He was a founding owner of Wallis Holding (founded in 1990) and he managed the Wallis Group as CEO until 2000. He founded Westbay Holding Kft. in 2004, whose portfolio includes several

successful investments. He has been the chairman of the Hungarian Shooters Federation since 2012, Presidium member of the European Shooting Confederation (ESC) since 2013 and he was elected the Vice President of ESC in 2021.

He has been a member of the Board of Directors since 16 April 2021.

As of 31 December 2023, he held 44,400 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 1,068,885).

#### **Dr. Márton Gellért Vági**

He graduated in 1987 from the department of foreign economics at the Karl Marx University of Economic Science (today the Corvinus University of Budapest). From 1987 to 2000 he was a member of the university faculty, in the capacity of associate professor and head of department from 1994 onwards. He holds a university doctorate and a PhD in economics. He has authored or co-authored more than 80 research papers, essays and books. Between 2000 and 2006 he worked at the State Holding and Privatisation Co. (ÁPV Zrt.), as managing director, Deputy CEO and then CEO. Between 2006 and 2010 he was Chairman of the National Development Agency.

Since 2010 he has been general secretary of the Hungarian Football Association. In various periods between 2000 and 2010, he was the Chairman of the Board of Directors of Magyar Villamos Művek, Paks Nuclear Power Plant and the National Textbook Publishing House. Between 2002 and 2010, he was a member of the Board of Directors of Földhitel és Jelzálogbank Nyrt., and the Chairman of the Board of Directors for 4 years. He has been a member of UEFA's HatTrick Financial Assistance Committee since 2011. He has been a member of FIFA's Financial Committee since 2017 and since 2023 he has been a member of the UEFA National Teams Competition Committee.

He was a member of the Supervisory Board between 2011-2021. He was a member of the Issuer's Audit Committee between 2014-2021. He was a member of the Issuer's Nomination Committee between 2020-2021. He has been a member of the Board of Directors since 16 April 2021.

As of 31 December 2023, he held 15,800 ordinary OTP shares.

#### **Dr. József Zoltán Vörös**

He earned a degree in economics from the Karl Marx University of Economic Science in 1974. In 1984 he earned a PhD in economics from the Hungarian Academy of Sciences, and a Doctor of Science degree in 1993. He has been a member of the Hungarian Academy of Sciences since 2013. Between 1990 and 1993 he was the dean of the Faculty of Business and Economics, Janus Pannonius University (JPTE) in Pécs. In 1993 he attended a course in management for senior executives at Harvard University. From 1994 he was a professor at JPTE, from 2021 he has been professor emeritus. He was the senior Vice Rector of the University from 2004-2007, between 2007 and 2011 he was Chairman of the Economic Council of the University of Pécs.

He has been a non-executive member of the Board of Directors since 1992. He has been Chairman of the Issuer's Remuneration Committee since 2009, and a member of its Risk Assumption and Risk Management Committee since 2014.

As of 31 December 2023, he held 196,314 ordinary OTP shares.

The business address and phone number for the members of the Board of Directors:

OTP Bank Plc.  
Budapest  
Nádor utca 16.  
1051 Hungary  
Tel: +36 1 473 5000



## **Supervisory Board**

In line with the two-tier governance structure of the Issuer, the Supervisory Board – as a body elected by the General Meeting – performs the oversight of the Issuer’s management, business activities and legal operation and fulfils the responsibilities assigned to it by the Credit Institutions Act.

In accordance with the regulatory requirements – the principle of a majority of independent (non-executive) members is fully enforced in respect of the composition of the Supervisory Board. The ratio of independent (non-executive) Supervisory Board members (four members) to the total number of Supervisory Board members (six members) is 67 per cent.

The rules applicable to the appointment and recall of the employee delegate of the Supervisory Board are defined by the Works Council operating at the Issuer, and the Issuer does not consider such a member to be independent.

In order to avoid conflicts of interest, the General Meeting may not appoint the members of the Board of Directors and their close relatives to the Supervisory Board.

The Supervisory Board determines and approves its own rules of procedure.

The responsibility of the Supervisory Board extends to the supervision of the lawfulness of the Issuer’s operations, its business practices and management, including the control of the Issuer’s internal audit unit. The Supervisory Board exercises a preliminary right of consent in respect of decisions relating to the establishment and termination by the employer of the employment of, as well as the determination of the remuneration of, the head of the internal audit unit, and the prior consent of the Supervisory Board is required for the removal of the head of the unit performing the compliance assurance function and the head responsible for risk control functions.

It is the task of the Supervisory Board to accept and regularly review – within the limits defined by the General Meeting of Shareholders – the principles of the Issuer’s Remuneration Policy.

The Supervisory Board’s work is supported by the Bank’s Audit Committee, Remuneration Committee, Nomination Committee as well as the Risk Assumption and Risk Management Committee.

## **Members of the Supervisory Board:**

The Supervisory Board members are elected by the General Meeting of Shareholders for a term of three years.

## **Independent members:**

### **Tibor Tolnay, Chairman of the Supervisory Board**

He graduated from the Budapest University of Technology with a degree in civil engineering in 1978 and then in economic engineering in 1983. In 1993, he finished his studies as a specialised economist at Budapest University of Economics. From 1989 to 1994, he was Director of State Construction Company No. 21. From 1994 to 2015 he was Chairman and CEO of the already privatised Magyar Építő Joint Stock Company. He has been the managing director of Érték Ltd. since 1994. Since 2020 he has been the managing director of Fenyves Garden Ltd.

