

First Supplement dated 13 January 2015
to the Base Prospectus dated 25 July 2014



OTP MORTGAGE BANK LTD.

(OTP JELZÁLOGBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG)

(incorporated with limited liability in Hungary)

EUR 5,000,000,000

**Euro Mortgage Securities Programme for the issuance of
Hungarian Mortgage Bonds and Mortgage Notes (*jelzáloglevelek*)**

unconditionally and irrevocably guaranteed by

OTP Bank Plc.

(incorporated with limited liability in Hungary)

This first supplement (the **First Supplement**) to the Base Prospectus dated 25 July 2014 (the **Base Prospectus**) constitutes a supplement for the purposes of Directive 2003/71/EC (the **Prospectus Directive**) and for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities, as amended, (the **Prospectus Act**) implementing the Prospectus Directive. This First Supplement is supplemental to, forms part of, and must be read in conjunction with, the Base Prospectus prepared by OTP Mortgage Bank Ltd. (*OTP Jelzálogbank Zártkörűen Működő Részvénytársaság*) (the **Issuer**) with respect to the EUR 5,000,000,000 Euro Mortgage Securities Programme for the issuance of Hungarian Mortgage Bonds and Mortgage Notes (the **Programme**) unconditionally and irrevocably guaranteed by OTP Bank Plc. (the **Guarantor**). Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement.

This First Supplement has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**) in its capacity as competent authority for the purposes of the Prospectus Act. The CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated under the Programme or the quality or solvency of the Issuer in accordance with Article 7(7) of the Prospectus Act 2005.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this First Supplement. To the best of the knowledge of each of the Issuer and the Guarantor (having taken all reasonable care to ensure that such is the case) the information contained in this First Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this First Supplement or any statement incorporated by reference into the Base Prospectus by this First Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statement in (a) above will prevail.

If documents incorporated by reference by virtue of this First Supplement themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of the Base Prospectus for the purposes of the Prospectus Directive, except where such information or other documents are specifically incorporated by reference by virtue of this First Supplement. Any non-incorporated parts of a document referred to above are deemed not relevant for an investor.

Save as disclosed in this First Supplement, no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus has arisen since the publication of the Base Prospectus.

As there are no on-going offers to the public of Mortgage Securities under the Programme, no rights of withdrawal arise pursuant to Article 13 paragraph 2 of the Luxembourg Law following the publication of this First Supplement.

Copies of this First Supplement, the Base Prospectus and all documents incorporated by reference into the Base Prospectus and this First Supplement are available on the Luxembourg Stock Exchange's website (www.bourse.lu) and on the website of the Issuer (https://www.otpbank.hu/OTP_JZB/online/EMS_Programmes.jsp), and such documents are available free of charge from the specified office of any paying agent or the principal office in Luxembourg of Deutsche Bank Luxembourg S.A., being 2, boulevard Konrad Adenauer, 1115 Luxembourg, Luxembourg.

PURPOSE OF THIS FIRST SUPPLEMENT

Recent developments

Recent developments in relation to the Issuer and the Guarantor

The Issuer and the Guarantor have published their unaudited semi-annual IFRS financial statements for the first half of 2014

On 15 August 2014, the Issuer published its unaudited semi-annual IFRS financial statements for the six-month period ended 30 June 2014 (the **H1 2014 Issuer Financial Statements**) and the Guarantor published its unaudited consolidated and separate semi-annual IFRS financial statements for the six-month period ended 30 June 2014 (the **H1 2014 Guarantor Financial Statements**).

The Guarantor has published its unaudited IFRS financial statements for the third quarter of 2014

On 14 November 2014, the Guarantor published its unaudited consolidated and separate semi-annual IFRS financial statements for the nine-month period ended 30 September 2014 (the **Q3 2014 Guarantor Financial Statements**).

Recent changes in respect of the Issuer's management bodies

With effect from 26 November 2014, Tamás Endre Vörös and András Kuhárszki were appointed as new members to the Issuer's Supervisory Board in replacement of Ibolya Veres Rajmonné and Cecília Gajzágó Nádasné.

Recent rating actions in relation to the Issuer and the Guarantor

Since the publication of the Base Prospectus, both Fitch and Moody's have taken certain rating actions relevant to the OTP Group.

Litigation under the Voiding Act

The OTP Group has initiated litigation under the Voiding Act (as defined and further discussed in the Base Prospectus) to rebut the statutory presumption established under that Act with respect to certain standard terms of covered retail loans.

The Guarantor has been subject to asset quality review and the 2014 EU-wide stress test

The Guarantor has been subject to an asset quality review conducted by the National Bank of Hungary (the **NBH**) in accordance with the relevant recommendation of the European Banking Authority (the **EBA**) and the methodology set for asset quality reviews by the European Central Bank, which closed in the third quarter of 2014. The Guarantor has also been subject to the EU-wide stress test conducted on EU banks in the course of 2014 on the basis of the common methodology developed by the EBA.

Recent acquisitions and capital increases

The OTP Group has acquired a new subsidiary in Romania and incorporated a subsidiary in Malta.

The Guarantor has effected capital increases in certain of its existing subsidiaries since the publication of the Base Prospectus.

Recent regulatory developments

Statutory settlement arrangements in connection with the statutory voidance of certain standard terms in relation to certain consumer loans

The Hungarian Parliament has recently approved statutory arrangements governing the settlement of the restitutory reimbursement of the relevant consumer borrowers which may arise as a result of the statutory voidance of certain standard terms of covered retail loans, as discussed in the Base Prospectus.

Statutory redenomination scheme

Parliament has also recently approved a statutory automatic redenomination scheme (the **Automatic Redenomination Scheme**) for specified retail loans which are denominated in or linked to a foreign currency (the **Redenominatable Loans**). Under the Automatic Redenomination Scheme, the relevant creditor financial institutions are required to redenominate into HUF by 1 February 2015 Redenominatable Loans which are outstanding as at 1 February 2015 at exchange rates specified by statute, including where they have been accelerated but are still outstanding against the relevant borrowers (including with respect to on-going foreclosure proceedings).

Statutory modification of the rate of interest payable on certain retail loans

In addition, Parliament has approved automatically applicable statutory modifications of certain contractual terms of covered retail loans (including Redenominatable Loans which have been redenominated into HUF (the **Redenominated Loans**)) which determine the rate of interest payable on those loans with effect from 15 February 2015 in the case of Redenominated Loans and 30 June 2015 in the case of other covered retail loans.

These modifications envisage, *inter alia*:

- mandatory interest periods and margin reset periods;
- statutory terms that set the manner in which the rate of interest is to be determined; and
- a limitation on the frequency and extent of increases in flat fees, charges or costs payable by borrowers on covered retail loans.

Further tightening of the legislation on consumer credits

Parliament has also approved a legislative instrument which further tightens the requirements and restrictions applicable to consumer loans, including, *inter alia*, by imposing increased pre-contractual information provision requirements and further restrictions on the scope for financial institutions to modify without the consent of the respective borrowers those terms (including standard terms) of retail loans which terms would be deemed by law to adversely affect the relevant borrowers, in particular with respect to the terms stipulating, amongst others, an increase in the rate of interest and other fees and charges payable on such loans.

The purpose of this First Supplement

This First Supplement has been prepared for the purposes of:

- (a) incorporating by reference into the Base Prospectus each of the H1 2014 Issuer Financial Statements, the H1 2014 Guarantor Financial Statements and the Q3 2014 Guarantor Financial Statements with a view to updating the information incorporated by reference into the Base Prospectus as to the Issuer, the Guarantor, and the OTP Group;
- (b) disclosing information on recent legislative developments;
- (c) updating the information included in the relevant sections of the Base Prospectus with respect to the Issuer and the Guarantor with disclosure on recent acquisitions, changes in the Issuer's management bodies, litigation and rating developments and certain other changes in relation to the OTP Group's Russian and Ukrainian operations;
- (d) updating the no significant change statements of each of the Issuer and the Guarantor; and
- (e) effecting consequential amendments to the Base Prospectus.

each as indicated above and described in further details below.

By virtue of this First Supplement, the information appearing in, or incorporated by reference into, the Base Prospectus shall be amended and/or supplemented in the manner described in the section headed "*Amendments and Additions to the Base Prospectus*" of this First Supplement below and consequential amendments shall be deemed to have been made to page numbering and all cross-references to page numbering in the Base Prospectus.

