

## BASE PROSPECTUS DATED 5 JUNE 2025



### OTP MORTGAGE BANK LTD.

(OTP JELZÁLOGBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG)  
(incorporated with limited liability in Hungary)

**EUR 5,000,000,000**

**Euro Mortgage Notes Programme for the issuance of Mortgage Notes (*jelzáloglevelek*)**

**unconditionally and irrevocably guaranteed by**

**OTP BANK Nyrt.**

(incorporated with limited liability in Hungary)

Under this EUR 5,000,000,000 Euro Mortgage Notes Programme (the “**Programme**”), OTP Mortgage Bank Ltd. (*OTP Jelzálogbank Zártkörűen Működő Részvénytársaság, short form: OTP Jelzálogbank Zrt.*) (the “**Issuer**”) may from time to time issue Mortgage Notes (the “**Mortgage Notes**”) (*jelzáloglevelek*) denominated in any currency agreed from time to time between the Issuer and the relevant Dealer (as defined below). The Mortgage Notes will be issued in bearer form. The payments of all amounts due in respect of the Mortgage Notes will be unconditionally and irrevocably guaranteed by OTP Bank Nyrt. (*OTP Bank Plc.*) (the “**Guarantor**” or “**OTP Bank**”) pursuant to an Irrevocable Payment Undertaking in form of a first demand suretyship (in Hungarian: *készfizető kezesség*) dated 7 July 2010 (as amended or supplemented from time to time, the “**Irrevocable Payment Undertaking**”), the form of which is set out herein. See “*Form of Irrevocable Payment Undertaking*” herein.

The maximum aggregate principal amount of all Mortgage Notes from time to time outstanding under the Programme will not exceed EUR 5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement), subject to increase as described herein.

An investment in the Mortgage Notes involves certain risks. For a discussion of these risks, see “*Risk Factors*” beginning on page 16 of this Base Prospectus.

The Mortgage Notes may be issued on a continuing basis to one or more of the Dealers specified under “*General Description of the Programme*” and to any additional Dealer appointed under the Programme from time to time by the Issuer (each a “**Dealer**” and together the “**Dealers**”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the **relevant Dealer** shall, in the case of an issue of Mortgage Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Mortgage Notes.

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 Mortgage 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. Application has been made to the Luxembourg Stock Exchange for the Mortgage 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 Mortgage Notes being **listed** (and all related references) shall, unless the context otherwise requires, mean that such Mortgage 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 the Guarantor; or (b) an endorsement of the quality of any Mortgage Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Mortgage 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 Issuer is in compliance with the requirements of Article 22 (2) of Act XXX of 1997 on Mortgage Loan Credit Institutions and on Mortgage Bonds (the “**Mortgage Credit Institutions Act**”) and obtained the relevant licence from the National Bank of Hungary (the “**MNB**”). The Mortgage Notes will be considered as European covered bonds (premium) (in Hungarian: “*európai (prémium) fedezett kötvény*”) pursuant to Article 19/A. of the Mortgage Credit Institutions Act.

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date (i.e. until 5 June 2026) in relation to Mortgage 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.

Notice of the aggregate principal amount of Mortgage Notes, interest (if any) payable in respect of Mortgage Notes, the issue price of Mortgage Notes and certain other information which is applicable to each Tranche (as defined in “*Terms and Conditions of the Mortgage Notes*”) of Mortgage Notes will be set out in final terms (the “**Final Terms**”) which, with respect to Mortgage Notes to be listed on the Official List of the Luxembourg Stock Exchange, will be filed with the CSSF. Copies of Final Terms in relation to Mortgage Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

The Programme provides that Mortgage Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Mortgage Notes not admitted to trading on any market. The CSSF does not approve any information which is exclusively related to unlisted Mortgage Notes.

As at the date of this Base Prospectus, the long-term counterparty credit rating assigned to the Issuer by S&P Global Ratings Europe Limited (“**S&P**”) was BBB and the long-term counterparty risk rating assigned to the Issuer by Moody’s Investors Service Cyprus Ltd (“**Moody’s**”) was Baa1. As at the date of this Base Prospectus, the long-term resolution rating assigned to the Guarantor by S&P was BBB+, the long-term counterparty risk rating assigned to the Guarantor by Moody’s was Baa1, the issuer rating assigned to the Guarantor by Scope Ratings GmbH (“**Scope**”) was BBB+ and the issuer credit rating (China national scale) assigned to the Guarantor by China Lianhe Credit Rating Co., Ltd. (“**Lianhe**”) was AAA. Each of S&P, Moody’s and Scope is established in the European Union and is 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’s (“**ESMA**”) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Lianhe is authorised by the China Securities Regulatory Commission and not certified under the CRA Regulation. Mortgage Notes issued under the Programme may be rated or unrated. The rating of certain Series of Mortgage Notes to be issued under the Programme may be specified in the applicable Final Terms. A security 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.

Interest and/or other amounts payable under the Mortgage 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 will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by 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 administrators of certain benchmarks located outside the European Union (the “**EU**”) are not currently required to obtain recognition or endorsement, or to benefit from an equivalence decision. 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 Issuer and the Guarantor may agree with any Dealer that Mortgage Notes may be issued in a form not contemplated by the Terms and Conditions of the Mortgage Notes set out herein, in which event (in the case of Mortgage Notes intended to be listed on the Official List or admitted to trading or publicly offered) a supplement to the Base Prospectus, if appropriate, may be made available which will describe the terms and conditions of, and the effect of the agreement reached in relation to, such Mortgage Notes.

The Mortgage 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 or to, or for the account or benefit of, U.S. persons (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.

There are restrictions on the offer, sale and transfer of the Mortgage Notes in certain jurisdictions as may be relevant in connection with the offering and sale of a particular Tranche of Mortgage Notes as discussed under “*Subscription and Sale*”. Investing in Mortgage Notes issued under the Programme involves certain risks. The principal risk factors that may affect the ability of the Issuer and the Guarantor to fulfil their obligations under the Notes are discussed under “*Risk Factors*” herein.

*Arranger*

**BNP PARIBAS**

*Dealers*

**BNP PARIBAS**

**OTP BANK**

## IMPORTANT NOTICES

### Responsibility for this Base Prospectus

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

### Other relevant information

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “*Documents Incorporated by Reference*” below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus. This Base Prospectus may only be used for the purposes for which it has been published.

Save for the Issuer and the Guarantor, no other party has separately verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme. Neither the Dealers nor the Agent accept any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuer or the Guarantor to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Mortgage Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Guarantor or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Mortgage Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer, the Guarantor or the Guarantor and the Guarantor’s subsidiaries taken as a whole (collectively, the “**OTP Group**”), or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Mortgage Notes should purchase any Mortgage Notes. Each investor contemplating purchasing any Mortgage Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and/or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Mortgage Notes constitutes an offer or invitation by or on behalf of the Issuer or the Guarantor or any of the Dealers to any person to subscribe for or to purchase any Mortgage Notes.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Mortgage Notes shall in any circumstances imply that the information contained herein concerning the Issuer and/or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or the Guarantor during the life of the Programme or to advise any investor in the Mortgage Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published information incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Mortgage Notes.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Mortgage Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Mortgage Notes may be restricted by law in certain jurisdictions. The Issuer, the Guarantor and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Mortgage 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 Guarantor or the Dealers which would permit a public offering of any Mortgage Notes outside the EEA or

distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Mortgage 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 Mortgage Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Mortgage Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Mortgage Notes in the United States, the EEA (including Hungary and Italy), the UK, Singapore and Japan (see “*Subscription and Sale*”).

The Mortgage Notes may not be a suitable investment for all investors. Each potential investor in the Mortgage Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Mortgage Notes, the merits and risks of investing in the Mortgage Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus;
- (ii) has access to, and knowledge of, the appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Mortgage Notes and the impact the Mortgage Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Mortgage Notes, including Mortgage Notes with principal or interest payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Mortgage Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) is 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.

Legal investment considerations may restrict certain investments. 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 (1) Mortgage Notes are legal investments for it, (2) Mortgage Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Mortgage Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Mortgage Notes under any applicable risk-based capital or similar rules.

**THE MORTGAGE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT AND, BEING IN BEARER FORM, ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, MORTGAGE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (SEE “*SUBSCRIPTION AND SALE*”).**

**IMPORTANT – EEA RETAIL INVESTORS** – The Mortgage 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:

- 1. a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- 2. 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 Mortgage Notes or otherwise making them available to retail

investors in the EEA has been prepared and therefore offering or selling the Mortgage Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**IMPORTANT – UK RETAIL INVESTORS** – The Mortgage 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:

1. 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
2. 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 Mortgage Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Mortgage 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 Mortgage Notes will include a legend entitled “*MiFID II Product Governance/Target Market*” which will outline the target market assessment in respect of the Mortgage Notes and which channels for distribution of the Mortgage Notes are appropriate. Any person subsequently offering, selling or recommending the Mortgage 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 Mortgage 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 Mortgage Notes is a manufacturer in respect of such Mortgage 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 Mortgage Notes may include a legend entitled “*UK MiFIR Product Governance/Target Market*” which will outline the target market assessment in respect of the Mortgage Notes and which channels for distribution of the Mortgage 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 Mortgage 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 Mortgage Notes is a manufacturer in respect of such Mortgage 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.

#### **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 Mortgage Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Mortgage Notes issued under the Programme are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Specified 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).

### Currency definitions

All references in this document to *U.S. dollars* refer to United States dollars. All references to *HUF* and *Forint* refer to Hungarian Forint. All references to *Sterling* and *£* refer to pounds sterling. All references to *euro*, *EUR* and *€* refer to 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 from time to time. All references to *Swiss Francs* and *CHF* refer to the currency of Switzerland. All references to *Japanese Yen* and *JPY* refer to the currency of Japan. All references to *SDR* refer to the special drawing rights as defined pursuant to the Articles of Agreement of the International Monetary Fund.

Each of the Issuer and the Guarantor 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 411.46 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 3 June 2025 was HUF 403.58 per EUR 1.00.

	HUF per EUR 1.00			
	High	Low	Average	Period end
<b>Year ended 31 December</b>				
2024	414.81	377.31	395.35	411.46
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
<b>Month ended</b>				
31 May 2025	405.64	401.59	403.67	403.77
30 April 2025	410.39	400.01	406.66	404.76
31 March 2025	402.80	397.64	399.60	402.80
28 February 2025	408.69	399.20	403.02	401.14
31 January 2025	416.39	407.19	411.54	407.23

Certain figures in this Base Prospectus have been subject to rounding adjustments. Accordingly, amounts shown as totals in tables or elsewhere may not be an arithmetic aggregation of the figures which precede them and, in some cases, rounding may cause some figures to differ from those in the financial statements.

The term “mortgage bond” as used herein corresponds to the use of the term “*jelzáloglevelek*” as used in Hungarian legislation. The use of “mortgage bonds” herein is generic and should be construed to include Mortgage Notes.

In connection with the issue of any Tranche of Mortgage 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 applicable Final Terms may over-allot Mortgage Notes or effect transactions with a view to supporting the market price of the Mortgage 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 final terms of the offer of the relevant Tranche of Mortgage 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 Mortgage Notes and 60 days after the date of the allotment of the relevant Tranche of Mortgage Notes. Any stabilisation action or overallotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

## **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 amendment or supplement to this Base Prospectus or a further base prospectus which, in respect of any subsequent issue of Mortgage 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, the Guarantor or the OTP Group concerning, among other things, the operating results, financial condition, prospects, growth, strategies and dividend policy of the Issuer or the Guarantor and the sectors and markets in which they operate.

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 or the Guarantor’s ability to control or predict. Forward-looking statements are not guarantees of future performance.

The Issuer’s and the Guarantor’s actual operating results, financial condition and the development of the sectors and markets in which they operate 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 or the Guarantor, and the development of the sectors and markets in which they operate, 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 or the Guarantor 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 and the Guarantor’s future performance and the sectors and markets in which they operate. 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, each of the Issuer and the Guarantor 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 or the Guarantor’s expectations or to reflect events or circumstances after the date of this Base Prospectus.



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## GENERAL DESCRIPTION OF THE PROGRAMME

This section “*General Description of the Programme*” must be read as an introduction to this Base Prospectus and any decision to invest in any Mortgage Notes should be based on a consideration of this Base Prospectus as a whole, including the information incorporated by reference.

The following is qualified in its entirety by the remainder of this Base Prospectus.

Words and expressions defined in “*Form of the Mortgage Notes*” and “*Terms and Conditions of the Mortgage Notes*” shall have the same meanings in this description.

<b>Issuer:</b>	OTP Mortgage Bank Ltd.  (OTP Jelzálogbank Zártkörűen Működő Részvénytársaság, short form: OTP Jelzálogbank Zrt.)
<b>Legal Entity Identifier of the Issuer:</b>	529900925TK5QIGTBH86
<b>Website of the Issuer:</b>	<a href="http://www.otpjzb.hu">http://www.otpjzb.hu</a>
<b>Guarantor:</b>	OTP Bank Nyrt.
<b>Legal Entity Identifier of the Guarantor:</b>	529900W3MOO00A18X956
<b>Website of the Guarantor:</b>	<a href="https://www.otpbank.hu">https://www.otpbank.hu</a>
<b>Irrevocable Payment Undertaking:</b>	OTP Bank Nyrt. (as defined below) has issued an unconditional and irrevocable payment undertaking in form of a first demand suretyship (in Hungarian: <i>készfizető kezesség</i> ) in respect of all outstanding and future Unsubordinated Debt Instruments (as defined therein) issued by the Issuer, including the Mortgage Notes issued under the Programme.
<b>Description:</b>	Euro Mortgage Notes Programme.
<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 Mortgage Notes (each a “ <b>Dealer</b> ”, and together the “ <b>Dealers</b> ”).
<b>Risk Factors:</b>	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Mortgage Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Mortgage Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” and include certain risks relating to the structure of particular Series of Mortgage Notes and certain market risks.
<b>Risk Factors relating to the Guarantor:</b>	There are certain risks that may affect the ability of the Guarantor to fulfil its obligations under the Irrevocable Payment Undertaking. These include risks relating to Hungary, and in particular, the banking industry therein. The Guarantor’s business may be impacted by factors such as credit risk, market risk, operational risk and liquidity risk. These are set out under “ <i>Risk Factors</i> ” below.
<b>Certain Restrictions:</b>	Each issue of Mortgage Notes in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines,

regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”) including the following restrictions applicable at the date of this Base Prospectus.

**Mortgage Notes having a maturity of less than one year**

Mortgage Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 (“**FSMA**”) unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

<b>Principal Paying Agent:</b>	Citibank, N.A., London Branch
<b>Programme Size:</b>	EUR 5,000,000,000 (or its equivalent in other currencies calculated as described under “ <i>General Description of the Programme</i> ”) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Distribution:</b>	<p>Mortgage Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.</p> <p>Any issue of Mortgage Notes under this Programme is purported to be made to institutional investors or, as the case may be, other legal entities only and it is not anticipated that private individuals will purchase the Mortgage Notes either at issue or subsequently on any regulated or other secondary market or through an over-the-counter transaction.</p>
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.
<b>Maturities:</b>	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
<b>Issue Price:</b>	Mortgage Notes may be issued only on a fully-paid basis and at an issue price which is at their principal amount or at a discount to, or premium over, their principal amount.
<b>Type of Mortgage Notes:</b>	For a description of certain aspects relevant to the Mortgage Notes, see “ <i>Overview of the Hungarian Mortgage Bond Regulation</i> ”.
<b>Form of the Mortgage Notes:</b>	<p>The Mortgage Notes will be issued in bearer form as described in “<i>Form of the Mortgage Notes</i>”.</p> <p>The Mortgage Notes will be tradeable only in principal amounts of at least the Specified Denomination and (if so specified in the applicable Final Terms and to the extent permitted by the relevant clearing system(s)) integral multiples of the Tradeable Amount in excess thereof.</p>
<b>Fixed Rate Mortgage Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Reset Mortgage Notes:</b>	Reset Mortgage 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.

**Floating Rate Mortgage Notes:**

Floating Rate Mortgage Notes will bear interest at a rate determined:

- (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 (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Mortgage Notes of the relevant Series); or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Mortgage Notes.

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

Interest on Floating Rate Mortgage Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.

**Zero Coupon Mortgage Notes:**

Zero Coupon Mortgage Notes will be offered and sold at a discount to their principal amount and will not bear interest.

**Benchmark Discontinuation (in respect of Floating Rate Mortgage Notes and Reset Mortgage 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 Mortgage 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 Mortgage Notes and Reset Mortgage 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 Mortgage 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 Mortgage Notes, as applicable). See Condition 9(b) (*Benchmark Transition Event*).

<b>Redemption:</b>	<p>The applicable Final Terms will indicate either that the Mortgage Notes cannot be redeemed prior to their stated maturity (other than for Tax Event or following an Event of Default) or that such Mortgage Notes will be redeemable at the option of the Issuer and/ or the Holders upon giving notice to the Holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer.</p> <p>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 Mortgage Notes has been redeemed or purchased and subsequently cancelled as described in Condition 11(e) (<i>Clean-Up Call Option</i>).</p> <p>Mortgage Notes having a maturity of less than one year may be subject to restrictions on their denomination and distribution, see “<i>Certain Restrictions</i>” above.</p>
<b>Denomination of Mortgage Notes:</b>	<p>Mortgage Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Mortgage Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see “<i>Certain Restrictions</i>” above, and save that the minimum denomination of each Mortgage Note will be EUR 100,000 (or, if the Mortgage Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p>
<b>Taxation:</b>	<p>All payments in respect of the Mortgage Notes will be made without deduction for or on account of withholding taxes imposed by a Relevant Jurisdiction, subject as provided in Condition 12 (<i>Taxation</i>) of the Terms and Conditions of the Mortgage Notes unless such deduction is required by law. In the event that any such deduction is made, the Issuer or, as the case may be, the Guarantor will, save in certain limited circumstances provided in Condition 12 (<i>Taxation</i>) of the Terms and Conditions of the Mortgage Notes, be required to pay additional amounts to cover the amounts so deducted.</p>
<b>Negative Pledge:</b>	<p>The Terms and Conditions of the Mortgage Notes will not contain a negative pledge provision.</p>
<b>Cross Default:</b>	<p>The Terms and Conditions of the Mortgage Notes will not contain a cross default provision.</p>
<b>Status of the Mortgage Notes:</b>	<p>The Mortgage Notes will constitute direct, unconditional, unsubordinated obligations of the Issuer ranking <i>pari passu</i> among themselves. The Mortgage Notes will be covered in accordance with the Mortgage Credit Institutions Act. The Mortgage Notes will be considered as European covered bonds (premium) (in Hungarian: “<i>európai (prémium) fedezett kötvény</i>”) pursuant to Article 19/A. of the Mortgage Credit Institutions Act.</p>
<b>Subordination:</b>	<p>Mortgage Notes may not be issued on a subordinated basis.</p>
<b>Rating:</b>	<p>As at the date of this Base Prospectus, the issuer long-term counterparty credit rating assigned to the Issuer by S&amp;P was BBB and the long-term counterparty risk rating assigned to the Issuer by Moody’s was Baa1. As at the date of this Base Prospectus, the long-term resolution rating assigned to the Guarantor by S&amp;P was BBB+, the long-term counterparty risk rating</p>

assigned to the Guarantor by Moody's was Baa1, the issuer rating assigned to the Guarantor by Scope was BBB+ and the issuer credit rating (China national scale) assigned to the Guarantor by Lianhe was AAA. Each of S&P Europe, Moody's Ltd and Scope is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation). As such, S&P Europe, Moody's Ltd and Scope are included in the list of credit rating agencies published by the European Securities and Markets Authority's (ESMA) on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation. Lianhe is authorised by the China Securities Regulatory Commission and not certified under the CRA Regulation.

Each of S&P, Moody's and Scope is established in the European Union and is registered 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.

Series of Mortgage Notes issued under the Programme may be rated or unrated. Where a Series of Mortgage Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the ratings assigned generally to the Mortgage Notes issued under the Programme. A security 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.

**Listing and admission to trading:**

This Base Prospectus has been approved by the CSSF. Application has been made to the Luxembourg Stock Exchange for the Mortgage Notes to be admitted during the period of 12 months from the date of approval of this Base Prospectus to the Official List of the Luxembourg Stock Exchange and to trading on the Market. The Mortgage Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted Mortgage Notes not admitted to trading on any market may also be issued. The CSSF does not approve any information which is exclusively related to unlisted Mortgage Notes.

The applicable Final Terms will state whether or not the Mortgage Notes are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or markets.

**Clearing:**

Mortgage Notes will clear through Clearstream, Luxembourg and Euroclear, as more fully described in "Form of the Mortgage Notes" below. See also "Risk Factors – *Mortgage Notes where denominations involve integral multiples*".

**Governing Law:**

The Mortgage Notes and any non-contractual obligations arising out of or in connection with the Mortgage Notes will be governed by, and shall be construed in accordance with, Hungarian law.

**Selling Restrictions:**

There are restrictions on the offer, sale and transfer of the Mortgage Notes in the United States, Japan, the EEA (including Hungary and Italy), the UK, Singapore and such other jurisdictions as may be relevant in connection with the offering and sale of a particular Tranche of Mortgage Notes (see "*Subscription and Sale*").

**United States Selling  
Restrictions:**

Regulation S

**Representation of the holders  
of the Mortgage Notes:**

There is no provision for the representation of holders of the Mortgage Notes.

## **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 Mortgage Notes. Each of the risks highlighted below could have a material adverse effect on the Issuer's, the Guarantor'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 Mortgage Notes. In addition, each of the risks highlighted below could adversely affect the trading price of the Mortgage 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, the Guarantor 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 Mortgage Notes, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Mortgage Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Mortgage Notes are exhaustive. In addition, many of these factors are correlated and may require changes to the Issuer's, the Guarantor'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 "Form of the Mortgage Notes" or "Terms and Conditions of the Mortgage Notes" shall have the same meanings in this Risk Factors section.*

### **General**

During the life of each Series of Mortgage Notes, the risks specified in each of the sections below may impact on such Mortgage Notes at different points in time and for different lengths of time. Each Series of Mortgage Notes may have a risk profile that changes over time. Prospective investors should seek advice from professional financial advisers in order to further discuss and understand how the risk profile of a particular Series of Mortgage Notes may affect their overall investment portfolio.

More than one risk factor may have a simultaneous effect with regard to the Mortgage Notes such that the impact of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be foreseeable. No assurance can be given as to the impact that any combination of risk factors may have on the value of the Mortgage Notes.

Furthermore, an investment in the Mortgage Notes involves a reliance on the creditworthiness of the Issuer and the Guarantor, and therefore also entails the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer or the Guarantor may adversely affect the market value of the relevant Mortgage Notes.

### **FACTORS THAT MAY AFFECT THE ISSUER'S AND THE GUARANTOR'S ABILITY TO FULFIL THEIR OBLIGATIONS UNDER THE MORTGAGE NOTES ISSUED UNDER THE PROGRAMME AND UNDER THE IRREVOCABLE PAYMENT UNDERTAKING**

#### **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 OTP Group'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 Guarantor 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, a 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.

### *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 OTP Group'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 MNB.

Since then, central banks have generally succeeded in moderating inflation and have implemented substantial reductions in their policy rates, but the outlook remains surrounded by risks. Most recently, the uncertainty around the future development of global trade, including changing trade policies and potential tariff escalations seems to increase. This uncertainty is further compounded by the possibility of significant shifts in the global geopolitical landscape. 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. The recent trends may adversely affect economic growth and inflation both globally and regionally, significantly impacting the countries in which the OTP Group operates. Additionally, it is important to note that, beyond the Russian-Ukrainian conflict, there is increased tension in the Balkan region, including in Bosnia and Herzegovina, Kosovo and Serbia. In Serbia, prolonged social unrest and political instability could adversely affect the economic outlook and hinder progress towards European integration, potentially negatively impacting the financial performance of OTP Group's subsidiary operating in Serbia.

The implementation of tariffs and corresponding counter-measures can adversely affect global trade and the global economy, including the countries where the OTP Group operates. Consequently, these actions may also lead to increased inflation in the OTP Group's operating regions. This volatile environment, or any similar volatile environment in the future, could cause financial difficulties for the Issuer's and the Guarantor's customers. The deteriorating credit quality of the Issuer's and the Guarantor'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 and the Guarantor, declining mortgage asset values and flat or decreasing loan portfolio levels, all of which could adversely affect the Issuer's and the Guarantor's ability to service their payment obligations, including those in respect of the Mortgage Notes. Furthermore, lower demand for, and origination of, new loans could expose the Issuer and the Guarantor 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 the Issuer and the Guarantor and also the demand for any Mortgage Notes. These may in turn have a negative impact on the Issuer's and the Guarantor's profitability and ability to meet their obligations under any Mortgage Notes issued under the Programme.

*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, the Guarantor or any other members of the OTP Group.

***Risks related to the business of the Issuer, the Guarantor and the OTP Group***

***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, the Guarantor and other members of the OTP Group arises primarily from the risks of non-payment and default on the part of the Issuer's, the Guarantor's and other OTP Group members' borrowers and other counterparties. Any deterioration or adverse change in the creditworthiness of the Issuer's, the Guarantor's 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's, the Guarantor's 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, the Guarantor and the OTP Group.

In addition, third parties that owe the Issuer, the Guarantor 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, the Guarantor 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, the Guarantor 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 and the Guarantor's ability to service payments under the Mortgage Notes or the Irrevocable Payment Undertaking and potentially adversely affecting the trading price of the Mortgage Notes. The deteriorating credit quality of the Issuer's and the Guarantor's customers, in particular, may result in increasing defaults and arrears in payments on loans which could adversely affect the Issuer's and the Guarantor's ability to service payment obligations under the Mortgage 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 International Financial Reporting Standards as adopted by the EU ("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's, the Guarantor's 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.

### ***Specific credit risks from the Issuer's mortgage lending business***

The credit risk faced by the Issuer as a mortgage credit institution predominantly derives from the risk of default by its borrowers on mortgage-backed loans; in other words, the risk of borrowers failing to duly perform their obligations under such loans.

Defaults by borrowers under mortgage-backed loans may occur for a vast array of reasons. Various factors influence mortgage delinquency rates, prepayment rates, foreclosure and eviction frequency and the ultimate payment of interest and principal, such as changes in market interest rates, foreign exchange rates, international, national or local economic conditions, regional economic or housing conditions, changes in tax laws, inflation or real estate property values, unemployment, the financial standing of borrowers, the availability of financing, yields on alternative investments, political developments and government policies or factors similar to the foregoing.

Other factors in the borrowers' individual, personal or financial circumstances may also affect the ability of borrowers to repay mortgage loans. Loss of earnings, illness, divorce and other similar factors may lead to an increase in delinquencies by borrowers and could ultimately have an adverse impact on the ability of borrowers to make repayments on their mortgage loans.

In addition, the ability of a borrower to sell a property mortgaged as security for a mortgage loan at a price sufficient to repay the amount outstanding under that loan will depend upon a number of factors, including the availability of buyers for that property, the value of that property and property values in general at the given time.

The Issuer's and the Guarantor's current credit approval and monitoring procedures (see "*Description of the Issuer's Business – Business Overview of the Issuer – Mortgage loan origination - Cooperation between the Issuer and the Guarantor*" below) focus, *inter alia*, on the borrower's cash flow and ability to repay mortgage loans in an effort to improve the quality of the Issuer's mortgage loan portfolio and mitigate future allowances for loan losses and credit impairments. However, there is no assurance that these credit approval and monitoring procedures will reduce the amount of provisions for mortgage loans that become non-performing in the future.

No assurance can be given that the provisions made by the OTP Group will be sufficient to cover the amount of loan losses as they occur.

### ***Risks relating to the realisation value of real estate collateral taken by the Issuer, the Guarantor and members of the OTP Group***

A substantial proportion of the loans originated by the Issuer, the Guarantor and other members of the OTP Group are secured by real estate as collateral.

The exposure arising from defaults by borrowers on mortgage loans can be counterbalanced to a certain extent by, *inter alia*, enforcement actions taken in order to realise the encumbered real property serving as collateral to such loans. Therefore, the Issuer's credit risk may be increased when the collateral it holds cannot be enforced or is liquidated at prices not sufficient to recover the full amount due and payable under the relevant mortgage loan. The market value at which real estate properties mortgaged as security for mortgage loans can be sold, and thus

the results of realisation through such enforcement actions, heavily depend on the current real estate market prices and the legal environment as amended from time to time.

For example, the fair market value of real estate which is mortgaged as security for loans, particularly in the real estate financing business, is subject to significant fluctuations over the course of time, caused in particular by changes in supply and demand, construction deficiencies and delays, land contamination and environmental hazards, leasing status (vacancies) or potential buyers and their financial resources, changes in the general legal framework such as tax treatment, and other factors that are beyond the control of the Issuer, the Guarantor and the OTP Group (such as natural disasters, civil war and terrorist attacks). Such market developments and changes may in particular reduce the value of real estate collateral. Furthermore, a continued decline in economic conditions in the markets where the OTP Group operates, an economic downturn in any industries in which borrowers of the OTP Group operate, or in markets where the real estate collateral is located, or a deterioration of the financial standing of the OTP Group's borrowers may result in decreases in the value of such collateral below the principal balance outstanding on the relevant mortgage loans. A decline in the value of collateral taken by the Issuer, the Guarantor and other members of the OTP Group or the inability of the Issuer, the Guarantor and other members of the OTP Group to obtain additional collateral may require the Issuer, the Guarantor and 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.

Real estate properties in which a security interest has been taken by the Issuer, the Guarantor or other members of the OTP Group may be concentrated in certain locations. Specific geographic regions may have experienced or may, in the future, experience economic conditions and residential or, as the case may be, commercial real estate markets that are weaker than in other regions, the concentration of mortgage loans secured by residential or, as the case may be, commercial real estate properties in such areas may therefore result in a greater risk of borrower default or arrears on mortgage loans than if such concentration were not present.

Furthermore, the ability of the Issuer, the Guarantor or other members of the OTP Group to enforce collateral without the consent of the respective borrower may be dependent on the relevant court decision and execution measures and on other relevant circumstances in the real estate or mortgage markets.

The ability of the Issuer, the Guarantor or the OTP Group to enforce the security interest it has taken over real estate properties may be adversely affected by regulatory or governmental measures such as the transitional moratorium imposed in Hungary in respect of evictions and enforcement sales outside court enforcement in certain circumstances. No assurance can be given that the values of the relevant real estate properties will not decline or, since origination, have not declined and it cannot be excluded that the Issuer may have to increase its loan loss provisions in the future, for example if the market value of the underlying collateral decreases, which in turn may be detrimental to the Issuer's interest revenues and its profitability.

There is no guarantee that governments or legislative bodies in other countries where the OTP Group operates will not adopt similar or other measures adversely affecting the ability of the Issuer, the Guarantor or the OTP Group to enforce any security interest it has taken over real estate property or that the Hungarian Government will not introduce further restrictions in relation to foreclosure proceedings against mortgaged properties.

Any failure to recover the expected value of real estate collateral taken by the Issuer, the Guarantor or other members of the OTP Group in the case of foreclosure may expose the Issuer, the Guarantor and the OTP Group to losses, which may have a material adverse effect on the Issuer's, the Guarantor's and the OTP Group's businesses, financial condition and results of operations.

#### ***Special asset-liability structure of the Issuer***

Since the Issuer operates as a mortgage credit institution under stringent legal requirements, it has a special asset-liability structure as compared with that generally characterising the Hungarian banking system. The Issuer primarily funds its mortgage lending business by issuing mortgage bonds. Mortgage loans have long-term maturities and provide for repayments in the form of annuities with principal amounts being subject to amortisation on a periodic basis. Mortgage bonds, on the other hand, are shorter-term obligations of the Issuer

with bullet repayments. Consequently, financing mortgage loans through the issuance of mortgage bonds exposes the Issuer to (funding) liquidity risks (besides interest rate risks).

Furthermore, as the activities of a mortgage credit institution, such as the Issuer, are strictly limited by statute (see “*Description of the Issuer’s Business – Business Overview of the Issuer*” below), the Issuer may not take deposits and, therefore, its refinancing possibilities heavily depend on its ability to issue mortgage bonds (including the Mortgage Notes) and access wholesale lending markets on adequate economic terms. To the extent that the volume of, or the Issuer’s ability to access on commercially reasonable terms and/or in a timely manner, these funding sources becomes constrained, the Issuer may face funding gaps, in particular, in periods of turmoil or in the event of unexpected governmental interventions in the markets where it operates. The Guarantor, as the parent bank of the Issuer and the OTP Group, provides intragroup refinancing to the Issuer to, *inter alia*, close such funding gaps (see “*Description of the Issuer’s Business – Business Overview of the Issuer – Mortgage loan origination - Cooperation between the Issuer and the Guarantor*” below). A significant decline in capital market transactions and/or liquidity stress in the wholesale lending markets or unexpected losses from governmental measures that interfere with existing contractual arrangements might, therefore, necessitate the Guarantor increasing such intragroup refinancing or providing the Issuer with other forms of financial support. This may result in a diversion of funds from other businesses of the OTP Group, which may, in turn, have a negative effect on the OTP Group’s businesses, financial position and results of operations.

### ***Refinancing risk***

Mortgage loans granted by the OTP Group usually have maturities beyond the maturity of the corresponding funding, which results in the OTP Group’s dependence on its ability to continuously refinance its maturing debts with new funding. The OTP Group’s funding capacity and ability to raise funding can deteriorate due to a number of different causes, such as, *inter alia*, a lowered credit rating, large financial losses, rumours, market price changes that affect the size of liquidity reserves, increase in interest rates and/or a widening of credit spreads. Some of these factors may also increase the OTP Group’s need for funding through, for example, a higher amount of collateral demanded by the counterparties to certain financing transactions.

As a result of a turmoil or crises in the financial and capital markets (such as the recent energy crisis and inflation) the Issuer, the Guarantor and the OTP Group may encounter difficulties in obtaining refinancing or may only be able to obtain refinancing at elevated costs. The inability of the OTP Group to anticipate or provide for unforeseen decreases or changes in funding sources and to refinance itself would have a material adverse effect on the Issuer’s ability to meet its obligations when they fall due under the Mortgage Notes issued under the Programme.

In addition, present uncertainties as to the liquidity and solvency of, and the risks associated with, the banking sector in Hungary and in the Central and Eastern Europe (“CEE”) region may result in an outflow of funds and increased refinancing costs in such countries, which may have an adverse effect on the Issuer’s, the Guarantor’s and the OTP Group’s profitability and access to refinancing.

### ***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, the Guarantor 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, the Guarantor 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 December 2024, 28 per cent. of the OTP Group’s consolidated net loan book related to mortgage loan assets.

In addition, the Guarantor and certain members of the OTP Group, including the Issuer permit their clients in certain transactions to purchase securities on margin (i.e. to borrow a proportion of the purchase price from the

Issuer, the Guarantor 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, the Guarantor or the relevant member of the OTP Group to significant losses on these margin transactions.

The ability of the Issuer, the Guarantor 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, the Guarantor or other members of the OTP Group, may expose the Issuer, the Guarantor and the other members of the OTP Group to losses, which may have a material adverse effect on the Issuer, the Guarantor 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 Mortgage Notes.

#### ***Interest rate risks specific to the Issuer***

As a consequence of its distinctive asset-liability structure, the Issuer earns interest primarily from mortgage loans and pays interest mainly to the holders of mortgage bonds. An increase in interest rates may reduce the demand for mortgage loans and the Issuer's ability to originate such loans. Conversely, a decrease in the general level of interest rates may adversely affect the Issuer through, *inter alia*, increased prepayments on the Issuer's mortgage loan portfolio. Changes in interest rates may also affect the Issuer's ability to issue mortgage bonds.

A mismatch in 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 condition and results of operations of the Issuer, the Guarantor and other members of the OTP Group.

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

The OTP Group's acquisitions and the expansion and integration of its acquired businesses may have an impact upon the consolidated financial results of the OTP Group. The ongoing integration also requires the OTP Group 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 and the Guarantor'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 OTP Group 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 December 2024, on a consolidated basis, customer deposits represented 83 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, including through the issuance of Mortgage 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, the Guarantor 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 Mortgage Notes.

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

The Issuer, the Guarantor and certain members of the OTP Group earn interest from loans and other assets, and pay interest to their depositors and other creditors. The Issuer and the Guarantor may fund their 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, the Guarantor and the OTP Group.

Interest rates are highly sensitive to many factors beyond the Issuer's, the Guarantor's 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's, the Guarantor's 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, the Guarantor 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, the Guarantor may face increased interest expenses which may have a material adverse effect on the financial conditions and results of operations of the Issuer, the Guarantor 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, the Guarantor 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 December 2024, 19 per cent. of gross loans of the OTP Group and 20 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, the Guarantor 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, the Guarantor 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, the Guarantor 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's, the Guarantor's 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, the Guarantor 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 and the Guarantor's ability to service its respective payment obligations under the Mortgage 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.

***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 Act CLXII of 2009 on Consumer Credits (the "**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's, the Guarantor's 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 "*Risk Factors – Factors that may affect the Issuer's and the Guarantor's ability to fulfil their obligations under the Mortgage Notes issued under the programme and under the irrevocable payment undertaking – The performance of the OTP Group is affected by adverse global political, economic and business conditions in the markets in which it operates*".

### ***The Issuer's dependence on the OTP Group***

The Issuer, as a member of the OTP Group, is significantly dependent on the OTP Group in relation to the origination and servicing of residential mortgage loans, financing, administration and accounting services, treasury services, hedging arrangements, equity and regulatory capital and services relating to the issuance of Mortgage Notes.

In addition, the Issuer's credit rating is, to a large extent, determined by the credit ratings assigned to the Guarantor as the Issuer's parent bank. Any decision by a rating agency to suspend, downgrade, put on negative watch or withdraw a rating which relates to the Guarantor may have an adverse effect on the Issuer's credit rating and thereby on the market value and trading price of the Mortgage Notes.

## **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's, the Guarantor's 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 integration of AI systems into the OTP Group's operations could potentially introduce additional risks, such as the possibility of malfunction. Neither the Issuer nor the Guarantor can provide any assurances that such failures, malfunctions 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 or the Guarantor's customers, which could have a material adverse effect on the Issuer, the Guarantor and the OTP Group's reputation, financial condition and results of operations.

In addition, the Issuer's, the Guarantor's 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, the Guarantor 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, the Guarantor 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 Guarantor's, the OTP Group's, their clients', counterparties' or third parties' confidential and other information processed and stored in, and transmitted through, the Issuer's, the Guarantor's and the OTP Group's computer systems and networks, or otherwise cause interruptions or malfunctions in the Issuer's, the Guarantor'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, the Guarantor 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 Mortgage 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, the Guarantor and the OTP Group are exposed to personnel risks, in particular, qualification, fluctuation, availability and motivation risks. The Issuer's, the Guarantor's 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, the Guarantor 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, the Guarantor 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's, the Guarantor's and the OTP Group's senior management leaves the Issuer, the Guarantor 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, the Guarantor 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, the Guarantor and the OTP Group.

There can be no assurance that the Issuer, the Guarantor 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, the Guarantor 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. See “*Recent Developments*”.

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 or the Guarantor.

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 and the Guarantor) are also subject to special taxes, including a special tax on extraordinary profits. These special taxes may be subject to unfavourable modifications, potentially resulting in higher tax rates and extended durations beyond the initial announcements, potentially placing additional pressure on the OTP Group’s profitability. 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, and consequently on the Issuer and the Mortgage Notes.

***The OTP Group is subject to changes in Hungarian housing policy***

The Issuer's, the Guarantor's and the OTP Group's businesses and revenues therefrom may, in particular, be adversely affected by restrictive fiscal or other austerity policies or measures adopted by the Hungarian Government. A significant risk relating to the legislative environment may especially stem from changes in the Hungarian housing policy and amendments to the regime of housing subsidies. The Issuer and the Guarantor monitor changes in the legislative environment and draw up models to explore their short-term and long-term impact on its profitability and financial plans. However, it is important to note that any changes in the regulation have only affected future demand for subsidised loans and have had no impact on existing subsidised loan agreements or the Issuer's or the Guarantor's ability to perform its obligations under the Mortgage Notes.

***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 I") 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 OTP Group 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 Mortgage Notes should be aware that the Mortgage Notes are not covered by the Fund I.

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

The Issuer, the Guarantor 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, the Guarantor or the OTP Group may have an adverse impact on the operations of the Issuer, the Guarantor 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 applicable sanctions***

The OTP Group's operations are subject to the applicable sanctions enacted and administered by the United Nations, the EU and the UK, as well as those of the United States. In addition, the OTP Group's Russian operations are also subject to various Russian counter-sanctions.

Applicable sanctions may restrict the OTP Group's dealings with certain sanctioned countries, individuals, and entities. In particular, the OTP Group is exposed to risks in relation to economic sanctions imposed by the United States, the EU and the UK against Russia and the Russian-occupied territories of Ukraine, as well as against certain directly targeted (or listed) Russian and Ukrainian entities and individuals, and entities owned or controlled by such targeted entities and individuals.

Under the US sanctions regime, by operation of law, all entities owned 50 per cent. or more, directly or indirectly, by a blocked person are also so sanctioned. Similarly, under the UK sanctions regime, all entities owned more than 50 per cent. or controlled, directly or indirectly, by UK asset freeze targets are regarded as indirectly targeted by UK sanctions. Under EU sanctions, the relevant legal acts and related best practices determine the applicable threshold of 50 per cent. rule (50 per cent. or more than 50 per cent.), as well as the applicability of other criteria, such as control and "at the direction or on behalf of". The imposition of any present or future sanctions may involve existing or future clients of the OTP Group being directly or indirectly targeted with sanctions.

The OTP Group's relationships with its clients may be wide-ranging, and any permissible period for winding-down its relationship with such clients (if any) in accordance with any general license provided in connection with the imposition of such sanctions may also be limited. Should the OTP Group be unable to cease providing, directly or indirectly, the relevant services to any sanctioned parties within the permitted winding-down (if any) period and should those parties continue to be targeted with sanctions and/or listed on any applicable sanctions lists, this may also expose OTP Group to the risk of itself becoming subject to sanctions.

The Issuer and the Guarantor cannot give any assurance that the current or any future sanctions regimes targeting Russia, Russian companies and associated entities will not have a material impact on the OTP Group's operations.

Although the OTP Group has internal policies and procedures and several monitoring measures designed to ensure compliance with applicable sanctions, 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 any actions in violation of such policies and procedures (or otherwise in violation of, or sanctionable under, applicable sanctions) for which the Issuer, the Guarantor or they may ultimately be held responsible. Litigation or investigations relating to alleged or suspected violations of sanctions 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 sanctions regulations could be costly.

***The OTP Group is subject to compliance with anti-corruption laws***

The OTP Group's operations are subject to various anti-corruption laws.

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.

Although the OTP Group has internal policies and procedures and several monitoring measures designed to ensure compliance with applicable anti-corruption laws, 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 any actions in violation of such policies and procedures (or otherwise in violation of the relevant anti-corruption laws) for which the Issuer or they may ultimately be held responsible. Litigation or investigations relating to alleged or suspected violations of anti-corruption laws 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 could be costly.

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

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

A wide range of Mortgage Notes may be issued under the Programme and some Mortgage 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 Mortgage Notes:

***If the Issuer has the right to redeem the Mortgage Notes at its option, this may limit the market value of such Mortgage Notes concerned and an investor may not be able to reinvest the redemption proceeds in a manner which achieves a similarly effective return.***

An optional redemption feature of Mortgage Notes is likely to limit the market value of such Mortgage Notes. During any period when the Issuer may elect to redeem the Mortgage Notes, or there is a perception that the Issuer is able to redeem the Mortgage Notes, the market value of the Mortgage 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 Mortgage Notes will be redeemed early, the market value of the Mortgage Notes may be adversely affected.

If the Issuer redeems such Notes in any of the circumstances mentioned above, there is a risk that the Mortgage Notes may be redeemed at times when the redemption proceeds are less than the current market value of the Mortgage 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 Mortgage Notes, and if so whether the Issuer will satisfy the conditions, or elect, to redeem the Mortgage Notes. The Issuer may be more likely to exercise its option to redeem the Mortgage Notes if the Issuer's funding costs would be lower than the prevailing interest rate payable in respect of the Mortgage Notes. If such Mortgage 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 Mortgage Notes.

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

Save where the Holders have a put right, the Issuer is under no obligation to redeem the Mortgage Notes at any time prior to their stated Maturity Date and the Holders of such Mortgage Notes have no right to require the Issuer to redeem or purchase such Mortgage Notes at any time. Holders may not be able to sell such Mortgage Notes in the secondary market (if at all) at a price equal to or higher than the price at which they purchased their Mortgage Notes.

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

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

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

Reset Mortgage 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 Mortgage 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 Mortgage Notes.

***If the Mortgage 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 Mortgage Notes concerned***

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

### ***Market disruption***

In certain situations, interest on Mortgage 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 Mortgage Note, a Fixed/Floating Rate Mortgage Note or a Reset Mortgage 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 Mortgage Note Provisions*) and Condition 6 (*Floating Rate Mortgage Note Provisions*) of the Mortgage Notes 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes may not do so and may result in the Mortgage 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 Mortgage 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 Mortgage Notes based on the rate which was last observed on the Relevant Screen Page or, in the case of Reset Mortgage 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 Mortgage 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*) of the Mortgage Notes.