From 2018 to 2021, he was President of the National Association of Entrepreneurs and Employers; since 2021, he has been the co-president. Since 1992 he has been a member of the Supervisory Board, and Chairman of the Supervisory Board since 1999. He was a member and Deputy Chairman of the Issuer’s Audit Committee

between 2007 and 2011, and has been again since 2014. He has been the Chairman of the Issuer's Nomination Committee since 2020.

As of 31 December 2023, he held 54 ordinary OTP shares.

#### **Dr. József Gábor Horváth, Deputy Chairman of the Supervisory Board**

He earned a degree in law from Eötvös Loránd University in Budapest in 1980. From 1983 he worked for the Hungarian State Development Bank. He has been a lawyer since 1986, and since 1990 has run his own law firm, which specialises in corporate finance and corporate governance. He has been a member of the Supervisory Board since 1995, and was a member of MOL Plc's Board of Directors between 1999 and 2014.

He has been Deputy Chairman of the Supervisory Board since 2007. He was a chairman of the Issuer's Audit Committee between 2007 and 2011, and has been again since 2014. He has been a member of the Issuer's Nomination Committee since 2020. He was a member of the Board of Directors of INA Industrija Nafta d.d. from 2014 to 2018.

As of 31 December 2023, he held no ordinary OTP shares.

#### **Dr. Tamás Gudra**

He graduated as business administrator in 1993 in the College of Commerce and Catering. He is a Hungarian chartered accountant since 1997. He also acquired a university degree in 2010 as a lawyer at the Faculty of law of Janus Pannonius University in Pécs. He worked as an auditor from 1993 to 2001 at Deloitte & Touche. Between 2001 and 2003 he was an accounting expert of subsidiaries at the Accounting and Tax Directorate of the Hungarian Oil and Gas Public Limited Company (MOL Rt). Then he took a managing director role at the Auditor, Financial and Accounting Directorate of the National Privatization and Asset Manager Plc. (ÁPV Zrt.) between 2003 and 2007 and subsequently became the director of Controlling Directorate at the Hungarian National Asset Manager Plc. (MNV Zrt.) from 2008 to 2010. Following these assignments, he worked as the CFO of the Hungarian Football Association from 2011 until June of 2020. As of July 2020, he became the group-level CFO of Bonafarm Zrt. He is a member of the Supervisory Board of OTP Lakástakarék Zrt. between 2012 and 2021 and he is the Chairman of the Hungarian Paralympic Committee's Supervisory Board since 2016. Since 2021 he has been property inspector of Hungarian University of Agriculture and Life Sciences, member of the Executive Committee of Pick Szeged Zrt., SOLE-Mizo Zrt and MCS Vágóhíd Zrt.

He has been a member of the Supervisory Board and Audit Committee of the Issuer since 16 April 2021.

As of 31 December 2023, he held no ordinary OTP shares.

#### **Olivier Péqueux**

He graduated from the Institute of Actuaries of France and Polytechnique School and ENSAE Paris Tech. He started work in 1998 as an insurance commissioner for the French Insurance Supervisory Authority. In 2003, he joined the French Ministry of Finance to take part in the reform of the pension laws and the establishment of a pension fund for French civil servants. He then became technical adviser to the French Minister of Health and Pensions. In 2005, he joined Groupama Group, first in charge of the actuary and accounting department of Gan Patrimoine, a life insurance company, and then in 2007 as Chief Financial Officer of Groupama Paris Val de Loire. He moved to China in March 2011 as Deputy General Manager of Groupama China, where he was in charge of finance, actuary matters and investments in the joint venture between Groupama and AVIC. From 2015 to 2017, he was the General Manager of Groupama AVIC. Since March 2018, he has been the Chief International Officer of Groupama Assurances Mutuelles. Since September 2020, he has been Deputy CEO of Groupama Assurances Mutuelles.

He has been a member of the Supervisory Board and Audit Committee of the Issuer since 2018.

As of 31 December 2023, he held no ordinary OTP shares.

## **Employee delegates**

### **Klára Bella**

She graduated from the College of Finance and Accountancy and later received a degree from the Budapest University of Economic Sciences. From 1992 to 1994 she worked as a clerk at the Fertőszentmiklós branch of the Issuer. From 1994 to 1995 she was a lending consultant at Polgári Bank. From 1995 to 1996 she worked as a risk manager at the Central Branch of the Issuer. From 1996 to 1997 she was a credit authoriser in the Credit Approval and Risk Management Division. From 1997 to 2010 she was Deputy Managing Director at the Central Branch. From 2010 to 2016 she was Director at the Central Branch. Between 2017 and 2020, she was Director of the Corporate Directorate. Since 1 July 2020, she has been the Director of the Large Corporate Department of the Special Financing Directorate.

She has been a member of the Supervisory Board, and representative of the Issuer's employees, since 12 April 2019.

As of 31 December 2023, she held no ordinary OTP shares.

### **András Michnai**

He graduated in 1981 from the College of Finance and Accounting with a degree in business administration. He has been an employee of the Issuer since 1974, and until 1981 held a variety of posts in the branch network. Following this he held a management position in the central network coordination department before returning to work in the branch network. From 1994, as deputy management director, he participated in the central coordination of the branch network. Between 2005 and 2014 he was the managing director of the Issuer's Compliance Department. He further expanded his professional skills, earning a Master's degree at the Budapest Business School, and is a registered tax advisor.

He has been a member of the Issuer's Supervisory Board, and representative of the Issuer's employees, since 2008. He has been Secretary of the Issuer's Employees' Trade Union since December 2011.

As of 31 December 2023, he held 1,410 ordinary OTP shares.