CONTENTS

AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS	6
GENERAL INFORMATION	28

AMENDMENTS AND ADDITIONS TO THE BASE PROSPECTUS

This section “*Amendments and Additions to the Base Prospectus*” details certain amendments that shall be deemed to have been made to the relevant sections of the Base Prospectus, which are organised under the headings below:

- I. amendments and additions to the section headed “*Risk Factors*” of the Base Prospectus;
- II. additional information incorporated by reference and amendments to the section headed “*Documents Incorporated by Reference*” of the Base Prospectus;
- III. amendment to the section headed “*Description of the Issuer*” of the Base Prospectus;
- IV. amendments to the section headed “*Description of the Guarantor*” of the Base Prospectus;
- V. amendment to the section headed “*Trend Information of the Guarantor and the OTP Group*” of the Base Prospectus;
- VI. amendments to the section headed “*The Hungarian Banking System*” of the Base Prospectus; and
- VII. amendments to the section headed “*General Information*” of the Base Prospectus.

I. Amendments and additions to the section headed “Risk Factors” of the Base Prospectus at pages 6 to 36

1. The sixth paragraph of the subsection headed “Mortgage Relief Programme” at page 27 shall be deemed to have been deleted and replaced with the following text:

“The relevant creditor's losses from the Waived Shortfall will be reimbursed by the Hungarian State. However, the relevant creditor financial institutions will, in effect, bear 50 per cent. of their losses in the 2012, 2013, 2014 and 2015 tax years from that part of the Interest Shortfall which results from foreign exchange rate movements between the floor rate and the cap rate of the exchange rate band for the relevant currency, due to a special contribution obligation approved by Parliament for those tax years (see "*The Hungarian Banking System – Specific levies on the financial sector – Contribution on certain reimbursements in relation to the Fixed Rate Scheme*" below). This contribution is also payable on a quarterly basis.”

2. The last paragraph of the subsection headed “Statutory voidance of certain standard terms in relation to certain consumer loans” at page 30 shall be deemed to have been deleted and replaced with the following text:

“As the standard contractual terms covered by the Voiding Act are commonly used by the OTP Group, it cannot be excluded that the Voiding Act exposes the OTP Group to restitutory reimbursement claims by a large number of retail borrowers under Covered Retail Loans included in the OTP Group’s loan books (see also "*Description of the Guarantor – Developments at the OTP Group – Statutory voidance of certain standard terms in relation to certain consumer loans and statutory redenomination scheme for certain foreign currency denominated consumer loans*" below).

The OTP Group has initiated litigation under the Voiding Act (as defined and further discussed in the Base Prospectus) to rebut the statutory presumption established under that Act with respect to certain standard terms of covered retail loans. However, the OTP Group’s court action to rebut that statutory presumption was dismissed in the first instance and, therefore, it is expected that the relevant members of the OTP Group (including the Issuer) will be required to make appropriate restitutory reimbursements to the relevant consumer borrowers in accordance with the Voiding Act.

However, as the measures and the settlement mechanics envisaged by the Voiding Act are currently being implemented, the full impact that such measures and mechanics may have on the OTP Group’s financial condition and results of operations cannot be entirely assessed yet.”

II. Additional information incorporated by reference and amendments to the section headed “Documents Incorporated by Reference” of the Base Prospectus at pages 46 to 49

Information incorporated by reference

In addition to the information incorporated by reference into the Base Prospectus, the following information, which has been previously published or is simultaneously published with this First Supplement and has been submitted to, and filed with, the CSSF shall, by virtue of this First Supplement, be incorporated in, form part of, and complete the list of documents incorporated by reference set out at page 46 in the Base Prospectus:

- (a) *Unaudited separate condensed financial statements of the Issuer in accordance with International Financial Reporting Standards as adopted by the European Union for the six-month period ended 30 June 2014 dated 15 August 2014 including the information set out at the following pages in particular:*

Document	Section incorporated
Separate unaudited condensed financial statements of the Issuer for the six-month period ended 30 June 2014	Pages 2 to 14
– Separate Unaudited Financial Statements:	
– Separate Statement of Financial Position	Page 2
– Separate Condensed Statement of Recognised Income and Statement of Comprehensive Income	Page 3
– Separate Condensed Statement of Cash Flows	Page 4
– Separate Statement of Changes in Shareholders’ Equity	Page 5
– Selected Explanatory Notes	Pages 6 to 14

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation;

- (b) *Unaudited consolidated financial statements of the Guarantor in accordance with International Financial Reporting Standards as adopted by the European Union for the six-month period ended 30 June 2014 including the information set out at the following pages in particular:*

Document	Section incorporated
Unaudited consolidated financial statements of the Guarantor for the six month-period ended 30 June 2014	Pages 2 to 97
– Consolidated Unaudited Financial Statements:	
– Consolidated Statement of Financial Position (unaudited)	Page 2
– Consolidated Statement of Recognised Income (unaudited)	Page 3
– Consolidated Statement of Comprehensive Income (unaudited)	Page 4
– Consolidated Statement of Cash Flows (unaudited)	Pages 5 to 6
– Consolidated Statement of Changes in Shareholders’ Equity (unaudited)	Page 7
– Notes to the Consolidated Financial Statements	Pages 8 to 97

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation;

- (c) *Unaudited separate financial statements of the Guarantor in accordance with International Financial Reporting Standards as adopted by the European Union for the six-month period ended 30 June 2014 including the information set out at the following pages in particular:*

Document	Section incorporated
Separate unaudited financial statements of the Guarantor for the six month-period ended 30 June 2014	Pages 2 to 86
– Separate Unaudited Financial Statements:	
– Separate Statement of Financial Position (unaudited)	Page 2
– Separate Statement of Recognised Income (unaudited)	Page 3
– Separate Statement of Comprehensive Income (unaudited)	Page 4
– Separate Statement of Cash-Flows (unaudited)	Pages 5 to 6
– Separate Statement of Changes in Shareholders' Equity (unaudited)	Page 7
– Selected Explanatory Notes	Pages 8 to 86

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation;

- (d) *Unaudited interim management report – first nine months 2014 results of the Guarantor dated 14 November 2014 including the information set out at the following pages in particular:*

Document	Section incorporated
Unaudited interim management report – first nine months 2014 results of the Guarantor dated 14 November 2014	Pages 2 to 52
– Financial Statements:	
– Separate and Consolidated IFRS Statement of Financial Position (unaudited)	Page 37
– Separate and Consolidated IFRS Statement of Recognised Income (unaudited)	Page 38
– Separate and Consolidated IFRS Statement of Cash Flows (unaudited)	Page 39
– Statement of Changes in Consolidated Shareholders' Equity (unaudited)	Page 40
– The last two paragraphs in italics of the section titled “ <i>Summary of the first nine months and third quarter of 2014</i> ”	Page 4

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation; and

- (e) *Unaudited separate condensed financial statements of the Guarantor in accordance with International Financial Reporting Standards as adopted by the European Union for the nine-month period ended 30 September 2014 including the information set out at the following pages in particular:*

Document	Section incorporated
Separate unaudited condensed financial statements of the Guarantor for the nine month-period ended 30 September 2014	Pages 2 to 13
– Separate Unaudited Financial Statements:	
– Separate Statement of Financial Position (unaudited)	Page 2
– Separate Condensed Statement of Recognised Income and Separate Statement of Comprehensive Income (unaudited)	Page 3
– Separate Condensed Statement of Cash-Flows (unaudited)	Page 4
– Separate Statement of Changes in Shareholders' Equity (unaudited)	Page 5
– Selected Explanatory Notes	Pages 6 to 13

The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Amendments to the section headed “Documents Incorporated by Reference”

1. The list set out in paragraphs (i) to (viii) at page 46 shall be deemed to have been deleted in its entirety and replaced with the following list:

- “ (i) the audited annual financial statements of the Issuer for each of the financial years ended 31 December 2012 and 31 December 2013 and the audit reports thereon;
- (ii) the audited consolidated annual financial statements of the Guarantor for each of the financial years ended 31 December 2012 and 31 December 2013 and the audit reports thereon;
- (iii) the audited separate financial statements of the Guarantor for each of the financial years ended 31 December 2012 and 31 December 2013 and the audit reports thereon;
- (iv) the unaudited interim management report – first three months 2014 results of the Guarantor dated 16 May 2014;
- (v) the unaudited separate condensed financial statements of the Guarantor for the three-month period ended 31 March 2014;
- (vi) the unaudited separate condensed financial statements of the Issuer for the six-month period ended 30 June 2014;
- (vii) the unaudited consolidated financial statements of the Guarantor for the six-month period ended 30 June 2014;
- (viii) the unaudited separate financial statements of the Guarantor for the six-month period ended 30 June 2014;
- (ix) the unaudited interim management report – first nine months 2014 results of the Guarantor dated 14 November 2014;
- (x) the unaudited separate condensed financial statements of the Guarantor for the nine-month period ended 30 September 2014;
- (xi) the Deed of Foundation of each of the Issuer and the Guarantor translated as the Articles of Association in the English translation thereof; and
- (xii) the section "Terms and Conditions of the Mortgage Bonds" from each of the previous Base Prospectuses relating to the Programme as follows: (a) Base Prospectus dated 23 January 2008 (pages 35-54 thereof); (b) Base Prospectus dated 29 October 2009 (pages 39-58 thereof); (c) Base Prospectus dated 7 February 2011 (pages 55-74 thereof), (d) Base Prospectus dated 18 May 2012 (pages 65-83 thereof) and (e) Base Prospectus dated 4 June 2013 (pages 63-79 thereof); and

- (xiii) the section "Terms and Conditions of the Mortgage Notes" from each of the previous Base Prospectuses relating to the Programme as follows: (a) Base Prospectus dated 23 January 2008 (pages 55-74 thereof); (b) Base Prospectus dated 29 October 2009 (pages 59-78 thereof); (c) Base Prospectus dated 7 February 2011 (pages 75-95 thereof), (d) Base Prospectus dated 18 May 2012 (pages 84-103 thereof) and (e) Base Prospectus dated 4 June 2013 (pages 80-96 thereof)."

III. Amendments to the section headed “Description of the Issuer” of the Base Prospectus at pages 102 to 117

- 1. (i) The list set out in the subsection headed “Members of the Supervisory Board” at pages 104 to 105 shall be deemed to have been deleted and replaced with the following list:**

“**Frigyes László Garai** (62), Member of the Supervisory Board, appointed in 2013. He is also Senior Manager of the Management and Information Department at OTP Bank.

Address: 1051 Budapest, Nádor utca 16., Hungary, Tel.: +36 1 473 5869, Fax: +36 1 473 5996

Tamás Endre Vörös (41), Chairman of the Supervisory Board, appointed in 2014. He is also the Managing Director of the Retail Business Development and Subsidiary Department at OTP Bank.

Address: 1052 Budapest, Deák Ferenc u. 7-9., Hungary, Tel.: +36 1 486 6613, Fax: +36 1 486 6688

András Kuhárszki (34), Member of the Supervisory Board, appointed in 2014.

Address: 1131 Budapest, Babér u. 9., Hungary, Tel.: +36 1 486 6947, Fax: +36 1 298 3290

Ágota Selymes (64), Member of the Supervisory Board, appointed in 2001. She is also a Department Manager at the Retail Directorate at OTP Bank.

Address: 1131 Budapest, Babér u. 9., Hungary, Tel.: +36 1 298 3152, Fax: +36 1 298 3613”;

and

- (ii) the statement under the heading “Conflicts of interest” in the subsection headed “Management and supervisory bodies of the Issuer” at page 105 shall be deemed to have been repeated as of the date of this First Supplement as follows:**

“There are no actual or potential conflicts of interest between the private interests or duties of the members of the Board of Directors or the Supervisory Board of the Issuer and their duties to the Issuer.”

- 2. The cross-reference to “Description of the Guarantor – Developments at the OTP Group – Recent developments in relation to statutory voidance of certain standard terms in relation to certain consumer loans” in the second paragraph of the subsection headed “Recent developments” at page 111 shall be deemed to have been deleted and replaced with a cross-reference to “Description of the Guarantor – Developments at the OTP Group – Statutory voidance of certain standard terms in relation to certain consumer loans and statutory redenomination scheme for certain foreign currency denominated consumer loans”.**
- 3. The following paragraphs shall be deemed to have been inserted at the end of the subsection headed “Recent developments” at page 111:**

“On 19 December 2014, the Guarantor provided Keep Well Support in the amount of HUF 56 billion to the Issuer in the form of non-refundable shareholder funding. Management expects on the basis of preliminary non-audited internal data that the Issuer’s capital adequacy ratio will decrease from 11.39 per cent. (audited capital adequacy ratio as at 31 December 2013) to 9.5 per cent. as a result of the measures envisaged by the Voiding Act. However, management believes that the Issuer’s capital adequacy ratio will still remain above the applicable minimum 8 per cent. regulatory requirement following this decrease.”

- 4. The following subsections shall be deemed to have been inserted at the end of the subsection headed “Recent developments” at page 111:**

“Statutory redenomination of certain mortgage loans in the Issuer’s loan portfolio

Parliament has recently approved a package of measures which includes a statutory automatic redenomination scheme (the **Automatic Redenomination Scheme**) for retail loans which are denominated in, or linked to, a foreign currency (subject to certain exceptions) (the **Redenominatable Loans**) (see the subsection headed “The Hungarian Banking System – Statutory modification of Covered Retail Loans” below). Under the Automatic Redenomination Scheme, the relevant creditor financial institutions are required to redenominate into HUF with a value date of 1 February 2015 (the **Value Date**) Redenominatable Loans which are outstanding as at 1 February 2015 at exchange rates specified by statute, including where they have been accelerated but are still outstanding against the relevant borrowers (including with respect to ongoing foreclosure

proceedings). For a discussion on the expectations of the OTP Group's management in relation to the Automatic Redenomination Scheme, refer to "*Description of the Guarantor – Developments at the OTP Group – Statutory voidance of certain standard terms in relation to certain consumer loans and statutory redenomination scheme for certain foreign currency denominated consumer loans*" below.

Coverage

In preparation for the redenomination of Redenominatable Loans included in the OTP Group's loan book, the OTP Group has purchased EUR from the NBH under a specific tender announced in connection with the Automatic Redenomination Scheme (see "*Description of the Guarantor – Developments at the OTP Group – Statutory voidance of certain standard terms in relation to certain consumer loans and statutory redenomination scheme for certain foreign currency denominated consumer loans*" below). Management believes that this EUR purchase transaction is adequate to mitigate the potential effects the Automatic Redenomination Scheme may have on the value of mortgage loans included in the coverage for the mortgage bonds issued by the Issuer (including the Mortgage Securities issued under the Programme) that are treated as Redenominatable Loans under the Automatic Redenomination Scheme. Investors should note that the effects the Automatic Redenomination Scheme may have on such coverage may require more stringent asset/liability management in the future and/or increase the Issuer's cost of operations."

IV. Amendments to the section headed “Description of the Guarantor” of the Base Prospectus at pages 118 to 137

- 1. The following subsection shall be deemed to have been inserted immediately preceding the subtitle “Recent developments concerning litigation” at page 126:**

“Recent acquisitions in Romania and incorporation of a new subsidiary in Malta

On 3 July 2014, the OTP Group’s Romanian subsidiary, OTP Bank Romania signed a sale and purchase agreement with Banco Comercial Português for the acquisition by OTP Bank Romania of a 100 per cent. shareholding in Banco Comercial Português’s Romanian subsidiary, Millenium Bank, with a total asset value of RON 2.83 billion (approx. EUR 635 million) (as at 31 December 2013) for a consideration of EUR 39 million. This transaction closed on 8 January 2015.

On 29 October 2014, the Guarantor incorporated a new wholly-owned subsidiary, OTP Financing Malta Limited in Malta with a share capital of EUR 105,000,000, with a view to optimising certain of the OTP Group’s financing transactions.”

- 2. The following sentence shall be deemed to have been inserted at the end of the third paragraph in the subsection headed “Other important arrangements entered into to ensure safe operation since 2012” at page 130:**

“In the second quarter of 2014, OBR received a further capital injection from the Guarantor totalling RON 50 million.”

- 3. The following text shall be deemed to have been inserted at the end of the subsection headed “Other important arrangements entered into to ensure safe operation since 2012” at page 130:**

OTP Banka Slovensko a.s. received from the Guarantor: (i) subordinated capital in the amount of EUR 18 million in the third quarter of 2014; and (ii) a capital injection of EUR 10 million in November 2014.