#### ***The market continues to develop in relation to near risk-free rates (including overnight rates) which are possible reference rates for the Mortgage 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 Mortgage 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 Mortgage Notes, the trading price of such Mortgage Notes linked to such risk-free rates may be lower than those of Mortgage Notes referencing rates that are more widely used. The Issuer may in the future also issue Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes could change during the life of such Mortgage Notes.

Mortgage 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 Mortgage Notes may be lower than those of later-issued indexed debt securities as a result. Investors in such Mortgage Notes may not be able to sell such Mortgage Notes at all or may not be able to sell such Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes which reference such risk-free rates to reliably estimate the amount of interest which will be payable on such Mortgage Notes, and some investors may be unable or unwilling to trade such Mortgage Notes

without changes to their IT systems, both of which could adversely impact the liquidity of such Mortgage Notes. Further, in contrast to Mortgage Notes linked to interbank offered rates, if Mortgage Notes referencing backwards-looking SOFR or €STR become due and payable under Condition 11 (*Redemption and Purchase*) of the Mortgage Notes 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 Mortgage Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Mortgage 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 Mortgage 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.

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

In relation to any issue of Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes be printed) and would need to purchase a principal amount of Mortgage 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 Green Mortgage 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 Mortgage Notes where the “*Reasons for the offer*” in Part B of the relevant Final Terms are stated to be for “green” purposes as described in “*Use of Proceeds*” below (“**Green Mortgage Note**”), should have regard to the information in “*Use of Proceeds*” regarding the use of the net proceeds of those Green Mortgage Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Green Mortgage 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, the definition (legal, regulatory or otherwise) of, or market consensus as to what constitutes or may be classified as, a “green”, “social” or equivalently-labelled project or investment that may finance such project is evolving. No assurance can be given that a clear definition, consensus or label will develop over time or that, if it does, any Green Notes will comply with such definition, market consensus or label.

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**”) including the supplemental delegated regulations related thereto.

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 came into effect on 21 December 2024 and established the European Green Bond Standard, which will be a voluntary label for issuers of green use of proceeds bonds (such as certain Green Mortgage 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. 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 Green Mortgage Notes) that do not meet such standard. It could reduce demand and liquidity for Green Mortgage 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 Green Mortgage 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 Green Mortgage 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 Green Mortgage 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 Green Mortgage 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 Green Mortgage Notes or, if obtained, that any such listing or admission to trading will be maintained during the life of the Green Mortgage Notes.

While it is the intention of the Issuer to apply the net proceeds of any Green Mortgage 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 relevant project(s) or use(s) the subject of, or related to, any Eligible Loan Portfolio will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Loan Portfolio. 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.

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 Green Mortgage 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 Green Mortgage Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

### ***Withdrawal of the Irrevocable Payment Undertaking***

Potential investors should consider that, pursuant to the Irrevocable Payment Undertaking, the Guarantor may withdraw from its obligations under the Irrevocable Payment Undertaking on the conditions set out therein (for the full text of the Irrevocable Payment Undertaking, please see “*Form of Irrevocable Payment Undertaking*” below). Notwithstanding such expiry however, the Irrevocable Payment Undertaking shall remain in full force and effect with respect to all Mortgage Notes issued under the Programme, which are outstanding at the time of such expiry, and may not be terminated until all amounts which may be or become payable by the Guarantor under or in connection with such Mortgage Notes have been irrevocably paid in full.

Withdrawal of the Irrevocable Payment Undertaking, if exercised by the Guarantor, may have an adverse effect on the ratings assigned to the Issuer or the Mortgage Notes issued under the Programme.

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

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

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

All payments of principal, interest and any other amounts in respect of the Mortgage 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 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 12 (*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 Mortgage Notes, except as provided for in Condition 12 (*Taxation*).

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

The value of the Mortgage Notes could be adversely affected by a change in the relevant law or administrative practice. The terms and conditions of the Mortgage Notes are based on Hungarian law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Hungarian law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Mortgage Notes affected by it.

***A downgrade of the credit rating assigned by any credit rating agency to the Issuer or, if applicable, to the Mortgage Notes could adversely affect the liquidity or market value of the Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes (whether or not the Mortgage Notes had an assigned rating prior to such event).

***Investors to rely on the procedures of Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer***

Mortgage Notes issued under the Programme may be represented by one or more Global Mortgage Notes. Such Global Mortgage Notes may be deposited with a common depositary or, as applicable, a common safekeeper, for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Mortgage Notes, investors will not be entitled to receive the Mortgage Notes in definitive form. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Mortgage Notes. While the Mortgage Notes are represented by one or more Global Mortgage Notes deposited with Euroclear and/or Clearstream, Luxembourg, investors will be able to trade their beneficial interests only through these settlement systems.

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

When Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes before investing in the Mortgage Notes.

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

The market values of securities issued at a substantial discount (such as Zero Coupon Mortgage 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 Mortgage Notes***

The Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes.

If a market for the Mortgage Notes does develop, the trading price of the Mortgage 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 Mortgage Notes, such volatility may be increased in an illiquid market including in circumstances where a significant proportion of the Mortgage 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 Mortgage 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 Mortgage Notes in full, or, where relevant, of the Mortgage Notes being subject to loss absorption under an applicable statutory loss absorption regime. In addition, the market price of the Mortgage 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 Mortgage Notes which could lead to investors losing some or all of their investment.

The issue price of the Mortgage 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 Mortgage 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 or an affiliate of the Issuer can (subject to Supervisory Permission and compliance with prevailing Regulatory Capital Requirements or Loss Absorption Regulations, as applicable) purchase Mortgage 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 Mortgage Notes and thus the price and the conditions under which investors can negotiate these Mortgage 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 Mortgage Notes in secondary resales even if there is no decline in the performance of the Mortgage 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 Mortgage Notes and instruments similar to the Mortgage Notes at that time.

Although an application has been made to admit the Mortgage Notes issued under the Programme to trading on the Market, there can be no assurance that such application will be accepted, that the Mortgage 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 Mortgage Notes.

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

The Issuer will pay principal and interest on the Mortgage 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 Mortgage Notes; (b) the Investor's Currency equivalent value of the principal payable on the Mortgage Notes; and (c) the Investor's Currency equivalent market value of the Mortgage 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.

***Foreign Account Tax Compliance Act withholding***

While the Mortgage Notes are in global form and held within Euroclear Bank SA/NV or Clearstream Banking S.A. (together the "ICSDs"), in all but the most remote circumstances, it is not expected that the reporting regime and potential withholding tax imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 ("FATCA") will affect the amount of any payment received by the ICSDs (see "*Taxation – Foreign Account Tax Compliance Act*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Mortgage Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer holder of the Mortgage Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

***The tax impact of an investment in the Mortgage Notes should be carefully considered***

Interest payments on Mortgage Notes, or profits realised by an investor upon the sale or repayment of Mortgage Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on investors generally is described under "*Taxation*" below; however, the tax impact on an individual investor may differ from the situation described for investors generally. Prospective investors, therefore, should contact their own tax advisers for advice on the tax impact of an investment in the Mortgage Notes. Furthermore, the applicable tax regime may change to the disadvantage of the investors in the future.



## DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been filed with the CSSF, shall be incorporated by reference in, and form part of, this Base Prospectus:

- (i) the audited annual financial statements of the Issuer for each of the financial years ended 31 December 2023 and 31 December 2024 and the audit reports thereon;
- (ii) the audited annual consolidated financial statements of the Guarantor for each of the financial years ended 31 December 2023 and 31 December 2024 and the audit reports thereon;
- (iii) the unaudited consolidated interim financial statements for the three months ended 31 March 2025 of the Guarantor; and
- (iv) the section “Terms and Conditions of the Mortgage Notes” from the Base Prospectus dated 12 December 2023.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of this Base Prospectus and information incorporated by reference in this Base Prospectus can be obtained from the website of the Luxembourg Stock Exchange, [www.luxse.com](http://www.luxse.com). In addition, such documents will be available free of charge from the principal office in London of Citibank, N.A., London Branch at Citigroup Centre, Canada Square, London E14 5LB United Kingdom for Mortgage Notes listed on the Official List of the Luxembourg Stock Exchange. Copies of documents of the Guarantor incorporated by reference in this Base Prospectus will be available for viewing on the Guarantor’s website at <https://www.otpgroup.info/investor-relations/capital-market/issues>. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Mortgage Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Mortgage Notes.

The following documents of the Issuer shall be incorporated in, and form part of, this Base Prospectus:

Document	Section incorporated
I. The audited annual financial statements of the Issuer for the financial year ended 31 December 2023 ( <a href="https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Annual_Report_2023.pdf">https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Annual_Report_2023.pdf</a> ) including the information set out at the following pages in particular:	
Consolidated Statement of Financial Position	Page 52
Consolidated Statement of Profit or Loss	Page 53
Consolidated Statement of Comprehensive Income	Page 54
Consolidated Statement of Changes in Equity	Page 55
Consolidated Statement of Cash Flows	Pages 56-57
Notes to the Financial Statements	Pages 58 to 149
II. The independent auditor’s report in respect of the audited consolidated financial statements of the Issuer for the year ended 31 December 2023	Pages 1 to 9

Document	Section incorporated
<a href="https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Audit_report_consolidated_2023.pdf">https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Audit_report_consolidated_2023.pdf</a> The Issuer's 2023 independent auditor's report is unqualified.	
III. The audited annual financial statements of the Issuer for the financial year ended 31 December 2024 ( <a href="https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Annual_Report_2024.pdf">https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Annual_Report_2024.pdf</a> ) including the information set out at the following pages in particular:	
Consolidated Statement of Financial Position	Page 145
Consolidated Statement of Profit or Loss	Page 146
Consolidated Statement of Comprehensive Income	Page 147
Consolidated Statement of Changes in Equity	Page 148
Consolidated Statement of Cash Flows	Pages 149-150
Notes to the Financial Statements	Pages 151-236
IV. The independent auditor's report in respect of the audited consolidated financial statements of the Issuer for the year ended 31 December 2024 ( <a href="https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Audit_report_consolidated_2024.pdf">https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OJB_Audit_report_consolidated_2024.pdf</a> ) The Issuer's 2024 independent auditor's report is unqualified.	Pages 1 to 9
The above-mentioned documents are unofficial English translations of the 2023 and 2024 financial statements of the Issuer that were originally prepared in the Hungarian language. 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.	
V. The "Terms and Conditions of the Mortgage Notes" from the Base Prospectus dated 12 December 2023 ( <a href="https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OTPMB_Base_Prospectus_20231212.pdf">https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OTPMB_Base_Prospectus_20231212.pdf</a> )	Pages 63-105

The following documents of the Guarantor shall be incorporated in, and form part of, this Base Prospectus:

Document	Section incorporated
VI. The audited consolidated financial statements of the Guarantor for the year ended 31 December 2023 ( <a href="https://www.otpgroup.info/static/sw/file/IFRS_konsz_e_231231.pdf">https://www.otpgroup.info/static/sw/file/IFRS_konsz_e_231231.pdf</a> ) including the information set out at the following pages in particular:	
Consolidated Statement of Financial Position	Page 5
Consolidated Statement of Profit or Loss	Page 6 to 7
Consolidated Statement of Comprehensive Income	Page 8

Document	Section incorporated
Consolidated Statement of Changes in Equity	Page 9
Consolidated Statement of Cash-Flows	Pages 10 to 11
Notes to the Consolidated Financial Statements	Pages 12 to 229
The above-mentioned document is an unofficial English translation of the 2023 financial statements of the Guarantor that were originally prepared in Hungarian language.	
VII. The independent auditor's report in respect of the audited consolidated financial statements of the Guarantor for the year ended 31 December 2023 ( <a href="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</a> )	Pages 1 to 13
The Guarantor's 2023 independent auditor's report is unqualified.	
The above-mentioned document is an unofficial English translation of the Guarantor's 2023 independent auditor's report that was originally prepared in the Hungarian language.	
VIII. The audited consolidated financial statements of the Guarantor for the year ended 31 December 2024 ( <a href="https://www.otpgroup.info/static/sw/file/IFRS_konsz_2024_e.pdf">https://www.otpgroup.info/static/sw/file/IFRS_konsz_2024_e.pdf</a> ) 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 12-237
The above-mentioned document is an unofficial English translation of the 2024 financial statements of the Guarantor that were originally prepared in the Hungarian language.	
IX. The independent auditor's report in respect of the audited consolidated financial statements of the Guarantor for the year ended 31 December 2024 ( <a href="https://www.otpgroup.info/static/sw/file/250425_Audit_report_konsz_091_e.pdf">https://www.otpgroup.info/static/sw/file/250425_Audit_report_konsz_091_e.pdf</a> ).	Pages 1 to 12
The Guarantor's 2024 independent auditor's report is unqualified.	
The above-mentioned document is an unofficial English translation of the Guarantor's 2024 independent auditor's report that was originally prepared in the Hungarian language.	
X. The unaudited interim financial statements of the Guarantor for the three months ended 31 March 2025 ( <a href="https://www.otpgroup.info/static/sw/file/OTP_20251Q_e_final.pdf">https://www.otpgroup.info/static/sw/file/OTP_20251Q_e_final.pdf</a> ) including the information set out at the following pages in particular:	
Consolidated IFRS Statement of Financial Position (unaudited)	Page 45
Consolidated IFRS Statement of Recognised Income (unaudited)	Page 47
Consolidated IFRS Statement of Changes in Shareholders' Equity (unaudited)	Page 48

Document	Section incorporated
Consolidated IFRS Statement of Cash Flows (unaudited)	Page 50
Notes to the Consolidated Financial Statements (unaudited)	Pages 63 to 68
The above-mentioned document is an unofficial English translation of the interim financial statements of the Guarantor that were originally prepared in Hungarian language.	

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. Financial information incorporated by reference and also set out in this Base Prospectus shall be deemed to be incorporated by reference for information purposes only.

Any documents themselves incorporated by reference in the information incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Any non-incorporated parts of a document referred to herein are deemed not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

## FORM OF THE MORTGAGE NOTES

Each Tranche of Mortgage Notes will be in bearer form and will be initially issued in the form of a temporary global note (a “**Temporary Global Mortgage Note**”) or, if so specified in the applicable Final Terms, a permanent global note (a “**Permanent Global Mortgage Note**”) which, in either case, will:

- (i) if the Global Mortgage Notes are intended to be issued in new global note (“**NGN**”) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “**Common Safekeeper**”) for Euroclear and Clearstream, Luxembourg; and
- (ii) if the Global Mortgage Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the “**Common Depositary**”) for, Euroclear and Clearstream, Luxembourg.

Where the Global Mortgage Notes issued in respect of any Tranche are in NGN form, the applicable Final Terms will also indicate whether such Global Mortgage Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Mortgage Notes are to be so held does not necessarily mean that the Mortgage Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg, as indicated in the applicable Final Terms.

While any Mortgage Note is represented by a Temporary Global Mortgage Note, payments of principal, interest (if any) and any other amount payable in respect of the Mortgage Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Mortgage Note if the Temporary Global Mortgage Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Mortgage Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “**Exchange Date**”) which is 40 days after a Temporary Global Mortgage Note is issued, interests in such Temporary Global Mortgage Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Mortgage Note of the same Series or (b) for definitive Mortgage Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Mortgage Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Mortgage Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Mortgage Note for an interest in a Permanent Global Mortgage Note or for definitive Mortgage Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Mortgage Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Mortgage Note if the Permanent Global Mortgage Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Mortgage Note will be exchangeable (free of charge), in whole but not in part, for definitive Mortgage Notes with, where applicable, interest coupons and talons attached only upon the occurrence of an Exchange Event. For these purposes, “**Exchange Event**” means that (i) an Event of Default (as defined in Condition 14 (*Events of Default*)) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. **A Permanent Global Mortgage Note will not be exchanged for a definitive Mortgage Note for any reason other than as set out in the Permanent Global Mortgage Note.** The Issuer will promptly give notice to

Noteholders in accordance with Condition 16 (*Paying Agents*) if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Mortgage Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Permanent Global Mortgage Notes and definitive Mortgage Notes and on all interest coupons relating to such Mortgage Notes where TEFRA D is specified in the applicable Final Terms or Pricing Supplement, as the case may be:

“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.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Mortgage Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Mortgage Notes or interest coupons.

Mortgage Notes which are represented by a Global Mortgage Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined in “*Terms and Conditions of the Mortgage Notes*”), the Agent shall arrange that, where a further Tranche of Mortgage Notes is issued which is intended to form a single Series with an existing Tranche of Mortgage Notes at a point after the Issue Date of the further Tranche, the Mortgage Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Mortgage Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Mortgage Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Mortgage Note may be accelerated by the holder thereof in certain circumstances described in Condition 14 (*Events of Default*). In such circumstances, where any Mortgage Note is still represented by a Global Mortgage Note and the Global Mortgage Note (or any part thereof) has become due and repayable in accordance with the Terms and Conditions of such Mortgage Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Mortgage Note then the Global Mortgage Note will become void at 8.00 p.m. (London time) on such day. At the same time, holders of interests in such Global Mortgage Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg on and subject to the terms of a deed of covenant (the “**Deed of Covenant**”) dated 5 June 2025 and executed by the Issuer.

The Issuer and the Guarantor may agree with any Dealer that Mortgage Notes may be issued in a form not contemplated by the Terms and Conditions of the Mortgage Notes, in which event, a new Base Prospectus will be made available which will describe the effect of the agreement reached in relation to such Mortgage Notes.

## FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “**necessary information**” means, in relation to any Tranche of Mortgage 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 the Guarantor and of the rights attaching to the Mortgage Notes, the reasons for the issuance and the impact on the Issuer. In relation to the different types of Mortgage 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 Mortgage 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 Mortgage Notes.

Any information relating to the Mortgage 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 Mortgage Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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.

## FORM OF FINAL TERMS<sup>1</sup>

*Set out below is the form of Final Terms which will be completed for each Series/Tranche of Mortgage Notes issued under the Programme.*

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Mortgage 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 Mortgage Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Mortgage 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 Mortgage /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 Mortgage Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Mortgage 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 Mortgage Notes has led to the conclusion that: (i) the target market for the Mortgage 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 Mortgage Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Mortgage 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 Mortgage 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 Mortgage Notes has led to the conclusion that: (i) the target market for the Mortgage 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 Mortgage Notes to eligible counterparties and professional clients are appropriate. Any [person subsequently offering, selling or recommending the Mortgage 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

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<sup>1</sup> Certificate of the Hungarian Cover Pool Monitor (vagyonellenőr) will be circulated with the Final Terms for each Series of Mortgage Notes pursuant to section 11§. (3)(n) of Act XXX of 1997 on Mortgage Loan Credit Institutions and on Mortgage Bonds (1997. évi XXX. törvény a jelzálog-hitelintézetéről és a jelzáloglevélről).



market assessment in respect of the Mortgage 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”) – In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Mortgage Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are 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>2</sup>

[Date]

**OTP MORTGAGE BANK LTD.**  
**(OTP JELZÁLOGBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG)**

**Legal Entity Identifier (LEI): 529900925TK5QIGTBH86**  
**Issue of [Aggregate Principal Amount of Tranche] [Title of Mortgage Notes]**  
**Guaranteed by OTP BANK Nyrt.**  
**under the EUR 5,000,000,000**

**Euro Mortgage Notes Programme**

**PART A – CONTRACTUAL TERMS**

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 5 June 2025 [and the supplement[s] to it dated [●] [and [●]]], which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). This document constitutes the Final Terms of the Mortgage Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Mortgage Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published, and the applicable Final Terms will be published, on the Luxembourg Stock Exchange website ([www.luxse.com](http://www.luxse.com)). [This Base Prospectus and the Final Terms applicable to each issue of Mortgage Notes will be available on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://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 12 December 2023 (the “**2023 Base Prospectus**”) which are incorporated by reference in the base prospectus dated 5 June 2025 (the “**Base Prospectus**”). This document constitutes the Final Terms of the Mortgage 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 2023 Base Prospectus which constitute a base prospectus for the purposes of the Prospectus Regulation.

Full information on the Issuer, the Guarantor and the offer of the Mortgage 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 from the 2023 Base Prospectus. [The Base Prospectus and these Final Terms will be available on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

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<sup>2</sup> Legend to be included on front of the Final Terms if the Issuer has re-classified the Mortgage Notes as “prescribed capital markets products” and “Excluded Investment Products” pursuant to Section 309B of the SFA prior to the launch of the offer and the Mortgage Notes are to be offered in Singapore. Relevant Dealer(s) to consider whether it / they have received the necessary product classification from the Issuer prior to the launch of the offer, pursuant to Section 309B of the SFA.

*[If the Mortgage Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]*

1. Series Number: [      ]
  - (i) Tranche Number: [      ]
  - (ii) Date on which the Mortgage Notes will be consolidated and form a single Series: The Mortgage Notes will be consolidated and form a single Series with *[Provide issue amount/ISIN maturity date/issue date of earlier Tranches]* on *[the Issue Date/exchange of the Temporary Global Mortgage Note for interests in the Permanent Global Mortgage Note which is expected to occur on or about [date]]**[Not Applicable]*
2. Specified Currency: [      ]
3. Aggregate Principal Amount:
  - (i) Series: [      ]
  - (ii) Tranche: [      ]
    - (i) [Issue Price (per Mortgage Note):] [      ] per cent. of the Specified Denomination *[plus accrued interest from [insert date] (in the case of fungible issues only, if applicable)]*
    - (ii) [Net Proceeds: [      ]]
 

*(Required only for listed issues)*
4. (i) Specified Denominations: [      ]
 

*(N.B. Mortgage Notes must have a minimum denomination of EUR 100,000 (or equivalent)*

*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Mortgage Note in definitive form will be issued with a denomination above [€199,000].”)*

  - (ii) Calculation Amount: [      ]
 

*(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations).*
5. (i) Issue Date (value date): [      ]
  - (ii) Interest Commencement Date: *[specify/Issue Date/Not Applicable]*

*(N.B. An Interest Commencement Date will not be relevant for certain Mortgage Notes, for example Zero Coupon Mortgage Notes.)*

6. Maturity Date: [Specify date or for Floating rate notes - Interest Payment Date falling in or nearest to [specify month and year]]
7. Interest Basis: [ ] per cent. Fixed Rate  
 [[[●] month [BUBOR/EURIBOR/SOFR/ESTR]] +/- [ ] per cent.  
 Floating Rate]  
 [Floating Rate: SOFR Compounded Index]  
 [Floating Rate: CMS Linked Interest]  
 [Zero Coupon]  
 (see paragraph [12]/[13]/[14]/[15]below)
8. Redemption/Payment Basis: [Redemption at the Specified Denomination]  
 Subject to any purchase and cancellation or early redemption, the Mortgage Notes will be redeemed on the Maturity Date at [100]per cent. of their principal amount
9. Change of Interest Basis [For the period from (and including) the Interest Commencement Date, up to (but excluding) [date] paragraph [12/13] applies and for the period from (and including) [date], up to (and including) the Maturity Date, paragraph [12/13] applies] [Not Applicable]
10. Put/Call Options: [Investor Put]  
 [Issuer Call]  
 [(further particulars specified below)]
- Clean-Up Call Option: [Applicable – Condition 11(e) (*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]
11. [Date [Board] approval for issuance of Mortgage Notes obtained: [ ] [and [ ]], respectively]]  
 (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Mortgage Notes)

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12. Fixed Rate Mortgage Note Provisions [Applicable/Not Applicable]  
 (If not applicable, delete the remaining subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [ ] per cent. per annum in arrear on each Interest Payment Date
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]

- (Amend appropriately in the case of irregular coupons)*
- (iii) Fixed Coupon Amount per [ ] per Calculation Amount Mortgage Note:
  - (iv) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ] [Not Applicable]
  - (v) Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30E/360]  
[Eurobond Basis]  
[30E/360(ISDA)]
  - (vi) Determination Date(s): [[ ] in each year] [Not Applicable]  
*[Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case insert regular interest payment dates, ignoring issue date or maturity date in the case of long or short first or last coupon.]*
  - (vii) Party responsible for calculating amounts payable: [Agent/[if not the Agent, insert details of Calculation Agent]]
13. Reset Mortgage Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Initial Rate of Interest: [ ] subject to adjustment in accordance with the Business Day Convention set out in (ii) below/, not subject to adjustment, as the Business Day Convention in (ii) below is specified to be Not Applicable]
  - (ii) Reset Rate: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]] [Not applicable]
  - (iii) First Margin: [ ]
  - (iv) Subsequent Margin: [Screen Rate Determination/ISDA Determination]
  - (v) Interest Payment Date(s): [Agent/[if not Agent, insert details of Calculation Agent]]
  - (vi) Fixed Coupon Amount in respect of the period from (and including) the Interest Commencement Date up to

- (but excluding) the First Reset Date:
- Broken Amount(s): [ ] month[BUBOR/EURIBOR].
- (vii) First Reset Date: Relevant Financial Centre: [Budapest/Brussels]
- Subsequent Reset Date(s): [ ]
  - Fixed Leg Swap Payment Frequency:
  - ☐ *(Second Budapest business day prior to the start of each Interest Period if BUBOR and the second day on which the T2 is open prior to the start of each Interest Period if EURIBOR)*
  - CMT Designated Maturity: [ ]
- (viii) Relevant Screen Page: *(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate)*
- (ix) CMT Rate Screen Page:
- Mid-Swap Rate: [ ]
  - Mid-Swap Maturity: [ ]
- (x) Initial Mid-Swap Rate Final Fallback: [ ]
- (In the case of a EURIBOR based option, the first day of the Interest Period)*
- Initial Mid-Swap Rate:
- (xi) Reset Maturity Initial Mid-Swap Rate Final Fallback: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xii) Reset Period Maturity Initial Mid-Swap Rate:
- (xiii) Last Observable Mid-Swap Rate Final Fallback: [+/-][ ] per cent. per annum
- (xiv) Subsequent Reset Rate Mid-Swap Rate Final Fallback: [ ] per cent. per annum
- (xv) Subsequent Reset Rate Last Observable Mid-Swap Rate Final Fallback: [ ] per cent. per annum
- (xvi) Reference Rate: [EURIBOR]/[SOFR]/[€STR]/[CMS Rate]/[BUBOR]/[●]
- (xvii) Reference Banks:
- (xviii) Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30E/360]  
[Eurobond Basis]  
[30E/360(ISDA)]
- (xix) Reset Determination Date(s): [●]/[The provisions of the Conditions apply]

- (xx) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): ☐ shall be the Calculation Agent
14. Floating Rate Mortgage Note Provisions ☐ [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 Principal Paying Agent): ☐ shall be the Calculation Agent
- (ix) Screen Rate Determination: ☐ [Applicable]/[Not Applicable]
- (x) 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>3</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>4</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>5</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>6</sup>/[Not Applicable]
  - Reference Currency: [●]/[Not Applicable]<sup>7</sup>
  - Designated Maturity: [●]/[Not Applicable]<sup>8</sup>
  - Determination Time: [[●] [a.m.]/[p.m.] ([●] time)]/[Not Applicable]<sup>9</sup>
  - CMS Rate Fixing Centre(s): [●]/[Not Applicable]<sup>10</sup>
- Insert only if Index Determination is applicable*
- SOFR Compounded Index: [Applicable/Not Applicable]
  - Relevant Decimal Place: [●]/[As per the Conditions]

<sup>3</sup> To be at least five Business Days before the relevant Interest Payment Date where the Reference Rate is SOFR or €STR, without the prior agreement of the Principal Paying Agent.

<sup>4</sup> Select “Not Applicable” for SOFR or €STR.

<sup>5</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>6</sup> The Rate Cut-off Date should be at least five Business Days before the Maturity Date or the date fixed for redemption, unless otherwise agreed with the Principal Paying Agent.

<sup>7</sup> Select “Not Applicable” for SOFR or €STR.

<sup>8</sup> Select “Not Applicable” for SOFR or €STR.

<sup>9</sup> Select “Not Applicable” for SOFR or €STR.

<sup>10</sup> Select “Not Applicable” for SOFR or €STR.

- Relevant Number: [●]/[As per the Conditions]<sup>11</sup>
  - Numerator: [●]/[As per the Conditions]
  - ISDA Determination: [Applicable]/[Not Applicable]
  - Floating Rate Option: [●]
  - Reset Date: [●]
  - ISDA Definitions: 2006
  - Linear Interpolation: [Not Applicable]/[Applicable – the Rate of Interest for the [long]/[short] [first]/[last] Interest Period shall be calculated using Linear Interpolation]
  - Margin(s): [+/-][●] per cent. per annum
  - Minimum Rate of Interest: [●] per cent. per annum
  - Maximum Rate of Interest: [●] per cent. per annum
  - Day Count Fraction: [30/360]  
[Actual/Actual (ICMA)]  
[Actual/Actual (ISDA)]  
[Actual/365 (Fixed)]  
[Actual/360]  
[30E/360]  
[Eurobond Basis]  
[30E/360(ISDA)]
15. Zero Coupon Mortgage Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (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

16. Notice periods for Condition 11(b) Minimum period: [ 30] days  
[Redemption and Purchase – Redemption for Tax Event]: Maximum period: [ 60] days

<sup>11</sup> This number should be five (or greater), unless otherwise agreed with the Principal Paying Agent.



17. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount of each Mortgage Note: [[ ] per Calculation Amount]
- (iii) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (iv) Notice periods: Minimum period: [ 15] days  
Maximum period: [ 30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
18. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount: [ ] per Calculation Amount
- (iii) Notice periods: Minimum period: [ 15] days  
Maximum period: [ 30] days  
*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of five clearing system business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
19. Final Redemption Amount of each Mortgage Note: [ ] per Calculation Amount  
*(N.B. In relation to any issue of Mortgage Notes which are expressed at item 4 above to have a minimum denomination and tradeable amounts above such minimum denomination which are smaller than it, the following wording should be added: "For the avoidance of doubt, in the case of a holding of Mortgage Notes in an integral multiple of [ ] in excess of [ ] as envisaged in item 4 above, such holding will be redeemed at its principal amount.")*

20. Early Redemption Amount of each Mortgage Note payable [on redemption for Tax Event or] on event of default [ ] per Calculation Amount
- (N.B. If the Final Redemption Amount is 100 per cent. of the nominal value (i.e. par), the Early Redemption Amount is likely to be par (but consider). If, however, the Final Redemption Amount is other than 100 per cent. of the nominal value, consideration should be given as to what the Early Redemption Amount should be.)*

#### GENERAL PROVISIONS APPLICABLE TO THE MORTGAGE NOTES

21. Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]
- (Note that this item relates to the place of payment and not Interest Period end dates, to which item 14(i) relates)*

#### [MISCELLANEOUS]

22. Form of the Mortgage Notes:
- (i) Form: [Temporary Global Mortgage Note exchangeable for a Permanent Global Mortgage Note which is exchangeable for Definitive Mortgage Notes only upon an Exchange Event]
- [Temporary Global Mortgage Note exchangeable for Definitive Mortgage Notes on and after the Exchange Date]
- [Permanent Global Mortgage Note exchangeable for Definitive Mortgage Notes [only upon an Exchange Event/at any time at the request of the Issuer]]
- [Dematerialised]
- (N.B. If the Specified Denominations of the Mortgage Notes in item 4 above include language substantially to the following effect: "EUR 100,000 and integral multiples of EUR 1,000" the Temporary Global Mortgage Note must not be exchangeable for Definitive Mortgage Notes)*
- (ii) New Global Note: [Yes/No]
23. Talons for future Coupons to be attached to Definitive Mortgage Notes (and dates on which such Talons mature): [Yes, as the Mortgage Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No]

#### THIRD PARTY INFORMATION

[[ ] has been extracted from [ ]. 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 [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....

By: .....

*Duly authorised*

*Duly authorised*

**OTP JELZÁLOGBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG**

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [Luxembourg/ other (specify)/ None]
- (ii) Admission to trading: [Application has been made for the Mortgage Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange]/ [●] with effect from [ ].]/[Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [EUR] [ ]
- (iv) Place of creation [ ]  
(Note: outside Hungary, in an OECD country)
- (v) Place of issue [ ]  
(Note: outside Hungary, in an OECD country)

### 2. RATINGS

- Ratings: [The Mortgage Notes to be issued [[have been]/[are expected to be]] rated]/[The following rating[s] reflect[s] rating[s] assigned to the Mortgage Notes of this type issued under the Programme generally]: [insert details] by [insert the legal name of the relevant credit rating agency entity(ies)].  
[To include brief description of the meaning given to the relevant rating by the assigning rating agency]
- [[[●]/Each of [●] and [●]] is established in the European Economic Area (the “EEA”) and are registered under Regulation (EC) No. 1060/2009 (as amended) (the “CRA Regulation”). As such, [[●]/Each of [●] and [●]] is 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.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUES

[Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Mortgage 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 the Guarantor and their affiliates in the ordinary course of business [Amended as appropriate if there are other interests].

[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation.)]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) [Reasons for the offer: [ ]]
- (ii) [Estimated net proceeds: [ ]]

### 5. YIELD (Fixed Rate Mortgage Notes only)

- Indication of yield: [ ]

## 6. OPERATIONAL INFORMATION

- |        |                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------|-------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)    | ISIN Code:                                                                                                              | [       ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (ii)   | Common Code:                                                                                                            | [       ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (iii)  | Alphabetical code of Series:                                                                                            | [       ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| (iv)   | Any clearing system(s) other than Clearstream, Luxembourg [./and], Euroclear and the relevant identification number(s): | <p>[Not Applicable/give name(s) and number(s)]</p> <p><i>(If the Series of Mortgage Notes is listed on the Official List of the Luxembourg Stock Exchange, then clearing will occur through Clearstream, Luxembourg and/or Euroclear)</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| (v)    | Delivery:                                                                                                               | Delivery [free of/against] payment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| (vi)   | Names and addresses of additional Paying Agent(s) (if any):                                                             | [       ] / [Not Applicable]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (vii)  | Intended to be held in a manner which would allow Eurosystem eligibility:                                               | <p>[Yes. Note that the designation “yes” simply means that the Mortgage Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Mortgage 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.]/</p> <p>[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 Mortgage Notes are capable of meeting them the Mortgage Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Mortgage 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.]</p> |
| (viii) | Serial number of the Mortgage Notes:                                                                                    | [       ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |

## 7. DISTRIBUTION

- |       |                                             |                                        |
|-------|---------------------------------------------|----------------------------------------|
| (i)   | Method of distribution:                     | [Syndicated/Non-syndicated]            |
| (ii)  | If syndicated, names of Managers:           | [Not Applicable/give names]            |
| (iii) | Date of [Subscription] Agreement:           | [       ]                              |
| (iv)  | Stabilisation Manager(s) (if any):          | [Not Applicable/give name and address] |
| (v)   | If non-syndicated, name of relevant Dealer: | [Not Applicable/give name]             |

- (vi) U.S. Selling Restrictions: [Reg. S Compliance Category [1/2]; TEFRA D/TEFRA C/TEFRA not applicable]
- (vii) Singapore Sales to Institutional Investors and Accredited Investors only: [Applicable/Not Applicable]

**8. BENCHMARK REGULATION** (*Floating Rate Mortgage Notes calculated by reference to a benchmark only*)

[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]

[BUBOR]

[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.]

## USE OF PROCEEDS

The net proceeds from the issue of the Mortgage Notes will be used by the Issuer for its general corporate purposes, including as specified in Part B of the relevant Final Terms.

In addition, where the Mortgage Notes are stated to be “Green” Mortgage 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 Mortgage Notes are intended to be used for “green” purposes as described in this “*Use of Proceeds*” section (“**Green Mortgage Notes**”), it is the intention of the Issuer that the net proceeds from each such issue of Green Mortgage Notes will be used as so described. If specified otherwise in the relevant Final Terms, the net proceeds from the issue of the relevant Mortgage Notes will be used as so specified.

“**Green Mortgage Bond Framework**” means the Green Mortgage Bond Framework 2021 of the Issuer published on its website ([https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OTPMortgageBank\\_GreenMortgageBondFramework.pdf](https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OTPMortgageBank_GreenMortgageBondFramework.pdf)), including as amended, supplemented, restated or otherwise updated on such website from time to time, relating to the issuance of Green Mortgage Notes.

“**ICMA Green Bond Principles**” means the Green Bond Principles June 2021 published by the International Capital Markets Association (<https://www.icmagroup.org/assets/documents/Sustainable-finance/2021-updates/Green-Bond-Principles-June-2021-140621.pdf>).

The Issuer has obtained an independent second-party opinion from Deloitte Könyvvizsgáló és Tanácsadó Kft. in order to ensure compliance of its Green Mortgage Bond Framework with the ICMA Green Bond Principles. This independent second-party opinion is published on the Issuer’s website at: <https://www.otpbank.hu/static/otpjelzalogbank/sw/file/IndependentLimitedAssuranceReport.pdf>.

### *Project Selection*

For any Green Mortgage Notes, an amount equivalent to the net proceeds of such Green Mortgage Notes is intended to be used to finance and/or refinance a portfolio (such portfolio, an “**Eligible Loan Portfolio**”) of residential mortgages for the purpose of the construction or purchase of used or newly refurbished residential homes, and general purpose mortgages for renovating and upgrading existing properties, where the property(ies) serving as collateral for the loan meet at least one of the criteria of the following two categories:

- (i) energy-efficient properties: buildings falling within the best 15 per cent. of Hungary’s total stock of buildings based on their energy efficiency rating; and
- (ii) buildings with significantly improving energy performance: buildings undergoing refurbishment or upgrading as a result of the loan provided in order to improve their energy performance,

subject to the energy performance certificate of such property(ies) being issued after 31 December 2015 and including already disbursed such loans, and all as further described in the Issuer’s Green Mortgage Bond Framework. In addition, the criteria for what constitutes an Eligible Loan Portfolio may be changed from time to time.

The proceeds of any Green Mortgage Notes will not be used to finance loans for purposes that contribute to increase greenhouse gas emissions, for financing activities that are in conflict with its Green Strategy 2021 ([https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OTPMortgageBank\\_GreenStrategy.pdf](https://www.otpbank.hu/static/otpjelzalogbank/sw/file/OTPMortgageBank_GreenStrategy.pdf)) (“**Green Strategy**”) or for disbursing loans that do not meet the above eligibility criteria.

### *Management of proceeds*

The proceeds from the issuance of Green Mortgage Notes will be managed by the Issuer using a portfolio approach. The Issuer intends to allocate these proceeds to an Eligible Loan Portfolio as soon as possible and within 24 months, selected in accordance with the use of proceeds criteria and evaluation and selection process described in the Green Mortgage Bond 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 Green Mortgage Notes.

Unallocated net proceeds from any Green Mortgage Notes will be allocated to Hungarian government securities, Hungarian green government securities, green bonds or other such instruments defined in the relevant international and Hungarian standards and regulations.

### ***Reporting***

The Issuer intends to publish on an annual basis, within a year of the issuance of any Green Mortgage Notes and until the maturity of such Green Mortgage Notes a report including certain core information, data and indicators on its issued Green Mortgage Notes and Eligible Loan Portfolio, as described in the Green Mortgage Bond Framework.

Neither the Green Mortgage Bond 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.

The Green Mortgage 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 Mortgage Notes*” and the relevant Final Terms, regardless of the issue of such Mortgage Notes as Green Mortgage Notes.

The performance of the Green Mortgage 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 Green Mortgage Notes or Eligible Loan Portfolio will occur at any time. Payments of principal and interest on any Green Mortgage Notes shall not depend on the performance of any Eligible Loan Portfolio nor will holders of any Green Mortgage Notes have any preferred right against the assets of any Eligible Loan Portfolio.

Prospective investors in any Green Mortgage Notes should also refer to “*Risk Factors – Risks relating to the Mortgage Notes generally – Risks relating to a particular structure of Mortgage Notes – The application of the net proceeds of Green Mortgage Notes as described in “Use of Proceeds” may not meet investor expectations or be suitable for an investor’s investment criteria*”.



## TERMS AND CONDITIONS OF THE MORTGAGE NOTES

*The following are the Terms and Conditions of the Mortgage Notes which will be incorporated by reference into, and will form part of, each Global Mortgage Note (as defined below) and each definitive Mortgage Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Mortgage Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Mortgage Note and definitive Mortgage Note. Reference should be made to “Form of the Mortgage Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Mortgage Notes.*

This Mortgage Note is one of a Series (as defined below) of Mortgage Notes issued by OTP Mortgage Bank Ltd. (OTP Jelzálogbank Zártkörűen Működő Részvénytársaság) (the “**Issuer**”) pursuant to the Agency Agreement (as defined below).

The place of issue and place of creation of the Mortgage Notes and the Global Mortgage Notes each are outside Hungary within a member of the Organisation for Economic Co-operation and Development (the “**OECD**”) in accordance with clause 11 (4) of the Mortgage Credit Institutions Act.

References herein to the Mortgage Notes shall be references to the Mortgage Notes of this Series and shall mean:

- (a) in relation to any Mortgage Notes represented by a global Note (a “**Global Mortgage Note**”), units of each Specified Denomination in the Specified Currency;
- (b) any Global Mortgage Note; and
- (c) any definitive Mortgage Notes issued in exchange for a Global Mortgage Note.

The Mortgage Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) dated 5 June 2025 and made between the Issuer, OTP Bank Nyrt. as guarantor (the “**Guarantor**”), Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the “**Principal Paying Agent**”, which expression shall include any successor agent) and the other paying agents named therein (together with the Principal Paying Agent, the “**Paying Agents**”, which expression shall include any additional or successor paying agents).

The final terms for this Mortgage Note (or the relevant provisions thereof) are set out in the Final Terms attached to or endorsed on this Mortgage Note which supplement these Terms and Conditions (the “**Conditions**”). References to the “**applicable Final Terms**” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Mortgage Note.

Interest bearing definitive Mortgage Notes have interest coupons (“**Coupons**”) and, in the case of Mortgage Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (“**Talons**”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Mortgage Notes do not have Coupons or Talons attached on issue.

The payment of all amounts in respect of the Mortgage Notes has been guaranteed by the Guarantor pursuant to an Irrevocable Payment Undertaking (the “**Irrevocable Payment Undertaking**”) dated 7 July 2010 and executed by the Guarantor.

Any reference to “**Noteholders**” or “**holders**” in relation to any Mortgage Notes shall mean the holders of the Mortgage Notes and shall, in relation to any Mortgage Notes represented by a Global Mortgage Note, be construed as provided below. Any reference herein to “**Couponholders**” shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “**Tranche**” means Mortgage Notes which are identical in all respects (including as to listing and admission to trading) and “**Series**” means a Tranche of Mortgage Notes together with any further Tranche or Tranches of Mortgage Notes which are (a) expressed to be consolidated and form a single series and (b) identical

in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders and the Couponholders are entitled to the benefit of the Deed of Covenant (such Deed of Covenant as modified and/or supplemented and/or restated from time to time, the “**Deed of Covenant**”) dated 5 June 2025 and made by the Issuer. The original Deed of Covenant is held by a common depositary for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, the Irrevocable Payment Undertaking and the Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are available for viewing at the registered office of the Issuer and of the Agent and copies may be obtained from those offices save that, if this Mortgage Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Mortgage Notes and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Mortgage Notes and identity. If the Mortgage Notes are to be admitted to trading on the regulated market of the Luxembourg Stock Exchange the applicable Final Terms will be published on the website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)). The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Irrevocable Payment Undertaking, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## 1. DEFINITIONS

(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 12(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*);

“**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 Mortgage 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 relation to any sum payable in a currency other than euro, 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
- (iii) in relation to any Mortgage 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;

**“Civil Code”** means Act V of 2013 on the Civil Code (*2013. évi V. törvény a Polgári Törvénykönyvről*);

**“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);

“**Code**” has the meaning given in Condition 12(b) (*FATCA*);

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

“**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 Mortgage 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 Agency Agreement;

“**FATCA Withholding**” has the meaning given in Condition 12(b) (*FATCA*);

“**Final Redemption Amount**” means, in respect of any Mortgage 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 Mortgage 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/Floating Rate Mortgage Notes**” means (i) that the Issuer has elected 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;

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

**“Fixed Rate Mortgage Note”** means a Mortgage 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 Mortgage Note”** means a Mortgage 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);

**“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 Mortgage Note and an Interest Period, the amount of interest payable in respect of that Mortgage Note for that Interest Period;

**“Interest Commencement Date”** means the Issue Date of the Mortgage 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 Mortgage 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;

**“Lugano II Convention”** means the Convention on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, signed on 30 October 2007, as amended;

**“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;

**“Mortgage Credit Institutions Act”** means Act XXX of 1997 on Mortgage Loan Credit Institutions and on Mortgage Bonds (*1997. évi XXX. törvény a jelzálog-hitelintézetéről és a jelzáloglevélről*);

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

**“Optional Redemption Amount (Call)”** means, in respect of any Mortgage 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 Mortgage 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 Principal Paying 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
- (ii) if the currency of payment is not 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 Principal Paying 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;

**“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;

**“Prospectus Regulation”** means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017;

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

**“Rate of Interest”** means: (i) in the case of Mortgage Notes other than Reset Mortgage Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Mortgage 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 Mortgage 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 (Put) 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 Mortgage Notes other than Reset Mortgage Notes and Floating Rate Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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 Mortgage 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;

“**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 Mortgage 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 or the Guarantor (as the case may be) becomes subject in respect of payments made by it of principal, premium (if any) and/or interest on the Mortgage Notes;

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

“**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;

**“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 Mortgage Note”** means a Mortgage 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 principal 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;

**“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 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 Mortgage 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*);

**“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 in making any payments on the Mortgage 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;

**“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 Mortgage 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 Mortgage 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 Mortgage Notes of the relevant Series;

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

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

- (i) if the Mortgage Notes are Zero Coupon Mortgage Notes, references to Coupons and Couponholders are not applicable;

- (ii) if Talons are specified in the relevant Final Terms as being attached to the Mortgage 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 Mortgage 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 any Additional Amounts in respect of principal which may be payable under Condition 12 (*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 12 (*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 Agency Agreement; and
- (vii) if an expression is stated in Condition 1(a) 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 Mortgage Notes.