The business address and phone number for the members of the Supervisory Board:

OTP Bank Plc.  
Budapest  
Nádor utca 16.  
1051 Hungary  
Tel: +36 1 473 5000

## **Audit Committee**

The Audit Committee, consisting of independent members of the Issuer's Supervisory Board elected by the General Meeting, is a body that assists the work of the Supervisory Board in relation to the monitoring of the financial reporting system, selection of and cooperation with the auditor. Under its powers, the Audit Committee monitors the internal audit, risk management and reporting systems, as well as the auditors' activities. The Audit Committee reviews and monitors – in respect of the entire OTP Group – the auditors' independence, with special regard to the performance of any non-prohibited non-audit services to be provided by the auditors in addition to its audit activity. Furthermore, it fulfils the audit committee tasks of several domestic subsidiaries.

## **Members of the Audit Committee:**

The Audit Committee consists of four members who are elected for a term of three years. The Audit Committee elects a chairperson from among its own members.

*Dr. József Gábor Horváth, Chairman of the Audit Committee*

*Tibor Tolnay, Deputy Chairman of the Audit Committee*

*Dr. Tamás Gudra*

*Olivier Péguieux*

## **Members of Senior Management:**

*Dr. Sándor Csányi, Chairman and CEO*

*András Becsei, Deputy CEO, Retail Division*

In 2001, Mr. Becsei graduated with a Master's degree in Finance from the University of Economic Sciences and Public Administration of Budapest. During his studies he was awarded a scholarship at the University of Southern California in Los Angeles. He obtained his second Master's degree in International Management from the University of Cologne (2002) and an MBA from INSEAD (2005-2006). Mr. Becsei's career started as a Mergers & Acquisitions analyst at MOL in 2000, before moving to Ruhrgas in Essen (2001-2002). Between 2002-2009, he worked as a Consultant and a Project Manager at McKinsey & Company. Since 2009, he had various roles at the OTP Group including Managing Director of the Retail Subsidiary Management and Business Development Directorate (2009-2012), CEO of OTP Mortgage Bank and OTP Building Society (from 2014), Director of Retail Product Development (2012-2016), and Managing Director of Budapest Region (2017-2022). Alongside his primary role at the OTP Group, Mr. Becsei was previously member of the Supervisory Board of OTP Bank Ukraine - JSC OTP Bank (2010-2014) and he has been serving as the Vice President of the Hungarian Banking Association since 2014 (in addition, he temporarily served as president of the Hungarian Banking Association for 9 months). Since the beginning of 2023, Mr. Becsei has been appointed to Deputy CEO at OTP leading the Retail Banking Division.

As of 31 December 2023, he held 7,199 ordinary OTP shares.

*László Bencsik, Chief Strategic and Financial Officer, Deputy CEO, Strategy and Finance Division*

In 1996, he graduated from the Faculty of Business Administration at the Budapest University of Economic Sciences, and in 1999 he obtained a Masters in Business Administration (MBA) from INSEAD Business School in France. Between 1996 and 2000 he worked as a consultant at Andersen Consulting (now Accenture). From 2000 to 2003 he was a project manager at consulting firm McKinsey & Company.

He joined the Issuer in 2003, when he became managing director of the Bank Operations Management Directorate, and the manager with overall responsibility for controlling and planning. He has been Deputy CEO of the Issuer, and head of the Strategy and Finance Division, since August 2009. Since 13 March 2012 he has been Chairman of the Supervisory Board of DSK Group.

As of 31 December 2023, he held 15,462 ordinary OTP shares.

*Péter Csányi, Deputy CEO, IT Division*

*György Kiss-Haypál, Deputy CEO, Risk Management Division*

He is a qualified economist. He graduated from the Budapest University of Economic Sciences in 1996. He started his career as a project finance analyst for Budapest Bank Plc., and by 2007 he had been appointed head

of the Issuer's risk management department. Between 2002 and 2006 he also worked in Ireland as corporate credit risk portfolio manager for GE Consumer Finance, and in Austria as GE Money Bank's consumer loans portfolio manager. Between 2008 and 2015 he was member of the Board of Directors of Budapest Bank.

From 2015 he was Deputy head of the Credit Approval and Risk Management Division of the Issuer, and was then appointed acting head of the Division. Since 3 May 2017, he has been Deputy CEO of the Risk Management Division (previously called as Credit Approval and Risk Management Division).

As of 31 December 2023, he held 15,160 ordinary OTP shares.

*László Wolf, Deputy CEO, Commercial Banking Division*

The business address and phone number for the members of the Senior Management:

OTP Bank Plc.  
Budapest  
Nádor utca 16.  
1051 Hungary  
Tel: +36 1 473 5000

### ***Standing Committees of the Issuer***

The Management Committee is a standing committee established by the Board of Directors of the Issuer which directly supports the work of the Chairman and CEO. The Management Committee coordinates the preparation of strategic decisions and the implementation of the Issuer's strategic and business policy objectives. It is responsible for adopting planning and resource allocation decisions affecting the Issuer and the OTP Group as a whole, preparing shareholders' decisions, adopting a stakeholder system, and requesting regular reporting. It has decision-making powers in matters referred to its competence by the Organisational and Operational Regulations. It takes a preliminary position and prepares decisions in the majority of issues that are discussed by the General Meeting, the Board of Directors and the Supervisory Board, and plays a coordinating role in the senior management of the Issuer. The Management Committee performs its work on the basis of a six-month work schedule approved by the committee itself and meets once a month (and on an ad-hoc basis as and when necessary). The order of business of the Management Committee is determined by its rules of procedure.