In the third quarter of 2014, the OTP Group’s Ukrainian factoring company subsidiary, OTP Factoring Ukraine LLC received a capital injection from the Guarantor in the amount equivalent to HUF 19 billion.

In the fourth quarter of 2014, OAO OTP Bank received subordinated capital from the OTP Group in the amount of RUB 3 billion.”

- 4. The following text shall be deemed to have been inserted at the end of the subsection headed “Rating developments” at page 129:**

“On 9 April 2014, Moody’s Investors Service Limited (**Moody’s Ltd**): (i) confirmed: (A) E as the Bank Financial Strength Rating (**BFSR**); and (B) Caa1 (negative outlook) as the Long Term UAH Deposit rating; and (ii) downgraded to Ca (negative outlook) the Long Term Foreign Currency Deposit rating assigned by it to the OTP Group’s Ukrainian subsidiary, OTP Bank JSC.

On 6 August 2014, Moody’s Investors Service Cyprus Limited (**Moody’s Cyprus**): (i) downgraded from D to D- (stable outlook) the BFSR; and (ii) confirmed at Ba1 (negative outlook) the Long Term Foreign Currency Deposit and Long Term BGN Deposit ratings assigned by it to the OTP Group’s Bulgarian subsidiary, DSK Bank.

On 10 October 2014, Moody’s Ltd (i) downgraded (A) from D to E+ (stable outlook) the BFSR; and (B) from Ba2 to Ba3 (negative outlook) the Long Term Foreign Currency Deposit and Long Term RUB Deposit ratings; and (ii) confirmed at NP the Short Term Foreign Currency Deposit and Short Term RUB Deposit ratings assigned by it to the OTP Group’s Russian subsidiary, OJSC OTP Bank (**OTPR**).

On 28 October 2014, Fitch Ratings CIS Limited (**Fitch**) affirmed with stable outlook the Long Term Foreign Currency Issuer Default Rating of BB it assigns to OTPR.

Moody’s Ltd, Moody’s Cyprus and Fitch are each established in the European Union and are registered under the CRA Regulation (see the ESMA website for a list of registered credit rating agencies: <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>).”

- 5. Each of the tables set out at pages 121 to 122 under the introductory text “Ownership structure of OTP Bank as at 31 March 2014” and the introductory text “To the extent known to the Guarantor direct and/or indirect shareholders with over/around 5 per cent. stake as at 31 March**

2014”, respectively and each of those introductory texts shall be deemed to have been deleted and replaced with the following introductory texts and tables:

“Ownership structure of OTP Bank as at 30 September 2014

Description of owner	Total equity					
	1 January 2014			30 September 2014		
	% ¹	% ²	Qty	% ¹	% ²	Qty
Domestic institution/company	11.97%	12.12%	33,516,480	11.75%	11.91%	32,904,876
Foreign institution/company	63.49%	64.28%	177,765,449	66.25%	67.13%	185,488,118
Domestic individual	8.93%	9.04%	24,998,111	8.18%	8.29%	22,898,538
Foreign individual	1.15%	1.16%	3,206,030	0.61%	0.62%	1,717,075
Employees, senior officers	1.55%	1.57%	4,331,265	1.27%	1.29%	3,559,280
Treasury shares	1.23%	0.00%	3,437,274	1.32%	0.00%	3,705,702
Government held owner ³	5.13%	5.20%	14,372,425	5.12%	5.19%	14,329,759
International Development Institutions ⁴	0.00%	0.00%	0	0.00%	0.00%	0
Other ⁵	6.56%	6.64%	18,372,976	5.50%	5.57%	15,396,662
TOTAL	100.00%	100.00%	280,000,010	100.00%	100.00%	280,000,010

¹ Voting rights

² Beneficial ownership

³ Eg: State Privatization Holding Co. Ltd., Social Security, Municipality, 100 per cent. state-owned companies, Pension Reform and Debt Reduction Fund etc

⁴ Eg: EBRD, EIB, etc

⁵ Non-identified shareholders according to the shareholders' registry

Source: OTP Bank Plc. Interim Management Report – First nine months 2014 results (English translation of the original report submitted to the Budapest Stock Exchange), Budapest, 14 November 2014

; and

To the extent known to the Guarantor direct and/or indirect shareholders with over/around 5 per cent. stake as at 30 September 2014

Name	Number of shares	Voting rights	Beneficial Ownership
Megdet, Timur and Ruszlan Rahimkulov	24,891,495	8.89%	9.01%
MOL (Hungarian Oil and Gas Company Plc.)	24,000,000	8.57%	8.69%
Groupama Group	23,206,741	8.29%	8.40%
Hungarian National Asset Management Inc.	14,091,903	5.03%	5.10%

Source: OTP Bank Plc. Interim Management Report – First nine months 2014 results (English translation of the original report submitted to the Budapest Stock Exchange), Budapest, 14 November 2014

Pursuant to the Guarantor's Articles of Association, no individual shareholder or group of shareholders may exercise voting rights at the Guarantor's general meetings in excess of (i) 25 per cent.; or (ii) (if there is another shareholder or a group of shareholders which holds voting rights in excess of 10 per cent.) 33 per cent. of the total voting rights in the Guarantor.

No shareholder currently holds beneficial ownership of 10 per cent. or more in the Guarantor. The Guarantor has no official information regarding the ultimate shareholders of either MOL or Groupama Group. MOL is a Hungarian public company limited by shares, whose shares are listed on the Budapest Stock Exchange. Groupama is a France-based mutual financial conglomerate."

6. The subsection headed "Statutory voidance of certain standard terms in relation to certain consumer loans" at pages 126 to 127 shall be deemed to have been deleted in its entirety and replaced with the following subsection:

"Statutory voidance of certain standard terms in relation to certain consumer loans and statutory redenomination scheme for certain foreign currency denominated consumer loans

Parliament has recently approved an act of Parliament (the **Voiding Act**) that declares by statute with retroactive effect unfair and, therefore, void certain standard contractual terms of consumer foreign-currency-linked loans and financial leases (which are denominated in a foreign currency (the **Loan Currency**) but disbursed and repayable in HUF (the **FX Linked Loans**)) relating to conversions between the Loan Currency and the HUF at the time of disbursement and repayments (the **Void FX Term**). In addition, the Voiding Act also establishes with retroactive effect a statutory presumption (the **Voiding Presumption**) that certain standard contractual terms of FX Linked Loans and HUF denominated consumer loans and financial leases (together with the FX Linked Loans, the **Covered Retail Loans**) which give the right to the relevant creditor financial institutions to increase the rate of interest on, and costs and charges payable under, Covered Retail Loans without the consent of the relevant consumer borrowers (the **Presumed Void Terms**) are deemed void unless rebutted by the relevant creditor financial institutions in court (see "*The Hungarian Banking System – Statutory voidance of certain standard terms in relation to certain consumer loans*" below).

The OTP Group has initiated litigation under the Voiding Act (as defined and further discussed in the Base Prospectus) to rebut the statutory presumption established under that Act with respect to certain standard terms of covered retail loans. However, the OTP Group's court actions to rebut that statutory presumption were dismissed in the first instance as were its appeals from the judgments of the relevant courts of first instance. Therefore, it is expected that the relevant members of the OTP Group (including the Issuer) will be required to make appropriate restitutionary reimbursements to the relevant consumer borrowers in accordance with the Voiding Act.

Further, Parliament has recently approved a package of measures which includes a statutory automatic redenomination scheme (the **Automatic Redenomination Scheme**) for retail loans which are denominated in, or linked to, a foreign currency (subject to certain exceptions) (the **Redenominatable Loans**) (see the subsection headed "*The Hungarian Banking System – Statutory modification of Covered Retail Loans*" below). Under the Automatic Redenomination Scheme, the relevant creditor financial institutions are required to redenominate into HUF with a value date of 1 February 2015 (the **Value Date**) Redenominatable Loans which are outstanding as at 1 February 2015, at exchange rates specified by statute, including where they have been accelerated but are still outstanding against the relevant borrowers (including with respect to ongoing foreclosure proceedings).

On the basis of an accord reached between the Hungarian Banking Association, the government and the NBH in November 2014, the NBH offered EUR to creditor financial institutions under a specific tender (which was announced in connection with the Automatic Redenomination Scheme (the **Redenomination Tender**)) at an exchange rate which was nearly identical to the statutory rate for redenominations from EUR into HUF under the Automatic Redenomination Scheme (the **Tender Rate**).