## 2. FORM, DENOMINATION AND TITLE

The Mortgage Notes are in bearer form and are serially numbered, in the currency (the “**Specified Currency**”) and in the denominations (the “**Specified Denomination(s)**”) specified in the applicable Final Terms. Mortgage Notes of one Specified Denomination may not be exchanged for Mortgage Notes of another Specified Denomination.

This Mortgage Note may be a Fixed Rate Mortgage Note, a Floating Rate Mortgage Note, a Zero Coupon Mortgage Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Mortgage Notes are issued with Coupons attached, unless they are Zero Coupon Mortgage Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Mortgage Notes and Coupons will pass by delivery. The Issuer, the Guarantor and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Mortgage Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Mortgage Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Mortgage Notes is represented by a Global Mortgage Note held on behalf of Euroclear Bank SA/NV (“**Euroclear**”) and/or Clearstream Banking S.A. (“**Clearstream, Luxembourg**”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular principal amount of such Mortgage Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the principal amount of such Mortgage Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Paying Agents as the holder of such principal amount of such Mortgage Notes for all purposes other than with respect to the payment of principal or interest on such principal amount of such Mortgage Notes, for which purpose the bearer of the relevant Global Mortgage Note shall be treated by the Issuer, the Guarantor and any Paying Agent as the holder of such principal amount of such Mortgage Notes in accordance with and subject to the terms of the relevant Global Mortgage Note and the expressions “**Noteholder**” and “**holder of Notes**” and related expressions shall be construed accordingly.

Mortgage Notes which are represented by a Global Mortgage Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of applicable Final Terms.

### **3. STATUS OF THE MORTGAGE NOTES and the Irrevocable payment undertaking**

#### **(a) *Status of the Mortgage Notes***

The Mortgage Notes and any relative Coupons are direct, unconditional, unsubordinated obligations of the Issuer and rank *pari passu* among themselves. The Mortgage Notes are covered in accordance with Mortgage Credit Institutions Act and rank *pari passu* with all other covered and unsubordinated present and future obligations of the Issuer under mortgage bonds (“*jelzáloglevelek*”).

#### **(b) *Status of the Irrevocable Payment Undertaking***

The obligation of the Guarantor under the Irrevocable Payment Undertaking will be a direct, unconditional and unsecured obligation of the Guarantor and will rank *pari passu* and equally in all respect (save for certain obligations required to be preferred by law) with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time.

### **4. Fixed Rate Mortgage Notes**

#### **(a) *Application***

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

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

The Mortgage Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date. Each Mortgage 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 (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 Mortgage Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Mortgage 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 Mortgage 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 Mortgage 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.

### **5. Reset Mortgage Note Provisions**

#### **(a) *Application***

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

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

The Mortgage 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 Condition 10 (*Payments*) (as applicable). Each Mortgage 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 (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 Mortgage Notes shall be calculated in accordance with the provisions for calculating amounts of interest in Condition 4 (*Fixed Rate Mortgage Notes*) and, for such purposes, Condition 4 (*Fixed Rate Mortgage Notes*) 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 Mortgage 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 Mortgage 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) :

- (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 Mortgage 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 Mortgage 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 Mortgage Notes (such calculation to be made by the Calculation Agent)).
- (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 Mortgage 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 Mortgage Notes (such calculation to be made by the Calculation Agent)).

(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 Mortgage Notes have then been admitted to listing and/or trading and, in accordance with Condition 17 (*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 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 MORTGAGE NOTE PROVISIONS

### (a) *Application*

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

### (b) *Accrual of interest*

The Mortgage 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 Condition 11 (*Redemption and Purchase*). Each Mortgage 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 (as well after as before judgment) up to (but excluding) the Relevant Date.

### (c) *Screen Rate Determination – Other than Floating Rate Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes in respect of a preceding Interest Period or, in the absence of a preceding Interest Period, the Rate of Interest applicable to the Mortgage Notes during such Interest Period shall be the Initial Rate of Interest.

(d) ***Screen Rate Determination – Floating Rate Mortgage Notes which are CMS-Linked Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes is specified in the relevant Final Terms as being “**Compounded Daily**”, the Rate of Interest applicable to the Mortgage 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(h) (*Floating Rate Mortgage 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 Mortgage Notes is specified in the relevant Final Terms as being “**Weighted Average**”, the Rate of Interest applicable to the Mortgage 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(h) (*Floating Rate Mortgage 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 Mortgage Notes, the initial Rate of Interest which would have been applicable to such Series of Mortgage Notes for the first Interest Period had the Mortgage 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 Mortgage Notes, the Rate of Interest which applied to the immediately preceding Interest Period.
- (v) If the relevant Series of Mortgage Notes becomes due and payable in accordance with Condition 14 (*Events of Default*), 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 Mortgage Notes became due and payable and the Rate of Interest on such Mortgage Notes shall, for so long as any such Mortgage Note remains outstanding, be that determined on such date.
- (vi) For the purposes of this Condition 6(e):

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

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

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>o</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<sub>i</sub>**”, 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 Mortgage 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 Mortgage 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 Mortgage Note Provisions – Screen Rate Determination - Floating Rate Mortgage 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 Mortgage 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) 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 Mortgage 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 17 (*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 Mortgage Notes are for the time being admitted to listing and/or trading and to the Noteholders in accordance with Condition 17 (*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 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 MORTGAGE NOTE PROVISIONS**

(a) ***Application***

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

(b) ***Late payment on Zero Coupon Mortgage 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 Mortgage Notes to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Mortgage 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 Principal Paying Agent (acting on the instructions of the Issuer) has notified the Noteholders that it has received all sums due in respect of the Mortgage Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

**8. FIXED/FLOATING RATE MORTGAGE NOTE PROVISIONS**

(a) ***Application***

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

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

The Issuer may issue Mortgage 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) applies to Floating Rate Mortgage Notes and to Reset Mortgage Notes which do not reference SOFR.

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

Notwithstanding 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 Mortgage Notes which reference CMS Rate, SOFR or €STR*) or Condition 6(d) (*Screen Rate Determination – Floating Rate Mortgage Notes which are CMS-Linked Mortgage 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) 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).

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).

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) 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 Mortgage Notes for which the Reset Mortgage Note Provisions are applicable) Reset Period shall be equal to the Rate of Interest last determined in relation to the Mortgage 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 Mortgage Notes for which the Reset Mortgage 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).

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

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

- (i) 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 Mortgage Notes (subject to the operation of this Condition 9(a)); or
- (ii) 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 Mortgage Notes (subject to the operation of this Condition 9(a)).

(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).

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) and the Independent Adviser determines (i) that amendments to these Conditions and/or the 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 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 Principal Paying Agent of a certificate signed by two Directors of the Issuer pursuant to Condition 9(a)(5) (*Notices, etc.*), the Principal Paying Agent and any other agents party to the 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 Principal Paying Agent shall not be liable to any party for any consequences thereof, provided that the Principal Paying Agent shall not be obliged so to concur or use such endeavours if in the opinion of the Principal Paying 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 Principal Paying Agent (if required or deemed useful by the Issuer or the Principal Paying Agent).

In connection with any such variation in accordance with this Condition 9(a)(4), the Issuer shall comply with the rules of any stock exchange on which the Mortgage Notes are for the time being listed or admitted to trading.

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 Mortgage Notes to the contrary, the Issuer agrees that the Principal Paying 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 Mortgage 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) will be notified promptly by the Issuer to the Calculation Agent, the Agents and, in accordance with Condition 17 (*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 Principal Paying Agent of the same, the Issuer shall deliver to the Principal Paying Agent (to make available at its registered office to the Holders) a certificate signed by two Directors of the Issuer:

- (i) 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); and
- (ii) 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 Principal Paying 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 Mortgage Notes which reference CMS Rate, SOFR or ESTR*) or Condition 6(d) (*Screen Rate*

*Determination – Floating Rate Mortgage Notes which are CMS-Linked Mortgage Notes*), as the case may be, will continue to apply unless and until a Benchmark Event has occurred and the Principal Paying 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):

“**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 Mortgage 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 Mortgage 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 Principal Paying 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 Mortgage Notes or, if applicable, any other successor or alternative rate (or any component part thereof) determined and applicable to the Mortgage 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 Mortgage Notes is SOFR, in addition and notwithstanding the provisions above in

Condition 5 (*Reset Mortgage Note Provisions*) or Condition 6 (*Floating Rate Mortgage Note Provisions*), as applicable, this Condition 9(b) shall apply.

- (i) **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 Mortgage Notes in respect of all determinations on such date and for all determinations on all subsequent dates.
- (ii) **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.
- (iii) **Decisions and Determinations:** Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 9(b), 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 Mortgage Notes, shall become effective without consent from the Holders or any other party. Neither the Principal Paying 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 Principal Paying 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 Principal Paying 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.

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 Mortgage Notes, the initial Rate of Interest which would have been applicable to such Series of Mortgage Notes for the first Interest Period had the Mortgage 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 Mortgage 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**” 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 Mortgage 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:

- (A) 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;
- (B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (C) 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 Mortgage 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 Mortgage 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. PAYMENTS**

### **(a) *Principal***

Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Mortgage Notes at the Specified Office of any Agent outside the United States 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.

### **(b) *Interest***

Payments of interest shall, subject to Condition 10(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 in the manner described in Condition 10(a) (*Principal*).

(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 Mortgage 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 12 (*Taxation*), payments in respect of the Mortgage 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 Mortgage Note Provisions are applicable and a Mortgage Note is presented for payment without all unmatured Coupons relating thereto:

- (A) 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
- (B) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
  - (1) 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 10(e)(B)(1) would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
  - (2) 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 10(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 Mortgage Note Provisions are applicable or that the Floating Rate Mortgage Note Provisions are applicable, on the due date for redemption of any Mortgage Note or early redemption in whole of such Mortgage Note pursuant to Conditions 11(c) (*Redemption at*

*the option of the Issuer (Issuer Call)), 11(b) (Redemption for Tax Event) or 11(d) (Redemption at the option of the Noteholders (Investor Put)), 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 Mortgage 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 Mortgage Notes at the Specified Office of any Agent outside the United States (or in New York City if permitted by Condition 10(c) (*Payments in New York City*)).

(i) ***Partial payments***

If an Agent makes a partial payment in respect of any Mortgage 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 Mortgage Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying 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 13 (*Prescription*)). Upon the due date for redemption of any Mortgage Note, any unexchanged Talon relating to such Mortgage Note shall become void and no Coupon will be delivered in respect of such Talon.

**11. REDEMPTION AND PURCHASE**

(a) ***Redemption at maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Mortgage Note will be redeemed by the Issuer at its Final Redemption Amount (as defined above) specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

(b) ***Redemption for Tax Event***

Subject to Condition 11(f), the Mortgage Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Mortgage Note is not a Floating Rate Mortgage Note) or on any Interest Payment Date (if this Mortgage Note is a Floating Rate Mortgage Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), if a Tax Event has occurred, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Mortgage Notes then due.

Upon the expiry of any such notice as is referred to in this Condition 11(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 11(b).

Mortgage Notes redeemed pursuant to this Condition 11(b) will be redeemed at their Early Redemption Amount referred to in Condition 11(f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption at the option of the Issuer (Issuer Call)***

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in applicable Final Terms to the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Mortgage Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a principal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms.

In the case of a partial redemption of Mortgage Notes, the Mortgage Notes to be redeemed (“**Redeemed Mortgage Notes**”) will be selected individually by lot, in the case of Redeemed Mortgage Notes represented by definitive Mortgage Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion) in the case of Redeemed Mortgage Notes represented by a Global Mortgage Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “**Selection Date**”). In the case of Redeemed Mortgage Notes represented by definitive Mortgage Notes, a list of the serial numbers of such Redeemed Mortgage Notes will be published in accordance with Condition 17 (*Notices*) not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Mortgage Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 11(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 17 (*Notices*) at least five days prior to the Selection Date.

(d) ***Redemption at the option of the Noteholders (Investor Put)***

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Mortgage Note giving to the Issuer in accordance with Condition 17 (*Notices*) not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Mortgage Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Mortgage Note the holder of this Mortgage Note must, if this Mortgage Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver to the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a “**Put Notice**”) and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition accompanied by this Mortgage Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Mortgage Note is represented by a Global Mortgage Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Mortgage Note the holder of this Mortgage Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his/her instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Mortgage Note is represented by a Global Mortgage Note, at the same time present or procure the presentation of the relevant Global Mortgage Note to the Agent for notation accordingly.

Any Put Notice or other notice given in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg given by a holder of any Mortgage Note pursuant to this Condition 11(d) shall

be irrevocable except where, prior to the due date of redemption, an Event of Default has occurred and is continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 11(d) and instead to declare such Mortgage Note forthwith due and payable pursuant to Condition 14.

(e) ***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 Mortgage Notes originally issued have been redeemed or purchased and subsequently cancelled in accordance with this Condition 11 (*Redemption and Purchase*), the Issuer may, at its option, give notice to the Agent and the Noteholders in accordance with Condition 17 (*Notices*) (which notice shall be irrevocable) that all (but not some only) of the outstanding Mortgage Notes comprising the relevant Series shall be redeemed:

- (i) in the case of all Mortgage Notes other than Floating Rate Mortgage 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 Mortgage 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 Mortgage Notes.

For the purposes of this 11(e) (*Clean-Up Call Option*), any further notes, bonds or debentures issued pursuant to Condition 18 (*Further Issues*) which are consolidated and form a single series with the Mortgage 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.

(f) ***Early Redemption Amounts***

For the purpose of Condition 11(b) above:

- (i) each Mortgage Note (other than a Zero Coupon) will be redeemed at its Early Redemption Amount; and
- (ii) each Zero Coupon Mortgage Note will be redeemed at an amount (the “**Amortised Face Amount**”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^y$$

where:

**RP** means the Reference Price;

**AY** means the Accrual Yield expressed as a decimal; and

**y** is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Mortgage Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Mortgage Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Mortgage Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Mortgage Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of

days from (and including) the Issue Date of the first Tranche of the Mortgage Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Mortgage Note becomes due and repayable and the denominator will be 365).

(g) **Purchases**

The Issuer or the Guarantor may at any time purchase Mortgage Notes (provided that, in the case of definitive Mortgage Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

(h) **Cancellation**

All Mortgage Notes which are redeemed or purchased by the Issuer will forthwith be cancelled (together with all unmatured Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Mortgage Notes so cancelled (together with all unmatured Coupons and Talons cancelled therewith) cannot be reissued or resold.

(i) **Late payment on Zero Coupon Mortgage Notes**

If the amount payable in respect of any Zero Coupon Mortgage Note upon redemption of such Zero Coupon Mortgage Note pursuant to Conditions 11(a), 11(b), 11(c) or 11(d) above or upon its becoming due and repayable as provided in Condition 7(b) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Mortgage Note shall be the amount calculated as provided in Condition 11(f)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Mortgage Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Mortgage Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Mortgage Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 17 (*Notices*),

and the Accrual Yield were increased by the default interest specified under Section 6:48(1) of the Civil Code.

**12. TAXATION**

(a) **Gross-up**

All payments of principal, interest and any other amounts in respect of the Mortgage 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 (or the Guarantor, as the case may be) shall 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 Mortgage 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 Mortgage Note or Coupon by reason of his having some connection with the Relevant Jurisdiction other than a mere holding of such Mortgage 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 Agency Agreement, any amounts to be paid on the Mortgage 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.

**13. PRESCRIPTION**

Claims against the Issuer or, as the case may be, the Guarantor for payment under the Mortgage Notes may not be prescribed, except to the extent that such prescription may be introduced or permitted by any Hungarian law enacted in the future.

**14. EVENTS OF DEFAULT**

If any one or more of the following events (each an “**Event of Default**”) shall occur and be continuing with respect to any Mortgage Note (any reference to “**Mortgage Note**” and “**Mortgage Notes**” shall be construed accordingly):

- (a) the Issuer, or in the case of payments in respect of which a payment notice has been submitted in accordance with the Irrevocable Payment Undertaking, the Guarantor fails to make payment in the Specified Currency of any principal or interest due in respect of the Mortgage Notes and such failure to pay continues for a period of seven days (in the case of principal) and 14 days (in the case of interest) from the due date for payment/15 days; or
- (b) the Issuer defaults in the performance or observance of or compliance with any other material obligation on its part under the Mortgage Notes and such default continues for a period of 30 days after written notice of such default shall have been received by the Issuer from a Holder; or
- (c) the Guarantor defaults in the performance or observance of or compliance with any other material obligation on its part under the Irrevocable Payment Undertaking and such default continues for a period of 30 days after written notice of such default shall have been received by the Guarantor from a Holder; or
- (d) the Irrevocable Payment Undertaking ceases to be, or is claimed by the Issuer or the Guarantor not to be, in full force and effect in respect of any Mortgage Note save in circumstances where:
  - (i) any claim that the Guarantor may have as against the Issuer relating to any sums due and payable by the Guarantor pursuant to the terms of the Irrevocable Payment Undertaking becomes unenforceable against the Issuer as a result of the conduct of the Holders; or
  - (ii) the Issuer is substituted by any entity as principal debtor under the Mortgage Notes (*tartozásátvállalás*) with the approval of the Holders granted pursuant to these Conditions and the Agency Agreement; or
- (e) any order is made by a competent court in respect of the commencement of Winding-Up or other insolvency proceedings against the Issuer or the Guarantor, which in each case is not discharged or stayed within 90 days, or the Issuer or the Guarantor makes a general arrangement for the benefit of some or all of its creditors; or



- (f) any order is made or an effective resolution is passed for the winding-up of the Issuer or the Guarantor and any resulting winding-up process remains undismissed for 90 days (save for the purposes of reorganisation, reconstruction, amalgamation, merger, consolidation or similar),

then any Holder may, by written notice to the Issuer or the Guarantor at the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Mortgage Note held by the Holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 11(f)), together with the accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, except as provided in the Irrevocable Payment Undertaking. Pursuant to the relevant provisions of the Mortgage Credit Institutions Act, in the event of the transformation, restructuring or liquidation of the Issuer, the Issuer may transfer its obligations arising from the Mortgage Notes, together with the relevant asset cover, to another mortgage loan credit institution. This transfer is subject to the prior approval of the National Bank of Hungary and the agreement of the transferee mortgage loan credit institution but is not subject to the consent of the Holders. As part of the transfer, the Mortgage Notes will be cancelled and the transferee mortgage loan credit institution will issue mortgage notes (the “**New Mortgage Notes**”) to the Holders of the Mortgage Notes so cancelled on the same terms and conditions as those of the Mortgage Notes so cancelled. In the case of such transfer by the Issuer, a Holder will not be able to declare a Mortgage Note held by it to be due and payable pursuant to this Condition 14, although this will not prejudice any rights a Holder may have under the New Mortgage Notes.

In the event of such transformation, restructuring or liquidation of the Issuer pursuant to the Mortgage Credit Institutions Act, the Issuer will immediately seek the approval of the National Bank of Hungary for the transfer of its obligations arising from the Mortgage Notes, together with the relevant asset cover, to another mortgage loan credit institution and the Issuer shall use its best endeavours to effect such transfer at the earliest opportunity.

## **15. REPLACEMENT OF MORTGAGE NOTES, COUPONS AND TALONS**

Should any Mortgage Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Mortgage Notes, Coupons or Talons must be surrendered before replacements will be issued.

## **16. PAYING AGENTS**

The names of the initial Paying Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will be at all times an agent;
- (b) if Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent;
- (c) so long as the Mortgage Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent, which may be the Agent, with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (d) the Issuer undertakes that it will ensure that it maintains a Paying Agent, which may be the Agent, in a Member State of the European Union.

In addition, the Issuer shall forthwith appoint a Paying Agent with a specified office in New York City in the circumstances described in Condition 10(c). Notice of any such termination or appointment and of

any change in the specified offices of the Agent will be given to the Noteholders in accordance with Condition 17 (*Notices*).

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

## **17. NOTICES**

All notices regarding the Mortgage Notes will be deemed to be validly given if published in a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the *Luxemburger Wort* in Luxembourg. So long as the Mortgage Notes are admitted to trading on and listed on the Official List of the Luxembourg Stock Exchange, a daily newspaper of general circulation in Luxembourg and/or the Luxembourg Stock Exchange's website, [www.luxse.com](http://www.luxse.com). It is expected that any such publication in a newspaper will be made in the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant regulatory authority on which the Mortgage Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

Until such time as any definitive Mortgage Notes are issued, there may, so long as any Global Mortgage Notes representing the Mortgage Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Mortgage Notes and, in addition, for so long as any Mortgage Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Mortgage Notes on the second day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Mortgage Note in definitive form) with the relative Mortgage Note or Mortgage Notes, with the Agent. While any of the Mortgage Notes are represented by a Global Mortgage Note, such notice may be given by any holder of a Mortgage Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **18. FURTHER ISSUES**

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further mortgage bonds having terms and conditions the same as the Mortgage Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Mortgage Notes.

## **19. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **(a) Governing law**

The Mortgage Notes and any non-contractual obligations arising therefrom or in connection therewith are governed by, and shall be construed in accordance with, Hungarian law.

As the Mortgage Notes are issued and created outside Hungary in an OECD country, the law of the place of the creation of the Mortgage Notes shall be applicable to the creation in line with the Mortgage Credit Institutions Act.

(b) ***Submission to jurisdiction***

The ordinary courts of Hungary are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Mortgage Notes, the issue thereof or any document created in connection with such issue (including a dispute relating to any non-contractual obligations arising out of or in connection with the Mortgage Notes) (“**Proceedings**”). Each of the Issuer and the Guarantor irrevocably submits to the jurisdiction of the courts of Hungary in respect of any such Proceedings. Nothing in this Condition 19 (*Governing Law and Submission to Jurisdiction*) shall prevent the Noteholders from bringing proceedings in any competent court of a European Union member state or a state applying the Lugano II Convention 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.

**20. MEETINGS OF NOTEHOLDERS MODIFICATION, WAIVER AND SUBSTITUTION**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter, including the sanctioning by Extraordinary Resolution of a modification of the Mortgage Notes, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or the Guarantor and shall be convened by the Issuer if required in writing by Noteholders holding not less than 10 per cent. in principal amount of the Mortgage Notes for the time being outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in principal amount of the Mortgage Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Mortgage Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Mortgage Notes or the Coupons (including modifying the date of maturity of the Mortgage Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Mortgage Notes or altering the currency of payment of the Mortgage Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in principal amount of the Mortgage Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in principal amount of the Mortgage Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Couponholders.

The Agent, the Issuer and the Guarantor may agree, without the consent of the Noteholders or Couponholders, to:

- (a) any modification (except as mentioned above) of the Mortgage Notes, the Coupons or the Agency Agreement which, in the sole opinion of the Issuer and the Guarantor, is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Mortgage Notes, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of the law.

Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 17 (*Notices*) as soon as practicable thereafter.

## DESCRIPTION OF THE ISSUER'S BUSINESS

### Introduction

The Issuer is a specialised credit institution, it is the mortgage lending vehicle of OTP Group in Hungary. The operation of the Issuer is regulated by the Mortgage Credit Institutions Act. As a specialised credit institution, the business activity of the Issuer is limited to providing housing and general purpose mortgage loans to the retail segment, refinancing the mortgage loan portfolio of commercial banks, and determining the market and collateral value of real estate. The Issuer is market leader in terms of its mortgage bond portfolio based on the FY 2024 Covered Bond Transparency Report prepared by the Issuer for the MNB. The product range of the Issuer features housing loans and construction loans as well as loans for property refurbishing purposes, including market and state-subsidised versions. During 2024, over 31 per cent. of retail mortgage loans disbursed in Hungary were granted by the Issuer.

The mortgage, as well as the prohibition of alienation and encumbrance, are registered in the land register in favour of the Issuer for the properties pledged as collateral for the loans. Mortgage bank refinancing is done through the sale and purchase of independent liens. A commercial bank sells independent liens related to the mortgage loan it provides, which can be traded separately, to the Issuer and undertakes a repurchase obligation as repayment. The mortgage loans remain on the balance sheet of the commercial bank, its credit risk is borne by the commercial bank, and the tasks related to the customer are performed by the commercial bank, but the Issuer has the unconditional right to request registration of the liens in the land register under its name. In the event of default by the commercial bank, the Issuer becomes the holder of the independent lien and the claim secured by the lien

Loans offered by the Issuer are disbursed in close cooperation with OTP Bank, with the two institutions having agreed the split of tasks related to mortgage lending activities between them. See *“Description of the Issuer's Business – Business Overview of the Issuer – Mortgage loan origination - Cooperation between the Issuer and the Guarantor”*. The Issuer funds its operation by the issuance of securities (which could be Green Mortgage Notes issued in accordance with its Green Strategy and its Green Mortgage Bond Framework) and loans taken out on the interbank market.

The corporate name of the Issuer is OTP Jelzálogbank Zrt. The Issuer's corporate name in English is “OTP Mortgage Bank Ltd”. The Issuer has its registered seat at 135-139 Váci road, Building D., 1138 Budapest, Hungary, its telephone number is: +36 1 354 7400. It was founded on 21 September 2001 for an indefinite period of time and was registered with the Metropolitan Court of Budapest on 9 October 2001 as a company limited by shares (in Hungarian: részvénytársaság) under the registration number of Cg 01 10 044659. The Issuer's Legal Entity Identifier (LEI) is 529900925TK5QIGTBH86. The Issuer operates under Hungarian law, in particular under the Act XXX of 1997 on Mortgage Loan Companies and on Mortgage Bonds

### History

The Guarantor founded OTP Mortgage Bank Ltd. with the intention of enabling the OTP Group to become effectively involved in mortgage lending in Hungary and to become an active player in the related mortgage bond market, with one of its main goals being to widen the product range offering of the banking group, thus ensuring a higher level of service for its customers. The Issuer received its foundation licence on 21 September 2001, and its operating licence on 10 January 2002. The main activity of the Issuer is the financing of the development and purchase of residential real estate, as well as the disbursement of general purpose mortgage loans.

Starting in 2002, the mortgage lending market in Hungary developed dynamically and, in parallel, the Issuer's lending volume also increased to a large extent. As a result, OTP Bank increased the Issuer's subscribed capital in several steps, thereby promoting its safe operation and creating a possibility for continuous growth. Parallel to the rapid increase in the stock of mortgage loans, the volume of mortgage bonds issued by the Issuer also increased rapidly.

In 2014, several pieces of new legislation, significant from the point of view of lending, were adopted, which affected the Issuer's operations. In 2015, foreign currency-based residential mortgage loans were converted to HUF. The order of forint conversion greatly transformed the composition of the loan portfolio. Legislation defining fair banking operations had a significant impact on interest rates and the conditions for disbursing new loans.

The decree of the MNB on the regulation of the forint maturity mismatch of credit institutions, published in June 2015 introduced the institution of the mortgage funding adequacy ratio (“**MFAR**”) in order to reduce the maturity mismatch between the forint assets and liabilities of the banking system and thereby stimulate housing lending. The decree entered into force on 1 April 2017. The introduction of the ratio makes it mandatory for all market participants to finance a part of their HUF-denominated residential mortgage loan portfolio via mortgage bonds, either directly (through the issuance of mortgage bonds) or indirectly (by taking out a refinancing loan from a mortgage bank). The introduction of the decree revitalised the domestic refinancing market and also created an opportunity for OTP Group to enter the refinancing market. The Issuer began its refinancing activities in March 2017, through the sale and purchase of independent liens.

In 2017, the MNB created the Qualified Consumer-Friendly Home Loan qualification in order to strengthen competition in the banking system and increase the transparency and comparability of loan products. HUF-based home loan products that meet the conditions set by the MNB can be awarded the qualification. The Issuer started offering the qualified products in August 2017.

The Issuer set up its Green Strategy and, separately its Green Mortgage Bond Framework in the second quarter of 2021, with the primary goal supporting sustainable development. It identified four areas through which it can contribute to this goal: green lending, green mortgage bond issuance, green operations, and social responsibility in the matter of sustainability. Through its lending and issuing activities, it supports the continuous improvement of the energy efficiency of the Hungarian real estate stock and strives to dynamically increase the proportion of green loans in its loan portfolio. Sustainability is also given special attention when making decisions related to internal operations, and accordingly, the Issuer aims to minimise the burden on the environment during its operations and investments, for example through proper waste management. In addition, the Issuer is an active supporter of numerous international and domestic sustainability initiatives. The Issuer has also obtained an independent second-party opinion from Deloitte Könyvvizsgáló Kft. to confirm the validity of its Green Mortgage Bond Framework.

In addition to refinancing mortgage loans, the Issuer also determines the market and collateral value of real estate as a separate activity, see “*Mortgage loan origination - Cooperation between the Issuer and the Guarantor*” below.

The evolution of the Issuer’s mortgage loan portfolio and the Issuer’s market share have been shaped by a combination of market dynamics, regulatory interventions, and strategic decisions. Between 2005 and 2008, the Issuer experienced a decline in market share, largely attributable to the introduction of stricter lending limits, particularly concerning foreign exchange loans. This period of contraction was further exacerbated by the global financial crisis from 2008 to 2011 and the subsequent depreciation of the HUF. In 2010 regulatory authorities imposed strict restrictions on FX lending, which had a significant impact on the composition and growth of the mortgage loan portfolio of the Issuer. In 2014, the compulsory conversion of FX loans to HUF was introduced which significantly altered the mortgage loan portfolio structure of the Issuer by shifting it towards HUF-denominated loans. In October 2016 the acquisition of the mortgage portfolio of AXA Bank Hungary contributed to renewed portfolio growth and marked the beginning of a sustained period of expansion. From 2017 through 2024, the Hungarian mortgage market experienced continuous growth, with the increasing market share of the Issuer. By 2024, the OTP Group’s market share had surpassed 31 per cent. and by January 2025, the OTP Group’s mortgage loan portfolio had reached HUF 2,000 billion, supported by an annual growth rate exceeding 8 per cent. since 2020.

### **Shareholder Structure**

As at 31 December 2024, the Issuer’s registered capital was HUF 82,000,000,000, divided into 820,000 dematerialised ordinary shares with a nominal value of HUF 100,000 each. The ordinary shares of the Issuer all have the same nominal value and bestow the same rights in respect of the Issuer. The sole shareholder of the Issuer is the Guarantor.

## Business Overview of the Issuer

### Strategy

The strategic goals of the Issuer's management are the preservation of its strong position in the mortgage lending market, the provision of high-quality service to its customers, the achievement of the largest possible home loan volume in full compliance with the prudential regulations applicable to the Issuer's operation and the permanent assurance of the issuer's liquidity, as well as its profitable operations. As the table below shows, the Issuer has been able to continually increase its market share in the past five years.

	2020	2021	2022	2023	2024
OTP Mortgage Bank mortgage loan volumes (HUF bn)	1,308.2	1,514.3	1,638.9	1,693.0	1,918.3
Other OTP Core mortgage loan volumes (HUF bn)	136.5	116.8	96.0	82.7	69.3
OTP market share (%)	29.8%	30.1%	30.5%	30.9%	31.3%

Source: MNB and the Issuer's own data

Credit institutions may play a key role in the transition to a low-carbon, climate-resilient economy. As the leader in the Hungarian mortgage credit market, the Issuer has recognised the threats to the planet's ecosystem and to the health and well-being of society posed by climate change and overburdening of the natural environment. Recognising the urgency of these challenges, the Issuer is committed to contributing to the energy renewal of Hungary's residential property stock.

To support this commitment, the Issuer has developed a comprehensive Green Strategy, outlining the principles and objectives that guide its environmental efforts. It is the Issuer's intention to support, within the limits of its own capabilities, the international and domestic efforts aimed at sustainable development. The Green Strategy of the Issuer was approved by the Issuer's Board of Directors on 6 July 2021.

The Green Strategy of the Issuer is aligned with the corresponding initiatives of OTP Group. The OTP Bank Green Programme Directorate plays a central role in implementing the Group's environmental, social, and governance (ESG) vision, and in helping all OTP Group members capitalize on green financing opportunities. OTP Group's commitment to sustainable development is reflected in all its markets through the introduction of green products and its corporate social responsibility for sustainability. It is owing to these efforts that the OTP Bank was the first company to receive the MNB's Green Finances Award in 2019.

### Ratings

The credit ratings of the Issuer as at the date of this Base Prospectus are shown in the table below. The ratings were assigned at the request of the Issuer.

Rating agency	Rating class	Rating	
		Long term	Short term
Moody's Investors Service Cyprus Ltd	Issuer rating	Baa3	
	Counterparty Risk Rating (Local and Foreign Currency)	Baa1	Prime-2
Moody's Investors Service España, S.A.	Mortgage bonds (not all series are rated)	A1	
S&P Global	Foreign and Local Currency Issuer Credit Rating	BBB	A-2

	Foreign and Local Currency Resolution Counterparty Rating	BBB+	A-2
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*Source: Moody's, S&P Global*

A detailed description of the ratings can be found on the official websites of Moody's and S&P Global.

### **Mortgage loan origination - Cooperation between the Issuer and the Guarantor**

The cooperation between the Issuer and the Guarantor is based on an agency agreement approved by the MNB. Pursuant to the agreement the Guarantor performs the tasks related to loan administration. The Guarantor has a branch network, organisational and information technology infrastructure, as well as relevant business experience suitable for serving a wide range of customers. In addition to the area of loan origination and related customer service, the close cooperation also extends to other areas of the Issuer's activities, such as accounting, finance and risk management, as well as IT, in order to take advantage of synergies within the OTP Group.

Customer identification is conducted and loan application is processed by the Issuer. Prospective customers' credit ratings (i.e. the assessment of their willingness and ability to repay the respective loan) are completed by a branch of the Guarantor prior to granting each loan in accordance with the rules applicable to the Issuer. The Issuer operates under a set of well-defined principles regarding origination and lending limits, ensuring prudent risk management and regulatory compliance. A fundamental aspect of the Issuer's approach is the minimum collateral value requirement, whereby real estate below a certain value threshold is not accepted as collateral. This ensures that only properties with sufficient market value are considered, thereby safeguarding the bank's interests. The assessment of the value and marketability of the real estate property offered as security for the purpose of determining the loan-to-value ratio (the "LTV") of such property is performed by the Property Valuation Department of the Issuer, pursuant to its internal rules and procedures. The standard LTV limit is 80 per cent., although this can be increased to 90 per cent. for first-time buyers and for green real estate transactions, as detailed in the Debt Service-to-Income (DSTI) regulation. For properties assessed using statistical valuation methods, a more conservative LTV limit of 60 per cent. is enforced. Additionally, the classification of settlements plays a significant role in determining lending limits. Settlements are categorised into four groups based on factors such as real estate turnover, marketability, and property values. These categories are reviewed annually. The Issuer relies on the existing database, know-how, human resources and expertise to also offer real estate appraisal and lending value assessment services to other credit institutions in the market. The Issuer's lending practices are also aligned with government policies and social objectives. When it comes to additional collateral, Issuer may accept other residential properties not intended for living purposes, such as plots of land or holiday homes. However, commercial real estate is not accepted as collateral. For these types of additional collateral, the bank applies stricter LTV limits to mitigate potential risks. The Issuer also adheres to regulatory limitations on the level of indebtedness relative to the net salary of borrowers. This is managed through a matrix calculation method, where the permissible debt service-to-income ratio depends not only on the borrower's net salary but also on the frequency of interest rate resets. The maximum allowable limit under the applicable regulation is 60 per cent. of the borrower's net salary, ensuring that borrowers are not overextended and can comfortably meet their repayment obligations.

Property appraisal, which was previously performed only in connection with the Issuer's own mortgage lending business, has become part of the Issuer's regular market activities and is also expected to generate profit as an independent service. The Issuer is responsible for both commercial and retail real estate appraisal within the OTP Group, operating under a robust regulatory framework. The valuation process is conducted by certified external appraisers who undergo regular training to ensure their expertise remains current. These appraisers are selected and compensated by the Issuer, rather than by the client, which helps to maintain the independence and objectivity of the appraisal process. Each appraisal is subject to an independent review by the Issuer which consists of verifying the market value and determining the collateral value of the property. This process is entirely separate from the mortgage lending and decision-making functions, further safeguarding the impartiality of the valuations. The Issuer utilises a database of real estate transactions, sourced from the National Tax and Customs Administration, which includes every property transaction within Hungary. A variety of valuation methods are employed, including the market-based (comparative) approach, the income-based approach, and cost-based calculations. For a very limited range of properties, and in strict accordance with the Ministry of Finance decree, a statistical comparative method may be used without an on-site inspection. Property values are determined with

a focus on prudence and conservatism. The market value reflects the price at which a property could realistically be sold, while the mortgage lending value is derived from the market value, adjusted by applying haircuts to account for market risk, the reliability of the data used, collection risk, and other relevant factors. For retail housing properties, the average haircut applied is approximately 20 percent. To ensure ongoing compliance with regulatory requirements, The Issuer conducts annual revaluations of every property using statistical methods, specifically indexation. This approach ensures that the Issuer fully adheres to the regulatory requirements.

Following the establishment of the lending value of the relevant property by the Issuer, it is for the Guarantor to decide in the name and on behalf of the Issuer whether to grant the respective loans. The provision of each loan is conditional on the due registration of the respective mortgage and prohibition on transfer of title in, or the creation of any encumbrance over, the relevant real estate property in the land register in favour of the Issuer.

After such registration, the respective mortgage loan assets are assessed and, if the relevant criteria are satisfied, included in the ordinary coverage for mortgage bonds by the Issuer's cover pool monitor, KPMG Hungária Kft. (the "**Cover Pool Monitor**") (For more information on the coverage system of mortgage bonds see "*Detailed Rules of the Coverage System Relating to the Mortgage Notes*" below.)

During the term of the loans, the Guarantor, as agent, is responsible for dealing with the relevant customers, managing their loan accounts, and providing information on such customers. In consideration for the services used, the Issuer pays regular fees and commissions to the Guarantor.

Mortgage loans granted by the Issuer are funded mainly through the regular issuance of mortgage bonds. To avoid liquidity problems, the Guarantor provides alternative funding facilities to the Issuer, on a continuous basis. As the parent of the Issuer, the Guarantor is solely liable for ensuring that the Issuer meets its minimum capital adequacy requirements.

The Issuer manages non-performing loans through a collection process that can be broadly divided into soft and hard collection stages. In the soft collection phase, the Guarantor's branch network and agents engage with clients who have missed payments, using customer relationship management focusing on early intervention, and offering solutions such as payment plans or loan restructuring to regularise accounts. If these efforts are unsuccessful, the process transitions to hard collection. At this point, non-performing loans are transferred to OTP Faktoring, the Group's specialist workout company.

#### *Irrevocable Payment Undertaking*

The Irrevocable Payment Undertaking is a liability-side, first demand suretyship (in Hungarian "*készfizető kezesség*") in respect of all outstanding and future Unsubordinated Debt Instruments (as defined therein) issued by the Issuer, including the Mortgage Notes issued under the Programme. Pursuant to the Irrevocable Payment Undertaking, the Guarantor has unconditionally and irrevocably undertaken to pay on demand any amounts due to, inter alios, holders of Mortgage Notes issued by the Issuer under the Programme. The Irrevocable Payment Undertaking is included in "*Form of Irrevocable Payment Undertaking*" below. Obligations under the Irrevocable Payment Undertaking constitute senior and unconditional payment obligations of the Guarantor in its capacity as guarantor. In consideration for the issuance and maintenance of the Irrevocable Payment Undertaking, the Issuer pays a "payment undertaking" fee to OTP Bank. The beneficiaries of the Irrevocable Payment Undertaking can enforce their claims against the Guarantor in accordance with the provisions of the Irrevocable Payment Undertaking included in "*Form of Irrevocable Payment Undertaking*" below, except that they shall send the payment notice to the Capital Markets Origination and Global Securities Services Department of the Guarantor (in Hungarian: *Tőkepiaci Kibocsátási és Csoportszintű Letétkezelési Főosztály*) (being the successor department of the Loan Execution and Special Transactions Department of OTP Bank Plc. originally indicated in paragraph 2 of the Irrevocable Payment Undertaking).

#### **Overview of the cover pool**

The composition of the cover pool may vary from time to time, however, it shall at all times comply with the requirements set out in the Mortgage Credit Institutions Act. Information regarding the types of assets comprising the cover pool is provided on a quarterly basis, disclosed to the MNB, and published on the Issuer's website. The tables below provide a detailed overview, as at 31 December 2024, of the composition of the cover pool, including its distribution by region, loan purpose, remaining term, volume, LTV ratio, and interest rate reset frequency.



Cover pool breakdown (HUF bn)	
<b>Total assets in the cover pool</b>	<b>1,817.0</b>
Residential loans	1,812.0
Substitute collateral	0.0
Liquidity buffer (government bonds)	5.0
Derivatives	0.0

Residential loan assets	
Geographic scope	Hungary
Denomination	100.0% HUF
Number of loans (ths)	243.0
Average loan balance (HUF mn)	7.5
Share of 10 largest loans	0.2%
Weighted average indexed LTV	47.8%
Weighted average seasoning (years)	4.3
Weighted average remaining term (years)	17.4
Share of fixed rate loans	88.2%
Share of DPD 90+ loans	0.3%

Covered bonds breakdown (HUF bn)	
<b>Total outstanding covered bonds</b>	<b>1,050.0</b>
HUF denomination	845.0
EUR denomination	205.0
Maturity type	Hard bullet
Regulatory min. over-collateralization (%)	2.0%
Over-collateralisation (%)	76.6%
Weighted average remaining term (years)	3.7
Share of fixed rate covered bonds (%)	74.3%

Cover pool distribution by region	Total (HUF bn)	%
Central Hungary - Budapest & Pest county	818.1	45.1%
Southeast Hungary	194.2	10.7%
Southwest Hungary	145.9	8.0%
Northwest Hungary	343.0	18.9%
Northeast Hungary	310.9	17.2%

Cover pool distribution by purpose	Total (HUF bn)	%
Construction	237.5	13.1%
Purchase	1,135.8	62.7%
Home Equity	176.8	9.8%
Renovation	45.7	2.5%
Purchase & renovation	82.7	4.6%
Refinancing Loans	133.6	7.4%

Cover pool distribution by remaining term	Total (HUF bn)	%
0 - 5 years	67.1	3.7%
5 - 10 years	214.1	11.8%
10 - 15 years	281.1	15.5%
15 - 20 years	608.6	33.6%
20 - 25 years	492.4	27.2%
Over 25 years	148.7	8.2%
<i>Average remaining term (years)</i>	<i>17.4</i>	

Cover pool distribution by volume	Total (HUF bn)	%
Less than HUF 5 mn	251.4	13.9%
HUF 5 - 10 mn	495.4	27.3%
HUF 10 - 15 mn	358.9	19.8%
HUF 15 - 20 mn	185.9	10.3%
Over HUF 20 mn	520.6	28.7%
<i>Average volume (HUF mn)</i>	<i>7.5</i>	

Cover pool distribution by LTV	Total (HUF bn)	%
<=40%	782.4	43.2%
>40% -<=50%	273.2	15.1%
>50% -<=60%	259.4	14.3%
>60% -<=70%	192.5	10.6%
>70% -<=80%	126.0	7.0%
>80%	178.7	9.9%
<i>Average LTV (%)</i>	<i>47.8%</i>	

Cover pool distribution by rate reset frequency	Total (HUF bn)	%
Floating rate	214.3	11.8%
Fixed rate with reset frequency <2 years	33.6	1.9%
Fixed rate with reset frequency ≥2-<5 years	31.0	1.7%
Fixed rate with reset frequency ≥5 years	1,533.2	84.6%

#### Evolution and maturity structure of the Issuer's debt

The Issuer finances its operations via three means: equity, interbank loans and issuing mortgage bonds. Since 2016, the volume of mortgage bonds has increased primarily in order to comply with the MFAR requirement introduced by the MNB in 2017. Since 2020 the MNB has introduced various programmes that affected the Issuer's funding structure: the central bank's collateralised loan programme in 2020 has provided banks with low fixed interest rate funding while through its Green Home Programme the MNB provides 0 per cent. interest funding for all residential mortgage loans disbursed through the programme. As a result, between 2019 and 2024, the funding structure of the Issuer has developed as shown in the table below.

The following table sets out the evolution of the outstanding principal volume of the Issuer's interbank loans and mortgage bonds (in HUF billion), between 31 December 2019 and 31 December 2024:

HUF bn	31 December 2019	31 December 2020	31 December 2021	31 December 2022	31 December 2023	31 December 2024
Interbank loans	676.6	692.4	1,017.0	1,077.5	1,143.8	1,398.4
Mortgage bonds	558.1	798.2	771.1	971.1	1,117.5	1,050.2

Source: the Issuer's own data. EUR denominated bonds are shown in HUF, using MNB exchange rate.

As of 31 December 2024, the Issuer had nine mortgage bond series in circulation, with a total volume of HUF 1,050.9 billion, including one EUR denominated series of EUR 500 million, shown in HUF using the MNB exchange rate.