The Executive Steering Committee is a standing committee established by the Board of Directors of the Issuer which is a coordination and operational decisionmaking forum of the Issuer's executive management. The forum serves as a consistent platform for operational decision-making, which guarantees that the Issuer can adapt efficiently to both market dynamics and regulatory requirements and ensures that the Issuer's actions are synchronised across the organisation, enabling a unified approach to its operations. Moreover, the Executive Steering Committee ensures the discussion of proposals and information submitted to the management bodies (Board of Directors, Supervisory Board) that are not discussed by the Management Committee. In matters requiring a complex approach, the Executive Steering Committee is responsible for operational coordination between the Issuer's various departments and decision-making bodies.

The following additional standing committees operate within the Issuer for the performance of specific tasks:

- Asset-Liability Committee, which makes decisions on separately non-regulated affairs relating to the Issuer's highest-level asset-liability management
- Product Development, Sales and Pricing Committee
- International Product Development, Sales and Pricing Committee
- Work-Out Committee

- Credit and Limits Committee
- IT and Operations Board
- Group Operational Risk Management Committee
- Group Impairment Committee
- Committee on the Prevention of Money Laundering
- Group Investment Committee
- ESG Committee

Standing committees are the Issuer's bodies in charge of preparing and making decisions as well as conducting consultations. The task of standing committees is to prepare and make decisions needed for the performance of the Issuer's business activities, for minimising the Issuer's risks and for ensuring its operation. Decisions to establish standing committees are made by the Issuer's Board of Directors. The members of the committees are persons in charge of the professional areas concerned, who have exceptional expertise and all-round competence in the given matter. The chairpersons of the committees are nominated by the Chairman and CEO, and their rules of procedure – with the exception of the Management Committee and the Executive Steering Committee – are approved by the head of the Legal Directorate. The Management Committee and the Executive Steering Committee approve their own procedural rules. In respect of resolutions, the Asset-Liability Committee, the Credit and Limits Committee, the Group Operational Risk Management Committee, the International Product Development, Sales and Pricing Committee, the Work-Out Committee, Committee on the Prevention of Money Laundering, Group Investment Committee, ESG Committee and the Group Impairment Committee operate on the principle of simple majority, while in the case of the Management Committee, the Executive Steering Committee, the Product Development, Sales and Pricing Committee and the IT and Operations Committee, decisions are made by a simple majority of votes but the chairperson has a right of veto.

### **Potential conflicts of interest**

There are no actual or potential conflicts of interest between the private interests or duties of the members of the Board of Directors, the Supervisory Board or the senior management of the Issuer and their duties to the Issuer.

## BUSINESS ENVIRONMENT

### Macroeconomic environment in OTP Group countries

As of the date of this Base Prospectus, the OTP Group operates in twelve countries (Hungary, Albania, Bulgaria, Croatia, Moldova, Montenegro, Romania, Russia, Serbia, Slovenia, Ukraine and Uzbekistan). These national economies are in different stages of development: several are members of the European Union (i.e. Hungary, Bulgaria, Croatia, Romania, and Slovenia), in addition, Slovenia and Croatia are members of the Eurozone as well. Russia, Ukraine and Uzbekistan are typical commodity economies (i.e. to a great extent their economies are dependent on exporting raw materials and energy resources).

<b>Real GDP growth rate (YoY, %)</b>	<b>2022</b>	<b>2023</b>
Albania	4.9	3.4
Bulgaria	3.9	1.8
Croatia	6.3	2.8
Hungary	4.6	(0.9)
Moldova	(5.9)	0.7
Montenegro	6.4	5.8
Romania	4.1	2.1
Russia	(1.2)	3.6
Serbia	2.5	2.5
Slovenia	2.5	1.6
Ukraine	(28.8)	5.0
Uzbekistan	5.7	6.0

In most of the OTP Group countries, 2023 was about efforts to contain the effects of inflation, which were largely successful while attempts to address the energy crisis yielded mixed results. The tourism-led Mediterranean countries (including Croatia, Montenegro and Albania) were outperformers in terms of growth among OTP Group countries, as due to their climate and hydro-based electricity production they have small dependence on gas imports, with industry having a small weight in their economy, while their closely EUR-linked FX regimes resulted in small interest-rate hikes. Meanwhile countries more integrated to the German production chains like Hungary, Slovenia, Romania and Serbia have more developed manufacturing sectors and these countries are strongly dependent on Russian gas and usually have their own currencies, so central banks had to deliver more rate hikes. In these economies the slowdown was stronger, and the recovery was weaker. Usually these economies are able to avoid recession, with the exception of Hungary. In the CIS region, all economies are heavily exposed to the war, however their performance were heterogenous. The Russian economy performed better than expected despite the sanctions, as both energy exports and imports have been successfully redirected. Ukraine also posted a stronger-than-expected recovery in 2023 after a deep recession in 2022. In Uzbekistan, the pace of growth was very strong, showing signs of overheating. Finally Moldova still struggled after the deep recession in 2022 and even with the strong harvest, the sharp moderation in inflation and interest rates were not able to counterbalance the fall in domestic demand.

## Macroeconomic environment in Hungary

Hungary's economy fell into a longer and deeper recession than the rest of the CEE region in 2023 (GDP year-on-year: Q1 2023: -0.9 per cent.; Q2 2023: -2.4 per cent.; Q3 2023: -0.4 per cent.; Q4 2023: 0.0 per cent.). The economic downturn concluded in the third quarter of 2023, with signs of recovery emerging on a quarter-on-quarter basis. This rebound was partly due to the low comparison point set by a particularly poor agricultural output in 2022. When examining the fundamental trends within the Hungarian economy, there was a significant contraction in activity during the fourth quarter of 2022 and the first quarter of 2023. Following this period, the economy experienced a phase of stagnation or marginal growth. The composition of the economic recovery presents concerns, as the steep decrease in domestic spending was somewhat offset by a rise in the net export figure. However, this increase in net exports was not due to robust growth in exports but rather as a result of a fall in imports, which was in turn caused by weak domestic demand.