In preparation for the redenomination of Redenominatable Loans included in the OTP Group's loan book, the OTP Group has purchased EUR from the NBH under the Redenomination Tender in an amount which management believes to be sufficient for the OTP Group to mitigate its exposure to foreign exchange risks that may arise in connection with the redenominations under the Automatic Redenomination Scheme.

In considering (i) the statutory settlement arrangements recently approved by Parliament for the settlement of restitutory reimbursements which may arise under the Voiding Act (see also "*The Hungarian Banking System – Statutory voidance of certain standard terms in relation to certain consumer loans – Statutory settlement arrangements* below"), and (ii) the mitigation effects of the purchase transaction it has made under the Redenomination Tender at the Tender Rate in connection with the Automatic Redenomination Scheme, management expects that the stand-alone negative effect of potential losses from the Voiding Act and the negative effects of the Automatic Redenomination Scheme could be a decrease in the OTP Group's after tax profits which may amount to HUF 168.4 billion (as measured at the level of the OTP Group). The OTP Group already set aside appropriate reserves in connection with this potential decrease in the third quarter of 2014 as recognised in the consolidated financial statements of the Guarantor (as the parent bank of the OTP Group) for the nine-month period ended 30 September 2014 (incorporated by reference into the Base Prospectus)."

However, as the measures and the settlement mechanics envisaged by the Voiding Act are currently being implemented and given that the Automatic Redenomination Scheme has not become applicable yet, the full impact these measures and settlement mechanics may have on the OTP Group's financial condition and results of operations cannot be entirely assessed yet.

7. The following subsection shall be deemed to have been inserted immediately preceding the subsection headed "*Rating Developments*" at page 127:

The Guarantor was subject to an asset quality review and the 2014 EU-wide stress test

The Guarantor was subject to an asset quality review conducted by the National Bank of Hungary (the **NBH**) in accordance with the relevant recommendation of the European Banking Authority (the **EBA**) (available at: <https://www.eba.europa.eu/documents/10180/449802/EBA-Rec-2013-04+Recommendations+on+asset+quality+reviews.pdf>) and the methodology set for asset quality reviews by the European Central bank (the **ECB**), which closed in the third quarter of 2014. This asset quality review identified only minor deviations and deficiencies, which did not require any change to the Guarantor's CET 1 capital or other parameters of its operations.

The Guarantor was also subject to the EU-wide stress test conducted on EU banks in the course of 2014 (the **2014 Stress Test**), which was aimed at assessing the resilience of participating European banks on a three year horizon under a hypothetically adverse macroeconomic scenario using a common methodology developed by the EBA and applied consistently across all participating banks. The results of the 2014 Stress Test was published on 26 October 2014 and showed that the Guarantor's CET 1 capital ratio would, even assuming the full-phasing-in of CRR, reach 11.98 per cent under the stress scenario against which banks were tested in the course of the 2014 Stress Test. The 2014 Stress Test did not, however, take into account the possible losses which may arise in connection with the Voiding Act (see "*Statutory voidance of certain standard terms in relation to certain consumer loans*" above)."

V. Amendment to the section headed “*Trend Information of the Guarantor and the OTP Group*” of the Base Prospectus at page 146

The cross-reference to “*Description of the Guarantor – Statutory voidance of certain standard terms in relation to certain consumer loans*” in the section headed “*Trend Information of the Guarantor and the OTP Group*” at page 146 shall be deemed to have been deleted and replaced with a cross-reference to “*Statutory voidance of certain standard terms in relation to certain consumer loans and statutory redenomination scheme for certain foreign currency denominated consumer loans*”.

VI. Amendments to the section headed “The Hungarian Banking System” of the Base Prospectus at pages 157 to 175

- 1. The last sentence of the second paragraph in the subsection headed “Requirements on credit ratings in respect of residential loans” at page 168 shall be deemed to have been deleted and replaced with the following text:**

“These caps are calculated on the basis of the market value of the property subject to the mortgage interest that is taken by creditors or, as the case may be, the acquisition of which is financed under financial leases (as established at the time of the approval of the loan application or, as the case may be, application for financing under a financial lease or on completion in respect of properties under construction) and range between 85 per cent. and 35 per cent. depending on the currency in which the relevant loan or, as the case may be, financing is denominated.”

- 2. The fourth paragraph of the subsection headed “Special “bank tax”” at page 168 shall be deemed to have been deleted and replaced with the following text:**

“These transitional taxes were first introduced for the 2010 tax year and have been extended with certain amendments to also cover the 2011, 2012, 2013, 2014 and 2015 tax years.”

- 3. The first sentence of the subsection headed “Contribution on certain reimbursements in relation to the Fixed Rate Scheme” at page 166 shall be deemed to have been deleted and replaced with the following text:**

“In the 2012, 2013, 2014 and 2015 tax years, a special contribution obligation (the **Fixed Rate Scheme Contribution**) is also imposed on financial institutions (including credit institutions), which is payable (on a quarterly basis) on a certain part of the reimbursement that the relevant financial institutions receive from the Hungarian State in that tax year on account of losses incurred by them in relation to a fixed exchange rate scheme for regular repayments on covered foreign currency mortgage loans (as described in “Fixed exchange rates for regular repayments on covered foreign currency mortgage loans” below).”

- 4. Each of the subsections headed “Moratorium on evictions” and “Statutory voidance of certain standard terms in relation to certain consumer loans” at pages 174 to 175 shall be deemed to have been deleted and replaced with the following subsections:**

“Statutory voidance of certain standard terms in relation to certain consumer loans

Parliament approved an act of Parliament (the **Voiding Act**) in the first half of 2014, which declares by statute with retroactive effect unfair and, therefore, void standard contractual terms of consumer foreign-currency-linked loans and financial leases (which are denominated in a foreign currency (the **Loan Currency**) but disbursed and repayable in HUF (the **FX Linked Loans**)) that allow the relevant creditor financial institutions to use their ‘buy’ exchange rate at the time of disbursement and their ‘sell’ exchange rate at the time of repayments for conversions between the Loan Currency and the HUF (the **Void FX Term**). Further, the contractual exchange rates provided for by a Void FX Term under an FX Linked Loan must be substituted by the relevant exchange rates published by the NBH at the relevant times (the **NBH FX Rates**) and the payment obligations of the relevant consumer borrowers must be re-determined on the basis of the NBH FX Rates from the time of disbursement together with appropriate restitutory reimbursements (if any).

In addition, the Voiding Act also establishes with retroactive effect a statutory presumption that standard contractual terms of FX Linked Loans and HUF denominated consumer loans and financial leases (together with the FX Linked Loans, the **Covered Retail Loans**) that allow the relevant creditor financial institutions to increase the rate of interest on, and costs and charges payable under, Covered Retail Loans without the consent of the relevant consumer borrowers (the **Presumed Void Terms**) are deemed void unless rebutted by the relevant creditor financial institutions in court, subject to certain conditions and the fairness test envisaged by the Voiding Act. A court action to rebut that statutory presumption could have been taken by the relevant creditor financial institutions under Covered Retail Loans with Presumed Void Terms within a pre-determined statutory period. In the event that a creditor financial institution under a Covered Retail Loan with Presumed Void Terms failed to take court action within the statutory deadline or failed to rebut that statutory presumption, it will be required to make appropriate restitutory reimbursements to the relevant consumer borrowers.

The Voiding Act covers Covered Retail Loans which were entered into between 1 May 2004 and its entry into force. In addition, it covers not only existing Covered Retail Loans with a Void FX Term and/or Presumed Void Terms but also those which have been repaid or otherwise terminated before its adoption.

Furthermore, the Voiding Act also envisages lifting in effect the general 5-year statute of limitations with respect to restitutory claims that may arise under Covered Retail Loans which exist at the time when the Voiding Act comes into force. It is envisaged that the limitation period starts in the case of these restitutory claims only upon the termination of the relevant Covered Retail Loans instead of the time when they have arisen.

Statutory settlement arrangements

The Voiding Act envisages statutory settlement arrangements for restitutory reimbursements with the relevant borrowers (the **Restitutory Settlement Scheme**). Parliament has recently approved an act of Parliament (the **Restitutory Settlement Act**) which sets out the settlement mechanics under the Restitutory Settlement Scheme. Certain detailed terms (such as the relevant NBH FX Rates, methods for the calculation of restitutory claims, etc.) are set out in NBH Orders issued under the Restitutory Settlement Act (the **Implementing Orders**).