Series	Currency	Face amount	First issue date	Maturity date	Interest
OJB2025/I	HUF	150,000,000,000	31/07/2009	31/07/2025	fixed
OJB2025/II	HUF	90,000,000,000	03/02/2020	26/11/2025	fixed
OJB2027/I	HUF	120,100,000,000	23/07/2020	27/10/2027	fixed
OJB2029/A	HUF	175,000,000,000	25/07/2022	24/05/2029	floating
OJB2029/B	HUF	70,000,000,000	10/04/2024	20/06/2029	floating
OJB2029/I	HUF	120,000,000,000	16/09/2024	31/10/2029	fixed
OJB2031/I*	HUF	95,020,000,000	18/08/2021	22/10/2031	fixed
OJB2032/A*	HUF	25,000,000,000	20/09/2023	24/11/2032	floating
OMB2029/I	EUR	500,000,000	20/12/2023	07/03/2029	fixed

\* green bond series

Source: The Issuer's own data

The following table sets out the maturity profile of the Issuer's consolidated wholesale debt (principal amount), in HUF billion, as at 31 December 2024:

Debt instrument	2025	2026	2027	2028-2033	2034-2047
Interbank loans	98.4	164.1	145.0	710.0	130.0
Green Home Programme funding*	0	0	0	3.7	147.1
Mortgage bonds	240.0	0	120.1	690.8	0

Source: the Issuer's own data

\* non-bullet, 0 per cent. interest funding from MNB as part of its Green Home Programme. EUR denominated bonds are shown in HUF, using Bloomberg Composite Rate.

As at 31 December 2024, the maturity structure of the Issuer's wholesale debt was in line with its asset side.

## Distribution channels

The Issuer offers its services through different distribution channels. In addition to utilising OTP Bank's branch network that, as at 31 December 2024, included 317 branches in Hungary, the Issuer also originates its business through external partners. As of 31 March, OTP Bank's branch network included 315 branches in Hungary.

**The following table sets out the distribution of the Issuer's new loan origination in 2024 by its employed channels:**

Distribution channel	Share of new loan originating
OTP Bank branch network	14.5%
OTP Bank mobile bankers	29.18%
Other partners	56.32%

## Recent developments

### *Dividends in respect of the 2023 and 2024 financial years*

The Issuer did not pay dividends during 2023, 2024 and 2025.

### *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 OTP Group'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 members of the OTP Group are 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, and updated in 2024, 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 Guarantor 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 Guarantor. In June 2024, the Guarantor issued Green Senior Preferred bonds in the aggregate nominal amount of EUR 700 million as the largest ever in Guarantor's history until 2024. As green lending requirements shifted towards active environmental and social parameters, including compliance with certain rules, requirements and benchmark standards, the OTP Group has introduced its ESMS (Environmental & Social Management system) framework in 2024, the implementation of which will continue at the subsidiaries of the OTP Group.

Building on the solid foundations from previous years, both the Guarantor and its subsidiaries have continued to broaden their ESG activities in business development and risk management in 2024. The OTP Group's green loan portfolio has been steadily growing, the balance sheet green exposure at OTP Group level was more than HUF 1,027 billion at the end of 2024. 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 Guarantor 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.

As part of OTP Group's ESG efforts, the Issuer has set up its Green Strategy, which contains all principles and goals that enable the Issuer to contribute to protecting the environment actively and efficiently. It is the Issuer's intention to support, within the limits of its own capabilities, the international and domestic efforts aimed at sustainable development. The Green Strategy of the Issuer was approved by the Issuer's Board of Directors on 6 July 2021. The Issuer issued two tranches of a green mortgage bond series in August and October 2021. As at 31 December 2024, the Issuer's outstanding green mortgage bond liabilities were HUF 120.02 billion.

#### ***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 cannot 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 statements. 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 Government Decree No. 374/2024. (XII. 2.), the temporary cap on floating interest rates applicable to consumer mortgage loans remains in force until 30 June 2025 and may remain in force for a longer period if deemed necessary by the Hungarian Government.

On 30 May 2025, the Issuer, the Guarantor, and several other market participants submitted a constitutional complaint to the Constitutional Court of Hungary concerning the temporary cap on floating interest rates, as described above. The Issuer contends that the Government Decree imposing the temporary cap on floating interest rates applicable to consumer mortgage loans constitutes a retrospective, unnecessary, and disproportionate intervention in private legal relations, lacking constitutional justification. Accordingly, the Issuer, the Guarantor

and the other applicants, have requested that the Constitutional Court of Hungary determine that both the relevant provisions and the most recent extension of the Government Decree are in violation of the Constitution of Hungary.

***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 Hungarian 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 Hungarian 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 Hungarian 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 23 November 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 Act**"). According to the Emergency Act (as amended by various acts 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 the Hungarian Government finds that the maintenance of the state of emergency is no longer necessary 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 has been levied with respect to financial years 2022, 2023, 2024 and 2025 on a temporary basis.

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 was 10 per cent. in 2022 and 8 per cent. in 2023. 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 amounted to HUF 69 billion.

In addition to the above, the Windfall Tax Decree also introduced new rules for the payment of the Payment Transaction Duty.

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 MNB 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 was 50 per cent. of the profit before tax with various adjustments, while the tax rate was 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 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 was the 2022 profit before tax (adjusted for several items). The tax rate was 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 could 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 was HUF 13 billion. In the case of the Hungarian Group members of the OTP Group, however, it was reduced to HUF 6.5 billion due to the sufficient 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 was booked on a monthly basis, evenly split through 2024.

The Windfall Tax Decree was amended on 21 November 2024 by Government Decree No. 356/2024 (XI.21.) which outlines the details of the Windfall Tax payable by credit institutions in 2025. The basis for the tax is the 2023 profit before tax (adjusted for several items). The tax rate is 7 per cent. for the part of the tax base that does not exceed HUF 20 billion, and 18 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 (which in this case is the daily average amount between 1 January 2023 and 30 April 2023 or between 1 September 2024 and 30 November 2024 (the higher amount has to be chosen) compared to the amount of 1 January 2025 and 30 November 2025), 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 Guarantor's management believes that in 2025 the estimated Windfall Tax burden payable by OTP Group's Hungarian group members will be approximately HUF 54 billion (this amount qualifies as an expense for corporate income tax purposes), assuming the full utilisation of the reduction opportunity related to the increase in the stock of government securities.

For general discussion of certain Hungarian tax consequences relating to the acquisition and ownership of Mortgage Notes, please see "*Taxation*".

#### ***Governmental, legal and arbitration proceedings***

Neither the Issuer nor the Guarantor or any other member of the OTP Group is or has been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Mortgage Notes (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) in the 12 months preceding the date of this document. The Issuer or any other member of the OTP Group may be a party to governmental, legal or arbitration proceedings in the future. There can be no assurance that the Issuer or any other member of 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.

***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 Mortgage Notes in any offering of Mortgage Notes from time to time in an amount that may be material in respect of the relevant Series of Mortgage Notes. Subject to the relevant Development Bank acquiring Mortgage Notes in any such offering, in the past the Issuer has undertaken to comply with certain environmental and/or social compliance and/or corporate governance policies and requirements of such Development Bank.



## FINANCIAL PERFORMANCE OF THE ISSUER

The Issuer's Consolidated Statement of Financial Position for the years ended 31 December 2024 and 31 December 2023, respectively:

BALANCE SHEET (in HUF million)	31 December 2024	31 December 2023
Cash, amounts due from banks and balances with the National Bank of Hungary	21,389	30,366
Placements with other banks	380,764	371,556
Financial assets at fair value through other comprehensive income	15,435	15,257
Securities at amortised cost	275,991	301,776
Loans at amortised cost	1,334,894	1,200,249
Loans mandatorily measured at fair value through profit or loss	558,803	463,917
Property and equipment	73	55
Intangible assets	400	302
Right-of-use assets	164	243
Derivative financial assets designated as hedge accounting relationships	25,893	7,822
Deferred tax assets	20	269
Current income tax assets	66	111
Other assets	5,373	4,043
<b>TOTAL ASSETS</b>	<b>2,619,265</b>	<b>2,395,966</b>
Amounts due to banks the Hungarian Government, deposits from the National Bank of Hungary and other banks	1,397,626	1,117,388
Repo liabilities	0	13,211
Liabilities from issued securities	1,064,010	1,122,699
Derivative financial liabilities designated as hedge accounting relationships	2,881	3,728
Deferred tax liabilities	0	1
Leasing liabilities	176	240
Current income tax liabilities	753	39
Provisions	303	452
Other liabilities	8,985	5,813
<b>TOTAL LIABILITIES</b>	<b>2,474,734</b>	<b>2,263,571</b>
Share capital	82,000	82,000
Retained earnings and reserves	62,531	50,395
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>144,531</b>	<b>132,395</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,619,265</b>	<b>2,395,966</b>

Source: OTP Mortgage Bank Annual Report for the year ended 31 December 2024

The Issuer's Consolidated Statement of Profit or loss for the year ended 31 December 2024 and 31 December 2023, respectively:

CONTINUING OPERATIONS (in HUF million)	31 December 2024	31 December 2023
Interest income calculated using the effective interest method	141,747	149,113
Income similar to interest income	51,222	40,600
<b>Total interest income</b>	<b>192,969</b>	<b>189,713</b>
<b>Total interest expense</b>	<b>(163,071)</b>	<b>(154,852)</b>
<b>NET INTEREST INCOME</b>	<b>29,898</b>	<b>34,861</b>
Release of loss allowance on loan and placement losses	4,019	5,886
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	1,302	(3)
Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortised cost	847	440
Release of provision for loan commitments and financial guarantees given	132	982
<b>Risk cost total</b>	<b>6,300</b>	<b>7,305</b>
<b>NET INTEREST INCOME AFTER RISK COST</b>	<b>36,198</b>	<b>42,166</b>
<b>Losses arising from derecognition of financial assets measured at amortised cost</b>	<b>(603)</b>	<b>(61)</b>
<b>Modification loss</b>	<b>(8,368)</b>	<b>(17,518)</b>
Income from fees and commissions	6,277	4,935
Expense from fees and commissions	(10,850)	(8,394)
<b>NET PROFIT FROM FEES AND COMMISSIONS</b>	<b>(4,573)</b>	<b>(3,459)</b>
Foreign exchange gains / (losses)	278	(33)
(Losses) / Gains on financial instruments at fair value through profit or loss	(2,460)	318
Gains / (Losses) on derivative instruments, net	155	(648)
Net other operating income	137	87
Other operating expenses	(7)	(1,574)
<b>Net operating (expense) / income</b>	<b>(1,897)</b>	<b>(1,850)</b>
Personnel expenses	(1,713)	(1,643)
Depreciation and amortisation	(261)	(236)
Other administrative expenses	(5,950)	(5,134)
<b>Other administrative expenses</b>	<b>(7,924)</b>	<b>(7,013)</b>
<b>PROFIT BEFORE INCOME TAX</b>	<b>12,833</b>	<b>12,265</b>
Income tax expense	(2,150)	(1,356)
<b>NET PROFIT AFTER INCOME TAX</b>	<b>10,683</b>	<b>10,909</b>

Source: OTP Mortgage Bank Annual Report for the year ended 31 December 2024

## Additional information on Issuer's performance in 2023 and 2024

### OTP Mortgage Bank consolidated

Main components of the Statement of recognised income (in HUF million)	31 December 2024	31 December 2023	Change y-o-y (%)
Net Profit after income tax	10,683	10,909	(2%)
Profit before income tax	12,833	12,265	5%
Operating profit <sup>12</sup>	15,504	22,539	(31%)
Total income <sup>13</sup>	23,428	29,552	(21%)
Net interest income	29,898	34,861	(14%)
Net profit from fees and commissions	(4,573)	(3,459)	32%
Net operating (expense)/income <sup>14</sup>	(1,897)	(1,850)	3%
Other administrative expenses	(7,924)	(7,013)	13%
Risk cost total	6,300	7,305	(14%)
Income tax expense	(2,150)	(1,356)	59%

Main components of balance sheet, closing balances (in HUF million)	31 December 2024	31 December 2023	Change y-o-y (%)
Total assets	2,619,265	2,395,966	9%
Total customer loans (net) <sup>15</sup>	1,893,697	1,664,166	14%
Liabilities from issued securities	1,064,010	1,122,699	(5%)
Amounts due to banks and Hungarian Government, deposits from the National Bank of Hungary and other banks	1,397,626	1,117,388	25%
Total shareholders' equity	144,531	132,395	9%

Indicators	31 December 2024	31 December 2023	Change y-o-y (%)
ROE	7.7%	8.5%	(0.8)
ROA	0.4%	0.5%	(0.1)
Total revenue margin	0.9%	1.3%	(0.4)
Net interest margin	1.2%	1.5%	(0.3)
Cost-to-asset ratio	0.2%	0.2%	(0.0)
Cost-to-income ratio	17.3%	13.7%	3.6
Risk cost rate	0.5%	1.0%	(0.4)

<sup>12</sup> This line contains the Total income and Other administrative expenses.

<sup>13</sup> Total income includes Net interest income, Net profit from fees and commissions and Net operating (expense)/income.

<sup>14</sup> Sum of Foreign exchange gains / (losses); Gains / (Losses) on derivative instruments, net; (Losses) / Gains on financial instruments at fair value through profit or loss; Net other operating income and Other operating expenses.

<sup>15</sup> Total customer loans (net) include Loans at amortised cost and Loans mandatorily measured at fair value through profit or loss.

## **Economic policy measures and other relevant regulatory changes after the balance sheet date**

The section below presents the economic policy measures taken and other events occurring after the balance sheet date that the Issuer considers relevant and that have materially affected or may materially affect the operation of the OTP Group members.

Following the OTP Group-wide Supervisory Review and Evaluation Process (“SREP”) – including a multilateral procedure involving the European Central Bank and National Bank of Croatia – the MNB imposed the below additional capital requirements for OTP Group, on a consolidated basis:

- 1.01 percentage points in case of Common Equity Tier 1 (CET 1), based on which the minimum CET1 ratio is 5.51 per cent. (without regulatory capital buffers);
- 1.34 percentage points in case of Tier 1 capital, based on which the minimum Tier 1 ratio is 7.34 per cent. (without regulatory capital buffers);
- 1.79 percentage points in case of total SREP capital requirement (TSCR), based on which the minimum capital adequacy ratio is 9.79 per cent. (without regulatory capital buffers).

The minimum requirements for own funds and various elements entered into force on 1 January 2025 and remain effective until the next review.

These regulatory changes do not directly apply to the Issuer, but at the same time indirectly affect the determination of the target level of own funds for the Issuer’s regulatory capital above legal requirements through the OTP Group’s internal capital adequacy requirements.

As of the end of February 2025, the main initiatives concerning the Hungarian banking sector under the 'New Economic Policy Action Plan', introduced by the Hungarian Government through Decree 1311/2024 (X. 21.), are as follows, based on official government communications and submitted legislative proposals:

- From 1 January 2025, the minimum wage increased by 9 per cent. For 2026 and 2027 further 13 per cent. and 14 per cent. hikes have been agreed as part of the three-year wage agreement, assuming that economic growth and inflation will be in line with the expectations.
- From 1 January 2025, in case of green loans the loan-to-value limit was increased to 90 per cent., furthermore the payment-to-income limit was increased to 60 per cent. regardless of the income.
- On 1 January 2025, the home renovation program was reintroduced to support families in towns with less than 5,000 residents, covering up to 50 per cent. of labour- and material costs with a cap of HUF 3 million. Those who have already availed themselves of the 2021-2022 home renovation subsidy are only eligible to utilise the new subsidy up to the amount of the HUF 3 million that remains unused at that time. From 1 February 2025, a state subsidised home renovation mortgage loan with a client interest rate of 3 per cent. and with an up to HUF 6 million loan amount is available to finance investment costs.
- In 2025, voluntary pension fund savings can be used free of tax for housing loan repayments, repayment of secured loans, and modernisation or renovation of existing homes. The total amount of voluntary pension savings could be utilised, but only up to the balance available as of 30 September 2024. HUF 300 billion is expected to be reclassified for housing purposes according to the Hungarian Government.
- From 1 January 2025, a monthly HUF 150,000 fringe benefit can be paid to employees under the age of 35 in order to support housing expenses (home rental or loan instalment) above the current preferential upper limit of HUF 450,000 per year.
- Half of the accumulated amount on SZÉP Cards, which is a fringe benefit system in Hungary, can be used for home renovation from 2025.
- Between 1 April and 31 October 2025, based on the individual decision of the participating banks, a 5 per cent. interest rate cap will be available for under 35 year old first-time home buyers for newly granted green housing loans, with properties under 60 square meter and a price lower than HUF 1.2 million per square meter. The rate cap will be applied in the first 5 years of the loan and the product has neither disbursement nor credit assessment fees.

Based on preliminary data published by the Central Statistical Office on 30 January 2025, the performance of the Hungarian economy increased by 0.5 per cent. quarter-on-quarter and 0.4 per cent. year-on-year in the fourth quarter. With this, the annual growth in 2024 was 0.6 per cent. The average inflation in 2024 was 3.7 per cent.

The Financial Stability Council of the MNB announced an extension to the central bank's green capital requirement relief programmes for credit institutions. The deadline for these programmes was extended by one year, until 31 December 2026. The decision on whether to grant further annual extensions will be made based on a professional indicator system. Additionally, from 31 January 2025, the range of exposures that can be included in the discount programme was further expanded.

## **Presentation of the audited consolidated IFRS figures of the Issuer as at 31 December 2024**

### *Changes in assets and liabilities*

The total assets as at 31 December 2024 amounted to HUF 2,619 billion, up 9.3 per cent. on the previous year. The volume of outstanding mortgage loans grew by 13.8 per cent., while the mortgage bond volume decreased by 5.2 per cent. The Issuer closed the reference period with after-tax profit of HUF 10.7 billion.

The net portfolio of customer loans grew 13.8 per cent., compared with the 2.8 per cent. increase in the previous year, due to an increase in mortgage loan demand and thus loan disbursements. The gross amount of the consolidated customer loan portfolio was HUF 1,903.5 billion as at 31 December 2024. The amount of the impairment recognised on the customer loan portfolio carried at amortised cost in 2024 is HUF 7.4 billion, which is almost HUF 4.6 billion lower than in the previous year. Total interbank placements amounted to HUF 380.8 billion, of which refinancing loans (at net value less impairment) amounted to HUF 168.8 billion.

As at 31 December 2024, the main liabilities are securities issued and interbank liabilities.

At the end of 2024, the IFRS value of mortgage bonds issued by the Issuer with a nominal value of HUF 1,050.2 billion (including amortisation differences, accruals and market value differences) amounted to HUF 1,064.01 billion. In 2024, the IFRS portfolio of mortgage bonds decreased by HUF 58.7 billion, due to maturing mortgage bonds.

The two main components of interbank liabilities are loans granted by the Guarantor for financing purposes (HUF 1,205.6 billion) and secured loans received from the MNB (HUF 191.9 billion). Significant among the latter loans is the HUF 150.8 billion portfolio of the MNB's refinancing loans, providing the source of the loans disbursed under the MNB's 'Green Home Programme' (MNB ZOP), which is shown in the balance sheet at a lower fair value (HUF 75.8 billion) due to interest-free financing.

The Issuer was profitable in 2024, there was no capital increase. Share capital of Issuer was HUF 82 billion in 2024. The Issuer has consistently met the capital adequacy ratio requirements set out by 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 by 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"). As at 31 December 2024, the Issuer's own funds amounted to HUF 147.2 billion and the closing value of the capital adequacy ratio was 17.4 per cent.

### *Changes in profit and loss*

The Issuer closed the 2024 financial year with net consolidated after-tax profit amounting to HUF 10.7 billion, down HUF 226 million on the previous year.

The income structure of the Issuer is mainly determined by the interest margin, which amounted to HUF 29.9 billion, HUF 5 billion lower than in 2023, as a result of interest income of HUF 193.0 billion and interest expenses of HUF 163.1 billion.

The most significant item of interest income received by the Issuer is interest income on customer loans, which amounted to HUF 129.2 billion, including HUF 23.4 billion in interest subsidies paid by the state. Interest income from refinancing loans included in interbank receivables and from government securities amounted to HUF 14 billion and HUF 17.7 billion.

The main items of interest expenses are interest expense recognised on issued mortgage bonds and their hedging transactions (HUF 65.6 billion) and interest paid on interbank liabilities (HUF 97.1 billion), up HUF 21.3 billion and down HUF 33.0 billion respectively, due to the significant increase in interest rates.

The Issuer's net profit of fees and commissions was a loss of HUF 4.6 billion, down HUF 1.1 billion on the previous year due to a HUF 1.3 billion increase in income and HUF 2.4 billion decrease in expenses. The most significant items of fee and commission income are fee income from the collateral valuation business and other lending-related fee income. The majority of fee and commission expenses, which significantly exceed revenues, consist of fees and commissions paid to the Guarantor in relation to its lending activities.

The net gain and loss due to the change includes a loss of HUF 8.4 billion related to loans measured at amortised cost for the interest rate freeze extended to the second half of 2024 and the first half of 2025.

Other administrative expenses grew HUF 0.9 billion compared to 2023 and amounted to HUF 7.9 billion. Of this, actual operating expenses accounted for only HUF 3.5 billion, while the remaining HUF 4.4 billion were tax and tax-type expenditures not dependent on the result for the financial year 2024; the special bank tax accounted for HUF 3.9 billion, and contributions paid to the MNB (supervisory fee, resolution fund) for HUF 0.5 billion.

### **Presentation of non-consolidated IFRS figures of the Issuer as at 31 December 2024**

The unconsolidated balance sheet total as at 31 December 2024 amounted to HUF 2,625 billion, up 9.3 per cent. on the previous year. The Issuer closed the reference period with after-tax profit of HUF 11.6 billion, down HUF 0.1 billion on the previous year.

The unconsolidated equity increased by 9.46 per cent. on the previous year.

In the unconsolidated financial statement of the Issuer, the total consolidated value of participations amounted to HUF 4.1 billion, which value is no longer shown in the consolidated financial statement due to capital consolidation.

### **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 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.

### ***Return On Equity (ROE)***

<b>Definition:</b>	Profit after tax for the given period (annualised for periods less than one year) divided by average total equity.
<b>Explanation:</b>	Provides additional information on financial performance and profitability of the bank, compared to its average total equity.

Reconciliation table	31 December 2024	31 December 2023
Profit after tax for the period	10,683	10,909
Average total equity	138,463	128,534
ROE	7.7%	8.5%

### *Return On Assets*

**Definition:** 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 Issuer, compared to its average total assets.

Reconciliation table	31 December 2024	31 December 2023
Profit after tax for the period	10,683	10,909
Average total assets	2,507,616	2,288,697
ROA	0.4%	0.5%

### *Total revenue margin*

**Definition:** 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 Issuer.

Reconciliation table	31 December 2024	31 December 2023
Total income	23,428	29,552
Average total assets	2,507,616	2,288,697
Total revenue margin	0.9%	1.3%

### *Net interest margin*

**Definition:** 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 Issuer.

Reconciliation table	31 December 2024	31 December 2023
Net interest income	29,898	34,861
Average total assets	2,507,616	2,288,697
Net interest margin	1.2%	1.5%

### *Net fee and commission margin*

**Definition:** 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 Issuer.

Reconciliation table	31 December 2024	31 December 2023
Net profit from fees and commissions	(4,573)	(3,459)
Average total assets	2,507,616	2,288,697
Net fee and commission margin	(0.2%)	(0.2%)

### *Other income margin*

**Definition:** 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 Issuer.

Reconciliation table	31 December 2024	31 December 2023
Net operating (expenses) / income	(1,897)	(1,850)
Average total assets	2,507,616	2,288,697
Other income margin	(0.1%)	(0.1%)



### *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 Issuer.

Reconciliation table	31 December 2024	31 December 2023
Adjusted operating expenses	(4,045)	(4,051)
Average total assets	2,507,616	2,288,697
Cost-to-asset ratio	0.2%	0.2%

### *Cost-to-income ratio*

**Definition:** Adjusted operating expenses divided by Total income.

**Explanation:** Provides additional information on operating efficiency of the Issuer.

Reconciliation table	31 December 2024	31 December 2023
Adjusted operating expenses	(4,045)	(4,051)
Adjusted total income	23,428	29,552
Cost-to-income ratio	17.3%	13.7%

### *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	31 December 2024	31 December 2023
Adjusted provision for impairment on loan and placement losses	(9,800)	(16,495)
Average gross loans	1,792,079	1,660,414
Risk cost rate	0.5%	1.0%

### *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	31 December 2024	31 December 2023
Stage 3 loans gross amount	16,039	21,289
Gross customer loans	1,903,497	1,680,661
Stage 3 ratio	0.8%	1.3%

#### *Own coverage of Stage 3 loans*

**Definition:** 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	31 December 2024	31 December 2023
Loss allowance on Stage 3 loans	3,362	5,127
Stage 3 loans gross amount	16,039	21,289
Own coverage of Stage 3 loans	21.0%	24.1%

#### *DPD90+ ratio*

**Definition:** Gross amount of loans overdue more than 90 days divided by total gross amount of loans less accrued interest receivables related to DPD90+ loans.

**Explanation:** Provides additional information on the loan portfolio.

Reconciliation table	31 December 2024	31 December 2023
Gross amount of loans overdue more than 90 days	16,039	21,289
Gross customer loans	1,903,497	1,680,661
DPD90+ ratio	0.8%	1.3%

**DPD90+ coverage**

**Definition:** Total amount of allowances for loan losses as per the financial statements less allocated provision on accrued interest receivables related to DPD90+ loans divided by the gross amount of loans overdue more than 90 days.

**Explanation:** Provides additional information on the loan portfolio and its provisioning.

Reconciliation table	31 December 2024	31 December 2023
Allowances for loan losses	(9,800)	(16,495)
(-) Allocated provision on accrued interest receivables related to DPD90+ loans	(161)	(343)
Allowances for loan losses	(9,639)	(16,152)
Gross amount of loans overdue more than 90 days	16,039	21,289
DPD90+ coverage	60.1%	75.9%

**Gross customer loans**

**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	31 December 2024	31 December 2023
Gross customer loans (incl. loans at amortised cost and loans mandatorily at fair value through profit or loss) (incl. accrued interest receivables related to loans)	1,903,497	1,680,661
Gross finance lease receivables	-	-
Gross customer loans (incl. finance lease receivables and accrued interest receivables related to loans)	1,903,497	1,680,661
(-) Accrued interest receivables related to DPD90+ / Stage 3 loans	551	1,185
Gross customer loans	1,902,946	1,679,476

**Net customer loans**

**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.

Reconciliation table	31 December 2024	31 December 2023
Gross customer loans	1,902,946	1,679,476
(+) Allowances for loan losses (incl. impairment of finance lease receivables)	(9,800)	(16,495)
(-) Allocated provision on accrued interest receivables related to DPD90+ / Stage 3 loans	(161)	(343)
Net customer loans	1,893,307	1,663,324

### Capital management

The primary objective of the capital management of the Issuer 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 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 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. 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 Issuer uses the standard approach for determining regulatory capital requirements to credit risk. Market risk is not a relevant risk type in case of the bank.

Since 31 December 2012, OTP Group has been following the principle of "partial use" in calculating the consolidated capital requirement for operational risks based on the Advanced Measurement Approach ("AMA") methodology. The consolidated capital requirement for operational risks is calculated based on the AMA model approved by the MNB. Inter alia the Issuer is also covered by AMA. The stand-alone capital requirement for operational risks in respect of the Issuer covered by the AMA scope is allocated from the consolidated AMA capital requirement for operational risks. The OTP Group has a different type of insurance which aims to mitigate operational risk losses, but any AMA-compliance insurance or other risk transfer mechanisms are not applied in order to reduce the capital requirement for operational risk.

### Regulatory capital and capital ratios

CRD IV and CRR transpose the global standards on banking regulations into the EU legal framework. The Issuer complied with its regulatory capital requirements throughout 2023 and 2024.

The Issuer 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 composition of audited (including eligible profit) regulatory capital and the capital ratios of the Issuer according to Basel III regulation implementation, based on IFRS financials are as follows:

Calculation on IFRS basis (in HUF billion)	31 December 2024	31 December 2023
Capital adequacy ratio (%)	17.4%	17.8%
Tier 1 ratio (%)	17.4%	17.8%
CET 1 ratio (%)	17.4%	17.8%
Own funds	147.230	136.673
Tier 1 capital	147.230	136.673
Common Equity Tier 1 capital	147.230	136.673
Additional Tier 1 capital	-	-
Tier 2 capital	-	-
Risk Weighted Assets	844.876	765.834
Risk Weighted Assets/Total Assets	32.26%	31.96%

As at 31 December 2023, the CET1 ratio under IFRS (including the eligible net result) was 17.8 per cent. In 2024, this ratio decreased in total by 0.4 percentage points, due to increasing of the RWA.

The amount of transitional adjustments within regulatory capital was HUF 495 million at 31 December 2024.

The RWA increased by HUF 79 billion in 2024 compared to end of 2023 (10.5 per cent.), of which HUF 87 billion charge was due to the credit risk and HUF 8 billion release due to the non-credit risk RWA.

The leverage ratio of the Issuer under CRR was 6.13 per cent. in 2023 and 6.15 per cent. in 2024.

### Capital requirements

According to the OTP Group-wide SREP, there is no additional, Pillar 2 capital requirement for the Issuer.

The SREP rate (the sum of Pillar 1 and Pillar 2 requirements divided by the Pillar 1 requirement) on the Issuer is calculated to be 100 per cent.

The overall capital requirement for year end 2024 also included the 3.0 per cent. combined capital buffer requirement which was met by CET1. As at the date of this Base Prospectus, the capital conservation buffer (“CCB”) in Hungary is 2.5 per cent., the systemic risk buffer is 0 per cent., and the countercyclical buffer (“CCyB”) is 0.5 per cent. According to the decision of MNB, the Issuer was not declared as a member of other systemically important institutions, therefore the other systemically important institutions (“O-SII”) buffer is 0 per cent.

The overall capital requirement of the OTP Group for 4Q 2024 also included the 5.25 per cent. combined capital buffer requirement which was met by CET1. As at the date of this Base Prospectus, in Hungary the capital conservation buffer is 2.5 per cent., the systemic risk buffer is 0 per cent., the other systemically important institutions buffer is 2.0 per cent. and the countercyclical buffer is 0.5 per cent. The CCyB rate applicable to exposures in Hungary is expected to be set at 1 per cent. from 1 July 2025. The MNB will modify the amount of the final buffer rates if material future changes in the systemic importance of the Guarantor necessitate adjustments during the annual revisions.

The CCyB requirement on a consolidated basis for the Guarantor was 0.75 per cent. as at 31 December 2024, due to 2.0 per cent. CCyB in Bulgaria, 1.5 per cent. in Croatia and 0.5 per cent. in Slovenia. In Hungary, the buffer requirement increased to 0.5 per cent from 1 July 2024 and is expected to further increase to 1.0 per cent from 1

July 2025. In Slovenia, CCyB was increased to 1.0 per cent from 1 Jan 2025. The CCyB requirement on a consolidated basis is expected to be 0.9 per cent. as at 31 December 2025.

In line with Regulation (EU) No 575/2013 (“CRR”), OTP Group considers 3 per cent. to be its minimum level of leverage ratio.

#### **Minimum Requirement for own funds and Eligible Liabilities**

MNB as the responsible resolution authority for the Issuer waived the minimum requirement for own funds and eligible liabilities (“**MREL requirement**”) to the Issuer that would be applicable on an individual basis according to Section 68/B(1) of the Resolution Act (implementing Article 45f(1) BRRD). The waived MREL requirement is defined as 18.69 per cent. of TREA and 5.84 per cent. of total exposure measure (“**TEM**”) of the Issuer to be met from 13 January 2025. The waiver is granted based on Section 68/B(6) of Resolution Act (implementing Article 45f(3) of BRRD). The consolidated MREL requirement of the Guarantor, as the resolution entity of OTP Group covers the recapitalisation needs of the Issuer.

If the conditions for the waiver are no longer met the Issuer shall meet the applicable MREL requirement on an individual basis. Pursuant to the Capital Requirements Directive ((EU) 2013/36, CRD) the combined buffer requirement shall be met in addition to the applicable TREA-based MREL requirement 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 and the fulfilment of the conditions for granting the waiver are to be reviewed at least once a year by the MNB, together with the EU resolution authorities of countries where members of the OTP Group are established (the “**Resolution College**”).

## FINANCIAL RISK MANAGEMENT OF THE ISSUER

The risk management practices of the Issuer are driven by the Risk Strategy of the OTP Group (2023-2025), which 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 of the OTP Group were approved by the Guarantor's Board of Directors on 17 December 2024 and 18 October 2024, respectively, and they are both revised annually.

### Credit risk

The OTP Group takes on exposure to credit risk which is the risk that a counterparty will be 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 sub-limits covering on and off-balance sheet exposures and by daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. For the Issuer, the two sources of credit risk are the mortgage loans granted to retail customers and refinancing loans granted to Hungarian commercial banks. 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 the 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 needs to be followed for each stage:

- 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.

## **Asset liability management**

### ***Liquidity position***

The primary objective of the Issuer in terms of asset-liability management is to ensure that the Issuer's liquidity is maintained at a safe level.

As of 31 December 2024, the Issuer's liquidity coverage ratio ("**LCR**") was 672 per cent. while NSFR compliance has remained comfortable at 126 per cent.

The following table sets out the key liquidity risk indicators and their limits as at 31 December 2023 and 31 December 2024:

	Requirement	31 December 2024	31 December 2023
Net stable funding ratio	at least 100%	126%	121%
Liquidity coverage ratio	at least 100%	672%	1,187%

### ***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.

### **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, including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational 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. Management of operational risk in the Hungarian members of the OTP Group, including the Issuer, is coordinated on a group level by the Guarantor. 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;
- OTP Bank'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 OTP Bank and for its 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 and legal 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 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 OTP Bank 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. 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 OTP Group, during which employees of the Issuer will be able to visit OTP Bank's relevant departments to have an insight into how processes work at OTP Bank level.

The OTP Group uses third party monitoring service which assists in continuously assessing the external security risks of the group members and also uses a separate cyber security service provider to enhance its brand protection capabilities.

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. The Issuer has the following insurance cover:

- property damage insurance;
- liability insurance; and
- motor insurance.

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.

The Issuer takes into account the Regulation (EU) 2016/679 (the "**General Data Protection Regulation**" or "**GDPR**"), and other relevant 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. Employees of the Issuer receive privacy training regularly to increase awareness of the responsibilities under the GDPR.

#### **Compliance policies (Sanctions and sensitive transactions)**

The OTP Group applies a sanctions compliance policy aiming to ensure compliance with applicable economic, financial and trade sanctions laws, regulations and embargo provisions imposed by the EU, the UN, the competent authority of the UK and the government of the U.S. 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 Guarantor 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 EU, the UN, the UK and the U.S. 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 Guarantor 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 relevant clients and transactions concerned.

### **Anti-Corruption policy**

The Issuer is committed to combatting corruption and declared zero tolerance towards all forms of bribery and gaining of unfair advantages. The provisions of the Issuer'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>16</sup>.

In the course of and in connection with the Issuer's activities, all staff members and any other contractual partners of the Issuer 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 Issuer ensures full implementation of all applicable 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 Issuer'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 Issuer and to any other persons participating in the performance of their activities.

In order to enforce zero tolerance towards corruption, the Issuer applies the following procedural and operational principles:

- in order to avoid the concentration of decision-making powers in one person's hands, the Issuer strictly defines staff members' roles and responsibilities by adequately and officially specifying the responsibilities and clearly designating decision-making levels;
- the Issuer formulates 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 Issuer monitors the activity and transactions of individual staff members; and
- in all cases where required by relevant policies, the Issuer expects all staff members to make their decisions on the basis of pre-defined criteria.

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<sup>16</sup> The Wolfsberg Group – Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance (2017)

## **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**

The Issuer enforces a Code of Ethics regarding ethical business operations.

Violations of the Code of Ethics can be reported either by post, in person, by telephone, e-mail or via the whistleblowing interface. The purpose of the Whistleblowing System is to provide Reporters with the opportunity to report legal violations or violations of the OTP Group's Code of Ethics, as well as abuses in accordance with the Whistleblowing Act. 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.

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 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 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 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.

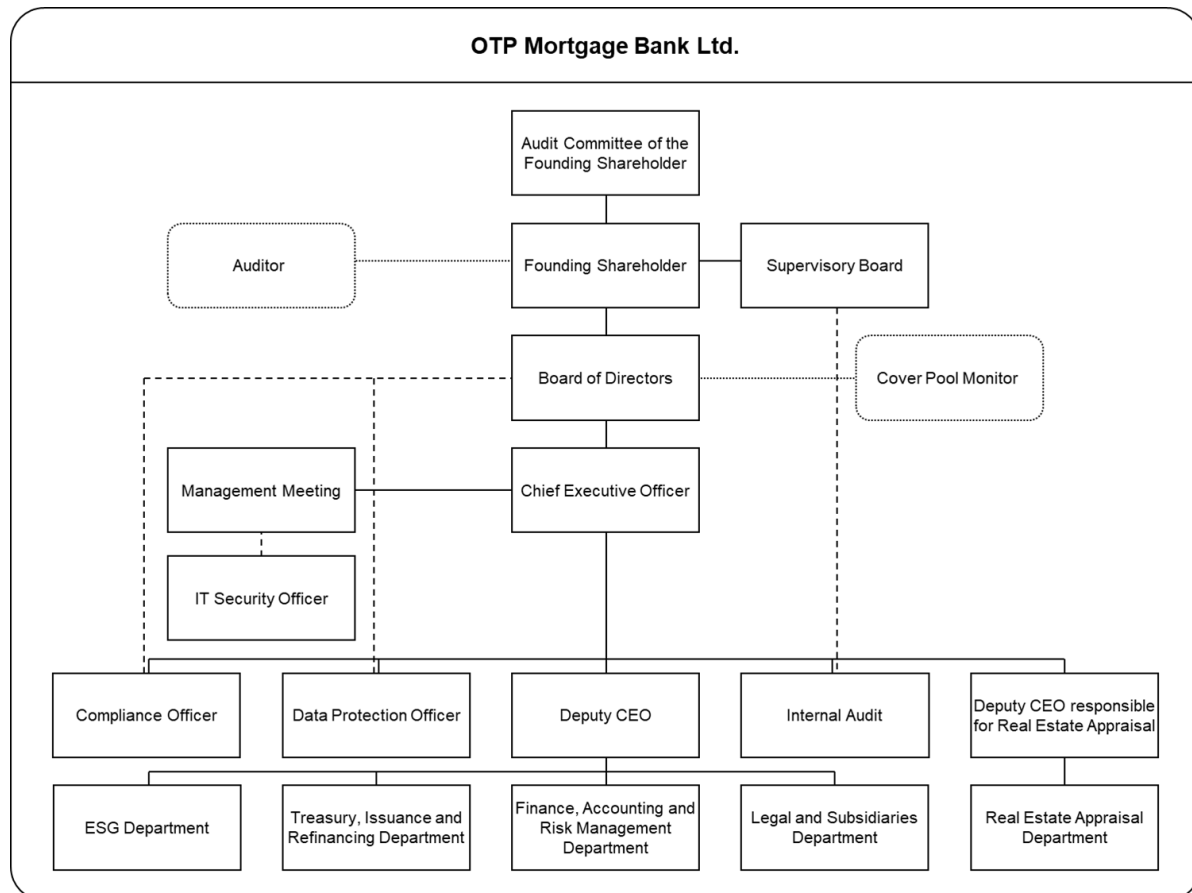
The detailed procedural rules are set out in the administrative directive on the framework for reporting unethical conduct defining the rules concerning the operation of the whistleblowing system which complies with the statutory requirements and also facilitates whistleblowing on the potential violation of the values specified in the Code of Ethics 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 have been supplemented to (i) emphasise 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 OF THE ISSUER

### Organisational structure of the Issuer

The founding shareholder is exercising the rights of the General Meeting. The Supervisory Board, the Board of Directors and the Auditor perform their duties set out in the relevant legislation and in the Issuer's articles of association. The Issuer is headed by the CEO, over whom employer rights are exercised by the Board of Directors. The CEO exercises employer rights over the Issuer's employees, and also manages the Issuer's organisation. The organisational structure of the Issuer is presented in the figure below.



The Issuer is a member of OTP Group and is independent from other members of OTP Group in terms of management and ownership.

OTP Group conducts retail and corporate lending, handles account management and bank card transactions, collects deposits and provides investment services, and provides financial services to its customers through bank branches, electronic channels and intermediaries. The most important members of OTP Group in Hungary are: the Guarantor, the Issuer, OTP Real Estate Lease Ltd., Merkantil Bank Ltd., OTP Building Society Ltd., OTP Factoring Ltd., OTP Fund Management Ltd., OTP Real Estate Investment Fund Manager Ltd., OTP Mobil Ltd., OTP Financial Point Ltd., OTP Real Estate Point Ltd., MONICOMP Ltd., OTP Fund Administration Provider Ltd., OTP Annuity Real Estate Investor Ltd. OTP Bank has made several successful acquisitions in recent years, and as a result has developed into a dominant banking group in the East-Central European region.

Through its business activities, the Issuer has close business relations with the following group members within OTP Group: the Guarantor, OTP Building Society Ltd., OTP Factoring Ltd.

### *Investments embodying ownership*

On 13 May 2025, the Issuer sold its 100 per cent. stake in its subsidiaries, OTP Financial Point Ltd. and OTP Real Estate Point Ltd. to the Guarantor.

The Board of Directors of the Issuer has not committed itself to future investments.

The Issuer believes that it complies 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 Shareholder.

In 2024, the following change was made in the Issuer's Board of Directors: Mr. Balázs Együd was appointed as a member of the Board of Directors until the Annual General Meeting closing the 2027 business year but not later than 31 May 2028. Following Mr Együd's appointment, the total number of members on the Issuer's Board of Directors increased to eight.

### **Board of Directors**

The Board of Directors is an executive body elected by the Founding Shareholder of the Issuer. The Board of Directors shall be entitled and obliged to make all decisions which are not within the competence of the Shareholder, the Supervisory Board as defined by law, the Articles of Association, or a resolution of the Shareholder.

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, Shareholder's 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.

It oversees the Issuer's operative management through the CEO. The 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 CEO and deputy CEOs of the Issuer are exercised by the Board of Directors as a corporate body. In the case of other employees, the employer's rights are exercised by the CEO which right can be transferred to other executive officers.

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 (three executive members, four 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. The members of the Board of Directors are appointed by the Shareholder for a term of five years.

The business address for the members of the Board of Directors is:

OTP Mortgage Bank Ltd.  
Budapest  
Váci út 135-139. D building  
1138 Hungary

### **Executive members and their principal activities outside the Issuer are:**

#### **András Becsei, CEO**

In 2001, András Becsei graduated with a master's degree in Finance from the Budapest University of Economic Sciences and Public Administration. During his studies, he was awarded a scholarship at the University of Southern California in Los Angeles. Mr. Becsei holds a second master's degree in International Management from

the University of Cologne (2002) and an MBA from INSEAD (2005-2006). His 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 2014 Mr Becsei has been the CEO of the Issuer and OTP Building Society. He was appointed as Deputy CEO of the Retail Division of the Guarantor on 1 January 2023. Before that he had also worked at OTP Bank in various roles including Managing Director of the Retail Subsidiary Management and Business Development Directorate (2009-2012), Director of Retail Product Development (2012-2016), and Managing Director of Budapest Region (2017-2022).

Alongside his primary role at the Issuer, Mr. Becsei has performed other duties as a member of the Supervisory Board of OTP Bank Ukraine – JSC OTP Bank (2010-2014) and in various boards. He has been the Vice President of the Hungarian Banking Association since 2014.

### **Csaba Nagy, General Deputy CEO**

Mr Nagy graduated with a bachelor's degree in economics from College of Finance and Accounting, Zalaegerszeg in 1993, then he entered into a Career Development Programme which was founded by the Training Centre for Bankers and Hungarian Credit Bank, where he began his career as a treasury sales dealer. Throughout his career Mr Nagy has worked at numerous reputable companies and gained excellent leadership skills. He had been the CEO of OTP Security and OTP Life Annuity. He spent his first term as a Deputy CEO of the Issuer between 2003 and 2011. In 2011 he became Managing Director at the Hungarian Development Bank where he was responsible for product development and financing agricultural and municipal transactions. Then Mr Nagy was appointed as Deputy CEO with financial responsibilities at MVM Hungarian Electrical Works Ltd. before becoming CEO of the Hungarian Development Bank in 2013. After three years of leadership, he left Hungarian Development Bank and since then he has been General Deputy CEO of the Issuer and during this time he has also been appointed as Deputy CEO of OTP Building Society.

In addition to the abovementioned work experience Mr Nagy has held many other positions on various boards. To highlight some of them, he was Chairman of Hungarian Mortgage Bank Association, Capital Markets Working Group from 2002 to 2011, Chairman of the Supervisory Board, MVM PAKS II Nuclear Power Plant Developer from 2012-2013. From that time until 2015 he was Chairman of the Supervisory Board then Chairman of Board of Directors of Diákhitel Központ Zrt. which company is specialised in providing supplementary funding to students. He was also Chairman of Supervisory Board and Audit Committee of Budapest Bank from 2016 to 2017. Currently he is a member of Board of Directors of OTP Building Society and a member of Supervisory Board of OTP Financial Point Ltd and a member of board of directors of OTP Real Estate Point Ltd.