In Hungary, the inflation rate reached a high of 25.7 per cent., which was significantly above the CEE region's average by a margin of 10 percentage points. This period of high inflation was followed by a phase of disinflation, which began to pick up speed around the middle of 2023. This shift led to a reduction in the rate at which prices were increasing, culminating in a decrease of the consumer price index to a year-on-year rate of 5.5 per cent. by the end of December 2023. The average inflation rate for the entire year of 2023 was recorded at 17.6 per cent. Starting from mid-year, there was a noticeable increase in real wages on a month-to-month basis. However, this increase in wages only translated into a slight uptick in consumer spending.

In 2022, Hungary experienced a current account deficit of 8 per cent. However, in 2023, the situation improved, and the country saw its external balance shift into a surplus. This positive change was largely due to a significant decrease in gas prices and a reduction in imports, which was a result of decreased domestic demand. Additionally, the swift increase in debt ratios that Hungary faced from 2020 to 2023 has now stopped.

The initial goal to keep the budget deficit at 3.9 per cent. of GDP was found to be unattainable, leading to an adjustment of the target to 5.2 per cent. in October 2023. Despite this revision, the deficit, calculated on an accrual basis, surpassed 6 per cent. of GDP in the previous year. This occurred even after factoring in the dividend disbursed by the MVM Group, a state-owned electricity enterprise, and the cost reductions attributed to the *'utility protection fund'*.

In the fall of 2022, the MNB increased the effective interest rate to 18 per cent. However, over the course of the following year, the rate was reduced through several adjustments, amounting to a total decrease of 725 basis points, bringing it down to 10.75 per cent. by the close of 2023. In September 2023, the base rate was reinstated as the primary rate following the gradual discontinuation of the previous overnight deposit facility. The exchange rate of the Euro to the Hungarian Forint (EUR/HUF) experienced a decline from approximately 400 at the start of the year to just under 370 during the summer months of 2023. Nevertheless, by the end of 2023, the rate had achieved a more stable level, hovering around 380.

Hungary made progress in accessing EU funds at the end of last year as the European Commission approved the so-called horizontal enabling conditions for judicial reform in December 2023. The government unblocked about EUR 11 billion worth of EU funds due to the measures implemented in 2023.

To the best of the knowledge of the Issuer's management, the net loan to deposit ratio in the Hungarian credit institution system was 118 per cent. as at 1Q 2009 and 78 per cent. as at 4Q 2023.

## Competitive environment in Hungary

Since the end of 2022, credit markets across Central and Eastern Europe, including Hungary, experienced a significant slowdown, mirroring trends observed in Western Europe. However, there was a slight recovery towards the end of 2023, especially in the retail lending sector. This uptick was most pronounced in specific



loan categories such as 'baby loans' and housing loans and demand for cash loans also increased at the end of the year. The volume of housing loans rose by 1.3 per cent. (2022: 7.6 per cent.), that of cash loans grew by 6.9 per cent. (2022: 9.3 per cent.), and corporate loan volumes increased by an FX-adjusted 6 per cent. (2022: 15.5 per cent.).

The Issuer's management believes that by the end of 1Q 2024, the OTP Group in Hungary had a 29 per cent. market share of total assets, 34 per cent. of retail loans, 39 per cent. of retail deposits, 19 per cent. of corporate loans and 23 per cent. of corporate deposits, respectively, and in the asset management segment, OTP Fund Management had a 32 per cent. market share.

Most of the Issuer's local competitors in Hungary are foreign-owned banks, including K&H Bank (part of the KBC Group), UniCredit, Erste Bank, Raiffeisen Bank and CIB (part of the Intesa Sanpaolo Group), as well as Hungarian banks such as MBH Bank.

**The following table shows the evolution of total Hungarian housing loan volumes, total Hungarian consumer loans volumes (including home equity loans) and total Hungarian corporate loans volumes as per cent. of GDP:**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	4Q 2023
Housing loans/ GDP%.	12.2	14.4	15.0	15.9	14.9	12.2	11.0	10.2	8.6	8.1	7.7	7.7	7.6	8.3	8.3	7.5	6.7
consumer loans (incl. home equity loans)/GDP (%) .....	10.8	14.0	14.6	15.3	14.9	12.8	11.5	10.3	8.2	7.7	7.1	6.5	7.3	8.5	8.6	7.5	6.8
corporate loans/GDP (%) .....	28.3	29.4	28.8	27.6	27.1	23.9	22.0	20.6	17.0	16.4	16.5	17.2	17.4	19.3	18.8	18.3	16.7

