INFORMATION NOTE

ON CERTAIN STATUTORY PROVISIONS APPLICABLE TO SENIOR PREFERRED DEBT SECURITIES QUALIFYING AS ELIGIBLE LIABILITIES ISSUED BY OTP BANK PLC.

4 March 2025

In this Information Note, **OTP Bank Plc.** (registered office: H-1051 Budapest, Nádor utca 16.), an institution subject to the Resolution Act (hereinafter: 'Issuer') wishes to make its Business Partners, especially those classifying as retail clients, aware of specific, possible circumstances and risks relating to bonds qualifying as eligible liabilities under the Resolution Act, issued by OTP Bank Plc.

This Information Note applies to the following bonds:

- OTP HUF 2025/2 Bond
- U.S.$500,000,000 Fixed Rate Reset Senior Preferred Notes due in 2027 qualifying as eligible liabilities issued by OTP Bank Plc. under the €5,000,000,000 Euro Medium Term Note Programme
- *OTP LTIA HUF 2028/1 Bond*
- €650,000,000 6.125 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2027 qualifying as eligible liabilities issued by OTP Bank Plc. under the €5,000,000,000 Euro Medium Term Note Programme
- €600,000,000 5.000 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2029 under the €5,000,000,000 Euro Medium Term Note Programme
- €700,000,000 4.750 per cent. Green Senior Preferred Fixed-to-Floating Callable Notes due 2028 under the €5,000,000,000 Euro Medium Term Note Programme
- €500,000,000 4.250 per cent. Senior Preferred Fixed-to-Floating Callable Notes due 2030 qualifying as eligible liabilities issued by OTP Bank Plc. under the €5,000,000,000 Euro Medium Term Note Programme

Sections 1–6 of this Information Note apply exclusively to the Bonds indicated above, and it is only with the limitations described in Section 7 that they may be applied to financial instruments qualifying as other preferred senior bonds subject to the BRRD.

1 Bond features

The Bonds are registered, transferable debt securities. As preferred, senior securities, the Bonds embody the Issuer's direct, unconditional, unsubordinated and unsecured liabilities.

For the purposes of potential resolution proceedings against the Issuer, acting in its resolution function, Magyar Nemzeti Bank (hereinafter: 'MNB') is entitled to carry out interventions concerning the rights embodied in the Bonds.

The differences between Bonds – as financial instruments – and bank deposits in terms of yield, risk, liquidity and any protection provided under Directive 2014/49/EU of the European Parliament and of the Council are, in particular, as follows:

- In consideration of their typically shorter term, the return on bank deposits is less susceptible to changes in the interest environment than Bonds and hence, they are more predictable;
- In the deposit contracts of natural persons a negative interest rate or a 0% interest rate may not be stipulated irrespective of denomination; accordingly, the amount deposited by natural persons to the account shall be returned to the natural person along with interest (as regards non-natural persons, the deposit contract may stipulate a negative or 0% interest rate; in the latter case, the amount to be repaid is reduced by the negative rate);

- In a liquidation procedure Bond holders are preceded by deposit holders in the order of the satisfaction of claims; therefore, deposit holders have a better chance of recovering their investment;
- Bank deposits are easier to mobilise; they are breakable where appropriate during the term and are also available for shorter maturities, whereas in the case of Bonds the holder may not be able to sell the instruments for the lack of liquidity or may have to face a significant loss on the Bond sold;
- Unless provided otherwise in the contract, the depositor is entitled to request the repayment of the deposited amount even before the expiration of the time limit defined in the contract. In the absence of such request by the depositor, unless provided otherwise in the contract, the Bank is not entitled to repay the deposited amount before the expiration of the contractual time limit. If the terms and conditions of Bonds permit and specific conditions are satisfied, the Issuer may be entitled to repay the invested principal and accumulated interests before the maturity date of the Bond, which will result in the cancellation of the Bond.
- Bank deposits deposited with members of the National Deposit Insurance Fund (hereinafter 'NDIF') are guaranteed by NDIF up to an upper limit of EUR 100,000 – per person, and consolidated for each NDIF member –, while the holders of Bonds registered on securities accounts opened with members of the Investor Protection Fund (hereinafter 'IPF') are under IPF protection along with their assets (e.g. securities) up to an upper limit of EUR 100,000 – per person and consolidated for each IPF member. While the NDIF protects the amount deposited to a bank deposit, the IPF protection secures the existence of the assets (e.g. securities) deposited with the IPF member rather than the money invested in the financial instrument.

