

# Key Information Document

## Purpose

This document provides you with key information about this investment product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

## Product

**Product name:** OTP Bank Nyrt. 2.875 % 15/07/2029, Fixed Rate Reset Callable Subordinated Note

**ISIN:** XS2022388586

**Name of the PRIIPs KID Manufacturer:** OTP Bank Nyrt.

**Date of Production:** 12/19/2019

<https://www.otpbank.hu>

Call +36-1-288-7540 for more information

**Competent Authority:** Hungarian National Bank

**You are about to purchase a product that is complex and may be difficult to understand.**

## What is this product?

**Type** This product is a financial instrument in the form of an unsecured subordinated security subject to English and Hungarian Law.

**Objectives** This product is a security that offers interest income which is initially fixed for the first five years. The product matures on 15 July 2029, but the Issuer may elect to redeem the security by using its unilateral call right as per 15 July 2024. If the product is not called, the interest for the subsequent five-year period is fixed at the respective interest reset date at the beginning of the five-year period.

In addition to the regular call right, which is exercisable as per 15 July 2024, the Issuer has additional rights at any time to redeem, substitute or vary the securities in the case of certain pre-defined special events (Capital Disqualification or Tax Event). You have no right against the Issuer to redeem the product and thus make the invested capital due for repayment. Your claim against the Issuer under the product is subordinated. This means that in the event of the insolvency or dissolution of the Issuer, all senior creditors will be satisfied with priority claims before you. Further important details regarding the Issuer's subordinated liabilities are available in the Issuer's "Client information note on certain statutory provisions applicable to subordinated securities issued by OTP Bank Nyrt."

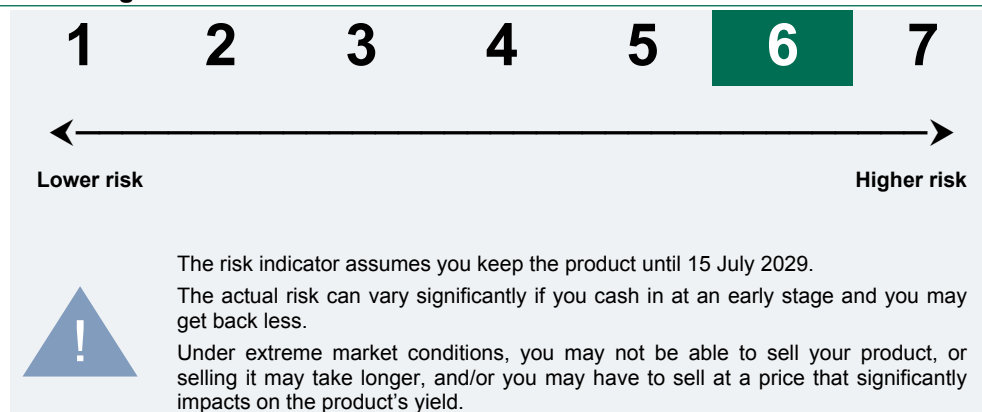
The following are indicative terms based on current market conditions:

Minimum subscription amount	EUR 100,000
Term	15 July 2029
Currency	EUR
Price	102 %
Issue date	15 July 2019
Nominal amount	EUR 500 million
First fixed rate	2.875% p.a.
Interest determination period	5 years
Interest payment dates	Annually in arrears
Interest payment structure	2.875% p.a. for the first 5 years. Thereafter, at the beginning of the next 5-year fixed interest period the annual interest swap rate will be determined as the 5-year swap rate plus the initial credit margin of 3.20% p.a.
Issuer call right	Call as per 15 July 2024
Redemption amount at first call	100%
Call right of investor	None
Stock market listing	Luxembourg

**Intended retail investor** The intended retail investors of the fixed rate reset callable subordinated bond are OTP Bank Nyrt.'s Private Banking and Preferred Private Banking clients, to whom the bank sells the bond under investment advice after the clients, whose investment objective is to increase the invested capital and who have a medium- to long-term investment horizon, passed the suitability test. It is a product for informed or professional investors (PB/PPB clients are regarded by the Bank as such) with average or good knowledge of and/or experience with financial products. The investor has the ability to bear losses of up to 100% of the capital invested in the product, and has a high risk tolerance and therefore does not need a fully guaranteed income or return profile.

## What are the risks and what could I get in return?\*

Risk indicator



The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 6 out of 7, which is the second-highest risk class.

This rates the potential losses from future performance at a very high level, and extreme market conditions are very likely to impact the capacity of OTP Bank Nyrt. to pay you.

**Be aware of currency risk.** You will receive payments in a different currency, so the final return you will get depend on the exchange rate between the two currencies. This risk is not considered in the indicator shown above.

You bear the risk that the redemption will take place at a time which is unfavourable for you and which can be earlier or later than the first call date. This product does not include any protection from future market performance so you could lose some or all of your investment. If the Issuer is not able to pay you what is owed, you could lose your entire investment.