The Restitutory Settlement Act has extended the scope of Covered Retail Loans to include:

- foreign currency denominated consumer loans which are repayable in the same foreign currency in which they were disbursed and foreign currency denominated consumer financial leases under which lease payments are to be made in the same foreign currency in which the financing was provided under those financial leases which were entered into between 1 May 2004 and the entry into force of the Voiding Act (the **FX Loans**);
- FX Linked Loans repaid as Affected FX Loans under the FX Early Repayment Scheme (see “*Early repayment scheme*” above); and
- Covered Retail Loans terminated as part of a purchase made by the National Asset Manager under the Buy-out Programme (see “*National Asset Manager*” above).

At the same time, the Restitutory Settlement Act has excluded from the scope of Covered Retail Loans (i) any credit lines or overdrafts attached to credit cards or payment accounts; and (ii) those HUF-denominated residential loans which involve state interest subsidy.

The Restitutory Settlement Act has limited and disapplied the statutory presumption under the Voiding Act in relation to Presumed Void Terms in the case of standard terms of HUF-denominated Covered Retail Loans and FX Loans which were published after 26 November 2010. However, it confers a power on the NBH to bring a representative action (the **NBH Action**) before court within a deadline specified by statute to void the relevant standard terms of these Loans with effect to all Covered Retail Loans entered into by the relevant creditor financial institution on the basis of those standard terms.

Under the Restitutory Settlement Scheme, the amounts by which: (i) the repayments on an FX Linked Loan actually made by a borrower on the basis of Void FX Terms exceed the repayments that borrower ought to have been required to make had those repayments been determined on the basis of the NBH FX Rates (if any); and (ii) the repayments actually made by a borrower on a Covered Retail Loan on the basis of Presumed Void Terms in the case of which the statutory presumption of voidance has not been rebutted (the **Absolute Void Terms**) exceed the repayments that borrower ought to have been required to make had those repayments been determined by disregarding the increases brought about in accordance with the Absolute Void Terms; are in each case treated as recoverable overpayments (the **Recoverable Overpayments**).

In the case of FX Linked Loans: (i) the HUF amount disbursed to the borrower under an FX Linked Loan and therefore the initial outstanding principal on that FX Linked Loan; and (ii) the repayment obligations of the borrower under that FX Linked Loan will need to be re-determined on the basis of the NBH FX Rates published for the day on which disbursement under and, as the case may be, repayments on that FX Linked Loan were actually made or, if determined by the terms of that FX Linked Loan, on the relevant designated settlement dates. Creditor financial institutions will not be required to re-determine the repayment obligations of the borrower under an FX Linked Loan with respect to the period in which these were determined on the basis of conversion rates, which were set in accordance with statutory requirements adopted as part of the limitations imposed in recent periods with respect to foreign currency denominated loans (as discussed in “*Limitations in respect of foreign currency credits*” above) (which could be either the mid-rate for the Loan Currency

published by the relevant creditor financial institution for the relevant period or the relevant NBH FX Rate).

The re-determination of the relevant borrower's regular repayment obligations in relation to Absolute Void Terms must be made on the basis of the rate of interest, charges and costs which were applicable at the time when the relevant Covered Retail Loan was entered into (the **Contractual Rates**).

Creditor financial institutions will be allowed to deduct from Recoverable Overpayments relating to Absolute Void Terms the amounts (the **Deductible Benefits**) that arose in connection with any discounts, bonuses, reliefs or other benefits received by the relevant borrowers in relation to interest, charges or otherwise and which resulted in a reduction in those borrower's repayment obligations. The amount of these deductions and the extent to which they can be made are set out in the Implementing Orders. However, the relevant creditor financial institutions will be allowed to reduce Recoverable Overpayments by amounts which have resulted from a decrease in the rate of interest, charges or costs below the Contractual Rates only if it was required by statute or, in the case of a decrease in charges or costs, if it was made simultaneously with an increase in the rate of interest. The relevant creditor financial institutions are allowed in the case of a Covered Retail Loan to which an Accumulation Credit Line (as described in "*Fixed exchange rates for regular repayments on covered foreign currency mortgage loans*" above) is attached to treat 50 per cent. of the Waived Interest Shortfall as Deductible Benefit.

In addition to restitutory claims arising by virtue of the Voiding Act, credit institutions will be required to apply the provisions of the Restitutory Settlement Scheme with respect to Recoverable Overpayments to any restitutory claims which may arise from the avoidance of amendments to standard contractual terms without the consent of the relevant consumer borrowers for any other reason.

The relevant creditor financial institutions will be required to apply Recoverable Overpayments first towards the discharge of any overdue and payable amounts outstanding on the relevant Covered Retail Loans. Any remaining Recoverable Overpayments will need to be applied towards prepayments on the relevant Covered Retail Loans in accordance with the provisions of the Restitutory Settlement Scheme. In the case of Void FX Terms, the corresponding proportion of these prepayments is deemed to have been made at the disbursement of FX Linked Loans and at the times when the actual repayments were made by the relevant borrowers on the basis of those Void FX Terms. In the case of Absolute Void Terms, the corresponding prepayments are deemed to have been made at the times when the actual repayments were made by the relevant borrowers on Covered Retail Loans on the basis of those Absolute Void Terms.

If an Accumulation Credit Line and/or a specified state-guaranteed bridging loan is attached to a Covered Retail Loan, Recoverable Overpayments must be applied to the repayment of Accumulated Loans first following the discharge of any overdue amount outstanding on the relevant Covered Retail Loan converted, in the case of Recoverable Overpayments relating to FX Linked Loans, at conversion rates specified in the Implementing Orders. The remaining Recoverable Overpayments (if any) must be applied towards the prepayment of any state-guaranteed bridging loan and then towards prepayments on the underlying Covered Retail Loans. In the case of a Covered Retail Loan to which an Accumulation Credit Line is attached, the relevant creditor financial institution will be allowed to deduct any Deductible Benefits only following the full discharge of the Accumulated Loans outstanding under that Accumulation Credit Line.

If a Covered Retail Loan has been assigned to a debt collector, any Recoverable Overpayments remaining after their application towards overdue amounts payable by the relevant borrower and prepayments on that Covered Retail Loan will be payable by the assignee debt collector. The assignor creditor financial institution will, however, remain liable to the assignee debt collector for the losses that debt collector incurs from Recoverable Overpayments paid to the relevant borrower having regard to the consideration for the assigned Covered Retail Loan.

In the event that a Covered Retail Loan has been repaid or terminated otherwise before the settlements envisaged by the Restitutory Settlement Scheme, Recoverable Overpayments will be treated as unjust enrichment and repayable to the relevant borrower together with interest as specified in the Implementing Orders. Where the relevant Covered Retail Loan was terminated through its refinancing provided by the same creditor financial institution, such Recoverable Overpayments must be applied towards the prepayment of the refinancing loan.

A creditor financial institution which is not subject to the settlement obligations envisaged under the Restitutory Settlement Scheme will nevertheless be liable for restitutory claims relating to Recoverable Overpayments on a joint and several basis with the financial institution that is the creditor under the relevant Covered Retail Loan if it is the beneficiary of an independent lien (as described in “*Detailed Rules of the Coverage System relating to the Mortgage Bonds*” above) that was created in connection with that Covered Retail Loan.

By way of derogation from the restrictions on the activities mortgage credit institutions are permitted to engage in (see “*Description of the Issuer – Business overview of the Issuer - Sphere of activities*” above), mortgage credit institutions will be allowed to purchase, in connection with the settlements under the Restitutory Settlement Scheme, claims from financial institutions belonging to the same banking group which are outstanding against natural person borrowers to whom those mortgage credit institutions have granted a mortgage loan.

