

## **Examples for dual currency structured investments:**

### **1. HUF investment with EUR conversion currency**

The investor invests HUF 30 million for one month (31 days) in a dual currency structured investment product, on which s/he is entitled to a return of 7.6% per annum. At the launch of the product, the EUR/HUF exchange rate is 413, while the conversion rate for the product chosen by the investor is EUR/HUF 411.

Conversion condition: the observation rate is less than or equal to the conversion rate.

At 12:00 noon on the observation day, the EUR/HUF exchange rate is 409, and therefore the following cash flows will occur in the product on the settlement day:

- the bank will pay the investor the HUF 193,644 return;
- as the exchange rate on the observation day is lower than the conversion rate, the HUF 30 million deposited is converted into euro at the conversion rate; the bank debits HUF 30 million to the investor's account, while crediting EUR 72,992.7 to the investor's euro account.

### **2. USD investment with HUF conversion currency**

The investor invests USD 100,000 for three months (90 days) in a dual currency structured investment product, on which s/he is entitled to a return of 16% per annum. At the launch of the product, the USD/HUF exchange rate is 413, while the conversion rate for the product chosen by the investor is USD/HUF 415.

Conversion condition: the observation rate is higher than or equal to the conversion rate. At 12:00 noon on the observation day, the USD/HUF exchange rate is 414, and therefore the following cash flows will occur in the product on the settlement day:

- the bank will pay the investor the USD 3,945 return;
- since the exchange rate on the observation day is lower than the conversion rate, there is no conversion, and the bank pays the investor the 100,000 US dollars deposited at the launch of the product.

### **3. EUR investment with USD conversion rate**

The investor invests EUR 100,000 for three months (90 days) in a dual currency structured investment product, on which s/he is entitled to a return of 8.5% per annum. At the launch of the product, the EUR/USD exchange rate is 1.0439, while the conversion rate for the product chosen by the investor is EUR/USD 1.0510.

Conversion condition: the observation rate is higher than or equal to the conversion rate.

On the observation day, based on the official OTP middle rate quoted at 10:00 New York time (16:00 Budapest time), the EUR/USD exchange rate is 1.0540, and therefore the following cash flows will occur in the product on the settlement day:

- the bank pays the investor a return of EUR 2,096;
- as the exchange rate on the observation day is higher than the conversion rate, the EUR 100,000 deposited is converted into USD at the conversion rate; the bank debits EUR 100,000 to the investor's account, while crediting USD 105,100 to the investor's account.