2 Applicable legislation and other regulations

In the assessment and valuation of the specific risks associated with Bonds, the legislation and other regulations listed below have particular significance:

- Act CXX of 2001 on the Capital Market ('Capital Market Act');
- Act CXXXVIII of 2007 on Investment Firms and Commodity Dealers and on the Regulations Governing their Activities ('Investment Firms Act');
- Act CCXXXVII of 2013 on Credit Institutions and Financial Enterprises ('Credit Institutions Act');
- Act XXXVII of 2014 on the further development of the system of institutions strengthening the security of the individual players of the financial intermediary system ('Resolution Act');
- Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No. 648/2012 ('CRR');
- Act XLIX of 1991 on Bankruptcy Proceedings and Liquidation Proceedings ('Bankruptcy Act');
- Taxation legislation as indicated in Chapter 6;
- Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council ('BRRD');

- Commission Delegated Regulation (EU) 2017/565 (25 April 2016) supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (‘MiFID II Regulation’);
- The Issuer’s document entitled Standard Prior Information Notice in respect of investment services.

Hungarian legislation is available on the website of the National Legislation Database (Nemzeti Jogszabálytár) at (https://njt.hu/), while EU legislation is available on the EUR-Lex website at (https://eur-lex.europa.eu/homepage.html?locale=hu).

Moreover, the Bonds within the scope defined in the terms of issue and the Information Note, are governed by the provisions of English law, where appropriate. Please refer to your advisor on English law in every case for information regarding issues governed by English law.

A catalogue entitled ‘Investment File’ has been made available at all branches of the Issuer engaged in the distribution of securities, which includes, inter alia, the current business regulations, announcements and condition lists. Prior information is also available on the Issuer’s website (https://www.otpbank.hu/portal/en/GlobalMarkets/MiFID).

The Standard Prior Information Notice in respect of investment services is available at the following web page, under “Terms and conditions and announcements, informative documents”: https://www.otpbank.hu/portal/en/GlobalMarkets_en

3 General warning

Due to changes in capital and money markets – and due to their nature as capital market instruments –, Bonds as securities carry risks that are independent of either the risks of the Issuer’s business environment or the risks of the Issuer’s business; thus, for example, the marketability of the Bonds on the secondary market may be susceptible to events taking place in financial markets, and even advance agreements on the sale of the Bonds (indeed, even a potential redemption undertaken by the Issuer) may fail to protect Bond holders from a situation where they are unable to sell these instruments or realise substantial losses on their sale, as appropriate, with special regard to the fact that Bonds may be redeemed by the Issuer in limited quantity only and strictly subject to the MNB’s assessment and authorisation.

In respect of the Bonds, Bond holders may not exercise set-off rights; in other words, they are not entitled to offset their outstanding debt to the Issuer under whatever legal title against the claims associated with the Bonds. By acquiring the Bond the Bond holder acknowledges that set-off rights are excluded, and waives the option to exercise set-off rights.

Bond holders are not entitled to demand interest or principal payments brought forward relative to the payment schedule specified in the Final Terms or a corresponding document.

The contents of this Information Note are based on information effective on and made available by the date of publication of this Information Note, and do not necessarily mean the full disclosure of the circumstances and potential risks of the Bonds. Investors should always proceed with caution in relation to Bonds and, in addition to the assessment of all information available, they should examine whether additional circumstances may arise in their particular case which may have an impact on their investment decision or any deal concluded for the Bonds.

Further information on the Bonds are included in the terms of issue of the relevant Bond, the relevant notices and information notes, a thorough and comprehensive assessment of the risks can only be accurate and complete in awareness of the contents of these documents. In case of any discrepancy between the contents of this Information Note and the terms of issue and the prospectuses pertaining to the relevant Bonds, the provisions of the latter two will prevail.

Based on the requirements of the supervisory authorities, investment service provider issuers also operating, *inter alia*, on the principle of self-placement, should avoid an excessive concentration of investments in financial instruments subject to the resolution regime issued by the Issuer itself or by entities of the same group. In order to avoid excessive concentration, OTP Bank Plc. as an investment service provider is entitled to examine the ratio of the aggregate market value of the shares and MREL-eligible senior and subordinate bonds issued by the Issuer and held by the investor (hereinafter: ‘instruments subject to the resolution regime’) to the aggregate market value of all securities of the investor registered with OTP Bank Plc. as an investment service provider.

4 Resolution-related risks

Pursuant to the Resolution Act, where the resolution conditions are met, the MNB may decide to order the bail-in of the institution concerned, in the context of which it may decide to reduce (including reduction to zero) the value of debt securities or other liabilities, or to convert them into common equity tier 1 capital, provided that they do not fall within the scope of statutorily defined exceptions. Where the resolution conditions are met, the institution of bail-in may also be applied to the Issuer and in respect of the Bonds, given that the Bonds do not fall within the scope of the exceptions listed in Articles 58–59 of the Resolution Act (for example, covered deposits, secured liabilities). Accordingly, it may happen that, acting in its resolution function, the MNB reduces the face value of the Bonds (including reduction to zero), or converts the Bonds into shares or other equity securities issued by the Issuer.