The relevant creditor financial institutions will be required to effect the settlement obligations envisaged under the Restitutory Settlement Scheme with respect to Covered Retail Loans which existed at the time when the Restitutory Settlement Act came into force or were repaid or terminated after 26 July 2009 (the **Restitutory Settlement Cut-off Date**). The relevant creditor financial institutions will be required to effect settlements under the Restitutory Settlement Scheme in the case of Covered Retail Loans which had been repaid or terminated before Restitutory Settlement Cut-off Date where: (i) it is known to them that Recoverable Overpayments in connection with those Covered Retail Loans have not become prescribed; (ii) it does not dispute a claim by the relevant borrower that its Recoverable Overpayments have not become prescribed or a final judgement (which may not be subject to further appeal) has been given by a competent court to that effect; or (iii) at the request of the relevant borrower, if a claim in connection with a Covered Retail Loan terminated prior to the Restitutory Settlement Cut-off Date has been assigned to an entity which is not subject to the Restitutory Settlement Scheme and is being enforced against the borrower by that entity.

The relevant credit institutions will be required to carry out the settlement of Recoverable Overpayments as envisaged under the Restitutory Settlement Scheme between 1 March 2015 and 30 September 2015 depending on the type of the relevant Covered Retail Loans. If the relevant credit institution has taken court action to rebut the statutory presumption under the Voiding Act or an NBH Action has been taken against the relevant creditor financial institution and in either case the litigation is concluded after the relevant statutory deadline, the settlement obligations under the Restitutory Settlement Scheme will need to be carried out within 60 days after the final conclusion of the litigation.

At the request of the relevant borrowers, creditor financial institutions will also be required to carry out the settlement obligations under the Restitutory Settlement Scheme until 30 November 2015 with respect to FX Linked Loans which were repaid as Affected FX Loans previously under the FX Early Repayment Scheme and, if it is due to the relevant borrower as Recoverable Overpayment, pay the settlement amount to that borrower.

In the case of Covered Retail Loans which were terminated as part of a purchase made by the National Asset Manager under the Buy-out Programme, the relevant borrowers will not be entitled to require the Relevant Mortgagee Creditor financial institution to carry out the settlement obligations under the Restitutory Settlement Scheme. However, if the purchase price paid by the National Asset Manager was apportioned to more than one Relevant Mortgagee Creditors, the National Asset Manager must (upon request by any of the other Relevant Mortgagee Creditors) require the Relevant Mortgagee Creditor which is subject to the Restitutory Settlement Scheme to carry out those settlement obligations and to re-determine the underlying borrower’s repayment obligations on the Covered Retail Loan it had made to that borrower accordingly until 28 February 2016. Following this redetermination, the National Asset Manager will re-determine the apportionment of the purchase price it paid previously. If the amount received by the Relevant Mortgagee Creditor which carried out the settlement obligations under the Restitutory Settlement Scheme exceeds the amount to which it is entitled on the basis of the apportionment of purchase price so re-determined, it will be required to pay the difference to the National Asset Manager.

The value date for the settlements under the Restitutory Settlement Scheme is set as 1 February 2015 in the case of FX Linked Loans and FX Loans and 30 June 2015 in the case of other Covered Retail Loans.

In addition, the Restitutory Settlement Act bans financial institutions from effecting without the consent of the relevant borrowers any increase in interest, fees or alike charges payable in respect of

consumer loans for a period to be specified by statute to expire not later than 30 April 2016. This ban does not apply where the relevant financial institution modify its applicable standard terms in accordance with the Consumer Credit Amendment (see “*Further tightening of legislation on consumer credits*” below).

The relevant creditor financial institutions are, subject to certain conditions, entitled to deduct from their corporation tax payable in the 2015 tax year an amount (the **Deductible Amount**) that corresponds to the amount of tax refunds to which they would be entitled in accordance with applicable tax laws with respect to specified taxes (such as, *inter alia*, corporation tax and the Extra Tax) as a result of complying with the settlement obligations envisaged under the Restitutory Settlement Scheme. If the Deductible Amount exceeds the corporation tax payable by a relevant creditor financial institution in the 2015 tax year, such creditor financial institution will be entitled to deduct the remaining balance of the Deductible Amount in the subsequent tax year or, as the case may be, tax years.

Moratorium on evictions

In the first half of 2014, Parliament approved a moratorium on evictions in the case of foreclosure proceedings initiated against private individual borrowers with a view to enforcing mortgage loans that are denominated in, or linked to, a foreign currency and secured by the residential properties of such borrowers. Furthermore, the Voiding Act has extended this moratorium to cover all consumer loans and financial leases and foreclosure proceedings (including enforcement sales outside court enforcements) initiated with a view to enforcing a mortgage interest or a suretyship agreement which secures consumer loans and financial leases.

The Restitutory Settlement Act permits evictions in these foreclosure proceedings where the creditor financial institution has complied with its settlement obligations under the Restitutory Settlement Scheme and a notification to this effect or of an exemption available under the Restitutory Settlement Scheme has been made to the bailiff (subject to certain conditions). The Restitutory Settlement Act generally lifts the moratorium on such evictions with effect from 1 March 2017 and the moratorium on enforcement sales outside court enforcement with effect from 1 January 2017.”

5. The following subsections shall be deemed to have been inserted at the end of the section headed “*The Hungarian Banking System*” at page 175:

“Statutory modification of Covered Retail Loans

Parliament has recently approved an act of Parliament (the **Redenomination and Interest Rate Act**) which sets out a statutory automatic redenomination scheme (the **Automatic Redenomination Scheme**) for FX Linked Loans and FX Loans and the modification by statute of the terms in Covered Retail Loans (including FX Linked Loans and FX Loans which have been redenominated into HUF (the **Redenominated Loans**)) for the determination of the rate of interest payable on those Loans.

Redenomination of certain Covered Retail Loans

Under the Automatic Redenomination Scheme, the relevant creditor financial institutions are required to redenominate into HUF by 1 February 2015: (i) FX Linked Loans and FX Loans which are outstanding as at 1 February 2015; and (ii) claims which are still outstanding against the relevant borrowers following the termination of their FX Linked Loans or, as the case may be, FX Loans (including with respect to ongoing foreclosure proceedings) at the exchange rates specified by the Redenomination and Interest Rate Act. The statutory exchange rate for the relevant foreign currency is either the exchange rate published by the NBH on 7 November 2014 for the relevant currency against the HUF or the average of the exchange rates published by the NBH between 16 June 2014 and 7 November 2014 for the relevant currency against the HUF, whichever is more favourable to the relevant borrower.

The relevant borrowers may, subject to certain conditions, elect to require the disapplication of the statutory redenomination of their FX Linked Loans or, as the case may be, FX Loans. These conditions include, *inter alia*, sufficient regular income in a foreign currency in respect of which exchange rates are published by the NBH and which exceeds the expected amount of monthly repayments on those loans, or their PTI (as defined in “*Payment to income ratio*” below) would permit them to take out those loans.

Furthermore, the relevant borrowers will have the right to terminate their Redenominated Loans within 60 days from the date on which they have received or deemed to have received notice of the redenomination of their Redenominated Loans.

Where an Accumulation Credit Line (as described in “*Fixed exchange rates for regular repayments on covered foreign currency mortgage loans*” above) is attached to the relevant Redenominated Loan, regular repayments on such loans will be subject to a cap specified by statute and the relevant creditor financial institutions will be required to adjust the amortisation schedule for such Redenominated Loan accordingly. Following the redenomination of an FX Linked Loan to which an Accumulation Credit Line is attached or, as the case may be, an election made by the relevant borrower with such FX Linked Loan for the disapplication of the redenomination under the Automatic Redenomination Scheme, no Accumulation Loan will be available under the Accumulation Credit Line attached to that FX Linked Loan.

Eligible Borrowers will no longer have the right to opt into the fixed rate scheme available under the Mortgage Relief Programme (as described in “*Fixed exchange rates for regular repayments on covered foreign currency mortgage loans*” above) after the entry into force of the Redenomination and Interest Rate Act.