### **Ákos Ferenc Fischl, Deputy CEO, Real Estate Appraisal Department**

Mr Fischl graduated from the Szent István University, Faculty of Economics and Social Sciences and Regional Economics with a MSc degree in agricultural engineering in 2002. He holds a second and even a third MSc degree in real estate survey engineering from Budapest University of Technology and Economics (2004-2006) and in construction industry judicial expertise from Budapest University of Technology and Economics (2007-2009). He is a certified real property and agricultural estate appraiser. He began his professional career in 2002 at Ernst & Young Consulting Ltd where he worked as a consultant in the Real Estate Division. After this he started working at FHB Mortgage Bank Plc. as a real estate appraiser and validator from 2005 to 2008 when he became head of department of the company's Constructions and Commercial Real Estate Valuation Department until 2010. Then in 2010 he joined the Issuer and became the head of the Real Estate Appraisal Department. In 2017 Mr Fischl was appointed as a Deputy CEO of the Issuer and beside his other duties he is also responsible for managing the IT tasks of the Issuer.

He has many other positions related to real estate appraisal. Mr Fischl has been a member of the Valuation Desk of Hungarian Mortgage Bank Association since 2010. He has been the Chairman of the Valuation Committee of Hungarian Real Estate Association since 2019 and also has been a member of Valuation Committee of European Mortgage Federation since 2011. He was appointed as a member of Advisory Board of RICS in 2020. In that year Mr Fischl became the Chairman of Property Valuation Working Group of Hungarian Banking Association.



## **Non-executive members and their principal activities outside the Issuer are:**

### **Antal György Kovács, Chairman**

He graduated from the Karl Marx University of Economic Sciences 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 OTP Bank since 1995, first as a county director and from 1998 as the executive director of OTP Bank's South Transdanubian Region. He was OTP Bank's Deputy CEO from 1 July 2007 until the Guarantor's annual general meeting (28 April 2023). He was the head of Retail Division Until 31 December 2022 as well. He has received additional training at the International Training Centre for Bankers and on various courses held by the World Trade Institute.

He has been Chairman of the Board of Directors of the Issuer and OTP Building Society Ltd. since 24 April 2014.

### **Anna Mitkova Florova**

Mrs Florova graduated from the Plekhanov Russian University of Economics in 1989 and earned a postgraduate degree in bank management from the Corvinus University of Budapest in 1996. Her career began in 1993 at the Commercial and Creditbank as SME and Retail Branch Deputy Director. Between 1999 and 2002 she had worked at Post Bank as VIP Retail Branch Director before she moved to K&H Bank. There she was the Director of Private Banking then the Director of Deposit and Investment Marketing Department. In 2008 she worked at Hungarian Foreign Trade Bank. After that she continued her career at the Guarantor, first as the Director of Mortgage Loan Department (2008-2012) then as the Deputy CEO and member of the Board of Directors of the Russian OTP Bank. She was the Managing director of OTP Real Estate Point Ltd. from 2015 to 2016. In the same period she was appointed as General Deputy CEO and was a member of Board of Directors of the Issuer.

From 2017 to the present days Mrs. Florova has been the Head of Retail Lending Tribe of the Guarantor and also a member of the Board of Directors of the Issuer and OTP Building Society. She is the Chairperson of the Supervisory Board of OTP Real Estate Point Ltd. and Chairperson of Board of Directors OTP Pénzügyi Pont and member of the Board of Directors of OTP Banka Slovenia. She has been leading one of the most recognised working groups of the Hungarian Banking Association as Chairperson

### **Attila Kovács**

Mr Kovács graduated with a degree in economics at the Budapest University of Economics and Public Administration (Corvinus University) in 2003. He worked as an analyst first at the department of SAP Controlling (2005-2008) then at the Department of Liquidity Risks before becoming head of the Department of Country, Partner and Liquidity Risks (2006-2008) and the department responsible for liquidity management (2007-2008) at the Guarantor. He was the head of the Balance Sheet Management Department between 2008 and 2017. Since 2017 he has been the Director of Middle Office Department of the Guarantor.

Mr. Kovács is currently a member of the Board of Directors of the Issuer and OTP Building Society. He was appointed as chairman of the Treasury Working Group of Hungarian Banking Association in 2018.

### **Zoltán Roskó**

In 1995 Mr Roskó earned a degree in economics from the Budapest University of Economics Sciences. In 1997 he earned a second degree in economics of financial law from Eötvös Loránd University. Mr Roskó started working in the banking industry first. In 1997 he became the CFO of K&H Investment and K&H Leasing Ltd. After that he worked at the Hungarian Press Agency as Vice President of Finance in 2002. Between 2003 and 2010 he was the Vice President of Finance of National Development Agency. Since 2010 he has been working at the Hungarian Football Association in a position of Head of Operations. His main activities and responsibilities include finance and accounting, IT management, licence administration, project management.

He has been a member of the Board of Directors of the Issuer since 2012.

### **Balázs Együd**

Mr. Együd graduated with a degree in economics at the Corvinus University of Budapest in 2011 and later in 2013 he earned a MSc degree from the same university. After graduation he started working at OTP Bank Plc. as a Corporate Planning and Analysis Associate until 2015. Then he became Strategic Business Development Manager

at MKB Bank and he had worked there until 2018 when he left for OTP Mortgage Bank and OTP Building Society to work as a Treasury Expert. From 2019 to 2021 he was team leader of the Controlling Methodology Data Management Department of OTP Bank Plc. Since 2021 Mr Együd has been the head of the OTP Core Business Strategy, Planning and Analysis Department. He also became the latest member of the Board of Directors of the Issuer and OTP Building Society in 2024.

### **Supervisory Board**

In line with the two-tier governance structure of the Issuer, the Supervisory Board – as a body elected by the Shareholder – 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) is 100 per cent.

There is no Works Council operating at the Issuer, therefore the Supervisory Board does not have any employee delegate.

In order to avoid conflicts of interest, the Shareholder 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 operations, its business practices and management, including the control of the Issuer’s internal auditor. 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 the internal auditor.

It is the task of the Supervisory Board to accept and regularly review – within the limits defined by the Shareholder and its resolutions – the principles of the Issuer’s Remuneration Policy.

### **Members of the Supervisory Board:**

The Supervisory Board members are elected by the Shareholder for a term of five years.

#### **Independent members:**

##### **József Németh, Chairman**

Mr Németh graduated from the College of Finance and Accounting with a degree in economics in 1985. He worked as an internal auditor at Gyöngyös-Rábamenti Mg. Szövetkezet in 1985. After that he went to work for Hungarian Credit Bank where he worked first as an analyst (1987-1990) and in 1990 he became a bank branch manager then a bank branch director in Szombathely. Mr Németh was the western regional manager of ABN AMRO Bank between 1998 and 2000. In 2001, he returned to the Hungarian Credit Bank and was appointed as corporate regional manager. From 2002 to 2006 he was the director of OTP Bank’s directorate in Szombathely. Since 2006 he has been the managing director of OTP Bank’s West and North Transdanubian Region. In 2023 he was appointed as the Chairman of the Supervisory Board of the Issuer.

##### **Gergely Pókos**

Mr Pókos earned a MSc degree in economics from Budapest University of Economics and Public Administration (Corvinus University) in 2004. From 2004 he worked for McKinsey & Company as a Counsel until becoming a project manager in strategic and corporate management and financial consulting projects in Hungary, EU countries, Middle East and South East Asia. Then he started working in the agri-food industry and became the Deputy CEO of Bonafarm (2012-2020) and chairman of the Board of Directors of PICK Szeged (2016-2020) and the CEO of MCS Vágóhíd (2017-2019). In 2021, Mr Pókos has changed his career path and was appointed as a managing director of the Guarantor with the responsibility of the management of OTP Group’s ESG programme and the implementation of ESG strategy.

He is the professional manager of OTP Green Investment Fund managed by Portfolion Ltd. (Chairman of the Investment Committee and member of the Board of Portfolion Ltd.). Mr Pókos also holds secretary positions in universities foundations. In 2023 he was appointed as a member of the Supervisory Board of the Issuer.

#### **Dr. Róbert Csató**

In 2011, Mr Csató graduated from the Corvinus University of Budapest with a degree in international studies and in 2013 he obtained his MSc degree at Corvinus University of Budapest. He went to the University of Hull studying Politics and International Relations with a scholarship for one year. He also graduated with a law degree (2016) and later qualified as a data privacy lawyer (2019) from Eötvös Loránd University. He started his career as an intern at CIB Bank (2013) and he was a data analyst at AbInBev Hungary (2013-2014). He worked in the public administration at the Ministry of Justice (2014) then at the Ministry of Interior (2015-2016) supporting security audits and performing professional tasks related to the protection of classified data. In 2016 he became an information security advisor at the Guarantor. Since 2019 he has been working as the head of IT Security Coordination and Operations Department of the Guarantor. In 2019, he was appointed as member of the Supervisory Board of OTP Building Society and in 2023 as a member of the Supervisory Board of the Issuer.

#### **Ágota Selymes**

Ms Selymes has over 50 years of work experience in the financial sector, but she has retired in 2019. In 1973 she graduated from the College of Finance and Accounting with a degree in economics. During her professional career she qualified as an auditor (1995), tax consultant (1989) and international tax advisor (2003). In 1966 she started working at the Guarantor where she spent her further career until her retirement (2019). In 1990 she was appointed as a deputy managing director at the Accounting and Finance Directorate. She was responsible for developing tax related administration, developing banking systems for international data reporting and managing tax related tasks of OTP Group.

In 2020 she earned her real estate agent qualification. She has been a member of the Supervisory Board of the Issuer since 2001.

#### **Audit Committee**

The Issuer has not established an independent Audit Committee, the functions of the Audit Committee are performed by the Audit Committee of the Founding Shareholder pursuant to the Credit Institutions Act.

#### **Members of Senior Management:**

*András Becsei, CEO*

*Csaba Nagy, General Deputy CEO*

*Ákos Ferenc Fischl, Deputy CEO, Real Estate Appraisal Department*

#### **Permanent Committees of the Issuer**

Decisions to establish permanent committees are made by the Board of Directors. The permanent committee established in support of management functions is the Management Meeting. The Management Meeting is a forum that directly supports the work of the CEO and is the management body of the Issuer. It coordinates the preparation of strategic decisions and has decision-making powers in matters referred to its competence by the Issuer's Organisational and Operational Regulations needed for the performance of the Issuer's business activities, for minimising the Issuer's risks and for ensuring its operation. It takes a preliminary position and prepares decisions in the issues that are discussed by the Board of Directors, the Supervisory Board and the Shareholder, and plays a coordinating role in the senior management of the Issuer. The Management Meeting also ensures that the Issuer can respond flexibly and effectively to market and regulatory factors and that the Issuer can act in a coordinated fashion. The Management Meeting performs its work in accordance with its order of business approved by itself and meets once a week (and on an ad-hoc basis as and when necessary). Its order of business is determined by its rules of procedure. The permanent members of the Management Meeting are the CEO (as the Chairman), Deputy CEOs, and the heads of the departments of the Issuer, thus all the necessary expertise is represented. Permanent invitees are the internal auditor and the compliance officer. If required, the Chairman of the committee is entitled to invite persons other than the members of the committee. The decisions are made by a simple majority of votes.

The body responsible at the Issuer for the valuation and selection of green loans and for the periodical review of the Issuer's Green Mortgage Bond Framework is the Management Meeting acting as the Green Mortgage Bond Committee. It is responsible for approving the annual green mortgage bond reports published for investors and compiled by the domain in charge of collateral registration. The body also prepares a quarterly report for the Board of Directors, presenting the number of green mortgage bonds issued and the volume of eligible green loans.

**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.

## DESCRIPTION OF THE GUARANTOR'S AND THE OTP GROUP'S BUSINESS

### Introduction

The Guarantor is both an operating company and the parent company of its corporate group. The OTP Group provides universal banking services, including through several domestic and foreign subsidiaries. In Hungary, traditional banking operations are performed by the Guarantor while specialised services, including car leasing, mortgage lending and investment funds, are offered by the Guarantor'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, Russia, Serbia, Slovenia, Ukraine and Uzbekistan. In November 2020, the OTP Group completed the disposal of its Slovakian operations. On 9 February 2024, the Guarantor signed a binding agreement to sell its stake in OTP Bank Romania ("**OTP Bank Romania**" or "**OBR**"). This transaction signifies the Guarantor's complete withdrawal from the Romanian market. On 30 July 2024, the OTP Group completed the disposal of its Romanian operations.

The Guarantor currently has two representative offices (with non-banking activities and the sole aim of representing and promoting the Guarantor in the given country), one is located in Beijing, China, and the other one is located in Eschborn, Germany.

As at 31 March 2025, the OTP Group provides financial services through 1,245 branches, agent networks and electronic channels. The OTP Group's total assets were HUF 44,333 billion (EUR 110 billion) as at 31 March 2025, out of which 36 per cent. were in Hungary. The next four largest foreign operations comprised 47 per cent. of the OTP Group's total assets (Bulgaria 17 per cent., Slovenia 14 per cent., Croatia 8 per cent. and Serbia 8 per cent.). Based on publicly available information on central bank and bank association websites<sup>17</sup>, the Guarantor's management believes the Guarantor has a dominant position in terms of total assets in Hungary, Bulgaria, Montenegro, Serbia and Slovenia.

### History

The predecessor of the Guarantor, 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 Guarantor.

The Guarantor's privatisation began in 1995. As a result of three public offerings accompanied by the listing of the Guarantor's shares on the Budapest Stock Exchange, the state's ownership in the Guarantor decreased to a single voting preference (golden) share. The law on abolishing the voting preference share of the state came into effect on 21 April 2007. Currently, the Guarantor's ownership structure is dispersed with its shares mostly held by institutional (financial) and private investors.

After the completion of its privatisation, the Guarantor 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 Guarantor 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 Guarantor 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

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<sup>17</sup> Information available for example in *The National Bank of Hungary – 'Golden Book'* and similar publications, as well as data is available on the websites of the central banks of Bulgaria, Montenegro, Serbia and Slovenia, respectively.

present. Between December 2016 and February 2023, the OTP Group completed ten further acquisitions, including commencing operations in Albania, Moldova, Slovenia and Uzbekistan.

The corporate name of the Guarantor is OTP Bank Nyrt. The Guarantor's corporate name in English is "OTP Bank Plc". The Guarantor 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 Guarantor's Legal Entity Identifier (LEI) is 529900W3MOO00A18X956. The Guarantor 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**").

### Foreign subsidiaries

The Guarantor 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 Guarantor 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 Guarantor acquired the retail lending and savings and the corporate businesses of AXA Bank Hungary (including its mortgage portfolio). The employees of AXA Bank Hungary were all transferred to the Guarantor 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. This new expansionary phase contributed to an increase in the total assets of the OTP Group from EUR 34 billion in 2015 to EUR 110 billion by 31 March 2025.

The Guarantor's management believes that the Bulgarian operation (with 279 branches) 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 2025. The Guarantor's management believes that CKB (with 26 branches) was the market leader in terms of total assets and net loans in Montenegro as at 31 March 2025. The Guarantor's management believes that the OTP Group's Croatian operation (with 104 branches) was the fourth largest in terms of total assets as well as loans in the local banking market as at 31 December 2024. The Guarantor's management believes that the market share of the OTP Group's Serbian operation (with 154 branches) 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 2025.

The Guarantor's management believes that its Slovenian banking operation (with 79 branches) ranked second in the local banking market by total assets and net loans as at 31 December 2024. The Guarantor's management believes that its market share in Ukraine was more than 3 per cent. in terms of total assets as at 1 April 2025 and it was the tenth largest bank in terms of total assets in the Ukrainian banking market. The Ukrainian operation has 70 branches in Ukraine. The Guarantor's management believes that OTP Group's Russian operation (with 78 branches) was the twenty-first largest bank in terms of total assets in Russia as at 31 March 2025.

The Guarantor's management believes that OTP Bank Moldova (with 51 branches) was the fourth largest bank in Moldova in terms of total assets as at 31 March 2025. The Guarantor's management believes that the Albanian operation (with 50 branches) was the fifth largest bank in terms of total assets, and the third largest in terms of net loans in the Albanian banking market as at 31 March 2025. The Guarantor's management believes that the local market share of the OTP Group's Uzbek operation (with 39 branches) was the fifth largest in terms of total assets as at 31 March 2025.

## Shareholder Structure

The Guarantor'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 Guarantor all have the same nominal value and bestow the same rights in respect of the Guarantor. Ordinary shares of the Guarantor are listed in Category "Equities Prime" on the Budapest Stock Exchange.

### Ownership structure of the Guarantor as at 31 March 2025

Description of owner	Registered capital		
	31 March 2025		
	%	% <sup>(1)</sup>	Qty
Domestic institution/company	30.87	31.97	86,423,251
Foreign institution/company	54.75	56.72	153,298,769
Domestic individual	9.83	10.19	27,532,893
Foreign individual	0.49	0.51	1,380,401
Employees, senior officers	0.51	0.53	1,428,147
Treasury shares <sup>(2)</sup>	3.47	0.00	9,708,441
Government held owner	0.05	0.05	139,036
International Development Institutions	0.03	0.03	87,151
Other <sup>(3)</sup>	0.00	0.00	1,921
<b>TOTAL</b>	100.00	100.00	280,000,010

Notes:

- (1) Voting rights in the General Meeting of the Guarantor 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 March 2025, ESOP owned 11,956,628 OTP shares
- (3) Non-identified shareholders according to the shareholders' registry.

Source: OTP Bank Plc. - Summary of the first quarter 2025 results, Budapest, 9 May 2025

**To the extent known by the Guarantor, direct and/or indirect shareholders of the Guarantor with over/around 5 per cent. stake as at 31 March 2025**

Name	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%	8.88%
Groupama Group	14,266,017	5.10%	5.28%
Groupama Gan Vie SA	14,140,000	5.05%	5.23%
Groupama Biztosító Ltd.	126,017	0.05%	0.05%

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Notes:

- (1) Rounded to two decimals.
- (2) Voting rights in the General Meeting of the Guarantor for participation in decision-making.

Source: OTP Bank Plc. - Summary of the first quarter 2025 results, Budapest, 9 May 2025

## **Detailed information on the major shareholders of the Guarantor as at 31 December 2024**

### ***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 Guarantor and MOL concluded a three-year share swap transaction, under which the Guarantor has exchanged 24,000,000 ordinary shares in the Guarantor 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 Guarantor with 8.57 per cent. holding of ordinary shares. MOL has no representation on either the Guarantor’s Board of Directors (the “**Board of Directors**”) or the Guarantor’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 Guarantor 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 Guarantor, the shares in the Guarantor were derecognised from the balance sheet of the Guarantor. At the same time, the written put option over the shares in the Guarantor 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 Guarantor at the time of derecognition. The received MOL shares are not recognised in the balance sheet of the Guarantor. In addition, the net present value of the transaction is accounted for in the balance sheet among Derivative financial instruments, which represented HUF 1,194 million as at 31 December 2024.

### ***Groupama Group***

In February 2008, an agreement was made between the Guarantor 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 Guarantor 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 Guarantor with its significant 8 per cent. share and appointed one member to the Supervisory Board. In 2017, Groupama Group decreased its shareholding in the Guarantor as part of its strategy to diversify its assets. Following the sale of shares representing approximately 3 per cent. of the Guarantor’s share capital, Groupama Group remained a significant shareholder of the Guarantor and maintained its representation on the Supervisory Board.

## **Business Overview of the Guarantor and the OTP Group**

### **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 Guarantor 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 Guarantor. 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 Guarantor'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 Guarantor has only accessed 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 2024, the OTP Group reached an all-time high profit with an outstanding ROE exceeding 23 per cent. The profit contribution of foreign subsidiaries has shown a trend of continued growth over the last several years and reached 68 per cent. in 2024. In addition, all foreign subsidiaries of the OTP Group were profitable in 2024 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 four countries in terms of customer loans (Hungary, Bulgaria, Serbia and Montenegro).

Between 2016 and 2024 the FX adjusted net customer loans of the OTP Group grew more than four times, almost half of the growth came from acquisitions.

The Guarantor's latest acquisition in Uzbekistan was 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 was 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 Guarantor 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 Guarantor 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 Guarantor's solutions.

### ***Managed customer service***

By creating interoperability between the channels, the Guarantor 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 Guarantor 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, the 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 Guarantor 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 Guarantor placed significant emphasis on the examination of the creation of ecosystems. As a result, OTP Group entered a new domain by launching an online marketplace called Fizz.hu (“**Fizz**”). Unlike traditional webshops, Fizz.hu operates as a marketplace, a model that is relatively unique both domestically and regionally. The platform exclusively features third-party products, serving as an online platform for merchants' goods without maintaining its own warehouse logistics. Since its soft launch in February 2024, Fizz has attracted significant attention, recording 10.2 million visitors and almost 92,000 orders by the end of 2024.

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 Guarantor 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 Guarantor 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 Guarantor 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 Guarantor 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 Guarantor 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 Guarantor’s mobile application.

To support the organisational transformation required to maintain the pace of digital development, the Guarantor launched an Agile Transformation Program in 2019, shifting a substantial part of its Hungarian workforce to an agile organisational structure.

#### *AI and Automation*

The Guarantor aims to fully digitalise its business processes to be able to provide fast, error-free and cost-efficient processes to its clients.

Various automation technologies – including robotisation, workflow automation and most recently, artificial intelligence (“AI”) - not only achieve that but also let the employees of the OTP Group focus on high value added tasks and innovation instead of manual administration. By the end of 2024, due to the further expansion of process automation, 70 business processes which are mainly related to the Guarantor's back-office activities have been automated. For these processes, the Guarantor 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 Guarantor has digitally processed more than 6 million cases.

Besides robotisation, the Guarantor has expanded its activities in the field of AI and formed a partnership with Microsoft to enhance its internal platform development capabilities using Microsoft Power Platform tools.

The Guarantor successfully developed several new generation AI-driven solutions that have enhanced operational efficiency and customer engagement, integrating AI into customer service operations, fraud prevention systems, and recommendation engines. The Guarantor developed the responsible AI standards and enabled end-user centric AI products for the day-to-day work. The primary objective is to establish stable, scaleable, and ethical AI operations at the group level, rather than hastily embracing the generative AI (GenAI) trend.

### Ratings

As at the date of this Base Prospectus, the following credit ratings have been assigned to the Guarantor by S&P, Moody's, Scope and Lianhe with the cooperation of the Guarantor in the rating process:

Rating agency	Rating classes	Rating	
		Long term	Short term
Moody's	Foreign and Local Currency Deposit	Baa1	P-2
	Counterparty Risk Rating (Foreign and Local Currency)	Baa1	P-2
	Senior unsecured debt	Baa3	-
	Subordinated Foreign Currency Debt	Ba2	-
S&P	Foreign and Local Currency Issuer Credit Rating	BBB	A-2
	Foreign and Local Currency Resolution Counterparty Rating	BBB+	A-2
	Senior unsecured debt	BBB	-
	Subordinated debt	BB	-
Scope	Guarantor 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	-

## FINANCIAL PERFORMANCE OF THE OTP GROUP

**OTP Bank Plc. Consolidated Statement of Financial Position as at 31 December 2024 and 31 December 2023, respectively**

	31 December 2024	31 December 2023
	<i>(in HUF million)</i>	
Cash, amounts due from banks and balances with the National Banks	6,079,012	7,125,049
Placements with other banks	1,891,901	1,566,998
Repo receivables	331,837	223,884
Financial assets at fair value through profit or loss	743,400	288,885
Securities at fair value through other comprehensive income	1,705,553	1,601,461
Securities at amortised cost	6,079,012	5,249,272
Loans at amortised cost	20,290,381	17,676,533
Loans mandatorily at fair value through profit or loss	1,559,781	1,400,485
Finance lease receivables	1,511,477	1,289,712
Associates and other investments	124,523	96,110
Property and equipment	581,240	523,124
Intangible assets and goodwill	356,564	291,358
Right-of-use assets	79,830	74,698
Investment properties	88,240	53,381
Derivative financial assets designated as hedge accounting	50,381	41,967
Deferred tax assets	56,583	55,691
Current income tax receivables	7,060	7,773
Other assets	514,188	509,430
Assets classified as held for sale	0	1,533,333
<b>TOTAL ASSETS</b>	<b><u>43,419,128</u></b>	<b><u>39,609,144</u></b>
Amounts due to banks, the National Governments, deposits from the National Banks and other banks	2,022,191	1,940,862
Repo liabilities	132,137	126,237
Financial liabilities designated at fair value through profit or loss	72,490	70,707
Deposits from customers	31,658,189	28,332,271
Fair value changes of the hedged items in portfolio hedge of interest rate risk	8,209	160
Liabilities from issued securities	2,593,124	2,095,548

	31 December 2024	31 December 2023
	(in HUF million)	
Derivative financial liabilities held for trading	114,089	140,488
Derivative financial liabilities designated as hedge accounting	14,605	63,899
Leasing liabilities	82,109	76,313
Deferred tax liabilities	32,637	28,663
Current income tax payable	76,787	69,948
Provisions	131,637	121,119
Other liabilities	991,552	745,820
Subordinated bonds and loans	369,359	562,396
Liabilities directly associated with assets classified as held for sale	0	1,139,920
<b>TOTAL LIABILITIES</b>	<b>38,299,115</b>	<b>35,514,351</b>
Share capital	28,000	28,000
Retained earnings and reserves	5,327,652	4,179,322
Treasury shares	(245,319)	(120,489)
<b>Total equity attributable to the parent</b>	<b>5,110,333</b>	<b>4,086,833</b>
Total equity attributable to non-controlling interest	9,680	7,960
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>5,120,013</b>	<b>4,094,793</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>43,419,128</b>	<b>39,609,144</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 2024

**OTP Bank Plc. Consolidated Statement of Profit or loss as at 31 December 2024 and 31 December 2023, respectively**

	31 December 2024	31 December 2023
	<i>(in HUF million)</i>	
<b>CONTINUING OPERATIONS</b>		
Interest income calculated using the effective interest method	2,542,138	2,314,677
Income similar to interest income	539,984	633,587
<b>Interest income and income similar to interest income</b>	<b><u>3,082,122</u></b>	<b><u>2,948,264</u></b>
<b>Interest expense</b>	<b><u>(1,336,782)</u></b>	<b><u>(1,561,558)</u></b>
<b>NET INTEREST INCOME</b>	<b><u>1,745,340</u></b>	<b><u>1,386,706</u></b>
Loss allowance on loans, placements, amounts due from banks and on repo receivables	(72,385)	(109,223)
Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	5,504	(91)
(Loss allowance) / Release of loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	(39,907)	8,831
(Provision) / Release of provision for commitments and guarantees given	(2,371)	19,870
Release of impairment of assets subject to operating lease and of investment properties	17	1,332
<b>Risk cost total</b>	<b><u>(109,142)</u></b>	<b><u>(79,281)</u></b>
<b>NET INTEREST INCOME AFTER RISK COST</b>	<b><u>1,636,198</u></b>	<b><u>1,307,425</u></b>
<b>Loss from derecognition of financial assets at amortized cost</b>	<b><u>(14,409)</u></b>	<b><u>(17,182)</u></b>
<b>Modification loss</b>	<b><u>(13,193)</u></b>	<b><u>(38,141)</u></b>
Income from fees and commissions	1,045,987	861,309
Expense from fees and commissions	(203,332)	(169,316)
<b>Net profit from fees and commissions</b>	<b><u>842,655</u></b>	<b><u>691,993</u></b>
Foreign exchange results, net	(12,048)	13,827
Gains on securities, net	10,326	7,283
Gains on fair value adjustment on financial instruments measured at fair value through profit or loss	27,374	94,613
Net results on derivative instruments and hedge relationships	12,004	(12,760)
Profit from associates	12,970	14,766
Other operating income	147,895	324,266
Other operating expense	(127,174)	(110,570)

	31 December 2024	31 December 2023
	(in HUF million)	
<b>Net operating income</b>	<b><u>71,347</u></b>	<b><u>331,425</u></b>
Personnel expenses	(550,175)	(478,696)
Depreciation and amortisation	(134,293)	(111,996)
Other general expenses	(528,306)	(483,645)
Other administrative expenses	(1,212,774)	(1,074,337)
<b>PROFIT BEFORE INCOME TAX</b>	<b><u>1,309,824</u></b>	<b><u>1,201,183</u></b>
Income tax expense	(253,440)	(189,478)
<b>PROFIT AFTER INCOME TAX FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b><u>1,056,384</u></b>	<b><u>1,011,705</u></b>
<b>DISCONTINUED OPERATIONS</b>		
Net Gain / (Loss) from discontinued operations	19,756	(21,246)
<b>PROFIT AFTER INCOME TAX FROM CONTINUING AND DISCONTINUED OPERATION</b>	<b><u>1,076,140</u></b>	<b><u>990,459</u></b>
<b>From this, attributable to:</b>		
<b>Non-controlling interest</b>	<b><u>4,227</u></b>	<b><u>1,801</u></b>
<b>Owners of the company</b>	<b><u>1,071,913</u></b>	<b><u>988,658</u></b>
<b>Earnings per share (in HUF)</b>		
<b>From continuing operations</b>		
Basic	3,977	3,774
Diluted	3,976	3,772
<b>From continuing and discontinued operations</b>		
Basic	4,052	3,695
Diluted	4,050	3,693

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 2024



## Additional information on the OTP Group's performance in the period between 2003 and 1Q 2025

	2003- 2008 average	2009- 2013 average	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>(3)</sup>	2024	1Q 2025
ROE	29.4%	8.3%	(7.4%)	5.1%	15.4%	18.5%	18.7%	20.3%	10.9%	17.0%	11.0%	27.2%	23.5%	14.9%
Adjusted ROE	29.0%	11.6%	8.5%	9.6%	15.4%	18.7%	19.1%	20.6%	13.0%	18.5%	18.8%	24.9%	23.5%	14.9%
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%	6.04%	6.32%	6.33%
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%	4.28%	4.27%
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%	1.31%	1.28%
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%	0.82%	0.73%	0.78%
Operating costs / Average assets	4.47%	3.80%	3.85%	3.62%	3.70%	3.68%	3.57%	3.31%	2.90%	2.59%	2.53%	2.64%	2.61%	2.58%
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%	43.6%	41.3%	40.8%
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%	0.34%	0.38%	0.40%
CET1 capital ratio <sup>(2)</sup>	9.1%	13.4%	14.0%	13.6%	15.6%	15.4%	16.5%	14.4% <sup>(1)</sup>	15.4%	17.8%	16.4%	16.6%	18.9%	18.0%

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 MNB - 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.

**Additional information on the OTP Group's performance as at 31 March 2025, 31 March 2024, 31 December 2024 and 31 December 2023, respectively**

***OTP Group consolidated***

	31 March 2025	31 March 2024	31 December 2024	31 December 2023	Fx-adjusted w/o OBR Year-on-Year Change	Fx-adjusted w/o Ipoteka and OBR Year-on-Year Change
	<i>(in HUF million)</i>				%	%
<b>Main components of the Statement of recognised income</b>						
Profit after tax for the year	188,577	239,962	1,076,140	990,459	(24)	(2)
Adjustments (total)	0	0	0	85,507	-	(100)
Adjusted profit after tax for the year	188,576	239,962	1,076,139	904,952	(24)	10
Adjusted profit before tax	375,189	341,231	1,386,883	1,179,224	8	11
Operating profit	408,070	334,330	1,545,377	1,265,909	20	19
Adjusted total income	689,627	597,615	2,633,908	2,245,706	16	15
Adjusted net interest income	465,408	435,345	1,782,604	1,461,850	8	20
Adjusted net profit from fees and commissions	139,261	121,161	545,631	478,119	14	13
Adjusted other net non-interest income	84,958	41,109	305,673	305,737	108	(2)
Adjusted operating expenses	(281,557)	(263,286)	(1,088,531)	(979,797)	10	11
Total risk costs	(32,881)	6,902	(158,494)	(86,685)	-	270
Adjusted tax <sup>(1)</sup>	(186,613)	(101,270)	(310,743)	(274,272)	83	11

**Note:**

- (1) Corporate income tax, banking taxes (excluding financial transaction tax), Hungarian local business tax and innovation contribution, and tax on dividend payments by subsidiaries.

	31 March 2025	31 March 2024	Change	31 December 2024	31 December 2023	Change
	(in HUF million)		%	(in HUF million)		%
<b>Main components of balance sheet, closing balances<sup>(2)</sup></b>						
Total assets	44,332,797	41,481,987	7	43,419,128	39,609,144	10
Total customer loans (net, FX adjusted)	23,824,897	22,597,521	5	23,361,638	22,549,534	4
Total customer deposits (FX adjusted)	32,425,293	30,825,290	5	31,666,399	30,937,627	2
Liabilities from issued securities	2,280,443	2,207,077	3	2,593,124	2,095,548	24
Subordinated bonds and loans	545,693	591,181	(8)	369,359	562,396	(34)
Total shareholders' equity	5,224,537	4,438,980	18	5,120,013	4,094,793	25

Note:

(1) Corporate income tax, banking taxes (excluding financial transaction tax), Hungarian local business tax and innovation contribution, and tax on dividend payments by subsidiaries.

(2) 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

	31 March 2025	31 March 2024	Change	31 December 2024	31 December 2023	Change
			pps			pps
<b>Indicators</b>						
ROE <sup>(1)</sup>	14.9	22.7	(7.7)	23.5%	27.2%	(3.7)
Adjusted ROE	14.9	22.7	(7.7)	23.5%	24.9%	(1.4)
Adjusted ROA	1.7	2.4	(0.7)	2.6%	2.4%	0.2
Total revenue margin	6.33	5.91	0.42	6.32%	6.04%	0.28
Net interest margin	4.27	4.30	(0.03)	4.28%	3.93%	0.35
Cost-to-asset ratio	2.58	2.60	(0.02)	2.61%	2.64%	(0.03)
Cost-to-income ratio	40.8	44.1	(3.3)	41.3%	43.6%	(2.3)
Risk cost rate	0.40	(0.17)	0.57	0.38%	0.34%	0.04
Net loan/deposit ratio (FX adjusted)	73	73	0	74%	73%	1

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Note:

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- |     |                                                                                                                                          |
|-----|------------------------------------------------------------------------------------------------------------------------------------------|
| (1) | Without the HUF 86 positive one-off direct effect of the acquisitions completed in 2023, the ROE would have been 24.9 per cent. in 2023. |
|-----|------------------------------------------------------------------------------------------------------------------------------------------|
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***Additional information on the OTP Group's performance as at 31 December 2024***

In 2024, the OTP Group's profit after tax exceeded HUF 1,076 billion, which is consistent with 9 per cent. annual profit growth, while annual ROE reached 23.5 per cent. The earnings per share (EPS) for 2024 reached HUF 4,050 whereas the end-2024 book value per share amounted to HUF 19,346.

In 2024, all geographical segments of the OTP Group reported positive results, the share of foreign profit contribution reached 68 per cent.

On 30 July 2024, the financial closure of the sale of the Romanian subsidiary of the Guarantor completed, consequently, starting from 3Q 2024 the consolidated financial statements no longer include the contribution from the Romanian segment. On 22 August 2024, the legal merger of the two Slovenian subsidiary banks of the OTP Group, SKB Banka and Nova KBM d.d. completed successfully and followed by successful operational merger.

The annual profit and loss dynamics were shaped by the positive adjustment items in the amount of HUF 85.5 billion (after tax) in the 2023 base period related to the direct effect of the two newly acquired banks' consolidation and the one-off direct effects of the sale of the Romanian subsidiary of the Guarantor. In 2024, no such adjustment items were presented, given that they remained below the materiality threshold. The acquired banks were conducive of the annual profit momentum through their on-going profit and loss contribution, whereas the divestment of the Romanian operation affected volume dynamics. As for FX rate changes, the average rate of HUF weakened against the currencies of most foreign subsidiaries (by 3.4 per cent. against the EUR) but strengthened against the UAH and RUB. Out of the altogether 9 per cent. growth in the OTP Group's profit after tax, 2 percentage points was attributable to the FX translation effect.

Cumulated adjusted profit after tax improved by 19 per cent., whereas the organic and FX-adjusted growth was 10 per cent. year-on-year.

The full-year operating profit increased by 22 per cent., within those total revenues grew by 17 per cent. mainly due to the 22 per cent. increase in net interest income (+20 per cent. organically and FX-adjusted), boosted by both expanding business volumes and improving margins. It was the margin improvement at OTP Core (Hungary) that was particularly salient: from the lows hit in 1Q 2023, it improved gradually and by 4Q 2024 it surpassed the level prevailing before the war and the elevated interest rate environment. On the contrary, margin erosion, which has characterised the recent past continued in the Eurozone and European exchange rate mechanism ("ERM 2") countries.

Net fees and commissions grew by 13 per cent. organically and FX-adjusted. The other net non-interest income remained flat year-on-year despite significantly lower fair value adjustment of subsidised housing and baby loans at OTP Core. Operating costs went up by 11 per cent. organically and FX-adjusted. The annual cost to income ratio improved by 2.3 percentage points to 41.3 per cent.

Total risk costs of the OTP Group increased by 83 per cent. to HUF 158 billion, within that credit risk costs amounted to HUF 90 billion (+25 per cent.), corresponding with a credit risk cost ratio of 38 basis points, against 34 basis points in 2023. The jump in other risk costs was caused by the HUF 45 billion impairments created on Russian bonds held in the balance sheet of OTP Bank (Hungary) and DSK Bank (Bulgaria).

The full-year effective tax rate moderated by 0.9 percentage point year-on-year to 22.4 per cent., as a result of several factors. Effective from 2024, the statutory corporate income tax rate was raised from 19 per cent. to 22 per cent. in Slovenia, and from 10 per cent. to 15 per cent. in Bulgaria as the global minimum corporate tax rate was adopted from 2024. In Ukraine the previously effective 25 per cent. corporate tax rate was lifted to 50 per

cent. in 4Q 2024 retroactively for the full-year. As opposed to this, total special banking taxes presented on the corporate income tax line moderated year-on-year.

In Ukraine, the corporate income tax rate applicable to other financial corporations was increased from 18 per cent. to 50 per cent., effective from 2025.

The HUF 250 billion profit after tax realised in the fourth quarter of 2024 marked a 22 per cent. quarter-on-quarter setback, mainly on the back of higher operating expenses and impairment charges.

4Q 2024 operating income decreased by 2 per cent. quarter-on-quarter, while it remained flat organically and FX-adjusted. Net interest income increased by 4 per cent. quarter-on-quarter (+2 per cent. FX-adjusted), mainly driven by stronger performance of the Hungarian, Bulgarian, Croatian and Russian operations of the OTP Group. The consolidated net interest margin remained stable as a joint effect of improving Hungary and continuing slow erosion in the Eurozone and ERM 2 countries.

In the fourth quarter of 2024, net fees and commissions surged by 8 per cent. quarter-on-quarter, or HUF 11 billion: apart from seasonality and FX translation effect, one-off positive items amounting to HUF 4 billion at OTP Core related to cards business, as well as HUF 2.7 billion performance bonuses at OTP Asset Management (Hungary) played a key role. On the negative side, in Hungary the increased financial transaction tax rates took effect from August 2024, and FX conversion levy was introduced from October 2024.

Other net non-interest income ticked up by 3 per cent. quarter-on-quarter, or HUF 2.4 billion. The drop out of the HUF 10.5 billion one-off gain booked in 3Q 2024 within other income in relation to the deconsolidation of Romanian operation was offset by quarter-on-quarter improving other revenues in several other geographical segments.

Operating costs increased by 14 per cent. quarter-on-quarter, primarily driven by seasonality. In 4Q 2024, the total risk costs reached HUF 92 billion, more than twice as much as in the 4Q 2023 base period. Of this amount, provision for impairment on loan losses represented HUF 58 billion, owing mostly to Russia, Serbia, Hungary and Bulgaria. In Hungary, the extension of the interest rate cap scheme by another 6 months entailed nearly HUF 5 billion additional impairments.

In the fourth quarter of 2024, other risk costs hit HUF 34 billion, up by 22 billion quarter-on-quarter, marking an almost 3-fold increase:

- Croatia registered a quarter-on-quarter increase of HUF 5 billion, mainly explained by litigations;
- impairments created on Ukrainian government bonds amounted to HUF 5 billion;
- with an aim of lifting provision coverage, in 4Q 2024 altogether HUF 15 billion (3Q 2024: 6 billion) impairment was booked in relation to Russian bond exposures held in the Hungarian and Bulgarian books, weighing on the other provisions line of OTP Core (HUF 10.5 billion) and DSK Bank (HUF 4.6 billion). At the end of 2024, the total gross Russian bond exposures at OTP Core and DSK Bank amounted to HUF 135 billion equivalent, of which HUF 114 billion equivalent not due exposures carried interest. As a result of the impairments made in the fourth quarter, the provision coverage on Russian bonds increased by 10 percentage points quarter-on-quarter, to 73 per cent.

Consolidated credit quality remained stable, main credit quality indicators continued to develop favourably. The ratio of Stage 3 loans under IFRS 9 declined by 0.3 percentage point quarter-on-quarter to 3.6 per cent. The own provision coverage of Stage 3 loans moderated by 1.5 percentage points quarter-on-quarter to 59.5 per cent. The Stage 2 ratio increased by 0.8 percentage point quarter-on-quarter to 13.0 per cent., mainly as a reflection of higher ratios in Bulgaria and Slovenia.

Consolidated performing (Stage 1+2) loans expanded by 3 per cent. quarter-on-quarter FX-adjusted, thus the annual growth reached 9 per cent. without the effect of the deconsolidation of Romanian exposure. Corporate + micro and small sized enterprise (“MSE”) loans posted 2 per cent. year-on-year growth, adjusted for the sale of the Romanian subsidiary as well as the repayment of a big-ticket corporate loan held in the Hungarian, Bulgarian and Slovenian books, in the total amount of HUF 317 billion. It was also favourable that Ukrainian corporate

loans expanded by 20 per cent. in 2024. The uptrend seen in preceding quarters in household loan volumes remained intact: mortgage exposures demonstrated a 3 per cent. quarter-on-quarter expansion, whereas consumer loans grew by 6 per cent. over the quarter. In Bulgaria the year-on-year household loan growth was outstanding, but in 4Q 2024 the pace of growth in cash loans moderated in the wake of tightened macroprudential regulations. In Uzbekistan, the Ipoteka Bank's household loan growth remained modest in 4Q 2024.

Consolidated deposits expanded by 2 per cent. quarter-on-quarter on an FX-adjusted basis, culminating in 6 per cent. year-on-year growth organically, without the effect of the divestment of the Romanian subsidiary. The quarterly expansion was driven by the household segment (+4 per cent.), whereas corporate + MSE deposits declined by 1 per cent., partly as a result of corporate deposit outflows before the year-end in Hungary. Hungarian household deposits expanded by 3 per cent. quarter-on-quarter. Also, Uzbek deposits kept on increasing (+18 per cent. quarter-on-quarter).

The OTP Group's net loan to deposit ratio reached 74 per cent. at the end of 2024, up by 1 percentage point year-on-year.

The volume of issued securities without retail bonds increased by 5 per cent. quarter-on-quarter, and 32 per cent. year-on-year. The volume of retail bonds stood at HUF 85 billion at the end of 2024, down by 58 per cent. year-on-year. The subordinated bonds and loans line declined by 6 per cent. quarter-on-quarter and 34 per cent. year-on-year. All these changes were primarily attributable to OTP Bank (Hungary).

The full-year net comprehensive income exceeded HUF 1,290 billion. Shareholders' equity increased by more than HUF 1,000 billion or 25 per cent. over the last 12 month. In June 2024 altogether HUF 150 billion dividend was paid to shareholders, equivalent of HUF 539.5 per dividend-eligible share. In 2024, the deduction from shareholders' equity due to treasury shares increased by HUF 125 billion.

#### **Additional information on the OTP Group's performance as at 31 March 2025**

In the first quarter of 2025 the OTP Group's profit after tax amounted to HUF 189 billion, which is consistent with 14.9 per cent. return on equity.

Several special negative items impacted the 1Q 2025 profitability of the OTP Group, as the full annual amounts of these items were recognised in one sum in the first quarter of 2025. These items reduced the 1Q 2025 profit after tax by a total of HUF 135 billion. A major factor affecting the profitability was the special baking taxes in Hungary. Taking into account the corporate income tax shield, the special banking taxes booked at the Hungarian members of the OTP Group in the first quarter of 2025 amounted to HUF 117.0 billion (after tax). The gross tax burden recognised in this period reached HUF 128.5 billion (before tax). This included the full annual amount of the special tax on financial institutions introduced in 2010 which was booked in 1Q 2025, representing HUF 32.9 billion. Additionally, the gross windfall profit tax for the full year 2025, amounting to HUF 106.7 billion before deductions, was also booked in a lump sum in 1Q 2025, which was reduced by the prorated part of the expected full-year reduction. The full-year windfall profit tax after reduction is expected to be HUF 54.5 billion, thus in 1Q the windfall tax after the prorated part of the reduction was HUF 93.7 billion (before corporate income tax shield). Furthermore, the annual amount of the financial transaction tax on card transactions shall be paid in a lump sum in the first quarter, based on the annual volume of previous year's transactions. In 1Q 2025, this item amounted to HUF 2 billion.

In addition to the above, supervisory charges also contributed to the negative impact. In Bulgaria and Slovenia, the full annual amount of deposit insurance fees was recognised in one sum in the first quarter, resulting in an after-tax effect of HUF 16.8 billion. Moreover, the after-tax effect of the full-year contribution to the Hungarian Compensation Fund, which was also booked in one sum in 1Q 2025, amounted to HUF 1.1 billion.