### Performance scenarios

Investment of EUR 10,000**		1 year	5 years	15 July 2029 (Recommended holding period)
Scenarios				
Stress scenario	What you might get back after costs	EUR 11,313	EUR 11,313	EUR 11,313
	Average return each year	12.98%	4.19%	2.49%
Unfavourable scenario	What you might get back after costs	EUR 11,313	EUR 11,313	EUR 11,313
	Average return each year	12.98%	4.19%	2.49%
Moderate scenario	What you might get back after costs	EUR 11,313	EUR 11,313	EUR 11,313
	Average return each year	12.98%	4.19%	2.49%
Favourable scenario	What you might get back after costs	EUR 11,313	EUR 11,313	EUR 11,313
	Average return each year	12.98%	4.19%	2.49%

**Market developments in the future cannot be accurately predicted. The scenarios shown are only an indication of some of the possible outcomes based on recent returns. Actual returns could be lower.**

This table shows the money you could get back until 15 July 2029, under different scenarios, assuming that you invest EUR 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this investment varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation of extreme market conditions where we are not able to pay you.

Under extreme market conditions it could happen that this product cannot be easily cashed in. This means it is difficult to estimate how much you would get back if you cash in before the recommended holding period. You will either be unable to cash in early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself, and include the costs of your service provider.

The figures do not take into account your personal tax situation, which may also affect how much you get back.

\* Further details can be found in the 'How long should I hold it and can I take money out early?' section of this document.

\*\*The calculation is based on a notional of EUR 10,000.

## What happens if OTP Bank Nyrt. is unable to pay out?

In the event of resolution proceedings initiated against the Issuer, the amount of the clients' receivables from the Issuer, derived from the product, may partly or in full be written off or converted to ordinary OTP shares by the resolution authority. Should the clients incur greater losses as a result of the resolution proceedings than the loss they would have incurred in the event of liquidation, the clients will be entitled to receive the difference from the Resolution Fund as compensation. In the event of the insolvency of OTP Bank and if no resolution proceedings are initiated, the Magyar Nemzeti Bank shall revoke OTP Bank's activity licence, and the competent court shall initiate OTP Bank's liquidation proceedings. Under the liquidation proceedings, creditors may register their claims with the designated liquidator within the specified deadline. On the basis of such registration, the liquidator shall record the undisputed claims and pay them in the order and by the deadline laid down in the applicable legislation if the assets subject to liquidation cover the amount of the claims. Further important details regarding the Issuer's subordinated liabilities included in the product are available in the Issuer's "Client information note on certain statutory provisions applicable to subordinated securities issued by OTP Bank Nyrt."

## What are the costs?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs take into account the one-off costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. The figures assume you invest EUR 10,000. The figures are estimates and may change in the future.

### Costs over time

The person selling you or advising you about this product may charge you other costs. If so, this person will provide you with information about these costs, and show you the impact that all costs will have on your investment over time.

Investment of EUR 10,000	If you cash in at the recommended holding period
Total costs	EUR 78.00
Impact on return (RIY) per year	0.19 %

### Composition of costs

The table below shows:

- The impact each year of the different types of costs on the investment return you might get at the end of the recommended holding period.
- What the different cost categories mean.

#### This table shows the impact on return per year

One-off costs	Entry costs	0.19%	The impact of the costs already included in the price. This includes the costs of distribution of your product.
	Exit costs	0.00%	The impact of the costs of exiting your investment when it matures.

## How long should I hold it and can I take money out early?

Recommended holding period: Until 15 July 2029

This product is designed to be held until 15 July 2029 date in order to match your investment requirement. The realised/actual holding period can be shorter due to the callable structure of the product as well as unfavourable market conditions. In addition to the regular call right, which is exercisable as per 15 July 2024, the Issuer has an additional rights at any time to redeem, substitute or vary the securities in the case of certain pre-defined special events (Capital Disqualification or Tax Event). Only the Issuer has the right to decide to redeem the product; the Issuer may give you not less than 30 nor more than 60 days notice of redemption. You have no right to be redeemed prior to the call of the product by the Issuer. The only option is to sell the product on the Luxembourg Stock Exchange or over-the-counter prior to repayment by the Issuer. Costs may arise from the sale (such as execution fees, etc.). The amount you receive on such a sale may also be significantly less than the amount you would have received if you had held the product until redemption by the Issuer. In exceptional market situations or technical disruptions, the purchase or sale of the product may be temporarily hindered and/or suspended or not possible.

## How can I complain?

### Internet 0-24 h:

- Under the homepage of OTP Bank Plc: [https://www.otpbank.hu/OTP\\_Portal/online/Kapcsolat.jsp](https://www.otpbank.hu/OTP_Portal/online/Kapcsolat.jsp)
- By e-mail to: [information@otpbank.hu](mailto:information@otpbank.hu)

### By Post:

- Postal address: OTP Bank Nyrt. Ügyfélkapcsolati Kompetencia Központ 1876 Budapest

### At Bank Offices in opening hours:

- Personally
- By power of Attorney (using the form available in bank offices or on the homepage of the Bank)

## Other relevant information

Further relevant information is available at [https://www.otpbank.hu/portal/en/Treasury\\_en](https://www.otpbank.hu/portal/en/Treasury_en) and [https://www.otpbank.hu/static/portal/sw/file/Project\\_Milan\\_Prospectus.PDF](https://www.otpbank.hu/static/portal/sw/file/Project_Milan_Prospectus.PDF).