Statutory modification of the rate of interest payable on Covered Retail Loans

The Redenomination and Interest Rate Act also modifies the terms in Covered Retail Loans that relate to the calculation of interest payable on those Loans with effect from 15 February 2015 in the case of Redenominated Loans and 30 June 2015 in the case of other Covered Retail Loans. These modifications envisage, *inter alia*:

- mandatory interest periods (in the case of a fixed rate of interest) or margin reset periods (where the rate of interest is linked to a reference rate) specified by statute ranging from 3 to 5 years depending on the remaining maturity of the relevant Covered Retail Loan. These periods which will start between 1 May 2015 and 30 April 2016 depending on the date of the first change in the interest periods or, as the case may be, margin reset periods under that Covered Retail Loan;
- statutory terms that set the manner in which the rate of interest is to be determined which:
 - (i) in the case of Redenominated Loans that are secured by a mortgage (the **Redenominated Mortgage Loans**):
 - (A) link such interest rates to a mandatory reference rate (being the three-month BUBOR (i.e. the Budapest Interbank Offering Rate)); and
 - (B) set the margin over that reference rate which equals to the margin applied at the time when the first repayment was made on the relevant Redenominated Mortgage Loans after disbursement or, as the case may be, any initial discount period (the **Initial Margin**), subject to a cap which is set at: (I) 4.5 per cent. in the case of residential Redenominated Mortgage Loans; and (II) 6.5 per cent. in the case of other Redenominated Mortgage Loans, in each case reduced by the rate of any costs, fees and charges which are payable as a percentage of the principal outstanding on the relevant Redenominated Mortgage Loans;
 - (ii) in the case of Redenominated Loans which are not Redenominated Mortgage Loans and HUF-denominated Covered Retail Loans, limit the rate of interest that may be applied under these Loans by: (i) where it is a fixed rate, capping it at the lower of: (A) the fixed rate applied after disbursement or, as the case may be, any initial discount period; or (B) the fixed rate applied as at 19 July 2014 (such lower fixed rate, the **Maximum Fixed Rate**); and (ii) where it is linked to a reference rate, capping the margin that may be applied over the specified reference rate at the lower of: (A) the Initial Margin; or (B) the margin applied as at 19 July 2014 (such lower margin, the **Maximum Margin**); and
 - (iii) in the case of FX Linked Loans and FX Loans where the relevant borrowers opt for the disapplication of the redenomination under the Redenomination Scheme, cap: (A) the fixed rate which may be applied at the Maximum Fixed Rate where the rate of interest is a fixed rate; and (B) the margin which may be applied over the relevant reference rate at the Maximum Margin, where the rate of interest is linked to a reference rate; and
- a limitation on the frequency and extent of increases in flat fees, charges or costs payable by borrowers on Covered Retail Loans.

Mortgage interests and suretyships relating to Covered Retail Loans will continue to secure those Loans following their statutory modification (including with respect to Redenominated Loans).

Where Covered Retail Loans are refinanced by mortgage credit institutions through the sale and repurchase of Independent Liens or refinancing mortgage loans (each as defined and/or further described in "*Detailed Rules of the Coverage System Relating to the Mortgage Bonds*"), their statutory modification and, in the case of FX Linked Loans and FX loans, their redenomination under the Redenomination Scheme will automatically trigger a corresponding modification under these refinancing arrangements.

Financial institutions may not charge any fee or cost to borrowers in connection with the redenomination of FX Linked Loans and FX Loans and the statutory modification of Covered Retail Loans.

Creditor financial institutions will be permitted to unilaterally modify the rate of interest or, as the case may be, the applicable margin with respect to Covered Retail Loans as determined in accordance with the Redenomination and Interest Rate Act only in accordance with the enhanced requirements for such modifications which has been recently approved by Parliament (as discussed in more details in "*Further tightening of legislation on consumer credits*" below) and only after the first mandatory interest period or, as the case may be, margin reset period applicable to such Loans.

Further tightening of the legislation on consumer credits

Parliament has recently approved a legislative instrument (the **Consumer Credit Amendment**) which further tightens the requirements and restrictions applicable to consumer loans, including, *inter alia*, by imposing:

- increased pre-contractual information provision requirements that enable the relevant consumer borrower to assess whether the credit offered meets its needs and ability to repay and includes detailed explanation with respect to risks (in particular, any foreign exchange risk) associated with and the consequences of default under that credit;
- further restrictions on the scope for financial institutions to modify without the consent of the respective borrowers those terms (including standard terms) of retail loans (including existing retail loans entered into after 1 May 2004) which terms would be deemed by law to adversely affect the relevant borrowers, such as:
 - (i) a restriction on the frequency and timing of modifying the rate of interest or, as applicable, margin under consumer loans which permits financial institutions to do so a maximum of five times during the term of those loans and only after the expiry of the preceding interest period or, as applicable, margin reset period;
 - (ii) a limitation on reference rates that may be applied to consumer loans, to those reference rates which have been submitted previously to and, following the assessment of their compliance with the Consumer Credit Act, published by the NBH on its website;
 - (iii) a requirement that any change in the rate of interest or, as applicable, margin to the detriment of borrowers may be effected only in accordance with a formula for that change (the **Change of Interest Formula**) which has been submitted previously to and, following the assessment of its compliance with the Consumer Credit Act, published by the NBH on its website;
 - (iv) a ban on modifying the applicable Change of Interest Formula or any of its components or replacing the applicable reference rate under a consumer loan other than in accordance with the decision of the NBH, which will have the right to remove any Change of Interest Formula or reference rate from its website that has been found unfit and designate a substitute Change of Interest Formula or reference rate for such removed Change of Interest Formula or reference rate;
 - (v) a ban on any change in connection with the interest payable on consumer loans with a maturity of up to three years and a limitation on setting interest periods or, as applicable, margin reset periods by prescribing the use of a minimum of three-year period in each case;
 - (vi) further restrictions on the scope for financial institutions to charge costs, fees and other interest-like charges to borrowers (including, *inter alia*, caps on certain costs and default interest) and the extent to and frequency in which these fees, charges or costs may be increased;
 - (vii) a requirement that in circumstances where the conditions for the modification of the rate of interest, margin or fees, charges or costs allow for a reduction financial institutions

pass the benefits therefrom on to the borrowers through reducing the interest, margin, or fees, charges or costs payable by them accordingly.

Financial institutions are required to modify their applicable standard terms with a view to complying with these new requirements with effect from 1 February 2015.

Payment to income ratio

With effect from 1 January 2015, the making of any loans to consumer (natural person) borrowers is subject to maximum payment to income ratios (the **PTI**) as set out in an NBH Order (the **PTI Order**). The numerator of the PTI is the aggregate amount of the monthly repayment obligation payable on the relevant loan and the monthly debt service obligations owed by the relevant borrower to all of its other financial institution creditors, whilst the denominator is the aggregate amount of that borrower's total monthly net income evidenced to the relevant financial institution creditor (in each case as adjusted pursuant to the PTI Order). The thresholds for the PTI range between 10 per cent. and 60 per cent. depending on the borrower's monthly net income and the currency in which the relevant loan is to be made."

VII. Amendments to the section headed “General Information” at pages 184 to 186

The subsection headed “Significant or material change” at page 185 shall be deemed to have been deleted in its entirety and replaced with the following text:

“Save as described in the subsections of the Base Prospectus referred to in “*Trend Information of the Guarantor and the OTP Group*” above, there has been no significant change in the financial position of the Issuer since 30 June 2014 and there has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2013.

Save as described in the subsections of the Base Prospectus referred to in “*Trend Information of the Guarantor and the OTP Group*” above, there has been no significant change in the financial or trading position of the Guarantor or the Guarantor together with its subsidiaries taken as a whole (the **OTP Group**) since 30 September 2014 and there has been no material adverse change in the financial position or prospects of the Guarantor since 31 December 2013.

Investors should refer to the section titled “*Trend Information of the Guarantor and the OTP Group*” above.”

GENERAL INFORMATION

There has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus. Investors should be aware that the Issuer's and the Guarantor's current capital position is stable; however, the recent crisis in the international capital markets and also the respective domestic capital markets of the jurisdictions in which the OTP Group operates might significantly affect the Issuer's liquidity and market position due to unfavourable changes in the conditions for its funding opportunities.

Documents Available

The following documents shall be deemed to have been added to the documents listed in the subsection headed "*Documents available*" in the section headed "*General Information*" of the Base Prospectus at page 184, the copies of which will, when published, be available for inspection for a period of 12 months following the date of the Base Prospectus from the registered office of the Issuer and from the specified office of the Paying Agent for the time being in Luxembourg:

- (a) the unaudited separate condensed financial statements of the Issuer for the six-month period ended 30 June 2014;
- (b) the unaudited consolidated financial statements of the Guarantor for the six-month period ended 30 June 2014;
- (c) the unaudited separate financial statements of the Guarantor for the six-month period ended 30 June 2014;
- (d) the unaudited interim management report – first nine months 2014 results of the Guarantor dated 14 November 2014; and
- (e) the unaudited separate condensed financial statements of the Guarantor for the nine-month period ended 30 September 2014.