Despite the reviving lending activity, Hungarian loan penetration levels are still low by regional standards and compared to their historic levels, implying good loan volume growth potential. In the period between 2006 and 2021, the ratio of housing loan volumes to GDP was 15.9 per cent. at its peak in 2010, but in 4Q 2023 this ratio was 6.7 per cent. 6.7 per cent. is much lower than loan penetration levels in the region (Slovakia at 32.8 per cent., Montenegro at 25.4 per cent., Czech Republic at 23.4 per cent., Poland at 15.5 per cent., Croatia at 14.0 per cent., Slovenia at 13.1 per cent., Bulgaria at 10.8 per cent., Russia at 10.5 per cent., Albania at 7.8 per cent. and Serbia at 7.1 per cent.), but it is higher than the Romanian (6.5 per cent.) Uzbek (5.5 per cent.), Moldavian (4.4 per cent.) and Ukrainian (0.4 per cent.) levels. In Hungary, the consumer loan volumes (including home equity loans) to GDP ratio was 15.3 per cent. at its peak in 2010, but in 4Q 2023 this ratio was 6.8 per cent. 6.8 per cent. is lower than the loan penetration levels in the region (Croatia at 13.3 per cent., Serbia at 11.0 per cent., Slovakia at 10.1 per cent., Bulgaria at 10.1 per cent., Russia at 9.1 per cent., Poland at 8.6 per cent. and Uzbekistan at 6.9 per cent.), but above the Czech (6.4 per cent.), Slovenian (4.6 per cent.), Romanian (4.2 per cent.), Albanian (3.9 per cent.), Moldavian (3.7 per cent.) and Ukrainian (3.2 per cent.) levels. The corporate loan volumes to GDP ratio was 29.4 per cent. at its peak in 2008, whereas in 2016 this ratio was 16.4 per cent. and grew to 16.7 per cent. in 4Q 2023 in Hungary. 16.7 per cent. is lower than the loan penetration levels in the region (Russia at 42.5 per cent., Uzbekistan at 31.8 per cent., Bulgaria at 24.0 per cent., Montenegro at 21.4 per cent., Serbia at 20.7 per cent., Slovakia at 19.9 per cent., Croatia at 19.9 per cent., Albania at 18.8 per cent. and Czech Republic at 18.1 per cent.) but exceeds the Slovenian (16.2 per cent.), Romanian (12.0 per cent.), Moldavian (12.0 per cent.), Polish (11.9 per cent.) and Ukrainian (11.2 per cent.) levels.

## TAXATION

*The following summaries do not purport to be a comprehensive description of all tax considerations that could be relevant for Holders. These summaries are intended as general information only and each prospective Holder should consult a professional tax adviser with respect to the tax consequences of an investment in the Notes. These summaries are based on tax legislation and published case law in force as of the date of this document. They do not take into account any developments or amendments thereof after that date, whether or not such developments or amendments have retroactive effect.*

### Hungary

*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 Base Prospectus, 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.*

#### **Withholding tax (foreign resident corporate Holders)**

Interest on Notes paid to a foreign resident corporate Holder, who does not have a permanent establishment in Hungary, by a resident legal entity or other persons and any capital gains realised by such foreign resident Holders on the sale of the Notes is not subject to withholding tax in Hungary.

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.

#### **Taxation of Hungarian resident corporate Holders**

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.

### ***Taxation of individual non-Hungarian tax-resident Noteholders***

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 (“**Personal Income Tax Act**”) so requires.

Payments received with respect to publicly offered debt securities (including any interest and yield realised upon the redemption or sale thereof) are treated as income under Hungarian law, subject to personal income tax (at 15 per cent.). However, provided that Hungary has an applicable treaty on the avoidance of double taxation in place with the country of tax-residence of the Noteholder, such treaty may fully exempt the Noteholder from personal income tax or may reduce the applicable personal income tax rate, with the right to credit any Hungarian tax against the income tax payable in the country of the Noteholder’s tax residence.

During the state of emergency (expected to be in force until 19 November 2024 but this may be extended), taxable payments received with respect to publicly offered and traded debt securities acquired from 1 July 2023 (including interest and gains realised upon the redemption or sale of the debt security) in Hungary are subject to social contribution tax (at 13 per cent) from 1 July 2023.

Holders who qualify as a “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 a “foreigner” for social contribution tax purposes.

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.

### ***Taxation of individual Hungarian tax-resident Noteholders***

Individual Hungarian tax-resident Noteholders are subject to tax on their worldwide income. Interest received with respect to publicly offered debt securities, such as the Notes, as well as capital gains or any sale or redemption of the Notes is treated as income. The tax withheld is personal income tax (at 15 per cent.) and, during the state of emergency (expected to be in force until 19 November 2024 but this may be extended), social contribution tax (at 13 per cent.) pursuant to Government Decree 205/2023. (V.31) unless the holder qualifies as a “foreigner” according to the Social Security Contribution Act or is 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.

According to the 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 *léteérdekek 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.

### **Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” (as defined by FATCA) 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. The Issuer may be a foreign financial institution for these purposes. 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 prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are 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 generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional Notes (as described under “*Terms and Conditions of the Notes - Further Issues*”) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers 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, no person will be required to pay additional amounts as a result of the withholding.

**FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or which may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the Notes.**

## SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to BNP Paribas, OTP Bank Nyrt. or such other dealers as may be appointed either generally in respect of the Programme or in relation to a particular Tranche of Notes (together, the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealers are set out in a programme agreement dated 22 May 2024 (as amended or restated from time to time, the “**Programme Agreement**”) and made between the Issuer, the Arranger and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be purchased by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealer(s) and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes. The Notes may also be issued by the Issuer through all or any of the Dealers acting as agents.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement may be terminated in relation to all or any of the Dealers by the Issuer or, in relation to itself and the Issuer by any Dealer, at any time on giving not less than 30 days’ written notice.

The Dealers are entitled in certain circumstances to be released and discharged from their obligations under any agreement they make to subscribe Notes prior to the closing of the issue of the Notes, including in the event that certain conditions precedent are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Notes may not be completed. Investors will have no rights against the Issuer or Dealers in respect of any expense incurred or loss suffered in these circumstances.

### 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 may not be offered or sold within the United States, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act. Until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations promulgated thereunder.