Had these items been booked evenly throughout the year, the 1Q 2025 profit after tax would have reached HUF 298.6 billion (compared to HUF 286 billion in 1Q 2024), implying an ROE of 23.7 per cent.

As for the components of profit after tax, there was a material quarter-on-quarter and year-on-year increase on the corporate income tax line, which, on top of the corporate income tax, includes the special bank tax payable in Hungary and Slovenia, as well as the Hungarian windfall profit tax, local business tax and innovation contribution. The main reason behind this increase was the significantly higher windfall profit tax booked in the first quarter of

2025. Additionally, the statutory corporate income tax rate for other financial companies in Ukraine was raised from 18 per cent. in 2024 to 25 per cent. effective from 2025, while in Russia the general corporate income tax rate was increased from 20 per cent. to 25 per cent.

The OTP Group's profit before tax improved by 19 per cent. quarter-on-quarter and 10 per cent. year-on-year. This year-on-year growth was fuelled by the 22 per cent. increase in operating profit (+20 per cent. without the effect of the sale of Romania and FX-adjusted), while the quarter-on-quarter growth reflected positive profit and loss effects of the declining total risk costs from the high 4Q 2024 base, amid quarter-on-quarter stable operating profit.

The total income grew by 15 per cent. year-on-year in HUF terms, and by 16 per cent. organically and FX-adjusted. Within core banking revenues, net interest income advanced by 1 per cent. quarter-on-quarter, culminating in 8 per cent. year-on-year growth adjusted for FX and the Romanian divestment. The key driver behind this year-on-year growth was the expansion of business volumes, whereas the net interest margin stayed flat both in quarterly and yearly comparison. Within that, the Hungarian margin improved by 24 basis points year-on-year, and remained stable quarter-on-quarter. The declining trend in the margin of Eurozone and European Exchange Rate Mechanism 2 countries went on in the first quarter, which was offset by the increasing share of the higher margin Russian business within the OTP Group due to the strengthening RUB.

Net fees and commissions grew by 14 per cent. year-on-year, both organically and on an FX-adjusted basis. In Hungary, the increased financial transaction tax rates, effective from August 2024, had a negative impact, and the introduction of the new FX conversion levy from October 2024 further affected results. Additionally, from 2025, certain fee expense like items that were previously booked under operating costs have been reclassified to the net fee income line at several OTP Group entities, amounting to a total of HUF 3 billion in 1Q 2025. This reclassification also had an adverse effect on the year-on-year comparison of this line.

Other income increased to more than two-fold year-on-year, explained mainly by the improving FX and securities result at OTP Core, as well as the Russian operation of the OTP Group. The 12 per cent. or HUF 12 billion quarter-on-quarter decline in other income was attributable to the Hungarian operation: there was a HUF 8 billion decline at OTP Core due to the quarter-on-quarter lower fair value adjustment of subsidised household loans measures at fair value, and there was a HUF 6 billion decline in the other Hungarian subsidiaries segment mainly in the wake of lower revaluation result of investments managed by PortfoLion.

Operating expenses increased by 10 per cent. year-on-year organically and on an FX-adjusted basis, driven mainly by the 15 per cent. increase in both personnel expenses and depreciation. Personnel expenses growth was induced primarily by wage inflation which typically surpassed inflation by a wide margin, while depreciation was to a great extent influenced by IT CAPEX. The cost to income ratio moderated by 3.2 percentage points year-on-year, to 40.8 per cent.

Operating costs decreased by 6 per cent. quarter-on-quarter on an FX-adjusted basis. This reduction was partly due to the seasonally higher 4Q 2024 base, but the following factors also played a role: the lump-sum accounting of the annual amount of deposit insurance fees in Bulgaria and Slovenia in the first quarter in the total amount of HUF 20 billion, the continuing wage inflation, and the gradual realisation of cost synergies in Slovenia. The average quarterly headcount declined by 4 per cent. quarter-on-quarter in Slovenia, enabled by the merger of the two banks (Nova KBM and SKB Banka) in 3Q 2024; the rationalisation of the branch network had already been mostly completed by the end of 2024. The cost dynamics were further supported by the reclassification of HUF 3 billion in fee expenses like items from the cost line to the net fee income line, as previously mentioned.

The total risk costs in 1Q 2025 amounted to HUF 32.9 billion, of which the Russian bank represented HUF 17.8 billion, and the impairment on Russian government bonds held in the Hungarian and Bulgarian books represented HUF 5.6 billion. In the first quarter of 2025, the credit risk cost rate was 40 basis points, after hitting 38 basis points in full-year 2024.

With an aim of increasing provision coverage, a total impairment of HUF 5.6 billion was recognised in the first quarter of 2025 in connection with Russian bond exposures recorded in the Hungarian and Bulgarian portfolios. This impacted the other provisions line of OTP Core by HUF 5.4 billion and DSK Bank by HUF 0.2 billion. At the end of March 2025, the total gross Russian bond exposures at OTP Core and DSK Bank amounted to HUF

130 billion equivalent, of which HUF 109 billion equivalent related to non-overdue exposures that continued to accrue interest. As a result of the impairments made in the first quarter, the provision coverage on Russian bonds increased by 1 percentage point quarter-on-quarter, to 74 per cent. At the end of the first quarter, the stock of provisions created for the Russian bonds amounted to HUF 97 billion.

Consolidated credit quality remained stable, main credit quality indicators continued to develop favourably. The ratio of Stage 3 loans under IFRS 9 declined by 0.1 percentage point quarter-on-quarter and 0.7 percentage point year-on-year to 3.5 per cent. The own provision coverage of Stage 3 loans improved by 1 percentage point quarter-on-quarter to 60.5 per cent. The Stage 2 ratio decreased by 0.3 percentage point quarter-on-quarter to 12.7 per cent.

Consolidated performing (Stage 1+2) loans expanded by 3 per cent. quarter-on-quarter, thus the annual growth accelerated to 11 per cent. without the effect of the deconsolidation of Romania and FX-adjusted. The uptrend seen in preceding quarters in household loan volumes remained intact: mortgage exposures demonstrated a 3 per cent. quarter-on-quarter expansion, whereas consumer loans grew by 4 per cent. over the quarter. In Bulgaria the year-on-year household loan growth remained outstanding, but in 1Q 2025 the pace of growth in household loans moderated in the wake of tightened macroprudential regulations. At the Uzbek Ipoteka Bank household loan growth remained modest in 1Q 2025, too. Regarding the MSE segment, performing loan growth reached 5 per cent. year-on-year, adjusted for the sale of the Romanian subsidiary of the OTP Group as well as the repayment of a big-ticket corporate loan held in the Hungarian, Bulgarian and Slovenian books, in the total amount of HUF 317 billion. It was favourable that Hungarian corporate and MSE loans increased by 2 per cent. quarter-on-quarter; also, Ukrainian corporate loans expanded by 2 per cent. quarter-on-quarter, lifting the year-on-year growth rate to 26 per cent.

Consolidated deposits expanded by 3 per cent. quarter-on-quarter on an FX-adjusted basis, culminating in 9 per cent. year-on-year growth organically, so without the effect of the divestment of the Romanian subsidiary of the OTP Group. The quarterly expansion was driven by the corporate segment (+5 per cent.). The Hungarian household deposits expanded by 6 per cent. quarter-on-quarter, bringing the year-on-year growth rate to 12 per cent.

The OTP Group's net loan to deposit ratio reached 73 per cent. at the end of 1Q 2025, thus remained unchanged quarter-on-quarter.

The volume of issued securities decreased by 12 per cent. quarter-on-quarter, because of a Senior Preferred bond's redemption in the notional of EUR 650 million. The outstanding stock of retail bonds eroded by 40 per cent. year-on-year. The balance of subordinated bonds and loans jumped by almost 50 per cent. quarter-on-quarter, as the Guarantor issued Tier 2 bonds in the amount of USD 750 million at the end of January 2025, while in February it exercised its call option and redeemed an earlier issued Tier2 bond with a total notional of EUR 500 million (of which the external obligation represented almost EUR 230 million at the end of 2024).

The 1Q 2025 net comprehensive income stood at HUF 169 billion. Shareholders' equity increased by 2 per cent. or HUF 105 billion over the first quarter. In 1Q 2025 the deduction from shareholders' equity due to treasury shares increased by HUF 65 billion: first, in January 2025, HUF 5 billion worth of own shares were repurchased under the single permission granted by the MNB on 22 August 2024 to buy back treasury shares. Secondly, the HUF 60 billion available amount under the single permission granted by MNB on 24 January 2025 was fully utilised by 10 February 2025.

At the end of 1Q 2025, the consolidated CET1 ratio according to IFRS and under the prudential scope of consolidation reached 18.0 per cent., marking 0.9 percentage point decrease against the end of 2024. In the absence of AT1 instruments, this equals to the Tier 1 ratio. The consolidated capital adequacy ratio (CAR) stood at 20.0 per cent. at the end of March 2025, underpinning a quarter-on-quarter decrease of 0.4 percentage point.

Capital adequacy ratios were decreased by 86 basis points in the wake of the implementation of Basel IV regulation effective from 1 January 2025. In the case of the total capital adequacy ratio (CAR), this was counterbalanced by the issuance of the USD 750 million Tier 2 bonds in January 2025 (+104 basis points effect). Tier 2 capital was, however, reduced by the redemption of the previously issued perpetual Tier 2 bond (-35 basis points effect).



At the end of 1Q 2025, the effective regulatory minimum requirement for the consolidated Tier 1 capital adequacy ratio (without P2G) was 12.7 per cent. which also incorporated the effective SREP rate, whereas the minimum CET1 requirement was 10.8 per cent.

The components of capital requirements were shaped by the following recent changes:

- Effective from 1 January 2025, the SREP ratio increased to 122.4 per cent., resulting in an additional capital requirement of 1.8 percentage points.
- The O-SII capital buffer requirement remained 2 per cent.
- The effective rate of the countercyclical capital buffer is 2 per cent. in Bulgaria, 1 per cent. in Slovenia, 1.5 per cent. in Croatia, and 0.5 per cent. in Hungary. The Russian supervisory authority introduced a 0.5 per cent. countercyclical capital buffer requirement in 1Q 2025. As a result of all these, on group level the countercyclical capital buffer was 0.8 per cent. at the end of March 2025. In Hungary, from 1 July 2025 another 50 basis points increase is expected in this buffer requirement. Bearing this in mind, on consolidated level the countercyclical capital buffer rate is expected to increase to 0.9 per cent. in 2025.

Consolidated RWA under the prudential scope of consolidation grew by 5.6 per cent. or HUF 1,430 billion in 1Q 2025. Within that, operational risk related RWA went up by 53.6 per cent., or HUF 1,183 billion, driven by the introduction of the new capital requirement calculation methodology (SMA) according to Basel IV. Credit risk (including counterparty risk) related RWA increased by 1.8 per cent., or HUF 414 billion quarter-on-quarter, explained mainly by the implementation of Basel IV (+33), organic effects (+305), the increase in the risk weight of EU sovereign exposures denominated in foreign currencies (+130), the phasing out of transitional adjustments relating to the introduction of IFRS 9 (-48), and FX effect (-95).

The consolidated CET1 capital grew by HUF 16 billion quarter-on-quarter. The eligible profit for the actual period amounted to HUF 141 billion after dividend deduction. In 1Q 2025 HUF 47 billion dividend was deducted, which was determined in accordance with the Commission Regulation (EU) No. 241/2014. Article 2. (7) paragraph. Therefore, this amount should not be considered as a proposal from the management for the dividend payment after 2025.

From 2025 the transitional adjustment relating to the introduction of IFRS 9 can no longer be taken into account in the regulatory capital, reducing CET1 capital by HUF 48 billion. Furthermore, the CET1 capital was reduced by HUF 60 billion as a result of the single permission received from MNB on 24 January 2025 to buy back treasury shares in the amount of HUF 60 billion. The single permission granted by MNB on 24 April 2025 to buy back own shares in the amount of maximum HUF 150 billion was not reflected in the end of March capital; this is expected to exert a 56 basis points negative effect on the CET1 ratio in the second quarter.

As a result of recently raised MREL-eligible funds as well as redemptions, against the mandatory minimum requirement of 23.9 per cent. for 31 March 2025, at the end of 1Q 2025 the MREL adequacy ratio of OTP Group reached 26.8 per cent. The 3.3 percentage points quarter-on-quarter decline in the ratio can be explained by the redemption in of a Senior Preferred Notes in 1Q 2025 in the nominal amount of EUR 650 million, and the redemption of an earlier issued Tier 2 bond with a total notional of EUR 500 million (of which the external obligation represented almost EUR 230 million at the end of 2024). On the other hand, the Guarantor issued Tier 2 bonds in the amount of USD 750 million in the first quarter.

**Additional financial information by main segments of the OTP Group, for the financial years ended 31 December 2024 and 31 December 2023, and the three months ended on 31 March 2025 and 31 March 2024, respectively**

**The following table sets out the consolidated profit after tax breakdown by segment for the year ended 31 December 2023 and 31 December 2024, respectively:**

	2023	2024	Change
	(HUF million)		(%)
<b>Consolidated profit after tax <sup>(1)</sup></b> .....	990,459	1,076,140	9
<b>Adjustments (total)</b> .....	85,507	0	(100)
<b>Consolidated adjusted profit after tax for the period</b> .....	904,952	1,076,139	19
<b>Banks total</b> .....	848,803	1,001,112	18
OTP Core (Hungary) .....	233,871	270,387	16
DSK Group (Bulgaria) .....	198,182	200,765	1
OTP Bank Slovenia .....	112,342	113,282	1
OBH (Croatia) .....	53,333	61,743	16
OTP Bank Serbia .....	58,211	66,496	14
OTP Bank Albania .....	11,603	19,686	70
CKB Group (Montenegro) .....	21,358	24,194	13
Ipoteka Bank (Uzbekistan) .....	(15,422)	52,893	
OTP Bank Russia .....	95,674	136,946	43
OTP Bank Ukraine .....	44,908	41,179	(8)
OTP Bank Romania .....	20,120	2,050	(90)
OTP Bank Moldova .....	14,624	11,492	(21)
<b>Leasing</b> .....	6,647	10,842	63
Merkantil Group (Hungary) .....	6,647	10,842	63
<b>Asset Management</b> .....	19,861	24,747	25
OTP Fund Management (Hungary) .....	19,673	24,624	25
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria)	188	123	(34)
<b>Other Hungarian Subsidiaries</b> .....	35,972	24,369	(32)
<b>Other Foreign Subsidiaries</b> .....	986	(939)	
<b>Eliminations</b> .....	(7,317)	16,009	
<b>Adjusted profit after tax of Hungarian operation</b> .....	298,679	340,617	14
<b>Adjusted profit after tax of Foreign operation</b> .....	606,274	735,523	21
Share of Hungarian contribution to the adjusted profit after tax, % .....	33%	32%	(1 pps)
Share of Foreign contribution to the adjusted profit after tax, % .....	67%	68%	1 pps

Note:

- (1) Without the HUF 86 billion (HUF 89 billion is the direct effect of the Nova KBM d.d. acquisition, HUF 53 billion is the direct effect of the Ipoteka acquisition and -HUF 56 billion is the direct effect of the sale of OTP Bank Romania) positive one-off direct effect of the acquisitions completed in 2023, the consolidated profit after tax was HUF 905 billion.

The following table sets out the consolidated profit after tax breakdown by segment as at 31 March 2024 and 31 March 2025, respectively:

	1Q 2024	1Q 2025	Change
	(HUF million)		(%)
Consolidated profit after tax .....	239,962	188,577	(21)
Adjustments (total) .....	0	0	-
Consolidated adjusted profit after tax for the period .....	239,962	188,576	(21)
Banks total .....	228,400	180,132	(21)
OTP Core (Hungary) .....	50,055	(31,994)	-
DSK Group (Bulgaria) .....	43,490	48,585	12
OTP Bank Slovenia .....	26,280	27,808	6
OBH (Croatia) .....	18,548	12,092	(35)
OTP Bank Serbia .....	20,385	22,441	10
OTP Bank Albania .....	4,995	4,734	(5)
CKB Group (Montenegro) .....	5,343	5,294	(1)
Ipoteka Bank (Uzbekistan) .....	11,133	12,963	16
OTP Bank Russia .....	29,366	61,120	108
OTP Bank Ukraine .....	16,140	14,905	(8)
OTP Bank Romania .....	143	-	-
OTP Bank Moldova .....	2,520	2,184	(13)
Leasing .....	1,601	166	(90)
Merkantil Group (Hungary) .....	1,601	166	(90)
Asset Management .....	6,089	5,607	(8)
OTP Fund Management (Hungary) .....	6,038	5,470	(9)
Foreign Asset Management Companies (Ukraine, Romania, Bulgaria) .....	51	137	169
Other Hungarian Subsidiaries .....	4,699	6,025	28
Other Foreign Subsidiaries .....	(188)	(3,266)	1640
Eliminations .....	(638)	(87)	(86)
Adjusted profit after tax of Hungarian operation .....	61,626	(19,440)	-
Adjusted profit after tax of Foreign operation .....	178,336	208,017	17
Share of Hungarian contribution to the adjusted profit after tax, % .....	26%	(10%)	(36 pps)
Share of Foreign contribution to the adjusted profit after tax, % .....	74%	110%	36 pps

The following table sets out the ROE and Cost-to-Income ratio breakdown by segment as at 31 March 2024, 31 March 2025, 31 December 2023 and 31 December 2024, respectively:

	ROE <sup>1</sup>		Cost-to-Income ratio		ROE <sup>1</sup>		Cost-to-Income ratio	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 December 2023	31 December 2024	31 December 2023	31 December 2024
OTP Core (Hungary) .....	8%	(4%)	52%	51%	11%	10%	53%	51%
DSK Group (Bulgaria) .....	19%	19%	41%	39%	25%	22%	32%	32%
OTP Bank Slovenia .....	15%	14%	45%	47%	20%	16%	40%	42%
OBH (Croatia) .....	18%	10%	48%	52%	14%	14%	46%	47%
OTP Bank Serbia .....	21%	21%	37%	39%	17%	17%	39%	38%
OTP Bank Albania .....	24%	17%	42%	42%	16%	20%	58%	42%

	ROE <sup>1</sup>		Cost-to-Income ratio		ROE <sup>1</sup>		Cost-to-Income ratio	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025	31 December 2023	31 December 2024	31 December 2023	31 December 2024
CKB Group (Montenegro)	19%	18%	39%	41%	21%	22%	40%	40%
Ipoteka Bank (Uzbekistan)	29%	24%	32%	45%	(16%)	30%	39%	38%
OTP Bank Russia.....	40%	67%	30%	21%	34%	45%	33%	27%
OTP Bank Ukraine.....	38%	29%	30%	32%	30%	22%	28%	33%
OTP Bank Romania.....	0%	-	80%	-	11%	2%	69%	72%
OTP Bank Moldova .....	15%	13%	53%	57%	25%	17%	47%	53%

Note:

(1) With adjustment items.

**The following table sets out the Profit after tax in EUR million breakdown by segment for the three months ended 31 March 2024 and 31 March 2025, respectively:**

	Profit after tax <sup>1</sup> (EUR million)	
	1Q 2024	1Q 2025
OTP Core (Hungary) .....	129	(79)
DSK Group (Bulgaria).....	112	120
OTP Bank Slovenia .....	68	69
OBH (Croatia) .....	48	30
OTP Bank Serbia.....	53	55
OTP Bank Albania.....	13	12
CKB Group (Montenegro).....	14	13
Ipoteka Bank (Uzbekistan).....	29	32
OTP Bank Russia.....	76	151
OTP Bank Ukraine.....	42	37
OTP Bank Moldova .....	6	5

(1) Note: With 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 2025:**

	2003	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>	2024	1Q 2025
Share of Hungarian contribution to the adjusted profit after tax, % .....	93	62	65	62	54	59	49	51	33	32	(10)
Share of Foreign contribution to the adjusted profit after tax, % .....	7	38	35	38	46	41	51	49	67	68	110

Note:

(1) According to the New Adjustment Methodology

**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 2025:**

	2003	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023 <sup>1</sup>	2024	1Q 2025
Total assets (EUR billion).....	13	35	34	36	43	45	61	64	75	82	103	106	110
Adjusted profit after tax (EUR billion) .....	0.3	0.4	0.4	0.6	0.9	1.0	1.3	0.9	1.4	1.5	2.4	2.7	0.5

Note:

(1) According to the New Adjustment Methodology

As at 31 March 2025, in terms of total assets, the four largest operations (OTP Core (Hungary), DSK Group (Bulgaria), OTP Bank Slovenia and OBH (Croatia)), representing around 76 per cent. of the OTP Group's consolidated total assets, were in EU countries.

**The following table sets out the consolidated total assets breakdown by country as at 31 March 2024, 31 March 2025, 31 December 2023 and 31 December 2024, respectively:**

	31 March 2024	31 March 2025	Y/Y pps	31 December 2023	31 December 2024	Y/Y pps
Hungary .....	36%	36%	0	35%	35%	0
Bulgaria .....	16%	17%	1	16%	18%	2
Slovenia .....	14%	14%	0	15%	14%	(1)
Croatia .....	8%	8%	0	8%	9%	1
Serbia .....	7%	8%	1	7%	8%	1
Russia .....	4%	7%	3	4%	5%	1
Ukraine .....	3%	3%	0	3%	3%	0
Albania .....	2%	2%	0	2%	2%	0
Montenegro .....	2%	2%	0	2%	2%	0
Uzbekistan .....	3%	3%	0	3%	3%	0
Moldova .....	1%	1%	0	1%	1%	0
Romania .....	4%	-	-	4%	-	-

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 2014 to 32 per cent. as of 31 March 2025, and the share of net loans in the Eurozone and in countries participating in the exchange rate mechanism of the EU<sup>18</sup> increasing from 6 per cent. as of the end of 2014 to 43 per cent. as of 31 March 2025. The OTP Group's total combined exposure to Russia and Ukraine, as of 31 March 2025, represented 7 per cent. of the OTP Group's net loan portfolio compared to 14 per cent. as of the end of 2014. In terms of products, approximately 58 per cent. of HUF 23,825 billion (EUR 59 billion) net loans on a group-wide basis were to retail and MSE customers.

**The following table sets out the consolidated net loans breakdown by country and by product as at 31 March 2024, 31 March 2025, 31 December 2023 and 31 December 2024, respectively:**

By countries	31 March 2024	31 March 2025	Y/Y	31 December 2023	31 December 2024	Y/Y	31 March 2025
			pps			pps	
Hungary .....	31%	32%	1	32%	32%	0	7,588
Bulgaria .....	19%	20%	1	18%	20%	2	4,721
Slovenia .....	13%	12%	(1)	13%	12%	(1)	2,873

<sup>18</sup> 14 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.

By countries	31 March 2024	31 March 2025	Y/Y	31 December 2023	31 December 2024	Y/Y	31 March 2025
			<i>pps</i>			<i>pps</i>	
Croatia.....	11%	11%	0	10%	11%	1	2,692
Serbia.....	9%	10%	1	9%	10%	1	2,292
Russia .....	3%	5%	2	3%	4%	1	1,274
Uzbekistan.....	4%	4%	0	4%	4%	0	883
Montenegro .....	2%	2%	0	2%	2%	0	537
Albania .....	2%	2%	0	2%	2%	0	455
Ukraine.....	1%	2%	1	1%	2%	1	378
Moldova .....	1%	1%	0	1%	1%	0	177
Romania .....	5%	-	(5)	5%	-	-	-

By products	31 March 2024	31 March 2025	Y/Y	31 December 2023	31 December 2024	Y/Y
			<i>pps</i>			<i>pps</i>
Mortgage .....	27%	28%	1	27%	28%	1
Consumer .....	23%	27%	4	22%	26%	4
MSE .....	4%	4%	0	5%	4%	(1)
Corporate.....	39%	35%	(4)	39%	36%	(3)
Leasing .....	6%	7%	1	6%	7%	1

Note:

(1) 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 2024, 31 March 2025, 31 December 2023 and 31 December 2024, respectively:**

OTP Core + Merkantil	31 March 2024	31 March 2025	Y/Y <i>pps</i>	31 December 2023	31 December 2024	Y/Y <i>pps</i>
Mortgage	26%	27%	1	25%	26%	1
Consumer	22%	22%	0	22%	22%	0
MSE	7%	7%	0	8%	7%	(1)
Corporate	39%	36%	(3)	39%	37%	(2)
Leasing	6%	8%	2	6%	8%	2

DSK Group (Bulgaria)	31 March 2024	31 March 2025	Y/Y <i>pps</i>	31 December 2023	31 December 2024	Y/Y <i>pps</i>
Mortgage	30%	34%	4	29%	34%	5
Consumer	26%	27%	1	25%	27%	2
MSE	2%	2%	0	2%	2%	0
Corporate	34%	29%	(5)	35%	29%	(6)
Leasing	8%	8%	0	8%	8%	0

	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
<b>OTP Bank Slovenia</b>						
Mortgage	32%	33%	1	32%	33%	1
Consumer	15%	16%	1	15%	16%	1
MSE	2%	2%	0	2%	2%	0
Corporate	44%	41%	(3)	45%	41%	(4)
Leasing	7%	8%	1	7%	8%	1
<b>OBH (Croatia)</b>						
Mortgage	29%	29%	0	29%	29%	0
Consumer	21%	22%	1	21%	22%	1
MSE	4%	4%	0	3%	4%	1
Corporate	38%	36%	(2)	39%	37%	(2)
Leasing	8%	9%	1	8%	8%	0
<b>OTP Bank Serbia</b>						
Mortgage	22%	21%	(1)	22%	22%	0
Consumer	23%	23%	0	22%	23%	1
MSE	3%	3%	0	3%	3%	0
Corporate	48%	48%	0	49%	47%	(2)
Leasing	5%	5%	0	5%	5%	0
<b>OTP Bank Albania</b>						
Mortgage	34%	32%	(2)	33%	32%	(1)
Consumer	7%	7%	0	7%	7%	0
MSE	7%	5%	(2)	8%	6%	(2)
Corporate	51%	53%	2	51%	53%	2
Leasing	2%	2%	0	2%	2%	0
<b>CKB Group (Montenegro)</b>						
Mortgage	24%	25%	1	24%	25%	1
Consumer	24%	26%	2	24%	26%	2
MSE	1%	2%	1	1%	1%	0
Corporate	50%	47%	(3)	51%	47%	(4)
Leasing	0%	1%	1	0%	0%	0

<b>Ipoteka Bank (Uzbekistan)</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Mortgage	40%	45%	5	38%	44%	6
Consumer	26%	26%	0	24%	26%	2
MSE	7%	3%	(4)	20%	5%	(15)
Corporate	28%	26%	(2)	18%	26%	8
Leasing	0%	0%	0	0%	0%	0
<b>OTP Bank Russia</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Mortgage	0%	0%	0	0%	0%	0
Consumer	98%	100%	2	97%	100%	3
MSE	0%	0%	0	0%	0%	0
Corporate	2%	0%	(2)	3%	0%	(3)
Leasing	0%	0%	0	0%	0%	0
<b>OTP Bank Ukraine</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Mortgage	1%	0%	(1)	1%	0%	(1)
Consumer	8%	10%	2	8%	10%	2
MSE	0%	0%	0	0%	0%	0
Corporate	61%	63%	2	61%	63%	2
Leasing	30%	26%	(4)	30%	27%	(3)
<b>OTP Bank Romania</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Mortgage	36%	-	(36)	35%	-	-
Consumer	8%	-	(8)	8%	-	-
MSE	2%	-	(2)	2%	-	-
Corporate	49%	-	(49)	49%	-	-
Leasing	6%	-	(6)	6%	-	-
<b>OTP Bank Moldova</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Mortgage	25%	23%	(2)	26%	23%	(3)
Consumer	14%	16%	2	14%	16%	2
MSE	6%	6%	0	7%	6%	(1)
Corporate	51%	51%	0	50%	51%	1
Leasing	3%	3%	0	3%	3%	0



The OTP Group's main source of funding is customer deposits (HUF 32,425 billion; EUR 81 billion), representing 83 per cent. of total liabilities (73 per cent. of total assets) as at 31 March 2025. A high degree of diversification characterises the deposit base, with retail customers accounting for close to 56 per cent. of the total deposits as at 31 March 2025.

**The following table sets out the consolidated customer deposits breakdown by country and by product as at 31 March 2024, 31 March 2025, 31 December 2023 and 31 December 2024, respectively:**

By countries	31 March 2024	31 March 2025	Y/Y pps	31 December 2023	31 December 2024	Y/Y pps	31 March 2025  (HUF billion)
Hungary .....	37%	36%	(1)	37%	34%	(3)	11,596 <sup>(1)</sup>
Bulgaria .....	18%	19%	1	18%	19%	1	6,111
Slovenia .....	15%	14%	(1)	16%	15%	(1)	4,647
Croatia .....	8%	8%	0	8%	8%	0	2,577
Serbia .....	6%	7%	1	6%	7%	1	2,270
Russia .....	4%	8%	4	4%	6%	2	2,458
Ukraine .....	3%	3%	0	3%	3%	0	833
Montenegro .....	2%	2%	0	2%	2%	0	565
Albania .....	2%	2%	0	2%	2%	0	608
Uzbekistan .....	1%	1%	0	1%	2%	1	450
Moldova .....	1%	1%	0	1%	1%	0	314
Romania .....	4%	-	(4)	4%	-	-	-

By products	31 March 2024	31 March 2025	Y/Y pps	31 December 2023	31 December 2024	Y/Y pps
Retail sight .....	37%	38%	1	37%	39%	2
Retail term .....	18%	18%	0	18%	18%	0
MSE .....	10%	10%	0	11%	11%	0
Corporate .....	35%	34%	(1)	34%	32%	(2)

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 2024, 31 March 2025, 31 December 2023 and 31 December 2024, respectively:**

OTP Core + Merkantil	31 March 2024	31 March 2025	Y/Y pps	31 December 2023	31 December 2024	Y/Y pps
Retail sight .....	34%	37%	3	34%	37%	3
Retail term .....	10%	11%	1	10%	12%	2
MSE .....	12%	12%	0	13%	14%	1
Corporate .....	44%	40%	(4)	43%	38%	(5)

<b>DSK Group (Bulgaria)</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	40%	41%	1	39%	41%	2
Retail term .....	36%	35%	(1)	36%	35%	(1)
MSE .....	9%	9%	0	9%	9%	0
Corporate .....	15%	15%	0	16%	14%	(2)
<b>OTP Bank Slovenia</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	60%	61%	1	59%	60%	1
Retail term .....	9%	10%	1	9%	9%	0
MSE .....	10%	10%	0	10%	10%	0
Corporate .....	20%	19%	(1)	22%	20%	(2)
<b>OBH (Croatia)</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	51%	51%	0	51%	51%	0
Retail term .....	14%	15%	1	13%	13%	0
MSE .....	9%	9%	0	9%	9%	0
Corporate .....	27%	25%	(2)	27%	27%	0
<b>OTP Bank Serbia</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	21%	22%	1	21%	22%	1
Retail term .....	24%	25%	1	22%	24%	2
MSE .....	8%	7%	(1)	8%	7%	(1)
Corporate .....	48%	46%	(2)	50%	46%	(4)
<b>OTP Bank Albania</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	25%	29%	4	25%	29%	4
Retail term .....	54%	52%	(2)	54%	52%	(2)
MSE .....	7%	7%	0	7%	9%	2
Corporate .....	14%	12%	(2)	14%	10%	(4)
<b>CKB Group (Montenegro)</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	31%	33%	2	30%	32%	2
Retail term .....	20%	18%	(2)	18%	17%	(1)

<b>CKB Group (Montenegro)</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
MSE .....	14%	12%	(2)	15%	14%	(1)
Corporate .....	35%	37%	2	37%	37%	0
<b>Ipoteka Bank (Uzbekistan)</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	13%	13%	0	16%	15%	(1)
Retail term .....	20%	21%	1	19%	19%	0
MSE .....	14%	8%	(6)	37%	17%	(20)
Corporate .....	52%	58%	6	27%	49%	22
<b>OTP Bank Russia</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	10%	7%	(3)	12%	9%	(3)
Retail term .....	12%	14%	2	14%	15%	1
MSE .....	11%	7%	(4)	11%	8%	(3)
Corporate .....	67%	72%	5	63%	69%	6
<b>OTP Bank Ukraine</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	15%	16	1	15%	17%	2
Retail term .....	16%	14%	(2)	16%	15%	(1)
MSE .....	5%	4%	(1)	6%	5%	(1)
Corporate .....	64%	66%	2	63%	64%	1
<b>OTP Bank Romania</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	10%	-	(10)	10%	-	-
Retail term .....	45%	-	(45)	42%	-	-
MSE .....	9%	-	(9)	9%	-	-
Corporate .....	36%	-	(36)	40%	-	-
<b>OTP Bank Moldova</b>	<b>31 March 2024</b>	<b>31 March 2025</b>	<b>Y/Y pps</b>	<b>31 December 2023</b>	<b>31 December 2024</b>	<b>Y/Y pps</b>
Retail sight .....	25%	28%	3	21%	25%	4
Retail term .....	26%	22%	(4)	29%	20%	(9)
MSE .....	11%	12%	1	11%	12%	1
Corporate .....	38%	38%	0	38%	43%	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 December 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 Moldova	OTP Bank Russia
Nominal change (HUF billion) .....	852 <sup>(3)</sup>	365	453	(98)	304	220	(10)	65	65	71	20	466
Total.....	4% <sup>(3)</sup>	6%	11%	(3%)	13%	11%	(1%)	20%	14%	19%	13%	79%
Consumer.....	21% <sup>(3)</sup>	10%	19%	10%	21%	18%	8%	48%	24%	16%	30%	83%
Mortgage.....	6% <sup>(3)</sup>	13%	28%	0%	14%	10%	15%		18%	15%	3%	
Corporate <sup>(1)</sup> .....	(7%) <sup>(4)</sup>	0% <sup>(5)</sup>	(8%) <sup>(6)</sup>	(11%) <sup>(5)</sup>	7%	7% <sup>(7)</sup>	(27%)	20%	7%	20%	13%	(73%)
Leasing.....	9%	16%	13%	8%	19%	15%		12%		41%	14%	

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 2,004 HUF billion, the change in total volumes is 9 per cent., the change in consumer volumes is 23 per cent., the change in mortgage volumes is 14 per cent. and the change in leasing volumes is 14 per cent.
- (4) If adjusted to exclude OTP Bank Romania and the repayment of a large Slovenian corporate loan, the change in corporate volumes is 2 per cent.
- (5) If adjusted to exclude the repayment of a large Slovenian corporate loan, the change in OTP Core's corporate volumes is 5 per cent. and change in OTP Bank Slovenia's corporate volumes is -9 per cent.
- (6) If adjusted to exclude the repayment of a large Slovenian corporate loan and the effect of an intergroup loan transfer from Bulgaria to Serbia, the change in corporate volumes is 1 per cent.
- (7) If adjusted to exclude an intergroup loan transfer from Bulgaria to Serbia, the change in corporate volumes is 5 per cent.

**The following table sets out the performing (Stage 1 + Stage 2) loan volume changes adjusted for FX-effect for the period between 31 March 2024 and 31 March 2025:**

	OTP Group	OTP Core <sup>(2)</sup>	DSK Group	OTP Bank Slovenia	OBH	OTP Bank Serbia	OTP Bank Albania	CKB Group	Ipoteka Bank	OTP Bank Russia	OTP Bank Ukraine	OTP Bank Moldova
Nominal change (HUF billion) .....	1,307 <sup>(3)</sup>	465	451	(53)	300	294	75	68	(2)	611	77	30
Total.....	6% <sup>(3)</sup>	7%	10%	(2%)	12%	15%	20%	14%	0%	82%	25%	20%
Consumer.....	22% <sup>(3)</sup>	11%	17%	10%	20%	19%	19%	22%	(1%)	86%	67%	34%
Mortgage.....	7% <sup>(3)</sup>	13%	26%	0%	14%	11%	14%	19%	12%			13%
Corporate <sup>(1)</sup> .....	(4%) <sup>(4)</sup>	2% <sup>(5)</sup>	(7%) <sup>(6)</sup>	(8%) <sup>(5)</sup>	7%	14% <sup>(7)</sup>	22%	7%	(18%)	(72%)	26%	20%
Leasing .....	8%	14%	12%	5%	15%	12%	47%				11%	29%

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 2,406 HUF billion, the change in total volumes is 11 per cent., the change in consumer volumes is 24 per cent., the change in mortgage volumes is 14 per cent. and the change in leasing volumes is 13 per cent.
- (4) If adjusted to exclude OTP Bank Romania, the repayment of a large Slovenian corporate loan and the effect of an intergroup loan transfer from Bulgaria to Serbia, the change in corporate volumes is 5 per cent.
- (5) If adjusted to exclude the repayment of a large Slovenian corporate loan, the change in OTP Core's corporate volumes is 7 per cent. and change in OTP Bank Slovenia's corporate volumes is -5 per cent.
- (6) If adjusted to exclude the repayment of a large Slovenian corporate loan and the effect of an intergroup loan transfer from Bulgaria to Serbia, the change in corporate volumes is 3 per cent.
- (7) If adjusted to exclude an intergroup loan transfer from Bulgaria to Serbia, the change in corporate volumes is 11 per cent.

**The following table sets out the deposit volume changes adjusted for FX-effect for the period between 31 December 2023 and 31 December 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
Nominal change (HUF billion)	729(2)	(102)	582	(139)	122	338	170	59	49	11	1	813
Total	2%(2)	(1%)	10%	(3%)	5%	17%	48%	8%	9%	2%	0%	76%
Retail	6%(2)	10%	13%	0%	4%	28%	43%	5%	11%	4%	(11%)	61%
Corporate <sup>(1)</sup>	(2%)(2)	(9%)	3%	(9%)	5%	8%	50%	9%	7%	(7%)	11%	81%
Deposits – Net loans gap (HUF billion)	8,305	4,102	1,466	1,918	10	84	(414)	454	78	159	186	885
Net loan to deposit ratio	74%	62%	76%	60%	100%	96%	178%	46%	87%	74%	48%	53%

Note:

- (1) Including MSE, medium and large sized enterprises (“MLE”) and municipality deposits.
- (2) If adjusted to exclude OTP Bank Romania, the nominal change is 1,908 HUF billion, the change in total volumes is 6 per cent., the change in retail volumes is 10 per cent. and the change in corporate volumes is 2 per cent.

**The following table sets out the deposit volume changes adjusted for FX-effect for the period between 31 March 2024 and 31 March 2025:**

	OTP Group	OTP Core <sup>(2)</sup>	DSK Group	OTP Bank Slovenia	OBH	OTP Bank Serbia	OTP Bank Albania	CKB Group	Ipoteka Bank	OTP Bank Russia	OTP Bank Ukraine	OTP Bank Moldova
Nominal change (HUF billion) .....	1,600	296	602	2	161	286	17	53	135	1,074	83	(4)
Total.....	5%	3%	11%	0%	7%	14%	3%	10%	43%	78%	11%	(1%)
Mortgage.....	7%	12% <sup>(2)</sup>	12%	2%	9%	21%	5%	12%	45%	65%	6%	(2%)
Corporate <sup>(1)</sup> .....	3%	(5%)	7%	(5%)	2%	9%	(6%)	8%	42%	81%	13%	0%
Deposits – Net loans gap (HUF billion) .....	8,600	4,720	1,390	1,774	(115)	(22)	153	28	(432)	1,184	455	137
Net loan to deposit ratio .....	73%	60%	77%	62%	104%	101	75%	95%	196%	52%	45%	56%

Note:

- (1) Including MSE, medium and large sized enterprises (“MLE”) and municipality deposits.
- (2) Including retail bonds.
- (3) If adjusted to exclude OTP Bank Romania, the nominal change is 2,734 HUF billion, the change in total volumes is 9 per cent., the change in retail volumes is 11 per cent. and the change in corporate volumes is 7 per cent.

**The following table sets out the evolution of consolidated net loans to deposits ratio in 2008, 2013 and for the period between 2016 and 1Q 2025:**

	2008	2013	2016	2017	2018	2019	2020	2021	2022	2023	2024	1Q 2025
Consolidated net loans to deposits	129%	90%	67%	68%	72%	79%	76%	75%	74%	73%	74%	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 and 2024 with the aim to comply with the binding MREL Requirement.

**The following table sets out the maturity profile of the OTP Group's consolidated wholesale debt, in EUR million, as at 31 March 2025:**

	2025	2026	2027	2028	2029	2030-2044
Subordinated debt .....	-	-	-	-	-	1,292
Bilateral loans .....	57	115	202	117	46	366
Senior bonds .....	435	758	1,423	999	597	500
Mortgage bonds .....	56	-	191	-	324	266

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 7.7 billion in total as at 31 March 2025) and a favourable debt structure. In 1Q 2025, the wholesale funding constituted 7 per cent. of the total assets, a decrease from the 25 per cent. ratio observed in 2008.

#### Alternative Performance Measures

The Guarantor 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.