Furthermore, under Article 84 Paragraph (1) of the Resolution Act, acting in its resolution function, the MNB may exercise a number of resolution powers in respect of the liabilities of an institution under resolution, including the Bonds. Consequently, acting in its resolution function, the MNB may:

- Reduce the face value of the Bonds (including reduction to zero), or withdraw, or write off the Bonds (as, pursuant to subparagraph (d) of the abovementioned Paragraph, acting in its resolution function the MNB is entitled to reduce the amount of capital or the amount due, including to zero, in respect of the eligible liabilities of the institution under resolution; moreover, pursuant to subparagraph (f) of the same Paragraph, acting in its resolution function the MNB is entitled to reduce the nominal value of debt securities issued by the institution under resolution, including to zero, and to withdraw or write off such debt securities);
- Convert the liabilities embodied in the Bonds into membership shares in another institution (as, pursuant to subparagraph (e) of the abovementioned Paragraph,

acting in its resolution function the MNB is entitled to convert the liabilities eligible for the bail-in of the institution under resolution into membership shares of the institution or financial undertaking, parent institution concerned with the resolution or bridge institution to which the assets, rights and obligations of the institution have potentially been transferred);

- Modify the maturity of the Bonds, the amount of interest payable or the date on which the amount of interest is payable (as, pursuant to subparagraph (h) of the abovementioned Paragraph, acting in its resolution function the MNB is entitled to modify the maturity of the debt securities issued by or the liabilities eligible for bail-in of the institution under resolution, the amount of interest payable or the date on which interest becomes due, including by temporarily suspending payment);
- Transfer membership shares issued by the institution under resolution, or all or some of the assets, liabilities, rights and obligations of the institution under resolution to a bridge institution or to a transferee which is not qualified as a bridge institution, which may restrict the ability of the institution under resolution to perform the obligations embodied in the Bonds, or may result in partial losses (except where the obligations embodied in the Bonds are also transferred).

Pursuant to Article 34 (2) of the Resolution Act, acting in its resolution function, the MNB may use its abovementioned resolution powers both individually or in combination.

If an assessment by an independent assessor as per Article 97 (3) of the Resolution Act finds that, as a result of the resolution process, the treatment of creditors was worse than the treatment they would have received if the institution under resolution had been placed under liquidation proceedings at the time the resolution was ordered, the creditors shall be entitled to be compensated by the Resolution Fund for the difference; however, such compensation may be paid at a later date than the payment dates included in the terms of issue and Information Note of the Bonds.

5 Risks associated with insolvency proceedings

In the absence of resolution proceedings, in the event of the default of OTP Bank Plc., Magyar Nemzeti Bank will withdraw the activity licence of OTP Bank Plc., and the competent court will order liquidation proceedings against OTP Bank Plc. In the even of potential liquidation proceedings against the Issuer, Bond holders should bear in mind the place of their claim in the order of satisfaction, as this determines the order in which payments from the Issuer's assets will be made. The order in which debts shall be satisfied from the Issuer's assets that are subject to liquidation is determined in Article 57 (1) of the Bankruptcy Act, in consideration of the special credit institution rule applicable to the Issuer as a credit institution. In respect of the order of satisfaction, the relationship between the respective obligations embodied by the Bonds and between those obligations and the Issuer's other obligations are set out in the prospectuses of the Bonds, which are available at www.otpbank.hu. Unsatisfied claims deriving from the Bonds in the event of OTP Bank Plc.'s default are not covered by compensation or investor protection schemes.

6 Taxation aspects

6.1. General rules

Taxation requirements included in the Information Note contain general information only, and exclusively contain taxation rules in force in Hungary at the time of preparation of the Information Note. The general information provided in the Information Note is unable to consider all individual circumstances that may arise in connection with the Bonds and may influence the tax liability of specific investors, and it should therefore not be considered as the provision of tax advice to Bond holders. Moreover, the Issuer shall not be liable for the consequences of changes that may take place after the preparation date of the Information Note in applicable legislation and in the relevant legal practices. Accordingly, the use of a tax advisor is recommended and necessary in all individual cases.

In respect of the interest income provided by the Bond, pursuant to Article 7 (31)(b) of Act CL of 2017 on the Rules of Taxation, the Issuer qualifies as payer, or, pursuant to Article 65 (2) of Act CXVII of 1995 on Personal Income Tax, it is the credit institution or investment service provider paying the interest income in lieu of the Issuer.

6.2. Natural persons and companies with a tax residence in Hungary

6.2.1. Natural persons

Interest income: The interest income of natural persons from Bonds is subject to a personal income tax of 15%, which is established – and deducted upon the payment of the income – by the payer. Pursuant to Article 65 of Act CXVII of 1995 on Personal Income Tax, in respect of debt securities which are offered and traded publicly, interest income shall mean

- the interest and/or yield of the securities, minus the accumulated interest paid in the purchase price upon the first interest payment after the purchase; otherwise the total interest credited;
- the capital gain achieved when called, redeemed or transferred, plus the item deducted as per the previous point upon the first interest payment.