TEFRA D or TEFRA C apply if specified in the relevant Final Terms.

Each Dealer has represented and agreed (and each additional Dealer named in the Final Terms will be required to represent and agree) that in addition to the relevant U.S. Selling Restrictions set forth below:

- (a) except to the extent permitted under the TEFRA D Rules, it has not offered or sold, and during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a U.S. person;
- (b) it has and throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a U.S. person (except to the extent permitted under the TEFRA D Rules);
- (c) if it is a U.S. person, it is acquiring the Notes in bearer form for purposes of resale in connection with their original issuance, and if it retains Notes in bearer form for its own account, it will do so in accordance with the requirements of the TEFRA D Rules;
- (d) with respect to each affiliate or distributor that acquires Notes in bearer form from the Dealer for the purpose of offering or selling such Notes during the restricted period, the Dealer either repeats and confirms the representations and agreements contained in paragraphs (a), (b) and (c) above on such affiliate's or distributor's behalf or agrees that it will obtain from such distributor for the benefit of the Issuer the representations and agreements contained in such paragraphs; and
- (e) it shall obtain for the benefit of the Issuer the representations, undertakings and agreements contained in paragraphs (a), (b), (c) and (d) above from any person other than its affiliate with whom it enters into a written contract, (a "**distributor**" as defined in U.S. Treasury Regulation section 1.163-5(c)(2)(i)(D)(4) (or a successor provision)), for the offer or sale during the restricted period of the Notes.

Terms used in this section shall have the meanings given to them by the Internal Revenue Code of 1986 and the regulations promulgated thereunder, including the TEFRA D Rules.

Where the rules under the TEFRA C Rules are specified in the relevant Final Terms as being applicable in relation to any Notes, the Notes must, in accordance with their original issuance, be issued and delivered outside the United States and its possessions and, accordingly, each Dealer has represented and agreed (and each additional Dealer named in the Final Terms will be required to represent and agree) that, in connection with the original issuance of the Notes:

- (a) it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes within the United States or its possessions; and
- (b) it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States (as defined in Regulation S).

In addition to the foregoing, if Category 2 is specified as applicable in the relevant Final Terms:

- (a) the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act; and
- (b) each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

### **Prohibition of Sales to EEA Retail Investors**

Unless the Final Terms in respect of any Notes specifies the “*Prohibition of Sales to EEA Retail Investors*” as “*Not Applicable*”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

### **Prohibition of Sales to UK Retail Investors**

Unless the Final Terms in respect of any Notes specifies the “*Prohibition of Sales to UK Retail Investors*” as “*Not Applicable*”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision, the expression “**retail investor**” means a person who is one (or more) of:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

### **Hungary**

No approval of this Base Prospectus has been sought or obtained from the National Bank of Hungary in respect of the Notes, its summary has not and will not be translated into Hungarian. No application has been filed nor has any permission been obtained for accepting, nor has any other arrangement for trading the Notes on any



regulated market in Hungary been made. Accordingly, any person making or intending to make any offer of Notes within Hungary which are the subject of the placement contemplated in this Base Prospectus should only do so in circumstances in which no obligation arises for the Issuer or any of the Dealers to have a prospectus for such offer approved by the National Bank of Hungary. Further to the above, in the event the Notes were to be offered in Hungary, this Base Prospectus and relevant Final Terms must be made available to the potential investors at least seven days before the relevant issue date and the Issuer agrees to notify the National Bank of Hungary within 15 days following the completion of any such offering.

## United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) **Financial promotion:** 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 or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer; and
- (b) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

## Republic of Italy

Each Dealer acknowledges that 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, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered, sold or distributed, and will not offer, sell or distribute any Notes or any copy of this Base Prospectus or any other offer document in the Republic of Italy (“**Italy**”) in an offer to the public and that sales of any Notes in Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

Accordingly, each Dealer has represented and agreed that it will not offer, sell or distribute any Notes or distribute any copy of this Base Prospectus or any other offer document in Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation; or
- (b) in any other circumstances which are exempted from the rules on offers to the public pursuant to Article 1 of the Prospectus Regulation and/or, to the extent applicable, Article 100 of Legislative Decree No. 58 of 24 February 1998 (the “**Consolidated Financial Services Act**”), Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended (“**CONSOB Regulation No. 11971**”) and the Italian laws.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Notes in the Republic of Italy under paragraph (a) or (b) above must be made:

- (i) by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993, as amended (the “**Italian Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Italian Banking Act, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in Italy and the relevant implementing

guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and 2 November 2020); and

- (iii) in compliance with any other applicable laws and regulations, as well as with any regulations or requirements imposed by CONSOB, the Bank of Italy or other Italian authority.

## **Belgium**

Other than in respect of Notes for which “*Prohibition of Sales to Belgian Consumers*” is specified as “Not Applicable” in the relevant Final Terms, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that an offering of Notes may not be advertised to any individual in Belgium qualifying as a consumer within the meaning of Article I.1 of the Belgian Code of Economic Law, as amended from time to time (a “**Belgian Consumer**”) and that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Notes, and that it has not distributed, and will not distribute, any prospectus, memorandum, information circular, brochure or any similar documents in relation to the Notes, directly or indirectly, to any Belgian Consumer.

## **Singapore**

Unless the Final Terms in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, 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 Base Prospectus 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 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.

If the Final Terms in respect of any Notes specifies “Singapore Sales to Institutional Investors and Accredited Investors only” as “Not Applicable”, each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, 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 Base Prospectus 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 SFA pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the

SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## **PRC**

No invitation will be made directly or indirectly in the PRC or to any person resident in the PRC to subscribe for any of the Notes, except to the extent consistent with applicable laws or regulations of the PRC.