#### 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.

#### Reconciliation table:

	OTP Group			
	31	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Profit after tax for the year	239,962	188,577	990,459	1,076,140
(-) Adjustments (total, after corporate income tax)	0	0	85,507	0

	OTP Group			
	31	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Direct effect of acquisitions (after tax)	0	0	85,507	0
Adjusted profit after tax for the year	<b>239,962</b>	<b>188,576</b>	<b>904,952</b>	<b>1,076,139</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Net interest income	417,493	464,457	1,386,706	1,745,340
(-) Direct effect of acquisitions	0	0	(4,023)	0
(-) Reclassification due to the introduction of IFRS16	(923)	(952)	(2,970)	(3,557)
(+) Presentation of the contribution from discontinued operation and assets held for sale on the adjusted P&L lines	16,928	0	68,151	33,706
Adjusted net interest income	<b>435,345</b>	<b>465,408</b>	<b>1,461,850</b>	<b>1,782,604</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Net profit from fees and commissions	177,775	251,848	691,993	842,655
(+) Financial Transaction Tax	(25,634)	(41,331)	(98,472)	(123,298)
(-) Direct effect of acquisitions	0	0	247	0
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	1,672	0	5,537	3,503
(-) Structural shift of income from currency exchange from net fees to the FX result	32,651	71,256	120,693	177,228
Adjusted net profit from fees and commissions	<b>121,161</b>	<b>139,261</b>	<b>478,119</b>	<b>545,631</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Foreign exchange result	(2,776)	(3,142)	13,827	(12,048)
(-) Direct effect of acquisitions on foreign exchange result	0	0	(190)	0
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	1,672	0	(11,397)	(1,705)
(+) Structural shift of income from currency exchange from net fees to the FX result	32,651	71,256	120,693	177,228
Gain/loss on securities, net	(483)	4,437	7,283	10,326
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	57	0	194	5,536
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Gain/loss on securities, net)	(1,930)	28	(18,716)	(9,495)
Gains and losses on real estate transactions	2,346	2,141	7,195	15,918
Result of discontinued operations and gains from disposal of subsidiaries classified as held for sale	3,676	0	34,667	19,756
(+) Other non-interest income	24,851	26,982	315,155	129,280
(+) Net results on derivative instruments and hedge relationships	1,113	1,853	(12,760)	12,004
(+) Net insurance result	380	566	1,915	2,697
(+) Losses on loans measured mandatorily at fair value through other comprehensive income and on securities at amortised cost	(4,987)	(3,145)	94,613	27,373
(+) Profit from associates	1,650	148	14,766	12,970
(-) 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	2,116	4,766	0	0
(+) Other non-interest expenses	(12,872)	(15,370)	(54,490)	(72,638)
(-) Direct effect of acquisitions	0	0	191,793	0
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	96	0	(13,676)	(8,971)
(+) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	(543)	(488)	(2,119)	(2,387)
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Net other non-interest result)	(49)	(50)	191	(172)
(+) Shifting of the depreciation of leased vehicles at Merkantil Bérlet Ltd. to the net other non-interest result line	0	(257)	0	0
Adjusted other net non-interest income without one-offs	<b>41,109</b>	<b>84,958</b>	<b>305,737</b>	<b>305,673</b>



### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted net interest income	435,345	465,408	1,461,850	1,782,604
Adjusted net profit from fees and commissions	121,161	139,261	478,119	545,631
Adjusted other net non-interest income without one-offs	41,109	84,958	305,737	305,673
<b>Adjusted total income</b>	<b>597,615</b>	<b>689,627</b>	<b>2,245,706</b>	<b>2,633,908</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Depreciation and amortization	(30,076)	(35,513)	(111,996)	(134,293)
(-) Direct effect of acquisitions	-	-	(3)	0
(-) Reclassification due to the introduction of IFRS16	(4,058)	(4,386)	(15,575)	(17,358)
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	(814)	0	(4,040)	(1,692)
Personnel expenses	(122,944)	(144,528)	(478,696)	(550,175)
(-) Direct effect of acquisitions	0	0	1,199	0
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	(7,465)	0	(26,571)	(14,198)
Other administrative expenses	(152,972)	(268,129)	(483,645)	(528,306)
(+) Other costs and expenses	(2,275)	(2,718)	(10,143)	(10,206)
(+) Other non-interest expenses	(26,663)	(17,634)	(69,850)	(89,334)
(-) Other other non-interest expenses	(12,872)	(15,370)	(54,490)	(72,638)
(-) Special tax on financial institutions	(34,094)	(129,174)	(56,572)	(38,400)
(-) Tax deductible transfers (offset against corporate taxes)	(12,092)	(355)	(12,131)	(12,092)
(-) Financial Transaction Tax	(25,634)	(41,331)	(98,472)	(123,298)
(-) Direct effect of acquisitions	(4,981)	(5,338)	1,563	0
(+) Reclassification due to the introduction of IFRS16	(5,411)	0	(18,545)	(20,914)

	OTP Group			
	31	31	31	31
	March	March	December	December
	2024	2025	2023	2024
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	(543)	(488)	(17,284)	(8,627)
(-) Shifting of the costs of mediated services at Merkantil Bérlet Ltd. to the net other non-interest result line	(254)	(289)	(2,119)	(2,387)
(+) Shifting of certain expenses arising from mediated services from other provisions to the other non-interest expenses line	0	0	(1,252)	(1,115)
(-) Structural reclassification between Corporate income tax and Other non-interest expenses	(1,276)	(1,233)	(5,624)	(4,159)
Adjusted operating expenses	(263,286)	(281,557)	(979,797)	(1,088,531)

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Provision for impairment on loan and placement losses	10,372	(25,047)	(109,223)	(72,385)
(+) Modification gains or losses	(25)	(138)	(38,141)	(13,193)
(+) Change in the fair value attributable to changes in the credit risk of loans mandatorily measured at fair value through profit of loss	2,318	(493)	(91)	5,504
(+) Loss allowance on securities at fair value through other comprehensive income and on securities at amortized cost	715	(8,591)	8,831	(39,907)
(+) Provision for commitments and guarantees given	600	1,518	19,870	(2,371)
(+) Impairment of assets subject to operating lease and of investment properties	7	(3,224)	1,333	18
(-) Direct effect of acquisitions	0	0	(51,873)	0
(-) Structural correction between Provision for loan losses and Other provisions	722	(11,814)	10,164	(39,890)
(+) Presentation of the contribution from discontinued operations and assets held for sale on the adjusted P&L lines	(2,384)	0	2,758	(4,714)
(+) Structural adjustment due to the Gain from derecognition of financial assets at amortized cost line (against Provision for impairment on loan losses)	(1,798)	(71)	1,343	(4,741)
(-) Shifting of provision for impairment on placement losses to the other provisions line from 1Q 2022	(398)	244	79	(2,035)
Adjusted provision for impairment on loan and placement losses	9,480	(24,475)	(71,690)	(89,864)

### ***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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Profit after tax for the year	239,962	188,577	990,459	1,076,140
Average total equity	4,254,339	5,117,237	3,647,349	4,582,285
ROE	<b>22.7%</b>	<b>14.9%</b>	<b>27.2%</b>	<b>23.5%</b>

### ***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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted profit after tax for the year	239,962	188,577	904,952	1,076,139
Average total equity	4,254,339	5,117,237	3,647,349	4,582,285
Adjusted ROE	<b>22.7%</b>	<b>14.9%</b>	<b>24.9%</b>	<b>23.5%</b>

### ***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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted profit after tax for the year	239,962	188,576	904,952	1,076,139
Average total assets	40,680,371	44,191,928	37,168,362	41,688,546
Adjusted ROA	<b>2.37%</b>	<b>1.73%</b>	<b>2.43%</b>	<b>2.58%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted total income	597,615	689,627	2,245,706	2,633,908
Average total assets	40,680,371	44,191,928	37,168,362	41,688,546
Total revenue margin	<b>5.91%</b>	<b>6.33%</b>	<b>6.04%</b>	<b>6.32%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted net interest income	435,345	465,408	1,461,850	1,782,604
Average total assets	40,680,371	44,191,928	37,168,362	41,688,546
Net interest margin	<b>4.30%</b>	<b>4.27%</b>	<b>3.93%</b>	<b>4.28%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted net profit from fees and commissions	121,161	139,261	478,119	545,631
Average total assets	40,680,371	44,191,928	37,168,362	41,688,546
Net fee and commission margin	<b>1.20%</b>	<b>1.28%</b>	<b>1.29%</b>	<b>1.31%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted other net non-interest income without one-offs	41,109	84,958	305,737	305,673
Average total assets	40,680,371	44,191,928	37,168,362	41,688,546
Other income margin	<b>0.41%</b>	<b>0.78%</b>	<b>0.82%</b>	<b>0.73%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted operating expenses	(263,286)	(281,557)	(979,797)	(1,088,531)
Average total assets	40,680,371	44,191,928	37,168,362	41,688,546
Cost-to-asset ratio	<b>2.60%</b>	<b>2.58%</b>	<b>2.64%</b>	<b>2.61%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted operating expenses	(263,286)	(281,557)	(979,797)	(1,088,531)
Adjusted total income	597,615	689,627	2,245,706	2,633,908
Cost-to-income ratio	<b>44.1%</b>	<b>40.8%</b>	<b>43.6%</b>	<b>41.3%</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Adjusted provision for impairment on loan and placement losses	9,480	(24,475)	(71,690)	(89,864)
Average gross loans	22,914,578	24,569,066	21,377,408	23,446,341
Risk cost rate	<b>-0.17%</b>	<b>0.40%</b>	<b>0.34%</b>	<b>0.38%</b>

### 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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Stage 3 loans gross amount	994,189	873,707	969,881	886,981
Gross customer loans (adjusted)	23,348,380	24,814,130	22,466,415	24,334,694
Stage 3 ratio	4.3%	3.5%	4.3%	3.6%

### 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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Loss allowance on Stage 3 loans	(606,158)	(527,328)	(589,803)	(527,589)
Stage 3 loans gross amount	994,189	873,707	969,881	886,981
Own coverage of Stage 3 loans	61.0%	60.4%	60.8%	59.5%

### 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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
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)	21,329,908	21,329,908	21,329,908	24,334,694
(+) Allocation of Assets classified as held for sale among balance sheet lines	1,147,918	0	1,136,507	0
Gross customer loans (adjusted)	<b>23,348,380</b>	<b>24,814,130</b>	<b>22,466,415</b>	<b>24,334,694</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Gross customer loans (adjusted)	23,348,380	24,814,130	22,466,415	24,334,694
(+) Allowances for loan losses (incl. impairment of finance lease receivables)	(1,027,839)	(989,235)	(1,019,035)	(973,056)
Net customer loans (adjusted)	<b>22,320,541</b>	<b>23,824,894</b>	<b>21,447,380</b>	<b>23,361,638</b>

### *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	31	31	31
	March	March	December	December
	2024	2025	2023	2024
Net customer loans (adjusted)	22,320,541	23,824,894	21,447,380	23,361,638
Deposits from customers (adjusted)	30,432,829	32,425,293	29,428,284	31,666,399
Net loan-to-deposit ratio	<b>73%</b>	<b>73%</b>	<b>73%</b>	<b>74%</b>



## 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 Guarantor 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 Standard Measurement Approach ("SMA") in case of operational risk from 1 January 2025.

## 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 2023 and 2024.

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. From 1 January 2025 OTP Group calculates its capital requirement in accordance with the CRR3 ("Basel IV") regulation.

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	2024	1Q 2025
Capital adequacy ratio (%).....	19.4%	17.8%	18.9%	20.3%	20.0%
Tier 1 ratio (%).....	17.8%	16.4%	16.6%	18.9%	18.0%
CET1 ratio (%).....	17.8%	16.4%	16.6%	18.9%	18.0%
<i>(in HUF billion)</i>					
Own funds.....	3,267	3,671	4,475	5,200	5,391
Tier 1 capital .....	3,002	3,383	3,946	4,843	4,859
Common Equity Tier 1 capital.....	3,002	3,383	3,946	4,843	4,859
Additional Tier 1 capital .....	0	0	0	0	0
Tier 2.....	265	288	530	357	533
Consolidated Risk Weighted Assets .....	16,831	20,608	23,700	25,577	27,007

Calculation based on prudential scope of consolidation	2021	2022	2023	2024	1Q 2025
Consolidated Risk Weighted Assets/Total Assets.....	61%	63%	60%	59%	62%

In 2024, the CET1 ratio based on IFRS financials increased year-to-date (+2.3 percentage points), mainly due to the inclusion of the eligible profit (+322 basis points impact), FX movements (-4 basis points impact in total, as a combined effect of -74 basis points FX impact on RWA and 69 basis points impact on CET1 capital), the sale of OBR (59 basis points impact), regulatory changes (20 basis points impact), organic growth effect in RWA (-108 basis points impact), treasury shares buyback (-50 basis points) and other effects (10 basis points impact).

At the end of 2024, the capital adequacy ratio of the OTP Group under CRR was 20.3 per cent., while the CET1 ratio was 18.9 per cent., both of which include eligible profit. The capital adequacy ratio exceeded the regulatory requirement by 5.0 percentage points at the end of 2024. As a result of the Basel IV regulation effective from 1 January 2025, taking into account the transitional rules, the consolidated RWA increased by 4.7 per cent. at the time the regulation took effect. Accordingly, the consolidated CET1 ratio declined by 85 bps ceteris paribus, based on 4Q 2024 data. The Basel IV regulation will be introduced on a 'fully loaded' basis from 2030, which may trigger an additional 1.7 per cent. increase in consolidated RWA, based on end-2024 data. Thus, the total 'fully loaded' RWA effect of the Basel IV implementation is expected to be around 6.5 per cent.

The Guarantor 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 Guarantor's profits. According to the stress test results the fully loaded consolidated CET1 ratio of the Guarantor 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 Guarantor'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 Guarantor'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. The Guarantor is subject to the 2025 EU-wide stress test conducted by the European Banking Authority. The first results are expected in the second half of 2025.

In 1Q 2025, the CET1 ratio based on IFRS financials decreased quarter-to-quarter (-0.9 percentage points), mainly due to the inclusion of the eligible profit (+52 basis points impact), FX movements (0 basis point impact in total, as a combined effect of 7 basis points FX impact on RWA and -7 basis points impact on CET1 capital), Basel IV effect (-86 basis points impact), organic growth effect in RWA (-23 basis points impact), treasury shares buyback (-22 basis points) and other effects (-15 basis points impact).

At the end of 1Q 2025, the consolidated Common Equity Tier 1 (CET1) ratio according to IFRS and under the prudential scope of consolidation reached 18.0 per cent., marking 0.9 percentage point decrease against the end of 2024. In the absence of AT1 instruments, this equals to the Tier 1 ratio. The consolidated capital adequacy ratio (CAR) stood at 20.0 per cent. at the end of March 2025, underpinning a quarter-to-quarter decrease of 0.4 percentage point. Capital adequacy ratios decreased by 86 basis points in the wake of the implementation of Basel IV regulation effective from 1 January 2025

### Capital requirements

Following the group-wide SREP – including a multilateral procedure involving the European Central Bank and National Bank of Croatia – the MNB imposed the below additional capital requirements for OTP Group, on a consolidated basis:

- 1.01 percentage point in case of Common Equity Tier 1, based on which the minimum CET1 ratio is 5.51 per cent. (without regulatory capital buffers);

- 1.34 percentage points in case of Tier 1 capital, based on which the minimum Tier 1 ratio is 7.34 per cent. (without regulatory capital buffers); and
- 1.79 percentage points in case of Total SREP Capital Requirement, based on which the minimum capital adequacy ratio is 9.79 per cent. (without regulatory capital buffers).

The minimum requirements for own funds and various elements entered into force on 1 January 2025 and remain effective until the next review.

The MNB has set the rate of the Pillar 2 Guidance (“**P2G**”) at 0.5 per cent. from 1 January 2024 and the P2G increased to 1 per cent. from 1 January 2025. The P2G is a bank-specific recommendation that indicates the level of capital that the MNB expects the OTP Group 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. 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. in 2024 and 122.4 per cent. from 1 January 2025.

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 0.5 per cent. The CCyB rate applicable to exposures in Hungary is expected to be set at 1 per cent. from 1 July 2025. The other systemically important institutions (O-SII) buffer is 2.0 per cent.. The MNB will modify the amount of the final buffer rates if material future changes in the systemic importance of the Guarantor necessitate adjustments during the annual revisions.

The effective rate of the countercyclical capital buffer is 2 per cent. in Bulgaria, 1 per cent. in Slovenia, 1.5 per cent. in Croatia, and 0.5 per cent. in Hungary. The Russian supervisory authority introduced a 0.5 per cent. countercyclical capital buffer requirement in 1Q 2025. As a result of all these, on group level the countercyclical capital buffer was 0.8 per cent. at the end of March 2025. In Hungary, a further increase of 50 basis points in this buffer requirement is expected from 1 July 2025. Taking this into account, the consolidated countercyclical capital buffer rate is expected to increase to 0.9 per cent. in 2025.

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 consolidated MREL Requirement of the Guarantor at the level of the OTP Bank Resolution Group (as defined above) from 13 January 2025 is determined at 18.6 per cent. of the OTP Bank Resolution Group’s RWA and 6.02 per cent. of the OTP Bank Resolution Group’s TEM. Pursuant to CRD V, the Guarantor has to meet the combined buffer requirement in addition to the RWA-based MREL Requirement 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.

Subordination requirements are also applicable to the Guarantor. The minimum level of subordination for the Guarantor is 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 instruments. The Guarantor has to meet the combined buffer requirement in addition to the RWA based MREL subordination requirement.

As at 31 December 2024, the consolidated MREL ratio in terms of RWA at the OTP Bank Resolution Group level stood at 30.1 per cent. whereas the sum of the then applicable MREL Requirement and the combined buffer requirement was 24.2 per cent. As at 31 December 2024, the consolidated subordinated MREL ratio in terms of

RWA at the OTP Bank Resolution Group level stood at 22.8 per cent. whereas the sum of the then applicable subordination requirement and the combined buffer requirement was 18.8 per cent.

OTP Group has a MPE strategy as the preferred resolution strategy. Two resolution groups within OTP Group were identified:

- OTP Bank Resolution Group, and
- OTP Banka Resolution Group.

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 OF THE GUARANTOR

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 17 December 2024 and 18 October 2024, respectively, and they are both revised annually.

OTP Factoring Ltd. was established in 1998 in Hungary. The Guarantor'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 Guarantor'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 takes on exposure to credit risk which is the risk that a counterparty will be 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 sub-limits covering on 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 Guarantor;
  - 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 needs to be followed for each stage:

- 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	2024	1 Q 2025
Risk cost rate (Provision for impairment on loan and placement losses (adjusted) /Average gross customer loans)	0.34%	0.38%	0.40 %
Consolidated Stage 1 loans under IFRS 9/gross customer loans (%)	82.7%	83.3%	83.8 %
Consolidated Stage 2 loans under IFRS 9/gross customer loans (%)	13.0%	13.0%	12.7 %
Own coverage of consolidated Stage 1 + Stage 2 loans under IFRS 9 (%)	2.0%	1.9%	1.9 %
Own coverage of consolidated Stage 1 + Stage 2 loans without OBRu, OBU and Ipoteka under IFRS 9 (%)	1.6%	1.4%	1.4 %
Consolidated Stage 3 loans under IFRS 9/gross customer loans (%)	4.3%	3.6%	3.5 %
Consolidated Stage 3 loans under IFRS 9/gross customer loans without OBRu, OBU and Ipoteka under IFRS 9 (%)	3.3%	2.9%	2.8 %
Own coverage of consolidated Stage 3 loans under IFRS 9 (%)	60.8%	59.5%	60.4 %
Own coverage of consolidated Stage 3 loans without OBRu, OBU and Ipoteka under IFRS 9 (%)	57.6%	59.5%	59.6 %

## 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 8.9 billion).

Total liquidity reserves of the OTP Group remained steadily and substantially above the required level. As of 31 December 2024, 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 2024, the OTP Group consolidated liquidity coverage ratio (LCR) was 266 per cent. (compared to 246 per cent. as of 31 December 2023) while net stable funding ratio (“NSFR”) compliance has remained comfortable at 158 per cent. as of 31 December 2024.

**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, 2024 and 1Q 2025:**

	Requirement	2017	2018	2019	2020	2021	2022	2023	2024	1Q 2025
Net stable funding ratio.....	at least 100%	145%	144%	125%	139%	139%	137%	153%	158%	151%
Liquidity coverage ratio.....	at least 100%	208%	207%	169%	214%	180%	172%	246%	266%	238%
Leverage ratio.....	at least 3%	9.3%	8.3%	8.6%	9.2%	10.1%	9.6%	9.3%	10.4%	10.3%*
Net loan to deposit ratio.....	—	68%	72%	79%	76%	75%	74%	73%	74%	73%

\*Leverage ratio according to Basel IV regulation.

### ***Interest rate risk***

Due to the liabilities on the Guarantor’s balance sheet, which respond to yield changes only to a moderate extent, the Guarantor has an interest-rate risk exposure resulting from its business operations. The Guarantor considers the reduction and closing of this exposure as a strategic matter.

In 2024, the stock of HUF-denominated variable interest rate assets stabilised. This stabilisation occurred as the yield environment normalised, leading to a reduction in the balance sheet distortions caused by recent government interventions. Currently, the HUF interest rate risk position is nearly closed. However, due to the impending maturities of the long-term HUF liquid asset portfolio and the accumulation of operating profits, the surplus of variable rate assets is anticipated to grow over time.

In case of EUR and BGN denominated volumes the OTP Group has variable rate asset surplus, thus an open interest rate risk position. The OTP Group continued to purchase fixed rate EUR (and BGN) assets in 2024, furthermore entered into fixed interest rate receiver swap positions, in order to hedge the OTP Group’s net interest income from the negative effects of potential decrease in the EUR 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 49.5 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 Guarantor.

To reduce the impact of fluctuations in foreign exchange rates on its overall equity, the Guarantor 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 Guarantor’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 including, but not limited to, legal risk, model risk or information and communication technology (ICT) risk, but excluding strategic and reputational 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 Guarantor'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 Guarantor 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 and legal 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. Recognising and managing information and communication technology (“**ICT**”) risks based on the ever-increasing threats affected the IT and security solutions is essential for maintaining trust between the Guarantor and its customers. In response, the Guarantor in cooperation with the relevant stakeholders within the organisation, will fine-tune responsibilities, develop the ICT Risk Framework furthermore establish and develop appropriate measurement, reporting, monitoring and mitigation procedures in 2nd line of defence considering and comply with the Digital Operational Resilience Act (“**DORA**”).

The Guarantor adopts the EBA's recommended approach of separating lines of defence for IT Security tasks to ensure efficient, prudent, and reliable operations. Due to the changing operational environment and the abovementioned regulatory requirement our cyber security operation has undergone a significant transformation. Central to this information is the implementation of „lines of defence” concept, which has been initiated within the OTP Group. In this framework, tasks and responsibilities are clearly defined across each line of defence, ensuring a structured approach to cybersecurity. Additionally, it is crucial to facilitate information and best practice sharing related to second line of defence activities among OTP Group members. This enhances collaboration and ensures that all OTP Group members are informed and equipped to address potential cybersecurity challenges effectively.

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 Guarantor 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 Guarantor is working on integrating the OTP Group members on a group level into the Guarantor's SOC (Security Operations Center). In this regard the relevant service contracts were already signed with most of the foreign subsidiary banks. However, the service is still not provided in all subsidiaries, efforts are underway to establish the necessary requirements for implementing this service.

The OTP Group uses third party monitoring service which assists in continuously assessing the external security risks of the group members and also uses a separate cyber security service provider to enhance its brand protection capabilities. Furthermore, the Guarantor places emphasis on identifying third-party ICT risks and managing the identified risks during its procurement process, in order to protect its own data and enhance operational resilience.

To ensure operational resilience, the Guarantor also operates a Business Continuity Management to identify critical processes by the respective departments and, in terms of availability, to enable the departments to prepare appropriate business continuity plans. In addition, the Guarantor emphasizes operational continuity in accordance with applicable laws, aiming to ensure the continuity of its essential services and maintain its core business lines to continue providing its critical functions without disruption.

One of the key tasks for 2025 will be the group-level execution of previously initiated implementation tasks. In connection with the DORA implementation, several IT security policies regarding second line control activities have also been updated, and their group-level implementation also needs to be ensured.

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 Guarantor'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 GDPR and DORA, the Guarantor aims to establish the same privacy standards throughout the OTP Group in Hungary and in other EU member states as well. The Guarantor 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. The Guarantor always ensures that the requirements of the GDPR are taken into account from the planning phase of a

new service or product. 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 applicable economic, financial and trade sanctions laws, regulations and embargo provisions imposed by the EU, the UN, the competent authority of the UK and the government of the U.S. 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 Guarantor 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 EU, the UN, the UK and the U.S. 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 Guarantor 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 relevant clients and transactions concerned.

### **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 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

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<sup>19</sup> The Wolfsberg Group – Wolfsberg Anti-Bribery and Corruption (ABC) Compliance Programme Guidance (2017)

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 Guarantor 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 Guarantor's internal regulatory documents.

### **Basic principles of the Code of Ethics and the Partner Code of Ethics**

The Guarantor 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 Guarantor has set up an Ethics Committee; a body that reviews the Guarantor'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 by post, in person, by telephone, e-mail or via the whistleblowing interface. The purpose of the Whistleblowing System is to provide Reporters with the opportunity to report legal violations or violations of the OTP Group's Code of Ethics, as well as abuses in accordance with the Whistleblowing Act. The Guarantor 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 Guarantor attaches particular importance to making sure that its employees familiarise themselves with and develop awareness of the norms of ethics. The Guarantor 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 Guarantor'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 Guarantor 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 Guarantor and its management are fully committed to ensuring observance of all relevant legislation, including anti-corruption statutes. The Guarantor 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 Guarantor 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.

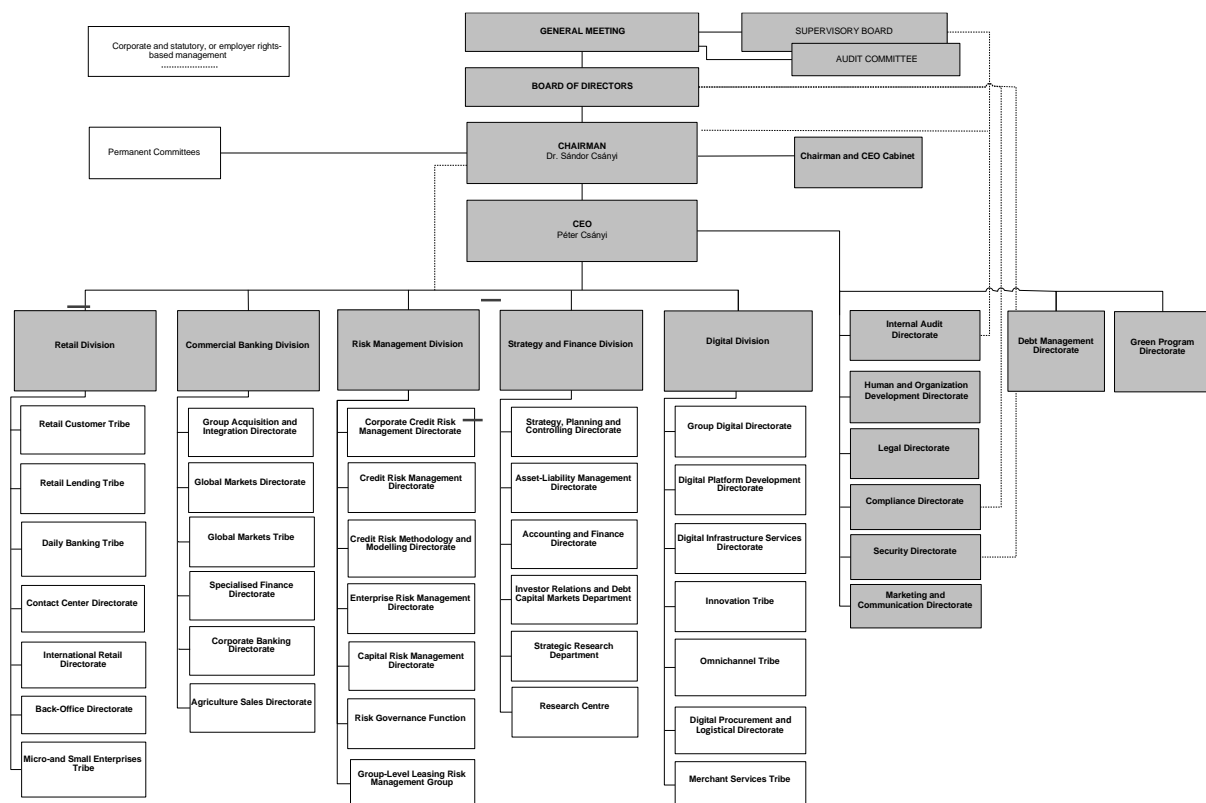
## ORGANISATION STRUCTURE AND MANAGEMENT OF THE GUARANTOR

### Organisational structure of the Guarantor

The Guarantor's operations are divided between the Guarantor's headquarters in Budapest and its branches throughout Hungary.

The Guarantor is composed of two core operational divisions, four functional divisions and two directorates. 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 Guarantor as at 1 May 2025:



As at 31 March 2025, the OTP Group consisted of the Issuer and 106 fully consolidated subsidiaries and associates and the total number of active customers served by the OTP Group was more than 17 million.

The Guarantor 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 Guarantor are contained in its Articles of Association, which are approved by the General Meeting of Shareholders. Recent changes in the management of the Guarantor are described below.

On 25 April 2025, the Board of Directors, within its sole competence, decided on the modification of the governance structure of the Issuer by separating the position of the Chairman and Chief Executive Officer ("CEO") as of 1 May 2025.

Following this decision, the Board of Directors appointed Mr. Péter Csányi, currently serving as Deputy Chief Executive Officer and a member of the Board of Directors, as CEO of the Issuer for an indefinite term, effective from 1 May 2025.

After the separation of these positions, Dr. Sándor Csányi will continue to serve as Chairman of the Board of Directors.

### **Board of Directors**

The Board of Directors is an executive body elected by the General Meeting of the Guarantor. 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 Guarantor, as part of which the Board's main tasks include the approval of the Guarantor'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 Guarantor'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 Guarantor, 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.

The operative management of the Guarantor is overseen by the CEO who 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 Guarantor are in general exercised by the Board of Directors as a corporate body, with the proviso that in the case of the deputy CEOs, these rights are exercised by the Chairman, provided that the Board of Directors is notified in advance regarding their appointment or the termination thereof.

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 (3 executive members, 8 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**

He graduated from the College of Finance and Accounting in 1974 with a bachelor's degree in business administration and from the Karl Marx University of Economic (now: Corvinus University) in 1980 with a master's degree in economics and finance, where he also obtained a doctorate in finance between 1981-1983. He is a chartered accountant – certified by the Ministry of Finance in 1982. After graduating he worked at the Tax Revenue Directorate and then at the Secretariat (Banking Supervision Section) of the Ministry of Finance. From 1983 to 1986, he was Head of Department at the Ministry of Agriculture and Food Industry. From 1986 to 1989 he was a senior department head at the Hungarian Credit Bank (MHB). From 1989 to 1992 he was Deputy CEO of K&H Bank.

He has been the Chairman and CEO of the Guarantor since 1992.

He is Vice Chairman of the Board of Directors of MOL Plc. and Co-Chairman of the Chinese-Hungarian Business Council.



In 2022, through contributing 100% of the shares of Bonitás 2002 Zrt. and Hungerit Zrt. as well as substantial cash, he founded Unity Asset Management Foundation, which acts as his “Family Office” and manages sizable investments.

Bonitás 2002 Zrt. is the holding company that oversees his investments in agriculture, the food industry, real estate and asset management, which comprise some 240 directly or indirectly owned companies.

Bonitás 2002 Zrt. is one of the largest investors in agriculture and food industry in the CEE region through Bonafarm Group, Hungerit Zrt. and KITE Zrt. generating a total annual revenue of EUR 2.5 billion with more than 9,500 employees and with a total of 40,000 hectares of cultivated farmland. The Bonafarm Group is vertically integrated with agricultural companies producing the raw materials for food processors: Hungary’s largest meat processor, Pick Szeged Co and MCS Vágóhíd Zrt., the dairy company Sole-Mizo Zrt. and the winery Csányi Pincészet Zrt. It also has significant investments in real estate and construction companies as well as in venture capital and real estate funds through the Bonitás Venture Capital and Real Estate Fund. 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 80 million. Bonitás 2002 Zrt.’s portfolio also includes the largest Hungarian private hospital, BEK Zrt.

He has been President of the Hungarian Football Federation (MLSZ) since 2010. From 2015 until 2023 he was a member of the UEFA Executive Committee, from 2017 to 2023 Vice President thereof and from 2017 a member of the UEFA Finance Committee. He has been 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 President of the International Judo Federation since 2024.

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, which supports the education of over 523 highly talented underprivileged children from the age of 10 till their graduation through 7 talent centres located throughout in Hungary. 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.

On 25 April 2025, the Board of Directors, within its sole competence, decided on the modification of the governance structure of the Guarantor by separating the position of the Chairman and Chief Executive Officer as of 1 May 2025. Following this decision, the Board of Directors appointed Mr. Péter Csányi, currently serving as Deputy Chief Executive Officer and a member of the Board of Directors, as CEO of the Guarantor for an indefinite term, effective from 1 May 2025. After the separation of these positions, Dr. Sándor Csányi will continue to serve as Chairman of the Board of Directors.

As of 31 December 2024, he held 76,887 ordinary OTP shares (while the total number of OTP shares held directly and indirectly by him was 5,276,887).

#### **Péter Csányi, Chief Executive Officer**

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 and he was working part-time on corporate finance projects for financial institutions while attending university as well.

From 2007 to 2011, he was an analyst in Deutsche Bank’s London office and then a financial advisor in the field of corporate finance (for CEE corporate customers).

From 2011-2016, he worked for McKinsey & Company Inc. as a senior consultant mostly working on banking related projects.

He joined the Guarantor in 2016 as managing director of the Digital Sales and Development Directorate. After the agile transformation at the Guarantor, he became responsible for the management of the Omnichannel Tribe from 2019. In addition, since January 2021, he was the head of the Daily Banking Tribe.

Since March 2021, he has been the Deputy CEO of the Guarantor, the head of the IT Division (as of 1 May 2021 Digital Division) and the Member of the Management Committee. Since July 2023 he is the Chairman of the Executive Steering Committee.

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, the Board of Directors of PortfoLion Ltd., and the Supervisory Board of Fizz.hu (Ecosystem Ltd.). He is also the head of the Digitization Working Group of the Hungarian Banking Association and a member of the Mastercard European Advisory Board and the vice president responsible for digital transformation of IVSZ IT Association of Hungary.

On 25 April 2025, the Board of Directors, within its sole competence, decided on the modification of the governance structure of the Guarantor by separating the position of the Chairman and Chief Executive Officer as of 1 May 2025

The Board of Directors has appointed Mr. Péter Csányi as Chief Executive Officer of the Guarantor for an indefinite period of time from 1 May 2025.

As of 31 December 2024, he held 49,429 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 Guarantor's Treasury Directorate, and since 1994 he has been the head of Commercial Banking Division as Deputy CEO of the Guarantor.

Since 2003 he has been a member of DSK Bank's Supervisory Board.

He has been a member of the Guarantor's Board of Directors since 15 April 2016.

Since 13 June 2023 he has been the Chairman of Supervisory Board of Ipoteka Bank.

As of 31 December 2024 he held 554,412 ordinary OTP shares.

#### **Non-executive members their principal activities outside the OTP Group are:**

##### **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 Guarantor, 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.

From 1983 he was 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 became CEO, and from 1997 until the end of March 2012 he was Chairman & 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 Guarantor's Board of Directors since 27 April 2012. He has been the Chairman of the Guarantor'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 of the Guarantor since April 2019 and the Chairman of the Work-out Committee since October 2019.

He has been Chairman of the Board of Directors at OTP Factoring Ltd. since December 2019.

As of 31 December 2024 he held 59,685 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 Guarantor.

She has been the 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 Board of Directors member of Net Media Plc. since 2016. She is Presidium member and Chairwoman of the Marketing and Media Board of the Hungarian Football Federation. 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 Guarantor's Board of Directors since 16 April 2021.

As of 31 December 2024 she held 27,393 ordinary OTP shares.

### **Mihály Baumstark**

He graduated with a degree in agricultural business administration at Gödöllő University of Agriculture (1973), and went on to do a masters in economics at the Karl Marx University of Economic Sciences (now: Corvinus University) (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. Then he was managing director of Hubertus Bt., and from 1999 to 2011 he was deputy CEO and then Chairman & CEO of Villányi Winery Ltd. (now Csányi Winery Ltd.). He is currently retired.

He was a member of the Guarantor's Supervisory Board from 1992 to 1999, and has been a non-executive member of the Guarantor's Board of Directors since 1999.

He has been Chairman of the Guarantor'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 2024 he held 58,800 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 Guarantor's Zala County Directorate, and from 1998 he was the managing director of the Bank's West Transdanubian Region.

From 1 March 2006 until 14 April 2016 – when he retired – he was Deputy CEO of the Guarantor, the Head of the 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 Guarantor's Board of Directors since 27 April 2012.

As of 31 December 2024 he held 195,058 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 Guarantor since 1995, first as a county director and from 1998 as the executive director of the Guarantor's South Transdanubian Region.

From 1 July 2007 to 31 December 2022 he was the head of Retail Division as the Guarantor'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 was the Chairman of the Supervisory Board of OTP Bank Romania SA from 12 December 2012, until the sale of the Romanian subsidiary bank.

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 Guarantor's Supervisory Board from 2004 to 14 April 2016.

Between 15 April 2016 and 27 April 2023 he was a member of the Guarantor's Board of Directors, on 28 April 2023 the General Meeting of the Guarantor elected him as non-executive member of the Board of Directors.

As of 31 December 2024 he held 114,940 ordinary OTP shares (while the total number of OTP shares held by him directly and indirectly was 119,240).

### **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, the company's portfolio includes several successful investments.

He has been the Chairman of the Hungarian Shooting 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 Guarantor's Board of Directors since 16 April 2021.

As of 31 December 2024 he held 13,000 OTP shares (while the total number of OTP shares held by him directly and indirectly was 980,000).

### **Dr. Márton Gellért Vági**

He graduated in 1987 from the department of foreign economics at the Karl Marx University of Economic Sciences (now: Corvinus University).

From 1987 to 2000 he was lecturer at University of Economic Science of Budapest (today Corvinus University of Budapest) and from 1994 onwards associate professor and head of department. He has a university doctorate and a PhD in economics. He has authored or co-authored more than 80 studies, 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 the Chairman of the National Development Agency.

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.

Since 2010 he has been general secretary of the Hungarian Football Federation.

He was a member of UEFA's HatTrick Financial Assistance Committee between 2011 and 2023. He has been a member of FIFA's Financial Committee since 2017 and since 2023 he has been one of the Vice Presidents of the UEFA National Teams Competition Committee

He was a member of the Guarantor's Supervisory Board between 2011-2021. He was a member of the Guarantor's Audit Committee between 2014-2021.

He was a member of the Guarantor's Nomination Committee between 2020-2021.

He has been a member of the Guarantor's Board of Directors since 16 April 2021.

As of 31 December 2024 he held 22,600 OTP shares.

### **Dr. József Zoltán Vörös**

He earned a degree in economics from the Karl Marx University of Economic Sciences (now: Corvinus University) 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 the Chairman of the Economic Council of the University of Pécs.

He has been a non-executive member of the Guarantor's Board of Directors since 1992. He has been the Chairman of the Guarantor's Remuneration Committee since 2009, and member of its Risk Assumption and Risk Management Committee since 2014.

As of 31 December 2024 he held 204,914 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 Guarantor, the Supervisory Board – as a body elected by the General Meeting – performs the oversight of the Guarantor'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 Guarantor, and the Guarantor 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 Guarantor's operations, its business practices and management, including the control of the Guarantor'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 Guarantor'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 of the Supervisory Board and their principal activities outside the OTP Group are:**

#### **Tibor Tolnay, Chairman of the Supervisory Board**

He graduated from Budapest University of Technology as a qualified civil engineering in 1978, and in 1983 he obtained a degree in economic engineering. In 1993 he finished his studies as specialised economist at Budapest University of Economics.

From 1989 to 1994, he was the director of State Construction Company No. 21. From 1994 to 2015 he was the Chairman & CEO of the already privatised Magyar Építő Joint Stock Company.

He has been the managing director of Érték Ltd. since 1994.

From 2018 to 2021 he was the President of the National Association of Entrepreneurs and Employers, since 2021 co-President.

Since 1992 he has been a member of the Guarantor's Supervisory Board, and Chairman of the Supervisory Board since 1999. He was a member and Deputy Chairman of the Guarantor's Audit Committee between 2007 and 2011 and has been again since 2014. He has been the Chairman of the Guarantor's Nomination Committee since 2020.

As of 31 December 2024 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 from 1990 to 2023 he run his own law firm, which was specialised in corporate finance and corporate governance.

He has been a member of the Supervisory Board of the Guarantor since 1995 and was a member of MOL Plc.'s Board of Directors between 1999 and 2014.

He has been Deputy Chairman of the Guarantor's Supervisory Board since 2007.

He was Chairman of the Guarantor's Audit Committee between 2007 and 2011 and has been again since 2014.

He has been a member of the Guarantor'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 2024 he held no ordinary OTP shares.

#### **Dr. Tamás Gudra**

He graduated as business administrator in 1993 from the College of Commerce and Catering. He is a Hungarian chartered auditor since 1997. He also obtained 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 was managing director at the Auditor, Financial and Accounting Directorate of the National Privatization and Asset Manager Plc. (ÁPV Zrt.) between 2003 and 2007 and 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 Federation from 2011 until June of 2020. Between 2020 and 2024 he was the group-level CFO of Bonafarm Zrt. He has been the strategic advisor of OTP Pension Fund since May 2024.

He was a member of the Supervisory Board of OTP Lakástakarék Zrt. between 2012 and 2021 and he is 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. Since 2022, he has been the asset controller of the Unity Asset Management Foundation

He has been a member of the Supervisory Board and Audit Committee of the Guarantor since 16 April 2021.

As of 31 December 2024 he held no ordinary OTP shares.

Catherine Paule Granger-Ponchon

Catherine Paule Granger-Ponchon completed her studies at the Paris Institute of Political Studies and HEC (École des hautes études commerciales de Paris), where she specialised in finance.

Between 2000 and 2010, she worked at Citigroup's European investment banking division, where, as director of the financial institutions group, she participated in the acquisition and sale of several French banks and insurance companies. Subsequently, as head of M&A at Groupama SA, she led the group's divestment program, which included the sale of several subsidiaries.

From 2012 to 2017, she was head of corporate finance and M&A at Groupama SA, where she dealt with the group's external and internal financing, as well as the monitoring of strategic investments.

Between 2017 and 2024, she was the financial and risk director of Gan Assurances, Groupama's French subsidiary, where she also performed the actuarial function, and from 2021 to 2024, she was deputy CEO responsible for finance, risk management, and strategy.

Since July 2024, she has been working at Groupama Assurances Mutuelle as deputy CEO, responsible for international subsidiaries.

#### **Employee delegates of the Supervisory Board and their principal activities outside the OTP Group are:**

##### **Klára Bella**

She graduated from the College of Finance and Accountancy and later obtained a degree from the Budapest University of Economic Sciences.

From 1992 to 1994 she worked as a clerk at the Fertőszentmiklós branch of the Guarantor.

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 Guarantor.

From 1996 to 1997 she was authorizer 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 Specialised Finance Directorate.

She has been a member of the Guarantor's Supervisory Board, and representative of the Bank's employees since 12 April 2019.

As of 31 December 2024 she held 491 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 Guarantor 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 managing director, he participated in the central coordination of the branch network. Between 2005 and 2014 he was the managing director of the Guarantor's Compliance Department.

He further expanded his professional skills, obtaining a Master's degree at the Budapest Business School, and is a registered tax advisor.

He has been a member of the Guarantor's Supervisory Board, and representative of the Guarantor's employees since 2008. He has been President of the Guarantor's Employees' Trade Union since December 2011.

As of 31 December 2024 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 Guarantor'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 cooperation with the auditor. Under its powers, the Audit Committee monitors the internal audit, risk management, financial and sustainability and reporting systems, as well as the auditors' activities (including activities to provide assurance on the sustainability report and the consolidated sustainability report). In addition to the auditor's audit activity, the. The Audit Committee reviews and monitors – in respect of the entire OTP Group – the auditors' independence (including the independence of the auditor selected to provide assurance on the sustainability report), 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 Pégueux*



**Members of Senior Management and their principal activities outside the OTP Group are:**

*Dr. Sándor Csányi, Chairman*

*Péter Csányi, Chief Executive Officer*

*András Becsei, Deputy CEO, Retail Division*

In 2001, he graduated with a master's degree in Finance from the Budapest University of Economic Sciences and Public Administration. During his studies he was awarded a scholarship at the University of Southern California in Los Angeles. He went on to get a second master's degree in International Management from the University of Cologne (2002) and an MBA from INSEAD (2005-2006).

His 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 has worked at the Guarantor in various roles 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 Guarantor, he has performed other duties as a member of the Supervisory Board of OTP Bank Ukraine - JSC OTP Bank (2010-2014) and as the Vice President of the Hungarian Banking Association since 2014. He temporarily served as President for 9 months since July 2019.

Since the beginning of 2023, he has been appointed to Deputy CEO at the Guarantor leading the Retail Banking Division.

As of 31 December 2024 he held 11,649 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 Master's 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 OTP Bank 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 Guarantor, 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 Bank.

As of 31 December 2024 he held 16,003 ordinary OTP shares.

*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 was appointed head of the bank's risk management department.

Between 2002 and 2006 he worked in Ireland as corporate credit risk portfolio manager for GE Consumer Finance Europe, 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 Guarantor, and then was appointed acting head of the Division.

Since 3 May 2017, he has been deputy CEO of the Guarantor, the head of Credit Approval and Risk Management Division. As of 1 January 2024 Risk Management Division.

As of 31 December 2024 he held 15,995 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 Guarantor***

The Management Committee is a standing committee established by the Board of Directors of the Guarantor. It is a forum that directly supports the work of the Chairman and the CEO and is a standing committee of the Guarantor. The Management Committee coordinates the preparation of strategic decisions and the implementation of the Guarantor's strategic and business policy objectives. It is responsible for adopting planning and resource allocation decisions affecting the Guarantor 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 Guarantor. 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. The Executive Steering Committee is a coordination and operational decision-making forum of the Guarantor's executive management. As a regular operational decision-making forum, it also ensures that the Guarantor is able to respond flexibly and effectively to market and regulatory factors and that the Guarantor as a whole is able to act in a coordinated fashion. Moreover, it 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 Committee is responsible for operational coordination between the Guarantor's departments and decision-making.

The following additional standing committees operate within the Guarantor for the performance of specific tasks:

- Asset-Liability Committee, which makes decisions on separately non-regulated affairs relating to the Guarantor'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;
- Money Laundering Prevention Committee;
- Group Investment Committee; and

- ESG Committee.

Standing committees are the Guarantor'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 Guarantor's business activities, for minimising the Guarantor's risks and for ensuring its operation. Decisions to establish standing committees are made by the Guarantor'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 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, Money Laundering Prevention Committee, 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 Guarantor and their duties to the Guarantor.

## BUSINESS ENVIRONMENT

### Macroeconomic environment in OTP Group countries

As of the date of this Base Prospectus, the OTP Group operates in eleven countries (Hungary, Albania, Bulgaria, Croatia, Moldova, Montenegro, 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, 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>2023</b>	<b>2024</b>
Albania	3.9	3.9*
Bulgaria	1.9	2.8
Croatia	3.3	3.8
Hungary	-0.9	0.5
Moldova	0.7	0.1
Montenegro	6.3	3.0
Russia	4.1	4.1
Serbia	3.8	3.9
Slovenia	2.1	1.6
Ukraine	5.3	3.3*
Uzbekistan	6.3	6.5

\*OTP Research Center forecast

Almost every country in the OTP Group is affected by the Russian-Ukrainian conflict, in different magnitudes. In countries with energy-intensive manufacturing sectors, rising energy prices and the weakening of major trading partners' economies are major concerns, while elsewhere, the increase of geopolitical tensions is a cause of concern.

The Mediterranean economies remain strong performers by European comparison, helped by tourism, and are much less exposed to the Russia-Ukraine conflict than energy-intensive economies, which are slowly recovering from energy shocks. Croatia is experiencing robust economic growth with a positive outlook, driven by a thriving tourism sector and the recent adoption of the euro. External balance indicators remain strong; however, there has been a notable increase in inflation. In Montenegro, growth is being fuelled by tourism, but also by a rebound in domestic consumption, driven by robust real wage growth and the abolition of pension contributions. In addition to strong tourism, the growth prospects for the Albanian economy are also positive due to soaring tourism revenues and investment into further touristic capacities, low exposure to the war, disciplined economic policies and strong loan demand. Despite the challenging external environment, Bulgaria's economy experienced a growth last year which was driven not only by the tourism sector but also by private consumption, which was supported by strong wage increases and rising public expenditure. The Bulgarian government has made the launch of the euro a high priority but meeting the inflation target remains a challenge.

The industrialised CEE countries are suffering from weak demand for goods globally. Despite the external shocks, Serbia has had an economically successful year, with household consumption and investment leading growth. The interest rate cut cycle has been paused as geopolitical risks have increased and disinflation has stalled. Despite the weakness of its major trading partners, the Slovenian economy performed well in 2024, with no imbalances and ongoing disinflation.