If the interest income is received from sources other than a payer, the tax liability on the interest income shall be established by the natural person in his/her tax return filed without assistance from the tax authority, and shall be paid by the deadline prescribed for filing the tax return.

It is also possible to deposit Bonds yielding a return qualifying as interest income on a long-term investment account (LTIA), and/or register Bonds admitted to trading on a regulated market in Hungary or another EEA Member State on a pension savings account (PSA-D), which will provide a tax exempt status or preferential tax conditions if the appropriate conditions are met.

Natural persons need to pay social contribution tax based on the amount of the interest income defined in Article 65 of the PIT Act taken into account as the base for personal income tax on interest income. The provision is applicable to interest income from Bonds acquired after 30 June 2023.

6.2.2. Companies

Companies subject to Act LXXXI of 1996 on corporate tax and dividend tax are required to consider all income and expenses incurred in relation to Bond transactions when establishing their pre-tax P&L. The payer does not deduct any taxes from the income paid for the Bond; paying the tax liability on the P&L is the obligation of the economic operators concerned.

6.3. Natural persons and companies with a tax residence abroad

6.3.1. Natural persons

If there is a convention or reciprocal agreement for the avoidance of double taxation effective between the country of the tax residency of a non-resident natural person and Hungary, the non-resident natural person shall pay taxes in consideration thereof (i.e. using a potentially reduced withholding tax rate as per the convention), provided that the natural person presents proof of the foreign tax residence or provides a beneficial ownership declaration if it is so required by the provisions of the convention.

Foreign residence may be verified by the English language copy of a document issued by a foreign tax authority (or in the case of tax exemption, by the relevant international organisation), the Hungarian translation thereof, or a copy of either of these documents (hereinafter: ‘tax residency certificate’). Proof of tax residency must be provided every tax year even if it has not changed since the tax residency certificate was last provided. Non-resident natural persons shall present the tax residency certificate before the first payment is due in the tax year concerned; if the natural person’s tax residence changed, the tax residency certificate shall be submitted before the first payment is due following the change.

Given that the Issuer is a Reporting Hungarian Financial Institution subject to the reporting obligation defined in Article 43/H of Act XXXVII of 2013 on the Rules of International Administrative Cooperation Related to Taxes and Other Public Duties (hereinafter: ‘International Tax Cooperation Act’), within its competence as payer, the Issuer determines a non-resident natural person’s tax residency by applying the due diligence rules set out in Articles II–IV and VII of Annex 1 to the International Tax Cooperation Act. In this case, a tax residency certificate must be presented before payment if the due diligence finds that the natural person has tax residency in more than one Member State, in another state, or on a territory with different jurisdiction.

In the absence of a tax residency certificate or if there is no convention or reciprocal arrangement between the two countries, non-resident natural persons shall pay taxes in accordance with the provisions of the PIT Act in effect.

Before payment, the non-resident natural person shall issue a statement, with professional translation attached thereto, whether he/she is considered beneficial owner in respect of the payment if, pursuant to the convention for the avoidance of double taxation, this affects his/her tax liability. The statement shall cover the amount paid in the relevant calendar year under the same contract and legal title until any change in the circumstances.

If the tax deducted from a non-resident natural person is higher than the tax rate to be applied under the international convention for the avoidance of double taxation, he/she may turn to the National Tax and Customs Administration with a request for a tax refund by submitting his/her tax residency certificate and the payer's certificate. The tax authority will then transfer the tax difference to the payment account specified by the non-resident natural person.

Natural persons need to pay social contribution tax based on the amount of the interest income defined in Article 65 of the PIT Act taken into account as the base for personal income tax on interest income. The provision is applicable to interest income from Bonds acquired after 30 June 2023.

6.3.2. Companies

No tax liability is incurred on income paid to non-resident corporations in Hungary, unless the income can be attributed to the Hungarian branch of the company. The tax liability of corporations shall be assessed in accordance with the provisions of the relevant convention for the avoidance of double taxation.

7 Application of the contents of this Information Note in respect of securities issued by other Issuers

Please note that this Information Note may be suitable, with some limitations, to assess the risks associated with securities issued by other Issuers with similar features as the Bonds. In assessing those risks, however, in addition to the contents of this Information Note, there is a need to consider the provisions of the governing law and issue documentation applicable to the Issuer and the securities having similar features as the Bonds.

Legal disclaimer

This Information Note does not constitute advice either in the legal sense or otherwise. Its purpose is to call on clients to obtain information on the legislative requirements, including any changes, relevant to them.