## **Hong Kong**

In relation to each Tranche of Notes issued by the Issuer, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) 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 (b) 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
- (ii) 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.

## **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 “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not, directly or indirectly, offer or sell any Notes 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, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other applicable laws, regulations and ministerial guidelines of Japan.

## **Uzbekistan**

The Notes have not been registered with the National Agency for Perspective Projects of the Republic of Uzbekistan (“NAAP”) pursuant to the Law on Stock Markets (as amended by the Law No. LRU-387, dated June 3, 2015) and Regulation on Quotas and the Procedure for Admission to the Placement and Circulation of Securities (approved by the Resolution of the Cabinet of Ministers of Uzbekistan No. 239, dated August 20, 2014) and, accordingly, each Dealer has represented and agreed that selling or distributing any Notes in the Republic of Uzbekistan is considered as an offer to the public and that sales of any Notes in the Republic of Uzbekistan shall be made in accordance with the applicable laws and regulations of the Republic of Uzbekistan.

## **General**

No action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession, or distribute such offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Series of Notes) or (in any other case) in a supplement to this Base Prospectus.

## GENERAL INFORMATION

### Authorisation

1. The update to the Programme and the issue of Notes under the updated Programme was duly authorised by a resolution of the Asset Liability Committee of the Issuer passed on 26 February 2024.

### Listing and Admission to Trading

2. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of MiFID II.

### Legal Proceedings

3. Neither the Issuer nor any other member of the OTP Group is, or has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may have or have in such period had a significant effect on the financial position, operations or profitability of the Issuer or the OTP Group.

### Significant/Material Change

4. There has been no significant change in the financial performance or position of the Issuer or the OTP Group since 31 March 2024 and there has been no material adverse change in the financial position or prospects of the Issuer or the OTP Group since 31 December 2023 (the date to which the Issuer's last published audited financial information was prepared).

### Independent Auditors

5. The consolidated financial statements of OTP Bank Plc as of 31 December 2023 and 2022 and for the years then ended, incorporated by reference in this Base Prospectus, have been audited by Ernst & Young Audit Limited, independent auditors, as stated in their reports incorporated by reference herein. As at the date of this Base Prospectus, the independent auditors of the Issuer and the OTP Group are Ernst & Young Audit Limited (001165; Váci út 20., 1132, Budapest, Hungary), who were appointed as the statutory auditor of OTP Bank Plc. and OTP Group on 26 April 2024. Ernst & Young Audit Limited have no material interest in the Issuer. Ernst & Young Audit Limited are a member of the Chamber of Hungarian Auditors.

### Documents on Display

6. Electronic copies of the following documents will be available on the website of the Issuer at <https://www.otpgroup.info/investor-relations/capital-market/issues> for 12 months from the date of this Base Prospectus:
  - (a) the Fiscal Agency Agreement (which contains the forms of Notes in global and definitive form) and the Deed of Covenant; and
  - (b) the Articles of Association of the Issuer.

7. The following documents will be available, in electronic format, on the Issuer's website at <https://www.otpgroup.info/investor-relations/capital-market/issues>
- (i) this Base Prospectus;
  - (ii) the Documents Incorporated by Reference;
  - (iii) any future offering circular, prospectus, information memorandum, supplement or drawdown prospectus published since the most recent base prospectus was published and any documents incorporated therein by reference; and
  - (iv) any Final Terms issued in respect of Notes admitted to listing and/or trading by the listing authority and/or stock exchange since the most recent base prospectus was published.
8. The Sustainable Finance Framework is available on the Issuer's website at [https://www.otpgroup.info/static/sw/file/Sustainable\\_Finance\\_Framework\\_ENG.pdf](https://www.otpgroup.info/static/sw/file/Sustainable_Finance_Framework_ENG.pdf)

### Language of this Base Prospectus

9. The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

### Clearing of the Notes

10. The Notes have been accepted for clearance through the Clearstream, Luxembourg and Euroclear systems (which are entities in charge of keeping the records). The Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number will be set out in the relevant Final Terms. The common code for each Series of Notes allocated by Clearstream, Luxembourg and Euroclear will be contained in the relevant Final Terms, along with the International Securities Identification Number (ISIN), and, where applicable, the Classification of Financial Instruments (CFI) and the Financial Instrument Short Name (FISN) for that Series. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42, Avenue J.F. Kennedy, L-1855 Luxembourg. The address of the CMU is 55th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong.

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

11. The following legend will appear on all Permanent Global Notes with maturities of more than 365 days and on all Definitive Notes, Coupons and Talons: *"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code"*.

### Issue Price and Yield

12. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. In the case of different Tranches of a Series of Notes, the purchase price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment

dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche. An indication of the yield of each Tranche of Fixed Rate Notes will be set out in the relevant Final Terms and will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

### **Dealers Transacting with the Issuer**

13. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer, other members of the OTP Group or their affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. In addition, in the ordinary course of their business activities, the Dealers and their 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 the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their 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 securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their 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.

**ISSUER**

**OTP Bank Nyrt.**

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1051 Budapest  
Hungary

**FISCAL AGENT, CALCULATION AGENT AND TRANSFER AGENT**

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**CMU LODGING AND PAYING AGENT**

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Hong Kong

**REGISTRAR**

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**DEALERS**

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**OTP Bank Nyrt.**

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*To the Arranger and Dealers as to Hungarian Law*

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**INDEPENDENT AUDITORS TO THE ISSUER**

**Ernst & Young Audit Limited**

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**LISTING AGENT**

**Banque International á Luxembourg SA**

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