Most countries in the CIS region are under growing pressure from the Russian-Ukrainian conflict. The Russian economy is overheated, the rapid growth is slowing down, and the central bank is keeping the base rate high to control inflation and protect the ruble. Ukraine's economic performance in 2024 has been weaker than expected due to Russian attacks on energy infrastructure, inflation is rising fast, and the hryvnia is weakening, forcing the

central bank to raise interest rate. In Moldova, growth in 2024, which had just started, was interrupted by a poor harvest and then an energy crisis, inflation soared, and the Moldovan central bank raised the interest rates. The outcome of the Russia-Ukraine conflict is also crucial for Moldova because of the breakaway province, Transnistria and extremely high CIS trade and energy exposure, which lead to a deep recession in 2022 and a stagnation in 2023 and 2024. In Uzbekistan, economic growth is robust, the twin deficit has eased, but remains the main risk, disinflation is stalled.

### **Macroeconomic environment in Hungary**

The Hungarian economy began to recover in 2024 following a prolonged and more severe recession compared to other countries in the region in 2023. However, similar to the broader European context, the recovery was uneven and fragile, with the economy growing by only 0.5 per cent. for the entire year of 2024. This growth fell short of the initial expectations, which had projected an approximate 3 per cent. increase at the beginning of the year. With rising real wages and low unemployment, consumption gradually picked up, although households' precautionary savings remained high. Despite increased consumption, the Hungarian economy experienced a technical recession in the second and third quarters of 2024, primarily due to the high exposure to the automotive sector, limited fiscal policy flexibility, declining exports, and a more than 10 per cent. drop in investment. Recovery was observed only in the fourth quarter of 2024. Although net exports contributed positively to growth, this was not due to strong export performance but rather because imports declined more sharply than exports. Labour market tensions have clearly eased, as employment declined in the second half of the year, but the unemployment rate did not rise significantly.

Inflation slowed in Hungary in 2024 and reached the 3 per cent. target in September, giving the MNB room to cut interest rates from 10.75 per cent. at the end of 2023 to 6.5 per cent. In October 2024 inflation increased again and the escalation of the Middle East conflict and the rise in US yields forced the MNB to pause the easing cycle. The EUR/HUF was at around 380 at the beginning of 2024, but it rose persistently above the 400 level in the second half of 2024.

After years of deficits of 7-8 per cent., the primary balance improved to close to zero in 2024, despite the unfavourable macroeconomic environment, and the headline deficit fell to 4.8 per cent. of GDP, close to the increased deficit target, but still far from the 3 per cent. Maastricht criterion. The decline in government debt stalled in 2024, with the debt-to-GDP ratio rising to 74 per cent. from 73.4 per cent. in 2023.

Hungary's external balance started to improve rapidly after the energy price shock faded and domestic demand declined; the deficit swung from above 8 per cent. of GDP in 2022 to a slight surplus in 2023, by rising to 3 per cent. of GDP in 2024, and external debt started to slowly decline.

To the best of the knowledge of the Guarantor'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 1Q 2025.

### **Competitive environment in Hungary**

The Guarantor's management believes that by the end of 1Q 2025, the OTP Group in Hungary had a 29 per cent. market share of total assets, 35 per cent. of retail loans, 40 per cent. of retail deposits, 20 per cent. of corporate loans and 20 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 Guarantor'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	2023	2024
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	8.2	8.3	7.5	6.7	6.9
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	8.4	8.5	7.5	6.8	6.7
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	19.2	18.7	18.2	16.7	16.0

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 2024 this ratio was 6.9 per cent. 6.9 per cent. is much lower than loan penetration levels in the region (Slovakia at 31.7 per cent., Montenegro at 26.2 per cent., Czech Republic at 23.0 per cent., Poland at 14.4 per cent., Croatia at 14.0 per cent., Slovenia at 12.8 per cent., Bulgaria at 12.7 per cent., Russia at 9.5 per cent. and Albania at 8.2 per cent.), but it is higher than the Serbian (6.4 per cent.), Moldavian (5.7 per cent.), Uzbek (4.7 per cent.) and Ukrainian (0.5 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 2024 this ratio was 6.7 per cent. 6.7 per cent. is lower than the loan penetration levels in the region (Croatia at 14.4 per cent., Serbia at 10.4 per cent., Slovakia at 10.2 per cent., Bulgaria at 10.2 per cent., Russia at 8.8 per cent., Poland at 7.9 per cent. and Czech Republic at 6.8 per cent.), but above the Uzbek (6.2 per cent.) Slovenian (5.0 per cent.), Moldavian (4.6 per cent.), Albanian (4.0 per cent.) and Ukrainian (3.4 per cent.) levels. In Hungary, the corporate loan volumes to GDP ratio was 29.4 per cent. at its peak in 2008, but in 4Q 2024 this ratio was 16.0 per cent. which is lower than the loan penetration levels in the region (Russia at 43.3 per cent., Uzbekistan at 25.8 per cent., Bulgaria at 23.9 per cent., Montenegro at 21.7 per cent., Albania at 19.3 per cent, Croatia at 19.0 per cent., Serbia at 18.5 per cent., Slovakia at 18.5 per cent. and Czech Republic at 17.9 per cent.) but exceeds the Slovenian (15.0 per cent.), Moldavian (13.2 per cent.), Polish (11.3 per cent.) and Ukrainian (10.3 per cent.) levels.

## **MATERIAL CONTRACTS**

Neither the Issuer nor the Guarantor has entered into any material contracts outside of its ordinary course of business which could result in any Group member being under an obligation or having any entitlement that is material to the Issuer's or, as the case may be, the Guarantor's ability to perform its obligations.

## FORM OF IRREVOCABLE PAYMENT UNDERTAKING

### IRREVOCABLE PAYMENT UNDERTAKING

dated 7 July 2010

#### WHEREAS

- (A) OTP JELZÁLOGBANK ZÁRTKÖRŰEN MŰKÖDŐ RÉSZVÉNYTÁRSASÁG (Short name in English: OTP Mortgage Bank Ltd.), a legal entity existing under the laws of Hungary, registered with the Court of Registry, under registration number 01-10-044659, having its seat at Hungary, H-1051 Budapest, Nádor utca 21., (hereinafter “**OTP Mortgage Bank**”) has issued and will issue various domestic and international mortgage bonds (defined as “*jelzáloglevél*” in Hungarian) in Part III. of the Act no. XXX. of 1997 on Mortgage Banks and Mortgage Bonds. OTP Mortgage Bank is also entitled to use unsubordinated debt instruments to finance its lending activity (unsubordinated debt instruments, including domestic and international mortgage bonds, senior unsecured notes of OTP Mortgage Bank, as well as interbank deposits will be referred jointly hereinafter “**Unsubordinated Debt Instruments**”).
- (B) In order to warrant the full and timely payment of all payment obligations – whether in respect of principal or interest – deriving from the Unsubordinated Debt Instruments, OTP Mortgage Bank has agreed with “**OTP Bank Plc.**”, a legal entity existing under the laws of the Republic of Hungary, registered with the Court of Registry, under registration number 01-10-041585, having its seat at Hungary, H-1051 Budapest, Nádor utca 16., (hereinafter “**OTP Bank Plc.**”), that OTP Bank Plc. issues a Payment Undertaking (hereinafter referred to as the “**Payment Undertaking**”) in relation to the Unsubordinated Debt Instruments.

#### NOW THEREFORE

1. We, OTP Bank Plc. hereby unconditionally and irrevocably undertake the obligation to pay on the written demand of any holder of any of the Unsubordinated Debt Instrument (“**Holder**”) any amount (whether principal, interest, or any other amounts payable pursuant to the documentation of the Unsubordinated Debt Instrument) which is due but remains unpaid by OTP Mortgage Bank on the due date as set out in the respective terms and conditions of the relevant Unsubordinated Debt Instrument. OTP Bank Plc.’s obligations under this Payment Undertaking shall continue to be effective or will be re-instated, as the case may be, if, at any time, any payment amount, or any part thereof, of any of the Unsubordinated Debt Instruments is rescinded or must otherwise be returned by the Holder as a result of OTP Mortgage Bank’s bankruptcy, insolvency, dissolution or reorganisation. OTP Bank Plc. hereby waives any and all defences based upon this Payment Undertaking.
2. A demand under this Payment Undertaking may be made by submitting a duly signed notice, together with all documents duly evidencing ownership of the relevant Unsubordinated Debt Instrument pursuant to its respective documentation in English, in the form as set out in Annex I hereto, to the Loan Execution and Special Transactions Department of OTP Bank Plc. following the expiry of the relevant due date under the Unsubordinated Debt Instrument (“**Payment Notice**”).
3. The payment by OTP Bank Plc. shall be effected within two business days from the receipt of the Payment Notice. Holders of the Unsubordinated Debt Instruments shall not be required to exhaust any right or remedy or take any action against OTP Mortgage Bank prior to submitting the Payment Notice.
4. OTP Bank Plc. may withdraw its obligation under this Payment Undertaking by publishing an adequate notification in accordance with the relevant provisions of the documentations of the different Unsubordinated Debt Instruments. OTP Bank Plc. will not have any obligation under this Payment Undertaking in respect of the Unsubordinated Debt Instruments issued two weeks after the publication of this withdrawal notice. However, notwithstanding the expiry of the Payment Undertaking pursuant to this Paragraph 4, this Payment Undertaking shall be in full force and effect with respect to all Unsubordinated Debt Instruments outstanding at the time of such expiry, and may not be terminated until all amounts which may be or become payable by OTP Bank Plc. under or in connection with such Unsubordinated Debt Instruments have been irrevocably paid in full.



5. The present Payment Undertaking and any non-contractual obligations arising out of or in connection with the present Payment Undertaking shall be governed by the prevailing and effective laws of Hungary.
6. This Payment Undertaking shall be construed as a “**Joint and Several Guarantee**” (“*készfizető kezesség*” in Hungarian) and shall not be construed as a “**Bank Guarantee**” (“*bankgarancia*” in Hungarian), as OTP Bank Plc. will be entitled to prove whether the claim is due and valid in any case.
7. This Payment Undertaking has been issued in English and in Hungarian languages. In case of contradiction between the English and the Hungarian version, the English version shall prevail.

***Annex 1***

Payment Notice

**OTP Bank Plc.**

Name:

Name:

Title:

Title:

## PAYMENT NOTICE

To: OTP Bank Plc.  
Loan Execution and Special Transactions Department  
Dóra Sziládi-Losteiner Director  
7 Babér street H-1131 Budapest, Hungary  
Tel: +36 (1) 298 43 51; Fax: +36 (1) 298 41 79

From: </>

Date: \_\_\_\_\_

Pursuant to the Payment Undertaking issued by OTP Bank Plc. (“**OTP Bank Plc.**”) on 7 July 2010 (the “**Payment Undertaking**”), </> (<please insert data regarding address/seat; registry number if applicable; representatives if applicable; ID number, if applicable>) hereby requests OTP Bank Plc. to pay the amount of <insert amount and currency> pursuant to the terms of the above-mentioned Payment Undertaking.

It is hereby stated and confirmed that OTP Mortgage Bank has failed to fulfil the following payment obligation following the due date:

1. <please specify the relevant Unsubordinated Debt Instrument >
2. <please specify the due amount with number and type (whether principal, interest, or any other amounts) >
3. <please specify the due date >

I hereby attach the original certificate of ownership issued for the name of mine in respect of the above Unsubordinated Debt Instrument from the relevant custody service provider.

Terms used or defined in the Payment Undertaking shall have the same meaning when used in this Payment Notice.

< Signature/For >

< Name>:< Name>:

< Title >:< Title >:

<In witness whereof>:

< Name>:< Name>:

< Address >:< Address >:

< ID number>:< ID number>:

## OVERVIEW OF THE HUNGARIAN MORTGAGE BOND REGULATION

### *The coverage system for mortgage bonds*

#### *Coverage requirement*

The coverage requirements applicable to mortgage bonds are set out in Sections 14 to 14/C of the Mortgage Credit Institutions Act. Mortgage credit institutions must, at all times, have ‘coverage’ (*fedezet*) available at a value which is higher than the equivalent of the outstanding principal and interest in respect of all outstanding mortgage bonds. In order to achieve this, mortgage credit institutions must ensure that: (a) the total amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the aggregate amount of outstanding principal on all outstanding mortgage bonds; and (b) the total amount of interest payable on the amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the interest payable on the aggregate amount of outstanding principal on all outstanding mortgage bonds. Mortgage credit institutions must ensure that the above coverage requirements are also met on a present value basis (for a more detailed discussion see “*Detailed Rules of the Coverage System Relating to the Mortgage Notes*” below).

#### *The role of the Cover Pool Monitor*

##### *Monitoring the availability of coverage assets*

Sections 16 and 17 of the Mortgage Credit Institutions Act contain the provisions on the appointment and responsibilities of the Cover Pool Monitor (*vagyonellenőr*).

The Cover Pool Monitor:

- (a) monitors and certifies the continuous availability of sufficient coverage for mortgage bonds as required by the Mortgage Credit Institutions Act; and
- (b) is responsible for the due registration of the (1) properties subject to the mortgages and other liens included in the ordinary coverage for mortgage bonds together with their land registry details and mortgage lending values; and (2) coverages in the coverage register.

The appointment of the Cover Pool Monitor is mandatory and valid only with the approval of the MNB. The appointed Cover Pool Monitor of the Issuer is KPMG Hungária Kft. (31 Váci Road, Budapest, H-1134, Hungary).

A security has to meet certain formal requirements to qualify as a mortgage bond. One of these requirements is the certification by the Cover Pool Monitor on the mortgage bonds of the existence of the prescribed coverage and the registration thereof in the coverage register.

#### *Registration of coverage assets*

Pursuant to applicable legal requirements, the Issuer maintains a coverage register for the registration of: (i) the mortgage loans included in the ordinary coverage for mortgage bonds with all necessary data of these loans including data of mortgaged properties; (ii) supplementary coverage assets; (iii) liquidity buffer assets; (iv) derivative cover pool assets; and (v) the outstanding value of the ordinary and supplementary coverage and derivative coverage pool assets and liquidity buffer assets. The coverage registration rules of the Issuer were approved by the Board of Directors (Resolution No 91/2022), and by the MNB (Resolution No H-EN-I-554/2022) with effect from 2022 and have been reviewed by the Cover Pool Monitor.

#### *Valuation of coverage assets*

The Mortgage Credit Institutions Act and the Credit Institutions Act impose stringent requirements on the valuation of coverage assets. The requirements are elaborated *in extenso* in No 25/1997 (VIII.1.) order of the Minister of Finance on the principles of the methodology applicable to the establishment of the mortgage lending value of real estate not qualifying as agricultural land and No 54/1997. (VIII.1.) order of the Minister of Agriculture on the principles of the methodology applicable to the establishment of the mortgage lending value of agricultural land. Accordingly, the key elements of the valuation of coverage assets are as follows:

- preliminary assessment of the acceptability and effectiveness of coverage assets under the relevant legal requirements (as a general rule, the Issuer accepts only unencumbered real estate);

- assessment of the long-term permanent nature of the value of the real estate serving as collateral for mortgage loans;
- estimation of the time required for the sale of such real estate; and
- the establishment of the mortgage lending value of such real estate.

### ***Special status of the mortgage bonds***

As a summary of the provisions laid out in this section, the following is a list of the six basic pillars on which the security of mortgage bonds rely:

#### ***1.1 Coverage system***

The ordinary coverage for mortgage bonds is provided for by mortgage loans adjusted according to mortgage lending values of their respective collateral, established on the basis of detailed and strict statutory regulations. Each mortgage loan may only be taken into account as coverage to the extent permitted by the Mortgage Credit Institutions Act. Where there is no sufficient ordinary coverage, supplementary coverage must be added on a mandatory basis.

For further information, see the section entitled “*Detailed Rules of the Coverage System Relating to the Mortgage Notes*” below.

#### ***1.2 Strictly defined coverage proportions***

Of the coverage assets, supplementary coverage may only account for a maximum of 20 per cent. from the third year of operation of the respective mortgage credit institution. Further, strict limitations apply to the recognition of mortgage loan assets as ordinary coverage (see “*Detailed Rules of the Coverage System Relating to the Mortgage Notes*” below).

#### ***1.3 Independent Cover Pool Monitor***

The registration of the current mortgage loan portfolio and the mortgaged real estate underlying the mortgage loan assets constituting the coverage for mortgage bond issues is supervised and controlled by an independent Cover Pool Monitor appointed in order to safeguard the interests of investors.

#### ***1.4 Special status of the holders of mortgage bonds in a liquidation proceeding against a mortgage credit institution***

The Mortgage Credit Institutions Act grants a privileged position in the liquidation of a mortgage credit institution, as compared with other creditors, to the holders of mortgage bonds and counterparties to derivative transactions included in the coverage in respect of the coverage and certain other liquid assets.

For a more detailed discussion see “*Detailed Rules of the Coverage System Relating to the Mortgage Notes*” below.

#### ***1.5 Special supervision by the MNB***

Pursuant to the Mortgage Credit Institutions Act, the MNB is obliged to carry out comprehensive on-site audits at mortgage credit institutions at least every three years.

#### ***1.6 Increased publicity***

A mortgage credit institution is obliged to disclose quarterly information to the MNB and to the public on its website periodically, on, among others the value of the cover pool and outstanding mortgage bonds, details in relation to market risk, including interest rate risk and currency risk, and credit and liquidity risks, the maturity structure of cover assets and mortgage bonds, including an overview of the maturity extension triggers if applicable.

#### ***1.7 Specialised credit institution***

Mortgage bonds can be issued exclusively by mortgage credit institutions with certain formal requirements as set out in the Mortgage Credit Institutions Act. If any of the mandatory elements of such statutory content is missing, a bond will not qualify as a mortgage bond.

### **Mortgage Notes created in an OECD member state other than Hungary**

Pursuant to the Mortgage Credit Institutions Act, certain provisions of Hungarian law are not applicable to the formal requirements for a security to qualify as a mortgage bond in respect of mortgage bonds created in an OECD member state other than Hungary and to the issuance thereof. Such securities will still qualify as mortgage bonds even if the global note representing the relevant mortgage bonds, which is deposited with a common safekeeper or common depository, is exchanged for definitive securities in accordance with the specified denomination of the mortgage bonds. The form of such securities is governed by the law of the jurisdiction where they have been created.

Consequently, in the event that mortgage bonds are created in an OECD member state other than Hungary section 6(3) of Act CXX of 2001 on capital markets (the “**Capital Markets Act**”), which provides that publicly issued securities must be in a dematerialised and registered form, will not be applicable. Further, such mortgage bonds do not need to specify the name of the owner thereof, and will qualify as a registered security provided that the name of the owner of the account in which it is registered can be clearly identified. Finally, section 12(2) of the Mortgage Credit Institutions Act, which states that coupons shall be issued in respect of interest and principal instalment payments to be made on mortgage bonds created in a physical form, will not apply.

### **Implementation of the new EU Covered Bond Legislation**

The European Union’s covered bond directive (EU) 2019/2162 and regulation (EU) 2019/2160 came into effect on 7 January 2020 (jointly, the “**New EU Covered Bond Legislation**”). Among other things, the New EU Covered Bond Legislation lays down the conditions that covered bonds have to meet in order to be recognised under European Union law, aiming to strengthen investor protection in the European Union by imposing specific supervisory duties. In Hungary, the revised Mortgage Credit Institutions Act implemented the New EU Covered Bond Legislation.

Act No. LVIII of 2021 on the amendments of the Mortgage Credit Institutions Act in relation to the implementation of the Directive was passed by the Hungarian Parliament on 18 May 2021, and the relevant amendments become effective as of 8 July 2022. According to Article 19/A of the amended Mortgage Credit Institution Act, in order to use the “*European Covered Bond*” label and the “*European Covered Bond (premium) label*”, issuers need to comply with certain requirements under the Mortgage Credit Institutions Act and regarding the “*European Covered Bond (premium) label*”, under article 129 of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms as well. On 28 October 2022, the MNB permitted the use of these labels for the Issuer in accordance with the Mortgage Credit Institutions Act.

## DETAILED RULES OF THE COVERAGE SYSTEM RELATING TO THE MORTGAGE NOTES

Mortgage bonds (*jelzáloglevél*) are transferable debt securities issued exclusively by mortgage credit institutions pursuant to the Mortgage Credit Institutions Act.

Mortgage credit institutions grant loans secured by mortgages on real estate properties located in the territory of Hungary or another member state of the EEA, for which they procure funds primarily by way of issuing mortgage bonds.

Mortgage credit institutions must at all times have ‘coverage’ (*fedezet*) available at a value which is higher than the equivalent of the outstanding principal and interest in respect of all outstanding mortgage bonds. In order to achieve this, mortgage credit institutions must ensure that: (a) the total amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the aggregate amount of outstanding principal on all outstanding mortgage bonds; and (b) the total amount of interest payable on the amortised value of those principal claims which are taken into consideration as coverage exceeds 100 per cent. of the interest payable on the aggregate amount of outstanding principal on all outstanding mortgage bonds. Mortgage credit institutions must ensure that the above coverage requirements are also met on a present value basis. Such coverage may consist of ordinary coverage and supplementary coverage.

The ordinary coverage for mortgage bonds consists primarily of mortgage loans adjusted for the lending value of the respective mortgaged properties, established on the basis of detailed and strict statutory regulations. The repurchase price of so-called independent liens (as defined in Act V of 2013 on the Civil Code of Hungary) may also serve as ordinary coverage. Refinancing mortgage loans (which are granted to credit institutions and where the mortgage interest created to secure the refinanced mortgage loan (the “**Transfer Mortgage Interest**”) is transferred to the refinancing mortgage credit institution (without the underlying loan) as security in respect of the refinancing mortgage loan) also qualify for inclusion in the ordinary coverage, subject to certain conditions. Each mortgage loan or refinancing mortgage loan or the repurchase price of each independent lien, as applicable, may only be taken into account as coverage up to 60 per cent. of the established mortgage lending value of the relevant mortgaged property, except in respect of residential real estate, where the relevant mortgage loan, refinancing mortgage loan or repurchase price may only be taken into account as ordinary coverage for up to 70 per cent. of the mortgage lending value of such residential mortgaged property. Principal and interest claims arising from mortgage loans and management fees received regularly by a mortgage credit institution may serve as ordinary coverage, if the mortgage securing the respective loan is registered on the land register. Refinancing mortgage loans and the repurchase price of independent liens may be included in the ordinary coverage only on condition that the relevant Transfer Mortgage Interest or, as the case may be, independent lien has been validly created and transferred to the refinancing mortgage credit institution and provided that the refinancing mortgage credit institution has an unconditional right to initiate the registration of such transfer on the land register. Under the “portfolio refinancing model”, a condition for disbursing and including a refinancing mortgage loan as an ordinary asset in the cover pool is the valid establishment of a mortgage in favour of the mortgage loan company on the claims arising from the original mortgage loans granted by the refinanced credit institution, serving as security for the refinancing mortgage loan. In the case of mortgage loans secured by mortgages on real estate situated in another member state of the EEA, further prudential requirements need to be met in order for such loans to be included in the ordinary coverage.

In addition, the adjusted value of certain derivative transactions concluded in relation to mortgage bonds issued by the respective mortgage credit institution and/or the coverage thereof may be included as coverage, provided that the relevant counterparty consents to the inclusion of the respective derivative transaction into the coverage and certain other conditions are met, and the balance of the liabilities arising from such derivative transactions on a present value basis does not exceed 12 per cent. of the present value of the liabilities arising under the outstanding mortgage bonds issued by the relevant mortgage credit institution. Furthermore, claims for principal and interest as well as management fees arising from the so-called “connected loan” (that part of the credit facility which is secured by state guarantee and not covered by the mortgage) may also constitute ordinary coverage.

The supplementary coverage, which may be up to 20 per cent. of the total coverage, may consist of the following instruments: (a) cash held in a separate blocked account with the MNB; (b) securities issued by the central banks of the member states of the EEA, the Organisation for the OECD or the European Central Bank (the “**ECB**”); (c)

securities issued by member states or full members of the EEA or the OECD; (d) securities issued by the European Investment Bank, the International Bank for Reconstruction and Development, the Council of Europe Development Bank or the European Bank for Reconstruction and Development, provided that the issuer is the obligor; (e) securities issued by the Hungarian State or issued with first demand suretyship (*állami készfizető kezességvállalás*) provided by the Hungarian State; (f) securities which have the principal and interest payment guaranteed by any of the issuers listed in (c) and (d) above; (g) certain loans granted with first demand suretyship provided by the Hungarian State; and (h) covered bonds (as defined in Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms) which are recognised as eligible collateral by the central bank of a member state or the ECB, except for mortgage bonds issued by the relevant mortgage credit institution and covered bonds issued by a credit institution or investment firm closely linked to that mortgage credit institution. The total amount of claims towards any of the obligors listed in (c), (d), (f) and (h) and not denominated in Hungarian forints above may not at any time exceed 2% of the aggregate principal amount of all outstanding mortgage bonds issued by the relevant mortgage credit institution.

The inclusion of covered bonds referred to in (h) above in the supplementary coverage is subject to further strict statutory thresholds as follows: (i) the total amount of such covered bonds is capped at 25 per cent. of the aggregate amount of the supplementary coverage; and (ii) the total amount of such covered bonds may not exceed 5 per cent. of the aggregate nominal value of the mortgage bonds outstanding.

If the mortgage bonds and their respective coverage are denominated in different currencies, mortgage credit institutions are required to hedge their foreign exchange risk by derivative transactions. These derivative transactions may, subject to further rules as referred to above, also be included in the ordinary coverage.

In the event of the transformation or liquidation of a mortgage credit institution, the respective mortgage credit institution may transfer wholly or partially its rights and obligations arising under mortgage bonds and derivative transactions to another mortgage credit institution. This transfer is subject to the permission of the MNB, but does not require the prior consent of the holders of the mortgage bonds or the counterparties to the relevant derivative transactions. The obligations arising from mortgage bonds may only be transferred together with the related coverage. The mortgage credit institution, taking over the portfolio concerned, must issue new mortgage bonds on the original terms and conditions.

Liquidation proceedings against mortgage credit institutions are governed by the rules applicable to the liquidation of credit institutions, subject to the following specific provisions.

Upon ordering the liquidation, the competent court also appoints a coverage administrator (the “**Coverage Administrator**”, *fedekezeti gondnok*), whose main responsibility is to ensure the satisfaction of all claims of the holders of mortgage bonds in due course. From its appointment, only the Coverage Administrator is entitled to dispose of those assets of the relevant mortgage credit institution which constitute the coverage for mortgage bonds.

In the event of the liquidation of a mortgage credit institution, claims arising under mortgage bonds and derivative transactions included in the coverage will not become due and payable at the time of the commencement of the liquidation. The Coverage Administrator acts outside the ordinary liquidation proceedings. The Coverage Administrator will satisfy the claims of the holders of mortgage bonds and the counterparties to those derivative transactions which have been registered in the coverage register. The claims of these counterparties will rank *pari passu* with those of the holders of mortgage bonds in right of satisfaction. The rules on satisfying claims arising under mortgage bonds must be applied appropriately to the satisfaction of claims arising from such derivative transactions.

Following the settlement of the Coverage Administrator’s fees, the fees relating to the administration and enforcement of certain claims in relation to the liquidation, and the costs associated with the activities of the Cover Pool Monitor, the following assets (the “**Restricted Assets**”) may be used exclusively for the satisfaction of obligations owed to holders of mortgage bonds and counterparties to derivative transactions included in the coverage: (a) the coverage registered in the coverage register at the time of the commencement of the liquidation; (b) (i) that proportion of the ordinary coverage which could not be taken into account as ordinary coverage for the reason that it exceeds the 60 per cent. or 70 per cent. of the mortgage lending value statutory limits to which extent a receivable may account for ordinary coverage; and (ii) those liquid assets of the mortgage credit institution

which (A) exist at the time of the commencement of the liquidation, (B) are not included in the coverage but (C) satisfy the criteria set out in the Mortgage Credit Institutions Act for supplementary coverage.

The Restricted Assets defined in (a) and (b) above do not constitute part of the liquidation assets. The Coverage Administrator will satisfy the claims arising from mortgage bonds on the dates for interest payment and redemption indicated on the mortgage bond.

Restricted Assets only become part of the liquidation assets of the mortgage credit institution if all the claims of the holders of mortgage bonds and counterparties to derivative transactions included in the coverage are satisfied or transferred to another mortgage credit institution.

When claims arising under mortgage bonds and derivative transactions included in the coverage become due and the Restricted Assets are not sufficient to cover these claims, the holders of mortgage bonds and the relevant counterparties to the derivative transactions included in the coverage will be satisfied *pro rata* to their claims. In this case, proceeds generated by Restricted Assets at a later stage must be paid to settle such unsatisfied claims as they fall due and *pro rata* in respect of claims falling due at the same time. In the case of late payment of principal or interest, the holders of mortgage bonds may claim the default interest specified in the terms and conditions of the mortgage bonds (the default interest accrued from the original maturity is payable after the satisfaction of claims for principal and interest claims arising under the mortgage bonds).

From the commencement of the liquidation, only the Coverage Administrator may act exclusively with respect to the Restricted Assets on behalf of the mortgage credit institution. The Coverage Administrator may initiate the transfer of obligations arising under mortgage bonds and the repurchase of outstanding mortgage bonds. The Coverage Administrator may also conclude derivative transactions for hedging purposes and it must enforce claims serving as coverage on behalf of the mortgage credit institution. From the commencement of the liquidation, the proportion of the ordinary coverage of the total coverage may fall below 80 per cent. of all mortgage bonds with remaining maturity of more than 180 days. The purchase price from the sale of Restricted Assets may be used solely for satisfying obligations owed to the holders of mortgage bonds and the counterparties to the derivative transactions included in the ordinary coverage. The Coverage Administrator must take all actions necessary to maintain the continuous solvency of the mortgage credit institution (i.e. that all claims are fully satisfied from the Restricted Assets at the time when they fall due). If continuous solvency is not fully achievable, then the Coverage Administrator must satisfy the relevant claims, irrespective of their maturity, *pro rata* to their principal amounts.

Within the two years following the commencement of the liquidation, the Coverage Administrator or any holder of mortgage bonds may request the court to supplement the Restricted Assets from the liquidation assets of the mortgage credit institution. This is subject to proving that the Restricted Assets are not sufficient to cover the claims of holders of the mortgage bonds. After two years this right elapses. The court may only resolve on the conclusion of the liquidation proceedings and the dissolution of the relevant mortgage credit institution, if (i) all the claims arising under the mortgage bonds and the derivative transactions included in the coverage have been satisfied or transferred to another mortgage credit institution, or (ii) all the assets serving as coverage for such claims have been exhausted.

Pursuant to Section 21 of the Mortgage Credit Institutions Act, only the holders of mortgage bonds and the counterparties to the derivative transactions included in the coverage (to the extent of their claims arising under the mortgage bonds and such derivative transactions) may commence enforcement proceedings with respect to Restricted Assets. Payment to such persons in the enforcement proceedings falls after the payment of statutory enforcement costs.



## TAXATION

### ***Hungarian Taxation***

*The following is a general discussion of certain Hungarian tax consequences relating to the acquisition and ownership of Mortgage Notes. It does not purport to be a comprehensive description of all tax considerations which may be relevant to a decision to purchase Mortgage 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 Prospectus, but subject to change, possibly with retrospective effect. The acquisition of the Mortgage Notes by non-Hungarian Holders, or the payment of interest under the Mortgage Notes may trigger additional tax payments in the country of residence of the Holder, which is not covered by this summary, but where the provisions of the treaties on the avoidance of double taxation should be taken into consideration. Prospective purchasers of Mortgage Notes are advised to consult their own tax advisers as to the tax consequences of the purchase, ownership and disposition of Mortgage Notes, including the effect of any state or local taxes, under the tax laws of Hungary and each country of which they are residents.*

### ***Taxation of individual non-Hungarian tax-resident Holders***

Individual non-Hungarian tax-resident holders of the Mortgage Notes are subject to tax in Hungary only with respect to their Hungarian sourced income or income that is otherwise taxable in Hungary as a result of the application of the relevant treaty on the avoidance of double taxation, or in the absence of a tax treaty/reciprocity, if Act CXVII of 1995 on Personal Income Tax (the “**Personal Income Tax Act**”) so requires.

Payments received with respect to publicly offered debt securities (including 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 Holder, such treaty may fully exempt the Holder 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 Holder’s tax residence.

Furthermore, taxable payments received with respect to publicly offered and traded debt securities (including interest and gains realised upon the redemption or sale of the debt security) are subject to social contribution tax (at 13 per cent.) according to Act LII of 2018 on Social Contribution Tax.

Holders who qualify as “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) 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 “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.

### ***Withholding tax (foreign resident corporate Holders)***

Interest on Mortgage Notes paid to foreign resident corporate Holders, who do not have a permanent establishment in Hungary, by resident legal entities or other persons and any capital gains realised by such foreign resident Holders on the sale of the Mortgage Notes is not subject to 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 individual Holders**

Individual Hungarian tax-resident Holders are subject to tax on their worldwide income. Interest received with respect to publicly offered debt securities, such as the Mortgage Notes (including any yield on the sale or redemption thereof), as well as capital gains, are treated as income. The tax withheld is personal income tax (at 15 per cent.) and social contribution tax (at 13 per cent.) pursuant to Act LII of 2018 on Social Contribution Tax unless the Holder qualifies as a “foreigner” according to the Social Security Contribution Act.

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 paragraphs (a) to (c) above:
  - (i) whose only permanent home is in Hungary;
  - (ii) whose centre of vital interests (in Hungarian *létférdekek 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.

### **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 Mortgage 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.

### ***Luxembourg Taxation***

The following information is of a general nature only and is included herein. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Mortgage Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

## Withholding Tax

Under Luxembourg tax law currently in effect and subject to the exception below, no Luxembourg withholding tax is due on payments of interest (including accrued but unpaid interest) or repayments of principal under the Mortgage Notes.

In accordance with the Luxembourg law of 23 December 2005, interest payments made by Luxembourg paying agents to individual beneficial owners resident in Luxembourg are currently subject to a 20 per cent. withholding tax. Responsibility for withholding such tax will be assumed by the Luxembourg paying agent.

In accordance with the above-mentioned law, Luxembourg resident individuals, acting in the framework of their private wealth, can opt to self-declare and pay a 20 per cent. tax on interest payments made by paying agents located in an EU Member State other than Luxembourg or a Member State of the EEA other than an EU Member State.

The withholding tax or self-applied tax are the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the framework of their private wealth.

## Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986 (“**FATCA**”) impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a “foreign financial institution”, or **FFI** (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service (“**IRS**”) to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a “United States account” of the Issuer (a “**Recalcitrant Holder**”). The Issuer will be classified as an FFI.

The new withholding regime is in effect for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any Mortgage 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 after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign pass-through payment are filed with the Federal Register, or which are materially modified after the grandfathering date and (ii) any Mortgage Notes characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If Mortgage Notes are issued on or before the grandfathering date, and additional Mortgage Notes of the same series are issued after that date, the additional Mortgage Notes may not be treated as grandfathered, which may have negative consequences for the existing Mortgage Notes, including a negative impact on market price.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an “**IGA**”). Pursuant to FATCA and the “Model 1” and “Model 2” IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in an IGA jurisdiction would not generally be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being “**FATCA Withholding**”) from payments it makes. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Hungary have entered into an agreement (the “**US-Hungary IGA**”) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Hungary IGA and does not anticipate being generally obliged to deduct FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Mortgage Notes are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such Mortgage Notes is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

While the Mortgage Notes are in global form and held within the ICSDs, it is expected that FATCA will not affect the amount of any payments made under, or in respect of, the Mortgage Notes by the Issuer, any paying agent and the common depositary or common safekeeper, as the case may be, given that each of the entities in the payment chain between the Issuer and participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an IGA will be unlikely to affect the Mortgage Notes. The documentation expressly contemplates the possibility that the Mortgage Notes may go into definitive form and therefore that they may be taken out ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to FATCA Withholding. However, definitive Mortgage Notes will only be printed in remote circumstances.

**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 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 Mortgage Notes.**

## SUBSCRIPTION AND SALE

The Dealers have, in a Programme Agreement (such Programme Agreement as modified and/or supplemented and/or restated from time to time, the “**Programme Agreement**”) dated 5 June 2025, agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Mortgage Notes. Any such agreement will extend to those matters stated under “*Form of the Mortgage Notes*” and “*Terms and Conditions of the Mortgage Notes*”. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with any future update of the Programme and the issue of Mortgage Notes under the Programme and each of the Issuer and the Guarantor has agreed as to itself to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

The Dealers are entitled in certain circumstances to be released and discharged from their obligations under any agreement they make to subscribe Mortgage Notes prior to the closing of the issue of the Mortgage Notes, including in the event that certain conditions precedent required by the Dealers are not delivered or met to their satisfaction on the Issue Date. In this situation, the issuance of the Mortgage 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***

The Mortgage 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 under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act.

The Mortgage 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. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and U.S. Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is 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 will not offer, sell or deliver Mortgage Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined by the relevant Dealer or, in the case of an issue of Mortgage Notes on a syndicated basis, the relevant lead manager, of all Mortgage Notes of the Tranche of which such Mortgage 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 Mortgage Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Mortgage 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.

Until 40 days after the commencement of the offering of any Series of Mortgage Notes, an offer or sale of such Mortgage Notes within the United States by any Dealer (whether or not participating in the offering) 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 registration under the Securities Act.

### ***Japan***

The Mortgage 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 Mortgage 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.

### ***Prohibition of Sales to EEA Retail Investors***

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 Mortgage 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***

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 Mortgage 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.

### ***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 Mortgage Notes in circumstances in which Section 21(1) of the FSMA would not apply to the Issuer or the Guarantor; 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 Mortgage Notes in, from or otherwise involving the UK.

### ***Hungary***

No approval of this Base Prospectus has been sought or obtained from the National Bank of Hungary in respect of the Mortgage Notes. No application has been filed nor has any permission been obtained for accepting, nor has any other arrangement for trading the Mortgage Notes on any regulated market in Hungary been made. Accordingly, any person making or intending to make any offer of Mortgage 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 Mortgage 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.

### ***Republic of Italy***

Each Dealer acknowledges that the offering of the Mortgage 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 Mortgage 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 Mortgage 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, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or distribute any Mortgage 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 Mortgage Notes or distribution of copies of this Base Prospectus, any Final Terms or any other document relating to the Mortgage 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.

### **Singapore**

Unless the Final Terms in respect of any Mortgage 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 Mortgage Notes or caused the Mortgage Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Mortgage Notes or cause the Mortgage 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 Mortgage 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 Mortgage 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 Mortgage Notes or caused the Mortgage Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Mortgage Notes or cause the Mortgage 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, any Final Terms or any other document or material in

connection with the offer or sale, or invitation for subscription or purchase, of the Mortgage 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.

### ***General***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Mortgage Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Mortgage Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer, the Guarantor nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer, the Guarantor and the Dealers represents that Mortgage Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Any issue of Mortgage Notes under this Programme is purported to be made to institutional investors or, as the case may be, other legal entities only and it is not anticipated that private individuals will purchase the Mortgage Notes either at issue or subsequently on any regulated or other secondary market or through an over-the-counter transaction.



## GENERAL INFORMATION

### 1. Authorisation

The establishment of the Programme and the issue of Mortgage Notes have been duly authorised by resolution 35/2004 of the Board of Directors of the Issuer dated 30 September 2004. The update of the Programme was authorised by resolution No 43/2025 of the Board of Directors of the Issuer dated 24 March 2025 and resolution no. 2025/57/1. of the Asset-Liability Committee of the Guarantor dated 17 March 2025.

### 2. Listing and admission to trading of Mortgage Notes

Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Mortgage 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.

### 3. Documents Available

Electronic copies of the following documents will be available on the website of the Issuer at <https://www.otpbank.hu/otpjelzalogbank/english-contents> for 12 months from the date of this Base Prospectus:

- (a) the Articles of Association (with English translations thereof) of the Issuer and the Guarantor;
- (b) the annual audited financial statements of the Issuer in respect of the financial years ended 31 December 2023 and 31 December 2024 (with English translations thereof), together with the audit reports prepared in connection therewith;
- (c) the audited consolidated financial statements of the Guarantor in respect of the financial years ended 31 December 2023 and 31 December 2024 (with an English translation thereof), together with the independent auditors' report prepared in connection therewith;
- (d) the unaudited consolidated interim financial statements for the three months ended 31 March 2025 of the Guarantor;
- (e) the Agency Agreement;
- (f) the Irrevocable Payment Undertaking;
- (g) this Base Prospectus; and
- (h) any future base prospectuses, offering circulars, prospectuses, information memoranda, supplements and Final Terms (save that the Final Terms relating to a Mortgage Note which is neither admitted for trading on a regulated market in the EEA nor offered in the EEA in circumstances where a prospectus is required to be published under the Prospectus Regulation will only be available for inspection by a Holder of such Mortgage Note and such Holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Mortgage Notes and identity) to this Base Prospectus and any other information incorporated herein or therein by reference.

### 4. Clearing Systems

The Mortgage Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping records). The appropriate Common Code and ISIN for each Tranche of Mortgage Notes allocated by Clearstream, Luxembourg and/or Euroclear will be specified in the applicable Final Terms. If the Mortgage Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue J.F. Kennedy, L-1855 Luxembourg, Luxembourg and the address of Euroclear is Euroclear Bank SA/NV 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium.

**5. Conditions for determining price**

The price and amount of Mortgage Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

**6. Significant or Material Change**

There has been no significant change in the financial performance or position of the Issuer and there has been no material adverse change in the financial position or prospects of the Issuer, in each case since 31 December 2024.

There has been no significant change in the financial performance or position of the Guarantor or the Guarantor together with its subsidiaries taken as a whole (the “**OTP Group**”) since 31 March 2025 and there has been no material adverse change in the financial position or prospects of the Guarantor or the OTP Group since 31 December 2024.

**7. Litigation**

Neither the Issuer nor the Guarantor or any other member of the OTP Group is or has been involved in any governmental, legal or arbitration proceedings relating to claims or amounts that are material in the context of the issue of the Mortgage Notes (including any such proceedings which are pending or threatened of which the Issuer or the Guarantor is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position, operations or profitability of the Issuer, the Guarantor or the OTP Group.

**8. Independent Auditors**

The consolidated financial statements of the Issuer as of 31 December 2024 and 2023 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.

The consolidated financial statements of the Guarantor as of 31 December 2024 and 2023 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 at the date of this Base Prospectus, the independent auditors of the Issuer and the Guarantor are Ernst & Young Audit Limited (001165; Váci út 20., 1132, Budapest, Hungary), who were appointed as the statutory auditor of the Guarantor on 25 April 2025 and of the Issuer on 25 April 2025. The Guarantor’s and the Issuer’s consolidated and separate financial statements have been prepared in accordance with IFRS (as adopted by the EU). Ernst & Young Audit Limited, independent auditors, has no material interest in the Issuer. Ernst & Young Audit Limited, independent auditors, is a member of the Chamber of Hungarian Auditors.

**9. Yield**

In relation to any Tranche of Fixed Rate Mortgage Notes, an indication of the yield in respect of such Mortgage Notes, as the case may be, will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Mortgage Notes, as the case may be, on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Mortgage Notes, as the case may be, and will not be an indication of future yield.

**10. Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any issue of Mortgage Notes, except as required by any applicable laws and regulations.

## **11. Dealers transacting with the Issuer and the Guarantor**

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 to the Issuer, the Guarantor and/or their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Mortgage Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer the Guarantor and/or 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, the Guarantor and/or their affiliates. Certain of the Dealers or their affiliates routinely hedge their credit exposures 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 Mortgage Notes issued under the Programme. Any such positions could adversely affect future trading prices of Mortgage 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.

## REGISTERED OFFICE OF THE ISSUER

**OTP Mortgage Bank Ltd.**  
(OTP Jelzálogbank Zártkörűen Működő Részvénytársaság)  
Váci út 135-139., Building D  
1138 Budapest  
Hungary

## REGISTERED OFFICE OF THE GUARANTOR

**OTP Bank Nyrt.**  
Nádor utca 16.  
1051 Budapest  
Hungary

## LEGAL ADVISERS

*To the Issuer as to English Law*  
**Allen Overy Shearman Sterling LLP**  
One Bishops Square  
London E1 6AD  
United Kingdom

*To the Issuer as to Hungarian law*  
**A&O Shearman Kádár Ügyvédi Iroda**  
Alkotás u. 55-61.  
1123 Budapest  
Hungary

*To the Dealers as to English law*

**Linklaters LLP**  
One Silk Street  
London EC2Y 8HQ  
United Kingdom

*To the Dealers as to Hungarian law*

**KINSTELLAR Andrékó Ferenczi & Társai**  
**Ügyvédi Iroda**  
Széchenyi rkp. 3.  
1054 Budapest  
Hungary

## INDEPENDENT AUDITORS

**Ernst & Young Audit Limited**  
Váci út 20.  
1132 Budapest  
Hungary

## **DEALERS**

**BNP PARIBAS**  
16, boulevard des Italiens  
75009 Paris  
France

**OTP Bank Nyrt.**  
Nádor utca 16.  
1051 Budapest  
Hungary

## **PRINCIPAL PAYING AGENT**

**Citibank, N.A., London Branch**  
Citigroup Centre  
Canada Square  
London E14 5LB  
United Kingdom

## **LISTING AGENT**

**Banque International á Luxembourg SA**  
69, route d'Esch  
L-2953 Luxembourg